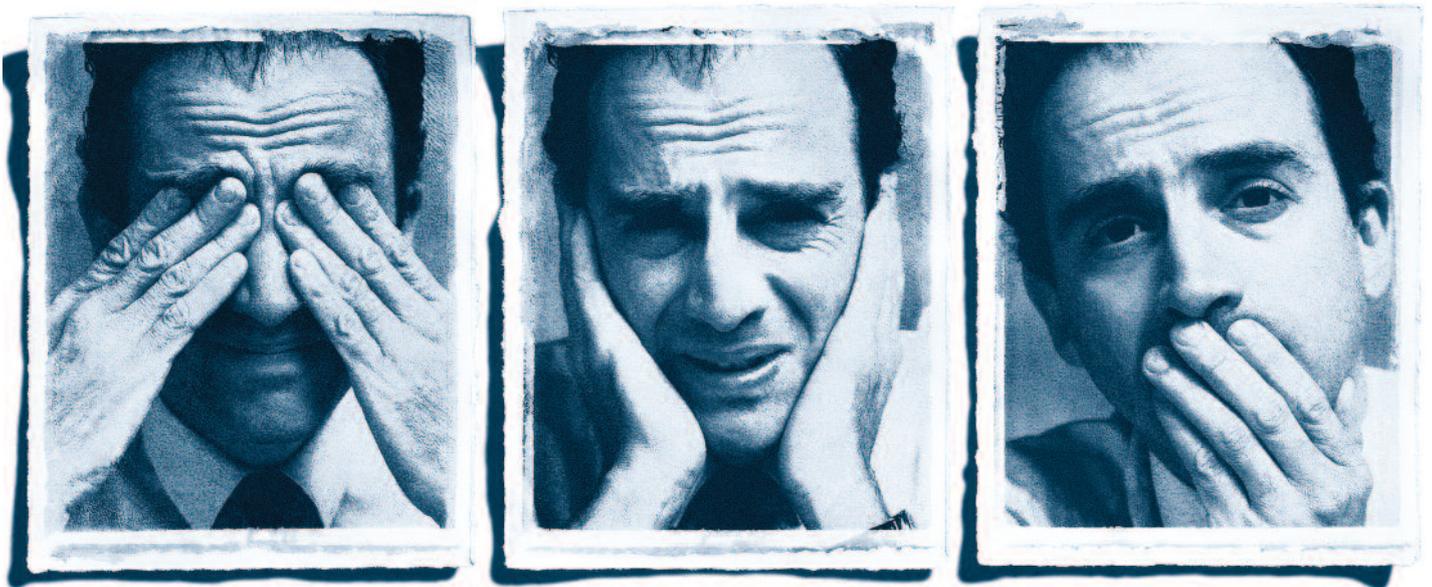


British Water meeting – July 2009

The importance of fundamental communication skills in delivering successful and profitable projects in the water industry

FESTO

**Didactic Training
& Consulting**



“Send reinforcements, I am going to advance”... “Send three and fourpence; I am going to a dance”

Managing supply chains effectively is becoming an even bigger issue as utilities reduce project sizes in AMP 5 by up to 25%. Mistakes and misunderstanding can occur within any complex supply chain which will directly affect costs and customer satisfaction. As a result, when Water Utilities are selecting suppliers they are increasingly focusing on key drivers such as supplier expertise, project support, cultural alignment and trust.

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For the supplier, understanding and responding to these changing needs is a challenge which is compounded by lower than ideal staff retention levels and skills gaps, particularly in the area of the soft skills. As a consequence there can be significant differences between the expectations of utilities and what they perceive they get. This can result in significant additional costs being incurred in existing projects and a risk of losing out on future projects as a result. It is not enough to deliver what we **think** the customer wants, the customer must **know** we have delivered what they expected.

So the relevance of “consultative communication skills” starts to become clear. Without a consultative communication approach, supported by appropriate skills, many customer needs or expectations tend to be overlooked. By not identifying and responding to these needs there is a significant risk that supplier and the customer may be working to differing agendas.

Often the technical and commercial elements of a project are tightly controlled through specifications, standards and budgets. However, other key issues such as methodology, service and relationships play a key role in defining the scope and success of a project. This is not because the customer is purposely withholding information. Often these ‘softer’ requirements may not even be known to the customer until they notice they are missing! In other industries it has been shown that the suppliers who are best able to identify and respond to more of these needs create a competitive advantage for themselves and also tend to be more profitable.

The principle of a consultative approach to communications is not new. Indeed many see it as common sense based on basic skills. However, the challenge tends not to be in the principle but in the application. Here are some of the basic building blocks on which a consultative approach depend but where many industries have encountered a significant skills gap.

Customer satisfaction depends upon a thorough understanding of customer needs

The first principle of consultative communications recognises that everyone involved in the supply process has needs and that the degree of success depends upon how well those needs are addressed.

However, very often only certain types of needs are openly and proactively addressed. Typically in a technical environment these relate to the technical specifications of the project and the commercial conditions. As a result, other

needs, such as those relating to service, security, project structure, decision making and even image remain unaddressed. Unaddressed needs tend to lead to differences between expectation and outcome resulting in loss of confidence, reduced satisfaction and even complaint. Much like an iceberg, the hidden or unaddressed needs that lie beneath the surface can be significant and can do the most damage.

Using a model, such as the one here, can help add a strategic dimension to the identification of needs.

Need	Typical Meaning	Motivating Principle
Security	Safe & sound	The person needs to feel secure that the project will fulfil all legal, commercial and technical requirements.
Convenience	Easy & comfortable	The person needs to feel that the organisation is easy to deal with and responsive to his/her needs.
Service	Help & support	The person needs to know how they will be supported before, during and after the project is completed.
Image	Recognition & trust	The person needs to feel that they are working with a recognised and capable partner and that their own image and reputation is not at risk.
Performance	Standards & specification	The person needs to know that the partner understands the technical requirements and that solutions will deliver performance benefits.
Finance	Investment and returns	The person needs to be sure that the costs and return on investment are in line with budgets.
Power	Authority & responsibility	The person needs to feel that they have the right amount of influence and control over the project.
Order	Structure & organisation	The person needs to know how the project will be structured, managed and controlled to ensure it's success.

Finding and understanding customer needs depends on effective questioning and listening skills

There are many wide ranging 'soft' skills and techniques that can be applied to build up a strong relationship with a customer or colleague through a deep understanding of their needs. However, all such skills depend on highly effective use of two basic skills: questioning and listening.

Most people typically understand very well the basic principles of effective questioning such as when to use open questions or closed questions. Very often however, under the pressure of real world situations there is a significant short fall in how these principles are applied.

Similarly, we often under estimate the importance of active listening when we communicate, falling prey to a range of listening barriers that cause us to miss vital information and restrict the development of empathy.

The most common listening barriers include:



1. We think we know what the other person is going to say before they have finished explaining their point of view
2. Our concentration is more on what we want to say rather than finding out the other person's views/needs/ideas
3. We tend to 'tune in' to what we want to hear and to 'tune out' what we do not want to hear
4. We tend not to check that we have properly understood the other person's views/needs/ideas correctly
5. We make assumptions which are based on irrelevant information or in areas where we do not have sufficient knowledge

Active listening techniques provide us with a way of controlling these barriers. As the communication chain becomes longer and more complex, so the degree of degradation of key information increases.

Customer satisfaction depends on the people

We can summarise the impact of the people on customer satisfaction as follows:

$$CS = (K+S) \times A$$

What do we mean by this? Simply that Customer Satisfaction (CS) in the product/project will be the result of the specialist knowledge (K) of the people involved combined with the skill (S) in consultative communications multiplied by their attitudes (A) towards the customer and the project.

All three core competencies are vital. Whilst knowledge and skills can be trained, attitudes depend greatly on effective recruitment processes (to find people with the 'right' attitudes) and leadership (to maintain these attitudes through engagement).

Recent reports such as the Gallop Survey of employee engagement and the Leitch report on skills, suggest that the UK is lagging behind in these areas with UK spending on leadership skills some 75% below other comparable nations.

Festo Training and Consulting wish to help

If any of these topics carry relevance for you or your organisation, Festo are keen to assist in the development of skills within the water industry.

We are therefore delighted to offer attendees of this event a voucher worth over £500 which can be redeemed against any of the following services between now and the end of the year:

- A free place on one of our open "Service Ambassador" courses to consider the relevance of consultative communications techniques for service and project teams in developing customer satisfaction with your customers.
- A free place on one of our open "Oh Norman" courses to assess the impact of consultative communications techniques in identifying customer needs effectively and presenting solutions in the form of the benefits they create.
- Two free places on one of our innovative and unique open workshop "Don't Just Feed Me Chicken" to consider the role of managers and leaders in creating employee engagement.
- A free half day consultancy visit to your facilities to discuss the specific topics and issue facing your organisation.
- A 50% discount against the cost of an in-company course or workshop relating to any of the above topics or those relating to team working, introduction to management or coaching.

Festo Ltd

Applied Automation Centre
Caswell Road
Brackmills Trading Estate
Northampton
NN4 7PY

Tel: (01604) 667584
Fax: (01604) 667001
email: info_gb@festo.com
www.festo-didactic.co.uk