

MARKET RESPONSIVENESS INDEX™

HOW CUSTOMER CENTRIC IS
YOUR COMPANY'S CULTURE?



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CUSTOMER CENTRICITY IS THE LIFEBLOOD OF BUSINESS PERFORMANCE

COUNTLESS STUDIES HAVE DOCUMENTED THE LINK BETWEEN ORGANIZATIONAL CULTURE AND BUSINESS PERFORMANCE. UNFORTUNATELY, THE CRUCIAL ELEMENTS OF CULTURE THAT ARE LINKED TO CREATING A SUSTAINABLE COMPETITIVE ADVANTAGE HAVE BEEN HIDDEN FROM YOUR VIEW. THE MARKET RESPONSIVENESS INDEX IS A STATISTICALLY VALIDATED TOOL AVAILABLE FOR YOU TO MEASURE, BENCHMARK, AND STRENGTHEN THOSE DECISIVE ELEMENTS OF CULTURE THAT DRIVE YOUR FIRM'S FUTURE FINANCIAL PERFORMANCE.

“ Focus on your customers and lead your people as though their lives depend on your success.”

—WARREN BUFFETT

“ I came to see in my time at IBM, that culture isn't just one aspect of the game—it is the game.”

—LOU GERSTNER,
FORMER CEO, IBM

“ ... Bethlehem [Steel] declined first and foremost because it was a culture wherein people focused their efforts on negotiating the nuances of an intricate social hierarchy, not on customers, competitors, or changes in the external world.”

—JIM COLLINS, GOOD TO GREAT

“ What's measured improves.”

—PETER DRUCKER

BUILDING A CUSTOMER CULTURE AND SUSTAINABLE COMPETITIVE ADVANTAGE

The momentum and complexity of global business change are challenging your company to move faster, work smarter and think further ahead than the competition. To be successful, you must develop a market-driven corporate culture that excels at understanding, predicting and responding to its customers, competitors and market dynamics.

It's what we call a Customer Culture, and it defines the character of today's successful businesses.

Every company has a culture. It's just that high-achieving businesses have transformed theirs to deliver superior customer value, profitably. MarketCulture, through extensive research and testing, has identified the eight most important cultural factors that power successful businesses. Our Market Responsiveness Index (MRI)[™] allows companies to measure, understand and improve these critical success factors in order to achieve sustainable competitive advantage through a Customer Culture. Companies that successfully improve their MRI[™] ratings raise their capacity to grow customer value and advocacy innovate around market needs and respond more easily and effectively to competitive threats and actions. In so doing, they dramatically improve financial performance and growth.

INTRODUCING THE MARKET RESPONSIVE INDEX[™] (MRI)

- A simple, web-based benchmarking tool to assess your strength of customer culture at a function, business unit and overall organizational levels

- Measures customer centricity in employee behaviors across the eight critical success factors linked to your future business performance
- Identifies whether your level of customer culture supports your strategy
- Empowers your managers to transform their organizations, achieve a sustainable competitive advantage, and deliver superior profitability
- Based on extensive research and validation testing across numerous companies and industries
- Allows you to compare your organization against a large and growing database of businesses

WHAT ARE THE MRI MEASURES

There are many elements to any corporate culture. However, the MRI measures only those cultural factors that are most directly linked to creating competitive advantage. It provides a simple, yet profound benchmark to measure and improve your company's competitiveness versus other businesses based on eight critical characteristics that define Customer Culture:

CUSTOMER-CENTRIC DRIVERS

1. **Customer Insight:** Measures behaviors related to understanding and acting on current customer needs and satisfaction
2. **Customer Foresight:** Measures behaviors related to understanding future customer needs and attracting potential customers
3. **Competitor Insight:** Measures behaviors related to monitoring, understanding and responding to current competitors' strengths and weaknesses
4. **Competitor Foresight:** Measures behaviors related to monitoring, understanding and responding to new market entrants and potential competitors
5. **Peripheral Vision*:** Measures behaviors related to monitoring, understanding and responding to trends in the larger business environment
6. **Empowerment:** Measures behaviors related to the ability of employees to make decisions that are best for the customer without the explicit approval of senior leaders.

7. **Cross-Functional Collaboration:** Measures behaviors related to interacting, information sharing and working cooperatively with colleagues from different work functions
8. **Strategic Alignment:** Measures behaviors related to aligning work with the firm's vision, mission, values, objectives and strategies

RESEARCH-BASED METRICS

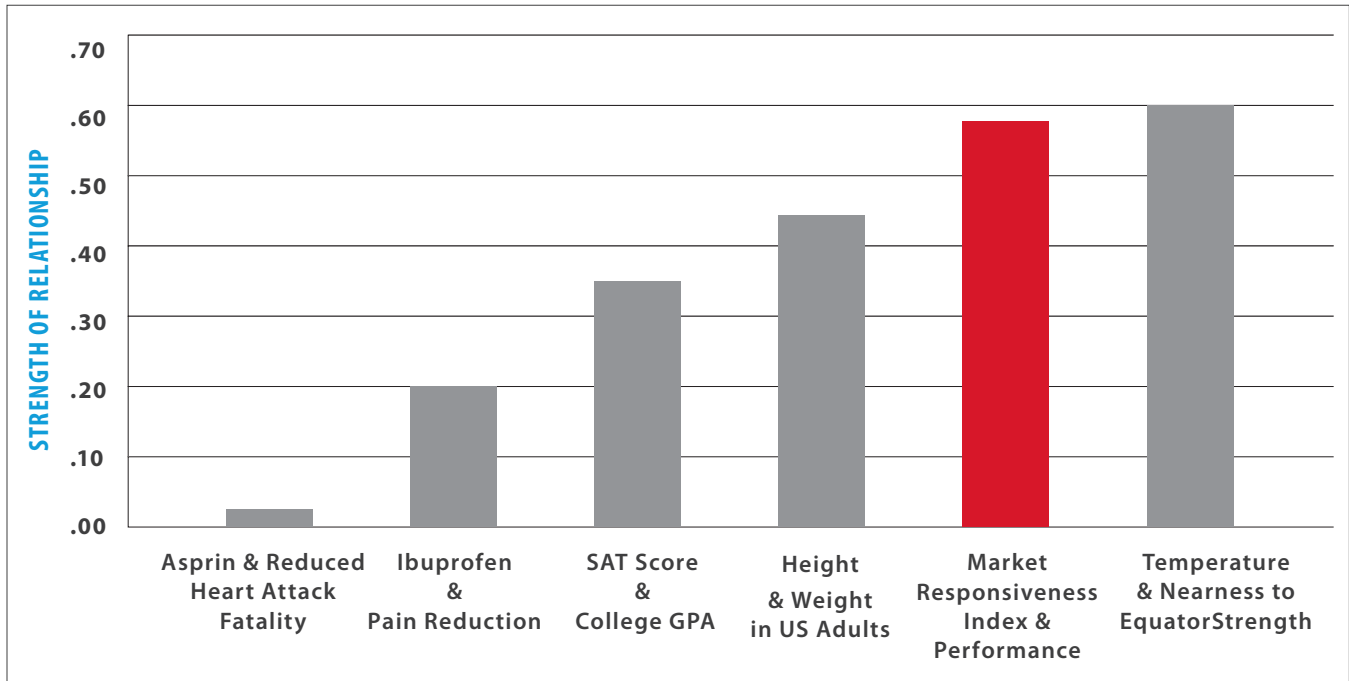
Based on extensive research and validation testing, the Market Responsiveness Index is the most illuminating and reliable benchmarking tool yet developed to determine a company's customer-centricity and responsiveness – and its capacity to achieve sustainable competitive advantage and superior business performance.

We have analyzed more than 100 peer-reviewed studies to identify the correlation between business performance and a company's market-facing and collaborative behaviors. Based on this research, along with years of consulting on cultural best practices, we have developed, tested, tuned and validated a powerful web-based survey instrument that is easy to administer, simple and intuitive to complete, and extremely effective in delivering understandable and actionable findings for executive sponsors.

Objective, third-party validation testing has been conducted with participants from more than 100 companies across a wide range of industries, functional units, organizational roles and company sizes. This ensures that the factors we measure have universal applicability in determining business success. Following an MRI™, companies have a clearer sense of direction and a stronger agenda for action and transformation. Change initiatives can be driven internally, with support from your existing consulting partners, or by using our advisory services.

* Our thanks to Prof. George S. Day at The Wharton School of the University of Pennsylvania, and co-author of a book of the same name, who suggested that the term 'peripheral vision' aptly describes our factor that represents a broader vision of the strategic trends that must be monitored in a firm's external environment.

THE POWER OF A WINNING CORPORATE CULTURE



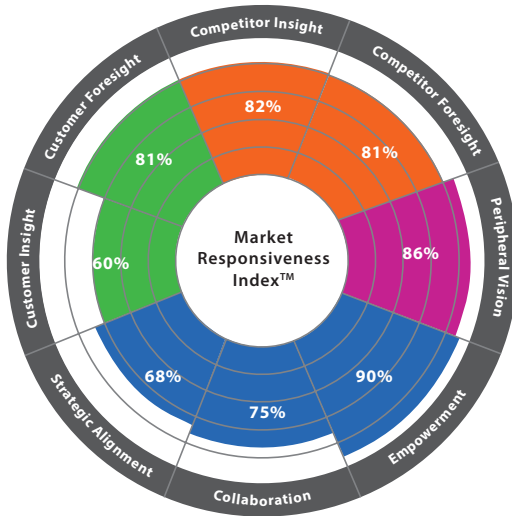
The MRI™ measures behaviors that reliably predict superior business performance. The graph above highlights this high degree of predictability. It compares the correlation between an MRI™ score and business performance with other commonly known correlations.

BEHAVIORS THAT DRIVE PERFORMANCE

Customer culture is as fundamental to business performance as breathing is to living. It is the life force of your business. This applies no matter what your industry sector or marketplace.

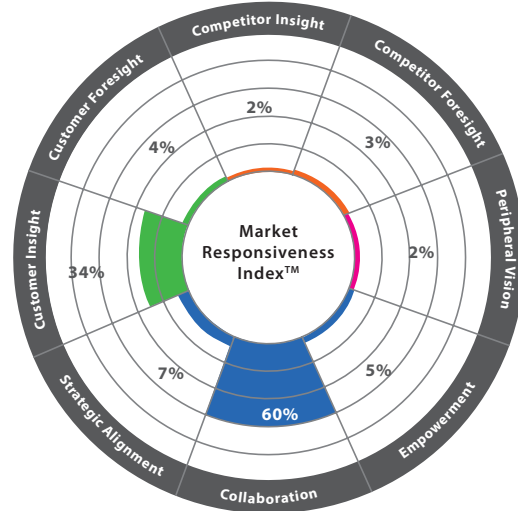
YOUR FIRM'S PERFORMANCE ON THESE CULTURAL ELEMENTS...	...PREDICTS YOUR FIRM'S PERFORMANCE ON THESE METRICS...
Customer Insight	Customer Satisfaction, Innovation, New Product Success, Sales Revenue Growth
Customer Foresight	Innovation
Competitor Insight	Profit Growth, Profitability, Sales Revenue Growth
Competitor Foresight	Innovation, New Product Success
Peripheral Vision	Innovation
Empowerment	Customer Satisfaction, Innovation
Cross-Functional Collaboration	Customer Satisfaction, Innovation, New Product Success, Profit Growth, Profitability, Sales Revenue Growth
Strategic Alignment	Customer Satisfaction, Innovation, New Product Success, Profit Growth, Profitability, Sales Revenue Growth

PERFORMANCE EXAMPLES FROM REAL COMPANIES



High Customer Culture Performer

This graphic illustrates the benchmarking results for a medical technology firm. The firm’s Profitability, Profit Growth, Sales Revenue Growth, New Product Success, and Overall Performance, relative to their competitors, were found to be near the top of the database.



Low Customer Culture Performer

This graphic illustrates the benchmarking results for a professional services firm. The firm’s Profitability, Profit Growth, Sales Revenue Growth, New Product Success, Innovation and Overall Performance metrics, relative to their competitors, were found to be among the lowest in the database.

MEASUREMENT IS THE KEY TO MANAGEMENT AND PROGRESS

Measuring where you stand today is the first step in revitalizing and transforming your customer culture for greater business success. The Market Responsiveness Index delivers that clarity. We provide a highly graphical and easily digestible report that allows executives to quickly understand how you rate against other companies and what cultural drivers are impeding or advancing your company’s ability to excel.

Results are reported for all desired levels and functions within your organization, with comparisons between various groups to better pinpoint both areas of strength and weakness. The data is presented through a series of charts, graphs and clear interpretive commentary that allows all members of your management team to understand the results and their implications and begin the process of consensus building. We also collect and categorize verbatim comments that provide further meaning to the analysis.

A summary report of key findings is presented in an executive briefing with your leadership team. A more in-depth MRI™ benchmark report provides the detailed gap analysis you’ll need to identify where and how to take

action. From here you can focus on strengthening those elements of your customer culture needed to support your strategy and deliver superior customer experiences and sustainable business results.

TAKING ACTION

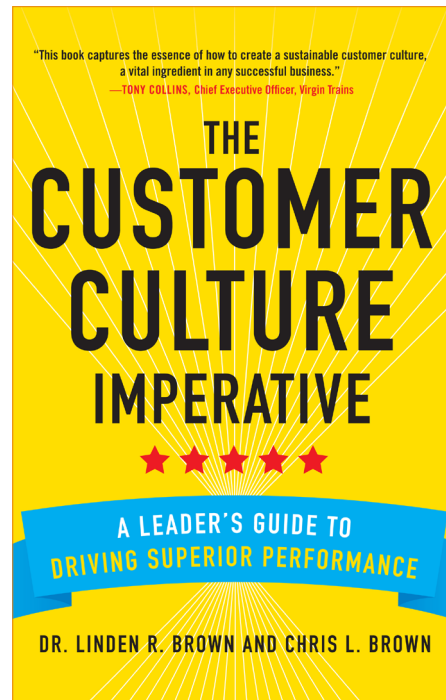
Your MRI™ report creates measurable, tangible and communicable results that enables your leadership team to focus and prioritize areas of improvement and create a plan of action for change. Your report includes recommendations and potential steps for incorporation into your action plans.

MarketCulture is uniquely positioned to help you tackle the process of building, strengthening or revitalizing your customer-centric culture and drive transformation. However, many companies choose to take on change as an internal management initiative or work with existing consulting partners.

The decision is yours and we will provide you with any level of support that you decide you need. Most importantly, the Market Responsiveness Index™ will provide you with a critical map for improvement and better business results, however you choose to pursue them.

Get the complete story in *The Customer Culture Imperative*

MARKETING
BOOK OF THE YEAR 2015



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