

HOW TO IMPLEMENT CUSTOMER ORIENTATION? THE CASE OF A CAISSE DESJARDINS

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D In the context of this research, we say that a company is "customer-oriented" when it is strongly involved in the following three areas: the generation of "market intelligence", i.e. the discovery of the current and future needs of consumers and the exogenous factors affecting them (regulations, competition, technology, etc.); in the dissemination of this market intelligence within the organization; in the organization's response to this market intelligence, enabling it to adapt to new environmental conditions (Kohli and Jaworski, 1990; Brady and Cronin, 2001).

Such a strategic approach generates superior performance for the company, in terms of both profitability and sales growth. Beyond company performance, this strategy has a significant impact on customer satisfaction and loyalty (retention, referral), as well as on staff commitment and mobilization².

While the impact of such a strategic approach has been widely documented, very little research has been done on the implementation of customer orientation (Gebhardt *et al.*, 2006). To help fill this gap, we present a detailed case study of a Desjardins caisse, which has been implementing a customer-oriented strategy since the early 2000s. After a

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After describing the approach followed and the results obtained in this case, we will propose a model summarizing the conditions required for successful implementation.

THE CAISSE DE SAINT-ROCH-DE-L'ACHIGAN

Founded in 1934, the Caisse de Saint-Roch-de-L'Achigan serves a semi-rural community located some 40 kilometers north of Montreal, in the Lanaudière region. With assets of \$126 million, the caisse offers a full range of financial products and services to all its 5,000 customers (members). Business volume (the sum of loans and savings) generated by all customers amounts to \$243.7 million. At the end of 1999, the caisse's business volume was \$132.9 million³. Some thirty employees work at the caisse to meet the needs of its members. The Saint-Roch-de-L'Achigan caisse is a member of the Mouvement des caisses Desjardins⁴.



THE CUSTOMER-FOCUSED IMPLEMENTATION PROCESS

The General Manager of the Saint-Roch-de-L'Achigan caisse accepted the challenge of implementing a customer orientation strategy as part of the "Leadership du changement" program for Desjardins caisse managers offered by the École des Hautes Études Commerciales. This program, designed to support caisse managers in managing the business process re-engineering begun in the mid-1990s, has involved some 450 Desjardins caisse managers.

The process undertaken to implement such a strategic consisted in obtaining the approval of the caisse's Board of Directors and the support of its employees. The involvement of stakeholders (directors and employees) early on in the process proved to be of great importance, given that such a course is based on a long-term vision that must be shared, and on the need to earn the trust of employees. This first step was carried out during a symposium where key players were sensibilized to the concept of loyalty (in a management context), the reasons why such a management approach is essential, the challenges involved, and so on.

At this symposium, held in winter 2000, key players were invited to diagnose the caisse's business practices in relation to loyalty-based management. This diagnosis proved to be an essential thread running through the first years of the experimental approach. Employees and managers were able to take note not only of the deficiencies in their business practices, but also of the transformations required to build a fundamentally customer-oriented company. Between winter 2000 and autumn 2003, employees and managers were invited to repeat the diagnostic exercise three times, each time confirming the progress achieved during this period.

Using the results of the diagnosis as a work guide, the General Manager was able to move the caisse towards a set of coherent practices to earn the loyalty of employees and customers. From the outset and throughout the process, both managers and employees were involved. A consultant (the author of this article) was also involved in the process, supporting the caisse's players, principally the General Manager, in the search for solutions to the challenges posed by this strategic. The consultant's role also involved exploring the very rich field of research known as the "relational approach". The vast literature available brings together scientific and professional knowledge, the result of over two decades of research. Beyond the breadth of this knowledge, the challenge lay in applying it to a practical, concrete world. In addition to developing the research tools, the consultant helped organize the various symposia held throughout the process. These seminars served as a forum for training, sharing ideas and rehearsing the diagnosis of business practices, as well as laying the foundations for the subsequent stages and ensuring continuity in the implementation of the customer orientation strategy. The seminars also confirmed

repeated adherence by managers and employees to strategic components such as the strategic vision or the customer promise.

Throughout the process, customers were invited to express their opinions about the caisse, and to share their satisfaction or dissatisfaction. Individual interviews were conducted on a regular basis. These interviews (many of which were conducted with customers met more than once over a period of three to five years) provided input for the writing of case studies, which were used to stimulate discussion during management and employee seminars. These interviews were also key sources of information for the development of the strategic vision and customer promise. In addition to individual interviews, focus groups were held on various themes (e.g., caisse opening hours). Finally, customer surveys were conducted to document customer perceptions of the various major levers of a customer-focused strategy. In this way, we were able to shed light on various aspects of the relationship approach. While the surveys were intended to be more generic at the outset, they have become increasingly targeted and designed to confirm the caisse's orientations (such as the relevance of the strategic vision and the customer promise). These different surveys have enabled us to measure changes in customer satisfaction.



Given the importance of employee involvement in such an approach, it was essential to assess employee perceptions of the key components of customer-focused management. As with the key factors in customer relations, the key factors in employee relations were also assessed. One-on-one interviews, focus groups and employee surveys were used.

THE PHASES OF CUSTOMER ORIENTATION⁵

The initial phase. The main findings of the diagnosis carried out in winter 2000 confirmed the caisse's position regarding the conditions for a successful "customer orientation". The commitment of the main leaders (managers and general management) to this approach left no doubt. This commitment manifested itself in the prio

customer satisfaction and reinforcing the behaviors that support it. The proximity of employees to key customers was also highlighted. Although insufficient due to a lack of synergy, some coordination between departments was observed, particularly insofar as employees were systematically invited to participate in the *caisse's* strategic issues and the development of its business plan. Employees were able to express their points of view freely, and to criticize in a constructive way. Gradually, multidisciplinary teams were established. As for organizational systems, each emphasized the move towards greater autonomy and *empowerment* for employees, while hiring criteria placed great importance on interpersonal skills and employee training⁶.

Furthermore, the main weaknesses observed concerned the systematic failure to identify customer needs. The lack of measurement of customer satisfaction and loyalty, as well as the levers at the heart of customer relations, was also notable at this time.

The consolidation phase. The diagnosis used to initiate the implementation of a customer orientation strategy served as a guideline throughout the process. From an initial⁷ score of 56%, the *caisse* was able to put in place the practices required to reinforce the overall approach, rising to 76% in winter 2002 and 87% in autumn 2003. These second and third diagnoses demonstrated progress towards a customer-oriented organization. The General Manager has gradually noticed an increased ability on the part of everyone to get involved in this process, and to understand the importance of the actions taken and to be taken. At the same time, he accepted that employees should question the coherence of our actions, which required a high level of communication and transparency. He found that 80% of employees had changed, as they realized that they were the bearers of the values at the heart of the approach... something they didn't believe they could put into practice at the checkout before committing themselves to this approach and being able to judge its authenticity.

The *caisse* has thus acquired the ability to reflect on the business practices it needs to put in place to successfully transform itself into a customer-oriented organization. Employees increased their skill levels during this period and became more autonomous, more responsible, and understood that they could reach their potential. Weekly meetings were important because they enabled employees to review results and make any necessary adjustments, while they themselves drew up action plans and reviewed business processes when necessary. In this way, the *caisse* became more proactive in its service offering.

For employees, success was based on openness towards customers, increased professionalism and a customer-centric approach. As a result, the service offering became more personalized, while the silo mentality gradually disappeared. Employees found that their work became more satisfying and rewarding, and they were able to become more enthusiastic about the details, thus exceeding customer expectations.

This second phase thus illustrates the strengthening of the conditions required to build a customer-oriented organization. We noted, however, that much remained to be done in terms of the processes for determining customer needs and expectations, and the analysis of competitive capabilities in spring 2005.

The phase focused on market intelligence and satisfaction of customer needs. Over the past few years, the *caisse* has systematically strengthened its business processes and practices, with a view to understanding its customers' needs and measuring the factors at the heart of its relationship with them. From conducting only one survey every two years in the early 2000s, we have gradually integrated various analysis tools, such as individual interviews, focus groups and satisfaction surveys, as well as more sophisticated statistical analyses. While the initial survey questionnaires were intended to be generic, over the last few years it has been able to develop customized tools. As a result, it has been able to measure the sharp rise in customer satisfaction, while targeting key aspects of its relational strategy in order to validate the relevance of the directions taken.

In the early days of implementing a customer-oriented approach, customers were very dissatisfied with the *caisse*: "The people at the *caisse* aren't proactive enough, they're not available enough, whereas the banks adapt to their customers' schedules". The degree of employee competence is also called into question. What's more, "dealing with the *caisse* remains complicated, time-consuming, while people don't go beyond the ratios."

Back in autumn 2004, customers had a very different view of the *caisse*: "The employees are transparent, and when comparisons are made, it's always to their advantage. We're a family here. They always put our interests first, while the emphasis is on service rather than selling products. They have a genuine desire to maintain a relationship with us. They value people over profits, and go out of their way to solve problems. They make the best offer right from the start".

By autumn 2006, customers' comments had evolved even further: "I'm very satisfied, the service is impeccable and I've transferred all my business to the *caisse* because everything is easier there. I have confidence, I'm recognized. The people there provide excellent follow-up, and I don't have to negotiate to get the best terms. My advisor is very conscientious, he gives me very good advice and even exceeds my expectations. People are capable of trusting and going beyond the rules. So it's not a question of rates, but of the quality of the relationship. The *caisse* does its utmost to satisfy me."

THE IMPACT OF CUSTOMER ORIENTATION

The customer-focused strategy was implemented in winter 2000. However, the development and implementation process

was developed over several years, as the strategy gradually evolved from an implicit to an explicit approach. The exercises in formulating the strategic vision and customer promise illustrate this progression. While the key elements of the vision and customer promise were already largely embedded in the caisse's business practices and corporate culture, the exercises carried out in autumn 2006 on the strategic vision and in winter 2007 on the customer promise helped formalize these important components.

A SHARED STRATEGIC VISION AND CUSTOMER PROMISE⁸

The strategic vision formulated at the caisse de Saint-Roch- de-L'Achigan is the result of a process involving the officers, the management team and all employees. The caisse's strategy is based on a truly shared vision.

The caisse's strategic vision spells out its core values: respect, mutual aid, partnership, responsiveness, trust, transparency and recognition. These values dictate attitudes and behaviours towards all our stakeholders: customers, employees, the Desjardins network and the community. The vision is also based on the desire to be a leader in customer loyalty by pursuing a goal of excellence that makes the caisse the benchmark for its customers. This quest for excellence requires constant investment in the development of our people, an essential lever for continually improving the quality of our services, so that the caisse remains proactive in the face of rapid change in the industry. Finally, the vision statement expresses the caisse's determination to be a pivotal player in its community.

To reinforce its ability to operationalize its strategic vision, a customer promise was drafted at the checkout. The key elements of this promise are as follows : access to a team of experts committed to building lasting relationships with customers; a greater focus on customer needs than on selling financial products and services; impeccable service and advice that will have a real impact on customer well-being; a service offer based on access to choices linked to customer needs, and a high degree of customer control; a service offer that is respectful and equitable for everyone, with fair and competitive prices; community involvement and a desire to participate in the prosperity of the community in which the caisse operates.

A CUSTOMER-ORIENTED CULTURE

The values recognized as essential to a customer-oriented organization coincide with those expressed and shared at the checkout. Beyond values, we need to assess employees' attitudes and behaviours towards other employees and customers. Let's take a look at a few examples from the major fields of business practice⁹ that demonstrate that the caisse's values and fundamental principles are integrated into employees' attitudes and behaviours towards customers:

- With regard to market management: "The caisse aims to give everything it can on the first try, even if the customer doesn't ask for it. What's more, an equivalent file (in terms of amount, risk, term) will always be treated in the same way. Employees pay close attention to detail to make sure everything is understood. At the caisse de Saint-Roch, there's a customer bias and a desire to do what's best for the customer."
- In terms of human resources management : "Employee involvement is systematic at the caisse, enabling discussions, recommendations and adjustments as needed. They are involved in drawing up the business plan, the objectives and the means of achieving these objectives. The results achieved are the fruit of a team effort, with everyone pulling together. The incentive plan is therefore collective. Employees are also involved in work reorganization, and play a key role in change management. There's very little absenteeism at the caisse, and employees enjoy working there."
- In terms of its financial portfolio management: "Although matching is done by the Fédération, the caisse exercises discretion when it comes to risk management. Although it is subject to the same criteria as the banks, it has a margin for manoeuvre that it can and knows how to use to the benefit of its customers, without compromising its financial situation."

The caisse's culture therefore reflects the primacy of values in its business practices, while the relationship with its customers is mutually beneficial, and it knows how to earn their trust.

A STRATEGY OF DIFFERENTIATION¹⁰

The caisse's differentiation strategy is based on a highly consistent set of values, as perceived by both customers and employees. These values, confirmed in the strategic vision, are shared by all internal players (management, general management, employees) and customers. This strategy is also based on the priority given to customer satisfaction. Finally, the caisse differentiates itself by the quality of its business proposition to its customers.

Customer perception of the execution of the key elements of this strategy has been the subject of various surveys, particularly in 2007 and 2008. Table 1 summarizes the main findings of these surveys. The priority given to customer satisfaction by employees was recognized by 81% of respondents. They also confirmed the quality of the caisse's business proposition: 74% of respondents felt that the caisse offered excellent service, 91% believed that its service offer corresponded to customer needs, 85% felt that it offered original solutions, and 76% felt that it made transactions easier.

Finally, the caisse is increasingly differentiating itself through its market intelligence approach, i.e. its ability to understand its customers' needs and expectations. More than

Percentage of customer respondents who strongly or totally agree with the statement

Perception of the business proposition	
1. The caisse sets standards of excellence in the industry*	59 %
2. The caisse offers excellent service*.	74 %
3. The cash register facilitates transactions*.	76 %
4. My advisor makes me a service offer to meet my needs**.	91 %
5. My advisor suggests solutions original**	85 %
6. The quality of my contact with my advisor was excellent**	96 %
7. My advisor offers me clear choices in accessible** language	91 %
Focus on customer satisfaction	
1. Employees feel responsible for customer satisfaction	81 %
2. The case makes a significant difference to the financial well-being of its customers*.	73 %
Market intelligence	
1. My advisor listens to my needs**.	94 %
2. My advisor has the ability to pay attention to details	93 %
3. My advisor has the ability to understand that I feel**	92 %

* Results based on a customer promise survey of 300 customers carried out in spring 2007.

** Result based on a service survey of 200 customers carried out in autumn 2007 and spring 2008.

90% of customers recognize that their advisor listens to their needs, demonstrates a strong ability to pay attention to detail, and understands how they feel. Particularly since 2005, the caisse has intensified its business practices in this regard, combining one-on-one interviews, focus groups and increasingly targeted satisfaction surveys, as questionnaires are designed to meet specific needs. In the autumn of 2008, it innovated by inviting customers to act as caisse *coaches* to systematically review its business proposition and delivery excellence. A first consultation session brought together 35 customers on the theme of *share-of-wallet* loyalty. Further consultation sessions are planned for 2009.

CUSTOMER SATISFACTION

Employee expertise is confirmed by customer surveys, both in terms of the customer promise and the evaluation of service delivery. Communication is becoming increasingly strategic, as part of an ongoing

which is designed to be two-way and collaborative. This approach to communication is proving credible, as 91% of customers have a high level of confidence in their advisor, and 89% have no hesitation in recommending him or her. Over and above their recognized expertise, 94% of customers also feel treated like someone important, and 92% feel secure. What's more, 75% feel that the caisse plays a major role in their financial well-being. Added to these individual benefits is the caisse's contribution to community development, considered important or very important by over 66% of customers.

Finally, investing in relationships is at the heart of our strategic approach at the caisse. The entire culture that has been put in place and promoted is geared towards this goal. It's not surprising, then, that 63% of customers believe that the caisse seeks to offer them choices so that they can control their relationship with the caisse, that 73% of customers believe that the caisse deserves their loyalty, and that 91% say they want to continue doing business with the caisse over the next two years.

SKILLS DEVELOPMENT

A customer-focused strategy is based on five key areas of competence: operational excellence, i.e. the ability to meet expectations in a consistent manner; operational benevolence, i.e. the ability to put the interests of customers ahead of those of the caisse; problem-solving ability; superior market sensitivity, i.e. learning about customer needs; and customer liaison based on intimate communication and joint problem-solving efforts.

The findings of the customer surveys provide an excellent overview of the level of mastery of these skills¹¹. Some 60% of customers believe (strongly or totally) that the caisse projects operational excellence and operational benevolence. However, 45% feel that the caisse has an excellent command of problem-solving skills¹². Moreover, there is no doubt that the caisse demonstrates a superior sensitivity to customer needs. The results of customer surveys support this assertion. The business practice diagnostics that have been repeated to ensure optimum consistency with a view to a customer-focused organization confirm its clear progress in all practices, including those relating to market intelligence. Customer survey tools are also developed in conjunction with employees. They are therefore directly involved, both in the development of the measurement tools and in the results obtained, which are distributed to all for discussion and interpretation. As far as customer relations are concerned, the latest service surveys attest to the caisse's high level of expertise in this area.

EMPLOYEE MOBILIZATION

In the context of a customer-focused strategy, it is also essential to take into account the relationship with employees, their level of commitment, mobilization and so on. We need to analyze the quality of the internal environment,

employees' attitudes towards their work, and their perception of the organization's ability to execute and deliver a high-level business proposition. Building a stimulating workplace will be made possible by a "mobilizing" approach to human resources. We have found that the key levers of mobilization (quality of leadership, participative management, human resources management practices and employee empowerment) are present at the Saint-Roch-de-L'Achigan caisse. This is confirmed by a recent survey. This study, carried out (by the consulting firm Hewitt) in autumn 2007, shows that the caisse ranks among the employers of choice, with an overall score of 78%. This result is higher than the average for the financial sector (66%).

CAISSE PERFORMANCE

Analyzing the caisse's performance over the entire period (eight years), the first important result concerns retention, which is measured firstly by the *in/out* ratio¹³ and then by the mortgage retention rate. The average mortgage renewal rate was 96.7% for the period covered. This rate is well above the network average. As for the *in/out* ratio, the result is systematically higher than 1, whereas the average for the period covered is 3.88. In other words, for every dollar that goes out to the competition, \$3.88 comes in, year after year. For the latest 12-month period ending September 31, 2008, the *in/out* ratio was 8.69.

The caisse's growth figures (loans, savings and business volume) are also reported. The average growth in the caisse's business volume (savings volume + borrowing volume) was 9.23% over the entire period. This result is 27% higher than the average for the group of comparable caisses over the entire period.

The caisse's profitability is good, but slightly below the network average. To better assess this reality, we need to consider some of the caisse's practices. In other words, it encourages its customers to keep a minimum amount of savings in their current account and place it in a savings account, which reduces the caisse's profitability. In addition, it offers an equal bonus to all its customers for identical conditions (amount, term, level of risk). A second factor to consider is the nature of the market in which the caisse operates, namely a highly agricultural sector. Given the lower risk (government guarantees), the rates charged are lower, which also has a downward impact on profitability. These two factors help to explain the profitability observed at the caisse.

CUSTOMER ORIENTATION IMPLEMENTATION MODEL

Drawing on both the literature and the action-research carried out at the Caisse de Saint-Roch...

de-L'Achigan, we present in this section an implementation model that integrates the conditions for success of such a strategy from a management perspective.

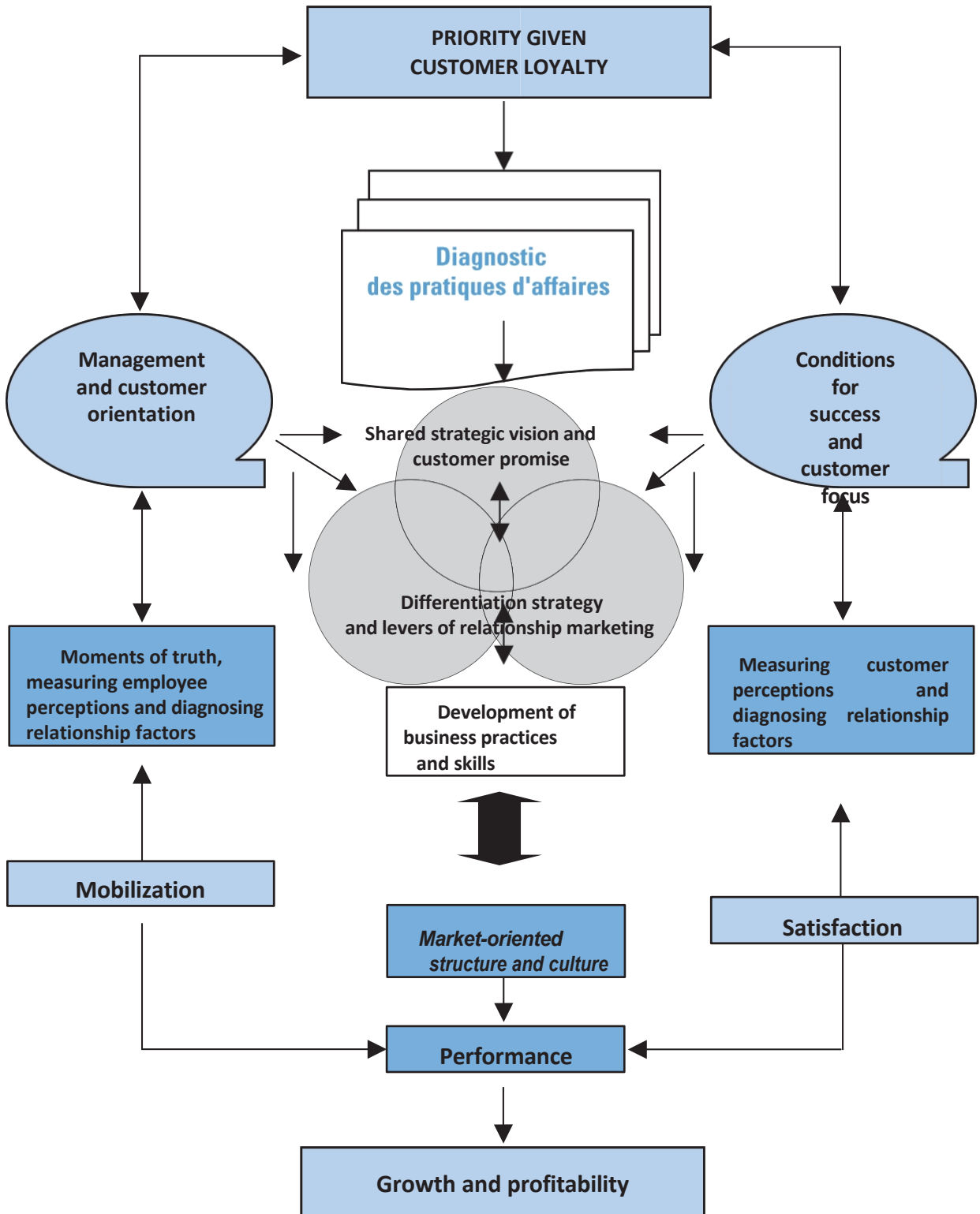
Going beyond functional approaches (mainly focused on marketing and human resources management), we adopt a holistic approach. Reichheld (1996) sees loyalty as a leadership philosophy that promotes mutually beneficial management of stakeholder relationships. Loyalty must be integrated into the company's core strategy. It involves giving primacy to principles and relationships, through the implementation of practices that require fundamental changes on the part of the company. According to Reichheld, you can't win the loyalty of your customers without winning the loyalty of your employees, and this requires a long-term vision in which you have to earn their trust. Building a loyal customer base cannot be done on the sidelines. The entire business system must be built around customer loyalty. This is what the model in diagram 1 proposes.

At the heart of the conditions for success lies a constant commitment on the part of senior management, who are responsible for transmitting the values and beliefs that underpin a customer-focused strategy. This commitment must be constantly communicated to everyone in the organization. Beyond this sustained commitment from top management, there must be a systematic involvement of all departments within the company, both in generating and disseminating market intelligence, and in developing an adapted business proposition. A customer-focused strategy is, of course, not the sole responsibility of the marketing department. It is therefore important to ensure a climate of collaboration between the various departments, minimize conflicts, accentuate connections and facilitate contact between employees. Finally, decentralized organizational systems must be designed, with employee remuneration based on an evaluation that integrates market factors such as customer satisfaction, over and above financial criteria (Kohli and Jaworski, 1990; Jaworski and Kohli, 1993). These various conditions for success have been widely confirmed in numerous empirical studies of customer-focused strategy (Kirca *et al.*, 2005; Ellis, 2006).

The business system designed in this way must incorporate fundamental values and principles (Bhote, 1996) such as uncompromising ethics and integrity, mutual trust, transparency and access to information, close proximity to the customer and the opportunity to see the customer. "the company. You also have to show genuine interest in the customer after the sale. Finally, we must deliver a high value-added business proposition, focus on the unexpected and anticipate the customer's future needs. These values and principles must be integrated into all business practices, the strategic vision and the customer proposition, and eventually transcend the organization's culture.

To ensure the successful implementation of a customer-focused strategy, it is essential to establish a set of practices that ensure a high degree of consistency, with the following priorities

Implementing a management approach focused on customer orientation and loyalty



customer focus in the company's day-to-day operations. The main themes (Bhote, 1996) of practices that support customer orientation are: respect for fundamental values and principles; customer focus; reinforcement of customer-oriented behaviors; management commitment to employees; internal *benchmarking* on the value and longevity of customer relations, employee relations, organizational systems, etc.; identification of customer needs; analysis of competitive capabilities; measurement of customer satisfaction and loyalty; and continuous improvement. From this set of themes (and underlying practices) we can draw a coherence, consistently perceived as such by customers and employees alike. It is therefore of the utmost importance to diagnose the organization's business practices, so as to have the most complete and accurate perception possible of its initial position in this area¹⁴. This diagnostic exercise should be repeated regularly, so that the organization can assess its progress with regard to the practices and conditions required to successfully implement and execute a customer-oriented strategy.

The integration of values and principles into business strategy and practice will be facilitated when the company builds a strategic vision and customer promise that are widely shared by all employees. A shared vision and customer promise enable the construction of a common image of the company's future. They encourage everyone to get involved, while the company can benefit according to the importance its employees attach to them. An imposed vision proves insufficient, as it leads at best to followership rather than real commitment. A shared vision and promise must reflect individual aspirations if they are to have a n y real mobilizing power (Senge *et al.*, 1994). Strategic vision and customer promise will be essential anchor points in the construction of a customer-oriented culture.

A customer-focused strategy requires a capacity for differentiation based on operational excellence and the ability to meet customer expectations in a consistent manner, on operational benevolence and the ability to place the customer's interests ahead of those of the firm, and finally on the ability to solve problems that may arise during and after service (Sirdeshmukh *et al.*, 2002). Added to this are superior *market sensing* skills and superior *customer linking* skills (Day, 1994).

Strengthening this customer-focused strategy must be based on the various strategic levers of relational marketing, which complement and reinforce the foundations of differentiation. In a recent meta-analysis, Palmatier *et al* (2006) validate these main levers (and their significant influence on company performance), while specifying which are the most important. The most effective relational strategies are: the elimination of conflicts between exchange partners; the development of employee expertise (knowledge, experience and global competence); and the promotion of a culture of trust.

bale); communication (volume, frequency and quality of information shared between exchange partners); investment in the relationship (investment in time, resources and effort, i.e. support, gifts, loyalty programs, etc.); similarity between exchange partners (appearance, lifestyle, social status, culture, values, goals); relational benefits (speed of service, convenience, companionship and improved decision-making)¹⁵.

The customer-focused strategy thus formulated leads to a sustainable position advantage and superior performance¹⁶.

The importance of a customer-oriented corporate culture in reinforcing the impact of such a strategy is addressed in two recent research studies. Homburg and Pflesser (2000) report the results of an empirical study validating the influence of values, norms and artifacts on the behaviors at the heart of customer orientation. While values form the basis of norms, the latter define expectations of behavior within the organization. Artefacts include stories, rituals and language that are created within the organization and take on symbolic importance. In a recent study, Gebhardt *et al* (2006) argue that customer orientation is fundamentally based on corporate culture. Organizations that have successfully implemented a customer-oriented strategy have the market as their *raison d'être*, giving meaning to values such as trust, openness, respect, collaboration and the ability to "deliver on promises". According to these authors, it is essential to align behaviors with these values and norms, to encourage desired behaviors with an appropriate recognition and reward system, and to penalize non-adherence to these values and norms. Gebhardt *et al.* note that, regardless of the approach chosen to create this customer-oriented culture, it can be effective as long as it is based on the authenticity of the approach, i.e. on the correspondence between management actions and the rituals, symbols, values and beliefs adopted by leaders.

The key factors in the relationship paradigm need to be measured for both customers and employees. In this way, it will be possible to regularly assess the company's position in terms of relationships with the major players in the process. Customer relations will be assessed on the following factors: loyalty, satisfaction, values, trust, relationship, customer orientation, business proposition, quality of service, overall experience. Employee relations, for their part, will be assessed on the following factors: level of commitment, types of commitment, quality of relationship, values, trust, perception of vision and strategy, perception of management practices, level of empowerment, citizenship behavior. These factors, all recognized as important, can be measured using validated survey tools. In addition to the generic tools available, the company needs to develop its own survey tools to refine its understanding of its relationship with its key stakeholders, as it progresses towards a customer-oriented organization.

Recognition of the key stages involved in successfully transforming an organization into a customer-oriented one is also crucial (Gebhardt *et al.*, 2006). In the start-up phase, it is important to recognize the threats and challenges facing the organization, in order to initiate the transformation process. A guiding coalition (leaders) must develop a transformation plan, focusing on the organization's culture and the change process. The second phase of the transformation process comprises five components: a milestone event (demarcation), the determination of shared values and norms throughout the organization, the reconnection with the market, the elimination of dissidents and the hiring of employees who share these values and, finally, the adoption of a strategy for inter-departmental collaboration. The institutionalization phase involves formalizing the customer-oriented culture through symbols, rituals and artifacts, aligning incitations, developing training programs and empowering all the organization's employees. When the company achieves a higher level of customer orientation, the power of decision and action shifts from the members of the guiding coalition to all the organization's employees. The fourth phase consists in maintaining this customer orientation by recalling the path followed to achieve this transformation, while reinforcing links with the market. During this phase, it is important to ensure a high degree of consistency in the formulation and implementation of policies and procedures relating to the market orientation strategy, and to avoid the pitfalls of management styles.

CONCLUSION

Based on the model proposed in this article, any manager wishing to implement a customer orientation strategy will be able to design a more systematic approach, and thus increase the likelihood of success. This model demonstrates that such a strategy must be based on the primacy of underlying values and principles, through the implementation of business practices, the development of competencies at the heart of such a strategy, and fundamental changes that extend to the company's structure and culture, so as to generate mutually beneficial benefits for the various stakeholders. The entire business system must be designed and built around these foundations.

NOTES

1. I would particularly like to thank Yvan Poirier, General Manager of the Caisse de Saint-Roch-de-L'Achigan, for his many years of collaboration on this action-research project.
2. See Kohli and Jaworski (1990), Jaworski and Kohli (1993), Kirca *et al.* (2005).
3. It should be noted that this caisse was not involved in any mergers during this period.
4. With assets of \$144 billion (2007), Desjardins Group comprises 536 caisses and 919 points of service. It has nearly 5.8 million members and over

6,500 elected officers. It employs over 40,000 people. Primarily a cooperative network, Desjardins Group also brings together a network of subsidiaries to meet its own needs as well as those of caisse members. Owned by its members, Desjardins Group aims to contribute to the economic and social well-being of individuals and communities within the limits of its field of action.

5. The comments reported in this section reflect the results of various diagnoses of business practices carried out by all employees and managers between winter 2000 and spring 2005. They are also drawn from individual interviews the author conducted with employees from autumn 1999 to spring 2008.
6. The General Manager of the Saint-Roch-de-L'Achigan caisse was hired in the summer of 1998. As soon as he arrived at the caisse, he embarked on a change of direction that was in line with the previous ones identified by Kohli and Jaworski (1990) and Jaworski and Kohli (1993).
7. Answers to the diagnostic questions were given on a scale of 1 to 5. The maximum score corresponded to the question number multiplied by 5 = 100%. The score obtained divided by the maximum score gave the reported result (56%, 76%, 87%, etc.).
8. As with the strategic vision, caisse employees were systematically involved in the process of developing the customer promise.
9. These comments, which reflect the point of view of the General Manager of the Saint-Roch-de-L'Achigan caisse, were gathered during numerous discussions between him and the author. They were also confirmed in interviews with caisse employees at various times since winter 2000. Employees and managers also had the opportunity to express their views on these practices during annual seminars, particularly when they were invited to (re)diagnose business practices.
10. The percentages reported in this section are taken from various surveys carried out in 2007 and 2008. These surveys questioned 600 caisse customers about the customer promise statement and the quality of service provided by both the advisory service and the regular banking service.
11. Factor analyses carried out on the results of customer surveys (2005 and 2007) have enabled us to identify factors based on the following aspects:
 - the "operational excellence" factor: the caisse offers services adapted to my needs, sets standards of excellence in the industry, provides excellent service and facilitates transactions;
 - the "operational benevolence" factor: the caisse builds a business relationship that significantly enhances my well-being, it recognizes customer loyalty, it offers choices that allow me to control my relationship with it, it has employees who feel responsible for customer satisfaction, it always makes the best offer right from the start, it contributes to community development;
 - the "problem-solving capacity" factor: employees take care of problems concerning transactions made, go beyond my expectations to solve my problems, the caisse provides support to employees to satisfy customers, gives employees leeway to solve problems, increases employees' leeway to improve service.
 - In order not to make the reading more cumbersome, these statistical results are not developed further. However, they are available on request from the author.
12. It should be noted, however, that this result reflects customer perception in 2005, whereas the first two competencies reflect customer perception in 2007.

13. The *in/out* ratio corresponds to the volume of savings (tax-deferred savings) gained versus lost to the competition. This measure of loyalty (on savings) only takes into account the largest (and most stable) component of savings (30%). Other types of savings are not measured in the same way.
14. Bhote (1996) presents such a diagnosis, grouping together the main practices at the heart of the antecedents identified by Kohli and Jaworski (1990) and Jaworski and Kohli (1993).
15. The meta-analysis by Palmatier *et al* (2006) also demonstrates the relatively low impact of relationship strategies focusing on the importance of transfer costs and a symmetrical dependence, on relationship duration and frequency.
16. See Hult and Ketchen (2001), Langerak (2003), Slater *et al.* (2006).

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