

Are you taking advantage of your opportunities to learn from and with customers?

If you take some time to think about the above question, what is your answer? We would guess that nine out of ten answers would be something like, "I've never thought about it", "No, I do not take sufficient advantage of such opportunities" or "We don't learn from and with customers." The justifications for the answers would vary from, "Do we have to do that as well? We simply don't have enough time" to "Learning from and with customers, you've got to be joking!" We believe that such answers demonstrate that learning from and with customers is anything but commonplace. This appraisal, along with our awareness that we (the authors) do not deliberately use this form of learning as often as we could, is the reason why we wrote this article about making better use of opportunities for learning from and with customers.

We will begin this article with a number of examples of successful learning from and with customers in order to demonstrate what we are talking about, and we will close the opening section with a working definition of interactive learning from and with customers. In Section 2, we will then discuss the factors that are making learning from and with customers increasingly important. We are convinced that fundamental shifts are taking place in the relationships between customers and suppliers. This applies to a very large (and growing) number of organisations, but not necessarily to all organisations. We will discuss this aspect more deeply in Section 3. In the following section, we will discuss what learning from and with customers means for the communication between customer and producer. The type of dialogue (reflective and generative) turns out to be crucially important. Finally, we will sketch out guidelines for making a diagnosis of how your organisation learns from and with customers. You can use this approach not only with your staff and colleagues but also with your customers, of course!

1. Learning from and with customers: what are we talking about?

Before we provide a working definition of interactive learning from and with customers (1.2), we will briefly discuss a number of examples from practice that illustrate this concept (1.1).

1.1 Examples from practice

Examples from practice often have a clarifying effect; we have therefore provided several examples of learning from and with customers that we have obtained from our own practical experience, from the Internet and from trade literature.

Quick Market Intelligence: personal customer contacts

Beginning in the 1990s, the renowned General Electric Company initiated a system called Quick Market Intelligence at the instigation of its Chief Executive Officer, Jack Welch. This system requires every manager to regularly make personal contact with at least one customer. This personal contact is followed by a management meeting that focuses exclusively on what the customer says and does. In the following step, multidisciplinary product development teams visit customers to discuss matters with them and to experiment with new approaches. The material that has been learned collectively is then fed back to R&D staff and account managers (Source: Internet).

Forum contact using website

Kaiser Permanente, a large American company specialising in health insurance, health care provision and health care products, has developed a special section of its website for members where forum contacts under the leadership of a moderator can take place. The method of mutual learning has been significantly changed by this approach. Previously, learning took place within disciplines, for example between patient and doctor, during a contact in the examination room. Now there is a portal that opens the access to many contacts. For example, members can request a consultation or participate in discussions about many themes such as pregnancy and gerontology. For the patient, this multidisciplinary approach leads to richer answers. For Kaiser, this approach benefits its internal knowledge exchange. It also helps to develop data about current issues that concern customers that can be used for further product development (Source: Internet).

Confrontation with seriously disaffected customer

A research service has been operating for many decades within a large municipality in the Netherlands. This service supports municipal policy with its research. For a number of years the municipality was dissatisfied about the services provided. The most important complaints were: the costs of the research were high, the results were frequently difficult to translate into new policy, the service frequently was unable to acquire data even though the requested information was available at other departments, and the research methods were not very creative. In short, the research service functioned in a very bureaucratic fashion. When the new director of the research service was appointed in 1999, it embarked on a new trajectory to renew the services and establish more intensive cooperation between the departments within the service. It was decided to invite the most important municipal customer (good for 60% of the turnover!) to a meeting with all 50 members of staff. The new director had anonymously submitted a request for the conference to draw up a plan and make a bid focusing on a specific issue. During the morning of the conference, the staff worked on a number of customer questions (including this one). During the afternoon, this customer attended in person, heard the presentation of the plan and provided feedback. The feedback of the customer (which included “if nothing changes, I will be forced to acquire this service elsewhere”) had a shock effect and led to four innovation projects which were defined in cooperation with the customer. This provided the basis for an organisation-wide learning trajectory (Source: consulting practice of one of the authors).

Partnering in the British construction industry: an initiative from a customer

Partnering is becoming more and more popular among British construction firms. There are good reasons for this. In comparison with other countries (Japan, Germany, Sweden), the productivity in Britain is generally lower. There are also enormous costs created by lawsuits from dissatisfied customers. An essential cause for these disadvantages lies in the extreme application of a system where contractors bid against each other to gain a cost advantage. In contrast, partnering is a cooperation model with open books. Partnering is a strategic form of cooperation between contractors/suppliers and buyers/customers. Partnering can be used in all branches and is suitable for making chain management more effective.

In Great Britain, for example, Sainsbury Supermarkets cut their internal staff for construction supervision by one third due to a cost reduction. As a result, the company was required to outsource some of these activities. In addition, they radically limited their choice of supermarket construction and remodelling suppliers, i.e. architects and contractors. They chose to work only with companies with which they had developed trusting relationships in the past; they also drew up new contracts with excellent time and expense monitoring systems. The company and the contractors entered into a relationship that satisfied the essential characteristics of partnering:

1. Mutual agreement about the meaning of the relationship,
2. Solid commitment from the top executives of the companies involved, expressed in a Partnering Charter,
3. The interests of the various partners are equally important,
4. Collective specifications of each other's objectives, such as completing the job at or below the cost estimate and maintaining good communications,
5. Understand the business needs of the other partner,
6. Agreements about the strategy for implementation and for solving any problems that may occur,
7. Continuing evaluation,
8. Decisive response to reports of complaints and problems.

Sainsbury Supermarkets accepted the challenge and took the initiative as a company in the buyer's role to not have its suppliers compete with each other, but to work together over the long term instead. They have had the courage to distance themselves from the obsession with the competition principle that initially seemed to

provide important cost advantages and fed the illusion of having control, but often led at a later stage to lawsuits, budget overruns and delayed completion dates, court costs etc (Source: internal document of a British colleague of one of the authors).

Curriculum conference for updating the product

Once every three years, a supplier of training programmes in the light engineering industry invites its most important customers or potential customers to meet together and to determine which elements should be changed in the training package. The technical developments are proceeding so quickly that a periodic update is essential. The basis document resulting from this meeting (which lasts approximately one day) is a sketch of the work processes within these types of organisations (work preparation, logistics, production, etc). Every relevant development within these subprocesses is collectively translated into new skills that are required from staff. The report then makes a conclusion concerning the contribution that a new or modified training programme can make towards the acquisition of these skills. The buyers themselves can therefore influence the supply of training programmes offered to them. Experience shows that these customers are happy to invest the time required for this process because it allows them to purchase training programmes that link up better with their own work situation.

1.2 Working definition of interactive learning from and with customers

If we examine the above examples, the concept of interactive learning from and with customers becomes clearer. In all of the examples presented above, we can define interactive learning from and with customers as:

... on the basis of mutual interest, working together with customers to improve existing services or products, or working together to create totally new services or products.

We will explain several important elements from the above working definition in greater detail:

- **Basis: mutual interest**
It is essential that both the customer and the supplier of the service or product understand that it is beneficial to work together. Both parties must experience an advantage from this exchange. The motivation can be financial in nature (cost reduction), greater satisfaction (the product links up better with market needs) or perhaps purely technical (technical interest). It is precisely this mutual interest, resulting in a balance between giving and taking, which insures that the involved parties usually participate voluntarily.
- **Together: in dialogue**
In each of the cases presented above, the customer is seen as an active partner with whom one participates in a dialogue to make an improvement or innovation. This is fundamentally different from the classic view of customers as a passive public. From the classical approach, the customer is implicitly seen as an 'object' that provides the producer with relevant information, whereas learning from and with customers as illustrated here requires an active exchange – two-way traffic – (see Prahalad & Ramasawamy, 2000); the exchange must provide some benefit to both parties. However, the degree of interaction is variable. In one case the dialogue may be very direct (see the example of the curriculum conference above), while in another case the customer may be approached more indirectly (see the examples of the moderator who facilitates the forum contacts on the Kaiser website and General Electric's managers who provide feedback about customer contacts).
- **Customers**
We can define customers quite broadly. There are internal customers (within an organisation), business-to-business customers (frequently in a chain) and actual end users. For purposes of clarity we will focus in this article primarily on the customer as end user. Essential to all three customer types is that one party delivers to the other party (there is a customer – supplier relationship) or there is a potential for this relationship, and there is an understanding that this relationship can only be given proper shape by utilising each other's complementary expertise.
- **Learning for improvement or innovation**
Learning with the customer can emphasise various aspects. It can focus on:
 - improving existing products or services offered to customers with the aim of maintaining or expanding the relationship with existing customers over the longer term;

- creating new products or services for new customers (Berhton, Hulbert & Pitt, 2000, p. 65) with the aim of improving one's market position.

2 Interactive learning from and with customers: slow but sure

In the previous section we briefly discussed a few examples of how it is possible to give shape to learning from and with customers. In this section we will discuss several factors that are causing customers to become increasingly involved in the process of product or service development. We will present three examples which illustrate that this increasing involvement has a large effect on the customer role: e-communication, horizontalisation and the implementation of large-scale changes by means of learning strategies. As the examples will show, the effect of interactive learning with customers is becoming apparent, but this process is proceeding quite slowly...because current practice is stubborn.

E-communication promotes interactive communication, also with customers...

In many articles about the new economy, authors are expressing high expectations about the new opportunities for customers. By means of e-communication, customers are given extensive possibilities to contact each other and join forces so they can act much more powerfully towards suppliers than was previously the case. As a result, customers can be more flexible and decisive. By using the Internet, they can tell each other the truth about the value of certain products and services; as a result, they can learn more quickly than the companies with whom they are dealing (consider the Internet bookshops who offer their customers/web visitors the option of writing book reviews and publishing them on the website). They will have much more extensive information available much more quickly; this leads to greater market transparency. According to these same authors, increasing e-communication also enlarges the possibilities from the other side – the businesses – for staff to exchange information along the entire chain, from internal supplier to internal customer.

However, this rosy picture requires some qualification. Levine, Locke, Searls and Weinberger (2000), a group of four high-tech specialists, joined together to write *The Cluetrain Manifesto*. This document contains 95 propositions with which the four authors primarily criticise the way corporations inappropriately apply their traditional mass-market mentality to the Internet. They believe that organisations have rarely been able to use the Internet to achieve true dialogue between themselves and their customers. The first of the 95 propositions is, "Markets are conversations". Searls and Weinberger write, "We are fed up with the marketing messages, we also want to converse in our authentic human voice with your company." Locke advises the companies, "On the Internet there is also joy and enthusiasm, and you should take this seriously!" He repudiates the idea that in the new situation producers and consumers are actually interacting openly and directly with each other as more or less equal work and market participants. Levine, the fourth author in the group, notes that organisations have difficulty dealing with the often chaotic discussions on the Internet. These discussions are unpredictable and uncontrollable, but are full of authenticity. He postulates, "Smart businesses learn to participate in such conversations."

In his recently published book *De voorspellers (The predictors)*, Rein de Wilde, Professor of Philosophy, provides many examples of how the same naive predictions about a bright future have been made as every new technology was introduced. This process took place with the radio and is now taking place with ICT. Instead of the predicted paradise, unexpected – often negative – uses emerge. The radio did not lead immediately to a flowering of democracy, as was predicted in the early 1920s, but became a formidable propaganda instrument in the hands of dictators such as Hitler and Mussolini. This pattern has repeated itself. The most positive effects of the new technology are relegated to the future. The message is, "Go along with the developments and don't rock the boat." De Wilde argues that we should not allow ourselves to be held hostage by compelling images of an unknown future. He proposes that a variety of images of the future be fostered and that life-promoting principles be acknowledged. We would like to join De Wilde in his argument for putting things into perspective and creating a multiplicity of images about the future. There is a great deal

to be said for using the highly promising stories about the effect of e-commerce on the changing role of the customer as a basis for research in one's own practice, in which we define the current role of the customer and which opportunities there are for real customer involvement.

'Horizontalisation' brings the customer closer...

Many change processes focus inherently on 'horizontalisation'. For example, consider managers or supervisors who are increasingly becoming coaches, the responsibilities that are being placed lower and lower in organisations, staff who become involved in formulating company strategies, teams which monitor the quality of their own functioning, self-direction which is being promoted at all levels. The theme of the 'learning organisation', which is quite compatible with all these types of developments, has been very popular for a number of years. More and more organisations are developing in this direction. Senge (1990) views the following shifts in fundamental beliefs as the breeding ground for the learning organisation:

- from: seeing ourselves as being separate from the world, to: seeing the connection of our destiny with that of the outside world;
- from: seeing our problems as a result of a cause or causes outside us, to: seeing ourselves as being co-creators of the problems.

Our actions are determined to a great extent by these fundamental beliefs. If we actually apply these beliefs explicitly, the customer will come more emphatically into the picture. Merrill Lynch is a fascinating example of an organisation that has made its beliefs explicit and has applied them to its daily activities. This vast financial service provider, which operates world wide with more than 67,000 employees in 43 countries and boasts a turnover of no less than 53 billion US dollars, views this capability of its customers (private investors, small businesses, institutional investors, large businesses and governments) as the basis for its activities. This was even expressed in their 1995 Annual Report:

Our confidence is based not on any market index or economic indicator; it has a much more solid foundation – the boundless creativity of our clients in the global marketplace.

In accordance with this statement, a great deal of space is created in the firm's new products for the contribution of the customer. This supplier offers its customers not only research results (which the customers can request in greater detail), but also systems and procedures which help customers to keep pace with developments and make their own choices (conceiving and creating their own products).

Learning strategies to create new knowledge together...

The factors described above concern the content of change processes. In this section we will zoom in on the way in which changes take place: the process of change and innovation. We don't have to go very far back in time to conclude that change processes were frequently achieved through a combination of power strategies (with the accompanying resolute actions of highly placed managers), rational strategies (where the tone is set by experts) and participative strategies (where all stakeholders are involved to a greater or lesser extent, based on an attempt to gain more support). At the present time, learning strategies are also being applied more and more frequently. This is because much of the existing knowledge has turned out to be inadequate for taking advantage of the many new demands and phenomena. Learning strategies provide an opportunity for the involved parties to 'discover together', to work together to create the necessary knowledge. They work together as equals, and no one claims to have a patent on the truth. In this way, the conditions for dialogue are established (see Bohm, 1998). Conflicting opinions are examined. During this process, the participants search for deeper-lying reasons. This approach enables the participants in the dialogue to achieve an insightful and well-considered reprogramming of their actions. In fact, it is the reconsideration of the existing programmes which direct our activities that makes it possible to break out of vicious circles and attain real innovation.

How many end users or suppliers/customers higher up in the chain also apply these strategies? The numbers are growing, but still small. An important cause of this slow change is the traditional image of customers (i.e. the concept of the role of a customer), or more precisely, the aspects that are excluded from the customer's role. In the same way that it is still difficult for most physicians to ask patients directly if they see any causes for their illness, in the commercial world the customer is too often seen as someone who must be served. The case of the research bureau that took up the challenge of confronting the customer shows an organisation where the customer is considered to be an actor who partly controls the services offered. Slowly but surely, the numbers of successful examples of such learning strategies are increasing, which will change the concept

of the customer. When producers and consumers work together to attain innovation, they become very deeply bound with each other. This is because they are proud of the innovative performance, and, due to the growing trust in each other, they believe that, “We are capable of making something wonderful!”

3 Is interactive learning with customers for every organisation?

In the above section we stated that learning from and with customers is not a common practice. The discerning reader might read between the lines and conclude that we believe that learning from and with customers is a norm that every organisation should satisfy. But this is an overly hasty conclusion. In this section we will therefore discuss the organisations for which learning from and with customers is most essential. We will focus (largely in accordance with Berthon, 2000) on the organisational environment and the strategy chosen by the organisation.

Organisational environment

A first important factor is the environment in which the organisation operates. In general terms we can state the following: as a market becomes more dynamic, learning from and with customers becomes more and more important. In a stable market, the emphasis lies on the exploitation of previously developed knowledge (Bosch et al., 2000). This knowledge exploitation proceeds rather smoothly precisely due to this stability: customers do not significantly change their requirements, there are few new competitors, there are no technological developments or these developments have little effect. Interaction with customers is not essential in this case if the situation stays the same. This is quite different if the environment is dynamic, if globalisation, deregulation, rapid technological development and unstable financial markets change the environment in which the companies operate. Fierce competition leads to excessive supply. The customer then acquires more choices and develops more specific requirements. This in turn makes it increasingly difficult for a company to distinguish itself from the competition. Small, gradual changes in the product are quickly imitated. Only fundamental innovation can provide a long-term advantage (Berthon et al., 2000). In an environment such as this one, characterised by change and innovation, learning together with customers is essential.

Strategy

Besides being related to the organisational environment, the various approaches to customers can frequently be reduced to a view of customer orientation. A discussion about customer orientation frequently involves matters such as customer service and customer satisfaction; are we serving the customer as the customer would like? However, Peter Drucker, who coined this idea (Drucker, 1954, in: Berthon et al., 2000), had a much broader view of customer orientation.

There is only a single valid definition for the goal of a company: creating customers. It is the customer who determines what a company is. After all, it is the customer and only the customer who converts economic resources into value, converts things into goods, because he is prepared to pay for a product or service. What the company thinks it makes does not take precedence – and certainly does not determine its future and its success. What the customer believes he is buying, what he believes to be valuable, is crucial. Because the goal is to create customers, a company has two – and only two – basic functions: marketing and innovation.

Drucker therefore distinguishes two aspects of customer orientation:

- Maintaining existing customers by means of marketing activities that determine what the customer wants (customer orientation in the narrow sense: serving);
- Creating new customers through innovative products and services. After all, innovative products and services can stimulate the imagination of people and in this way create customers.

Berthon et al. (2000) have placed these aspects in a theoretical framework in which both aspects can be developed at a high or low level.

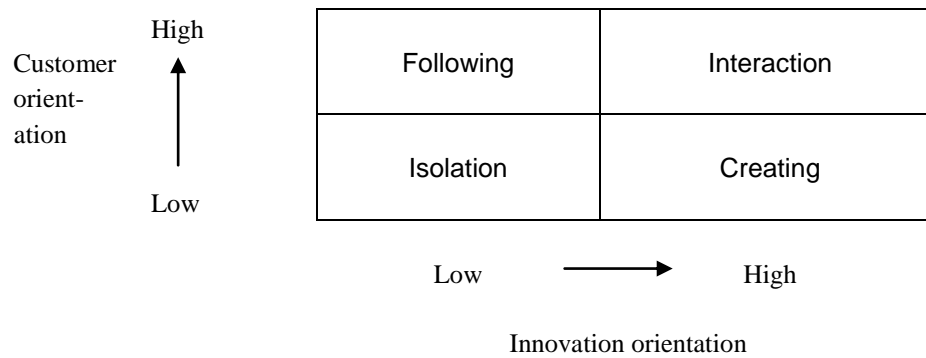


Figure1: Four strategic approaches (Berthon e.a., 2000)

We will explain the four approaches in the sequence of assigning increasing importance to interactive learning from and with customers.

Isolation

In the isolation variant, a company looks primarily at itself. There is no communication with the customer of any sort. The technology stagnates or is developed only for its own ends. The customer does not provide a direction for development, and the market is not affected by the presence of the relevant technology. For an organisation which can operate successfully in such an environment, interactive learning from and with customers is not a useful option.

A company can deliberately choose this option because it can be a very successful approach. Take the example of the Dutch shoe manufacturer Gréve. For many years, this company has been manufacturing shoes that satisfy the highest quality demands. The company has used the same shoe designs for decades; it does not follow stylish trends. The same production method (hand-built shoes) has also been maintained despite all kinds of technological developments. Nonetheless, this strategy has been extremely successful.

The choice for this strategy can also be temporary, such as the choice made by the British automobile industry in the 1960s and 1970s. Mergers within this sector took place at the cost of innovation and market orientation to enable the companies to focus on their internal problems and the internal knowledge exploitation processes. The deliberate choice was made for an isolated market position so the company could ‘catch its breath’. A deliberate choice was made to not learn from and with customers.

Following

In this variant, the customer is in the picture; market research leads to insight into the demands and needs of customers. This research prevents product development from focusing on aspects that the management believes to be important, but which are unimportant to the customer. However, the communication with the customer is one-sided; the customer informs the producer, who then uses the information. The involvement of the customer in the development process is limited to ‘informing’ (see Ardon, 2001). In this situation, the market for the producer is transparent (there is little differentiation), and the degree of innovation (dynamics) is not very high. True interactive learning from and with customers (in the sense of direct discussion or participation) is therefore not necessary; traditional market research is sufficient. For example, Toyota developed the successful Lexus following extensive traditional market research about the demands the customer places on a luxury automobile.

Creating

In this variant, there is frequently an innovative technology that creates the market. An example is Compaq, which invested heavily in the 1990s in the development of servers for PC networks. During this process, the company was not worried about research results which showed that the market was continuing to cling to the mainframe. Before the launch of a new technology, potential customers often have no understanding of the advantages these new technologies may offer. The need for them does not exist at all! This approach assumes that the technology strongly determines the needs of people.

However, the number of failures in the area of new technology is greatly underestimated because many of these new innovations disappear without a trace. Technology pioneers often do not have a good understanding of the market and how the customer learns. To be successful with such an approach, a company must not only bet heavily on the technology, but it is also very important to pay attention to the future market. Interactive learning from and with customers can therefore be important in this variant.

Interaction

In this final variant, a dialogue is established between the customer and the producer. This dialogue can take place by means of technology. Consider the example of Dell, where the customer enters the specifications for the computer to be purchased on the company's website. Firefly Network does something similar but goes even farther; customers can enter information about their favourite books, films etc on the Firefly website. This information is then processed into a customer profile. These reviews also serve as information for other users. Based on the profiles, which are regularly updated, Firefly notifies its customers about new products that would probably interest them. An example of a dialogue without any form of technology is the sounding board group in Sneek, a city in the Netherlands. Police and citizens conduct periodic discussions about the performance of the police in this region and work together to arrive at new forms of policing.

Global competition, which may appear without warning on free markets, can be dealt with by means of 'interaction'. The accompanying dialogue can take two forms:

- conversation: a relatively relaxed, two-way flow of information: ideas are proposed, modified and developed further;
- negotiation: this refers to the harder picture of a power struggle between producers and markets, where tradeoffs are made regarding values and characteristics. For example, consider the health care sector where patient associations deal with care providers (or associations of care providers).

Interactive learning from and with customers is outstandingly suited to this variant.

Conclusion

As stated above, both factors (organisational environment and strategy) are dependent on each other. The effectiveness of a specific approach depends strongly on the characteristics of the specific environment. An 'isolation' strategy can be extremely effective and economical in a stable environment. Interactive learning from and with customers is therefore not advantageous. In contrast, if there are complex and rapidly changing customer needs and demands, then a 'following' strategy will be more effective, where traditional marketing ensures that the company learns *from* the customers. If there is a rapidly developing technology (such as genetics or ICT), then a 'creating' strategy is frequently suitable. Finally, if there is a great diversity in the needs and demands of the customer, and all kinds of interchangeable forms of technology are possible, then an 'interactive' approach is preferable. It is especially these latter two approaches that require a mutual learning process with customers, where the involvement can vary from discussion to active participation (Arden, 2001). Organisations are continuously in motion; a 'creator' can later become a 'follower', can then choose 'isolation' and at a certain time can seek recourse in 'interaction'. None of the four approaches is ideal in a general sense. The approach must fit the environment in which the company operates. However, as discussed above this does have consequences for the question of whether or not learning from and with customers is a useful approach.

4 How does communication develop between consumers and producers?

If we understand when it is useful to learn with customers, we then want to know how we can do this. To fully utilise the current opportunities for innovation in the economic order, it is more profitable than ever before for producers and consumers to focus critically on the following topics: what is their self-image, how do they view the other party, how would they characterise the nature of the relationship and the communication with each other, and what do they want to change in this process? In other words, it is especially the nature of the

communication that determines the degree with which organisations and customers can learn from each other. Scharmer (2000) recently presented a model in which he analyses these communication patterns and places them in a development perspective.

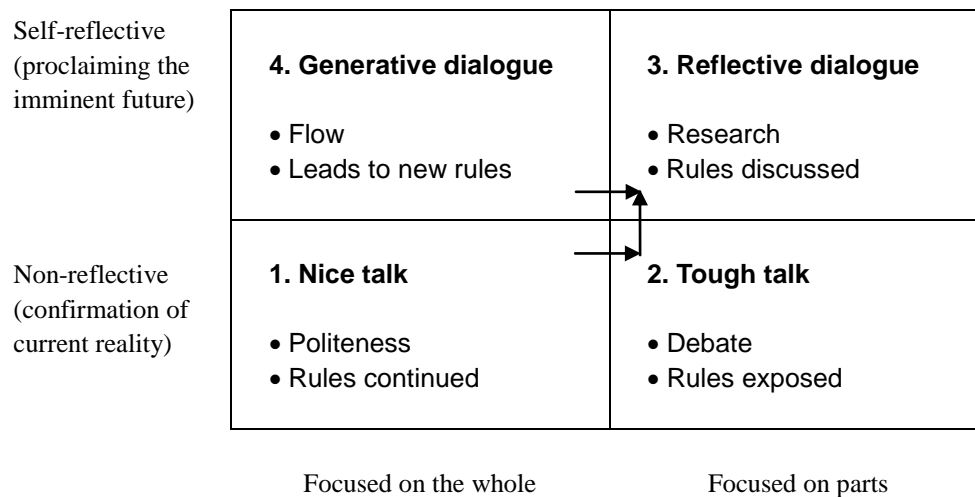


Figure 2: Archetypes of communication processes (Scharmer, 2000)

Scharmer makes a distinction between **self-reflective** and **non-reflective** communication. An example of communication without self-reflection is the statement, “We have a problem because new competitors are not keeping to the rules.” Communication with self-reflection would lead to the formulation, “We have a problem because we cannot deal with the challenge of the new competitors.”

The other distinction between **focused on the whole** and **focused on parts** can be clarified by tracking the quality of communication in the four fields. The ‘nice talk’ remains within the whole context of a given situation, i.e. within the dominant culture. The ‘tough talk’ focuses on the argument of one party in which the other believes they have ascertained weaknesses; each party operates from their own ‘territory’ and impulses and strives to express their own opinions; these opinions are therefore opposed to each other. In the ‘reflective dialogue’, the speakers investigate one-by-one the specific opinions, norms and values on which their statements are based. In the ‘generative dialogue’, the participants delve into the situation as a whole, examining their internal process and arriving at new insights. The participants, such as customers, salespeople, customer service and production representatives, conduct collective activities for a long period in an after-sales service situation. Due to the intensive involvement of all participants, the borders between thought and action, between I and you, begin to fade, and an idea for an improvement of a product or service – or an entirely new concept – arises from a commonly experienced ‘space’. This product or service is up-to-date and offers very desirable solutions.

Communication in motion

Ideally, there is movement in the communication. From a nice talk one can proceed to a tough talk and then go on to a reflective and a generative dialogue.

1. In the ‘nice talk’, the producer and the consumer only say partly what they are thinking and feeling. Old patterns are therefore continued. The existing rules remain largely hidden and are perpetuated. The speakers do not succeed in freeing themselves from the ‘force of convention’,
2. The emotion of the ‘tough talk’ instigates the parties to call certain things by their names. Differences start to become sharply defined. Conflict occurs; discrepancies and deviations are not repressed or covered up, but are discussed. Matters that the parties have previously only thought or felt are now discussed openly.

3. The ‘reflective dialogue’ makes it possible to clarify basic concepts, norms and values on which actions are based. In this case, the speakers do not shy away from examining and comparing their own opinions and those of others. Both parties make a collective effort to scrutinise their programming, which leads them to certain thoughts and actions. The parties distance themselves from the existing rules; more space for action is created.
4. The speakers move on to field 4, the ‘generative dialogue’, if they are able to use the space for action (which was created by the exercises in field 3) to allow exceptional new ideas or thoughts to happen. These new ideas occur when the speakers repeatedly share experiences with each other, question each other, think through new solutions and try out these solutions.

Conclusion

If we look at these four communication types we can conclude that only the reflective and generative dialogues lead to change or innovation. The other two communication types take place within the context of the current transaction rules, and these rules remain intact. Although clarification can occur and the understanding for each other can increase, essential change cannot be expected. Organisations who want to learn with their customers have mastered one or both forms of dialogue and have thereby created new space and new possibilities.

5. Diagnosis of ‘interactive learning from and with customers’

In the previous sections we illustrated our understanding of **interactive learning from and with customers** and discussed situations where this is a useful learning concept. In addition, we looked at various communication methods and how development can take place through various types of communication. The following question now arises: if we consider learning from and with customers to be useful and necessary in a specific situation for a specific organisation (see Section 3), how can we tackle this in a more deliberate fashion? In this section we will sketch out guidelines for implementing such a diagnosis. The goal of the diagnosis is:

- Discovering the ‘blank spots’ or ‘opportunities’
If there are areas where you do not yet work fully together with your customers for improving products or services, this will emerge from the diagnosis;
- Generating new ideas about how learning from and with customers can be implemented to a greater extent by your organisation;
In the diagnosis, ideas can also be developed to utilise specific opportunities that have been ascertained.

We will illustrate the diagnosis approach in four steps.

1. Choose a product or service

The starting point is choosing the ‘object’ that you want to investigate. During this process we can make a distinction between:

- All existing services or products. Since organisations usually offer an assortment of products or services, it is a good idea to focus on:
 - products or services that have been available for a long time and where there is uncertainty about how long they will still be viable. We are referring here to **maintenance**;
 - products or services where there are external problems (customer complaints e.g. about price, quality or delivery time) or internal problems getting them established. We are referring here to **improvement**.
- Products or services to be newly developed where you already have concrete ideas or perhaps only very tenuous notions. We are referring here to **innovation**.

2. Determine the accompanying ‘relationship’ that you want to investigate

When you know on which object the diagnosis will be conducted, it is time to determine which people are involved, or will be involved, in this process. There are usually a number of individuals. This may include:

- Directly involved staff and supervisors: staff who are directly involved with the product or service in the implementational sphere or in the supervisory role;
- Internal customers: staff from other departments or those who play a role in the creation of the product or service;
- End users or potential end users/external customers;

Once you know who is involved as a customer, you can decide which customers you will invite. If you are aiming for the development of a new service or product, it is a good idea to invite innovation-minded customers. They can and will participate in the dialogue with you. If it concerns maintenance or improvement, the selection is less relevant. It is then especially important that the chosen customers are representative of the target group for that product or service.

To prevent the diagnosis from becoming unnecessarily complex, we suggest that you make a linkage, i.e. a ‘relationship’ that you can investigate. Beginning with the summary of currently involved parties, you will arrive at relationships that are useful to diagnose. Such relationships include research and development – marketing; secretariat – advisors; internal service – external service; external customer – marketing; customer service – customer; customer service – research and development. If you discover multiple interfaces, we recommend that you carry out the diagnosis for each of them individually.

3. Conduct the diagnosis

Object	Interface	How would you characterise the communication with the customer?					Satisfied?				
		None	Nice talk	Tough talk	Reflective dialogue	Generative dialogue	--	-	0	+	++
Product 1	Interface 1										
	Interface 2										
	Interface 3										

Illustration 3: Main elements of the diagnosis

If you know the object and the interface that you want to investigate, there are in fact two basic questions:

- What is the defining characteristic of the current communication?
 - Is there any contact with the customer at all?
 - If there is communication, how can we typify this communication? What is the basis of this typification (situations, parties involved, actions of parties)? Which type of communication is dominant?
 - Is this the same for all staff or does it differ from individual to individual? Is there a type of communication used by one individual that is attractive for a broader group?
- How satisfied are you?

If a reliable picture of the current communication is available, the investigation will focus on evaluating this situation:

- How satisfied are you with the current communication?
- Is it effective? If yes, what benefits does it provide?
- Is it efficient? Does it require intensification, or could it be less intensive (less time investment)?
- What are the strengths of this communication (and should it be maintained)?
- What is going wrong; what are the disadvantages or negative consequences of the current form of communication?

To implement this diagnosis, various approaches are conceivable. For example, you could conduct an interview (individual or group), structured or non-structured (e.g. using the metaplan method or the ‘thinking caps of De Bono’). For both of the basic questions, a varied group of participants helps to increase the quality of the answers, but it also allows the participants to feel that they are co-owners of the results of the session. This helps to implement the following step.

4. Think up new forms of learning from and with customers

The final step is to determine – together with customers – which new steps can be taken to give further shape to the service or product. The cases discussed in this article can perhaps offer some inspiration!

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- J.M. Dekker, MA, (1960) began work at Kessels & Smit, *The Learning Company*, after completing his study of Educational Science and Technology in 1991. The theme of learning from and with customers is relevant to him not only from his own role as a supplier of services to customers, but also when advising the customers themselves about powerful learning situations; he increasingly includes ‘customers of customers’ in this process. In addition to his consultation practice, he works one day per week at the Faculty of Educational Science and Technology at the University of Twente. He is also a member of the editorial board of *HRD Thema*.
- Dr. Otmar Donnenberg (1940) works as an independent organisational consultant for change management and leadership development in the Netherlands, Germany and Austria. While conducting Action Learning Programmes, with their networks of learning partners in actual business situations, he became especially interested in the learning interactions that took place between suppliers and customers. His experiences with applying the principles of Lean Thinking, including ‘continually clarifying value for the customer and making this the basis of all parts of the work processes’, have strengthened this interest.

Published in:

Ardon, A. & Westendorp H. (red.) (2001), *Leren van en met de klant*. HRD Thema. Alphen aan den Rhijn: Samsom.

If you would like to discuss this article, please contact:

Otmar Donnenberg

Traubengasse 13

D – 79576 Weil am Rhein

T + 49 7621 578 9535

F + 49 7621 578 9536

otmar@donnenberg.nl

www.donnenberg.nl