

Looking for the Next Stage in Growth - Follow Your Customers

Description

One of the biggest themes we hear about crossing the 2nd chasm, is the importance of moving from a company/product-centric culture to a customer/solution-centric culture. Sometimes a new product does something so well, provides so much obvious benefit, or is so intuitively attractive to an innovative /early adopter customer that it gains terrific initial product-market fit. The initial product benefits can power a company through many of the early growth stages very well. However, as a Company approaches a certain size and stage, it will begin chasing larger deals with larger customers. It will also have to ensure that its customer retention is strong and hopefully growing with each cohort. Finally, it may realize that it needs a different team to scale this next stage of the growth mountain. A common denominator for achieving all of these goals is often a significant shift towards being more customer-centric.

I recently sat down with my friend Kevin Parker, CEO of HireVue to explore these issues. HireVue is an incredible success story... a venture backed video interviewing platform that has grown steadily since its fist video interview in 2006. HireVue recently completed its 5 millionth interview and today delivers on-demand and live interviews in 32 languages and 180 countries around the world. Kevin has been a board member of HIreVue since 2015 and was tapped by the board to step in as CEO in 2016. Kevin is responsible for delivering the next several stages of growth for the Company, and acknowledges that "what got us here....won't necessarily get us to where we are going".

"We have a tremendous opportunity to redefine how our customers optimize their talent acquisition processes, and to fundamentally improve the outcome of those processes for both the candidate and the hiring company. The value of doing so is enormous... some of our customers are hiring tens of thousands of employees per year. In order to do that, we have to be totally focused on how the customer operates, what is most important to them, and how we can deliver a solution that meets those primary needs. If we do that well, we will earn the privilege of potentially sharing with them additional insights that can help them make further improvements to their processes and create even better outcomes."

Kevin shared how becoming more customer-centric was not only critical, but a challenge due to the unique and innovative nature of the HireVue platform.

"What HIreVue created was an incredible innovation. The idea of conducting interviews via an ondemand computer video platform was a completely new way of doing business. It had all of the obstacles that you would expect for such an innovation. The founding team did a terrific job of listening to the customer and continually improving the product to the point where it became an even more pleasant way of doing business and gets great customer satisfaction scores from candidates. That is an incredible achievement for something that sounded and felt so impersonal just a few years ago"

Kevin went on to explain that these innovations were made possible by a relentless focus on the product and improving the product until it could meet client and candidate expectations. That relentless focus, however, now has to be shifted from inward facing to outward facing, if the company wants to solve the bigger challenges of the enterprise.

"Our historical product strengths could win deals based on the basic math of travel cost savings. It is very easy to measure the travel budget and time budget saved by using a video interviewing platform. That entry point has now given us the opportunity to speak with CEOs and CHROs about bigger scale solutions that can address some of their most important corporate challenges, like how can they win the race for the very best talent? How can they differentiate themselves and even build brand goodwill through their interviewing and candidate engagement processes? How can they reduce employee turnover by using AI and data analytics to select candidates that are more likely to remain with the company long term? These are far bigger value drivers than the recruiting travel budget!"

In order to tackle these higher-level customer objectives, Kevin shared how he is working to shift not only the sales focus of the organization but the entire culture towards being more customer centric. This includes hiring new leaders who come from the industry he is selling to, establishing a world class customer success function, and turning the company's culture and internal stories and wins from discussions about their products and features towards discussions about their customers and customer wins. It also means spending a lot of time with those top customers to better understand their needs.

Has your company hit a growth plateau? Are you struggling to jump from initial product traction to predictable and scalable revenue growth? If so, ask yourself these questions about your organization and how customer-centric you are:

- Marketing Materials Take a look at your website, your corporate lobby awards, your trade show collateral.... Do they talk about your product and all of its bells and whistles, or do they talk about industry problems and solutions that your company/product can provide?
- **Solution Selling** Review your sales deck/materials. Are you selling a solution, or a product? Remember, nobody wakes up in the morning wanting to buy your product Link.
- **Moving Up Market** Are your client conversations naturally pulling you up market? Are bigger clients asking you to solve more important problems for them? Or are you struggling to move up market stymied by longer sales cycles, greater product requirements and stiffer competition?
- **Pricing** Are you able to increase price with your larger clients naturally, based on the value being delivered? Or are you struggling with product-based pricing metrics that don't offset the longer, more costly enterprise sales and service costs?
- Team Has your team evolved to include well-known industry experts with credibility in the

marketplace? Or are you still relying on your legacy heroes who built the original product and know all the history and product quirks? If you are solving important industry problems, you will attract industry experts with passion for solving these problems who are great compliments to founding teams.

- Customer Service vs. Customer Success Which do you have? Do you focus on training customers on how to properly use your product? Or does your team work with customers to understand their definition of success and work relentlessly with them to achieve it?
- **Culture** What do you celebrate? What stories do you tell? If I asked one of your team members what they do, will they describe a product they work on, or will they tell me about their clients and the problem they solve for them?

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