

Customer Value as Management's Compass

– when the customer is the reference point for management decisions

By Mads Cronquist · Cronquist Consult ApS

In most companies the customer is at the centre – in the strategy plan, on the website and on the poster in the canteen. But does customer value actually drive management's decisions? Or is it just a phrase you return to at the next strategy seminar?

A compass only works if you use it along the way – also when the weather changes and the plan does not hold.

This article is about how management turns customer value into a compass that is used every day – and not just a value hanging in a nice frame on the wall.

Customer service is not a department

Quite a few years ago, when I worked with leadership development at e-economic, you met happy people on “Planet WOW” delivering customer service by phone, email, chat, forum and courses. The system was professionally put together, but that was not the explanation. The explanation was an attitude: Customer service is not a department. It is an attitude that runs through the entire company.

That is the difference between having a customer strategy and being customer-oriented. When customer value is management's compass, leaders do not only ask “what does it cost?” and “what does the plan say?”, but also “what does it mean for the customer?” – even when the decision is about organisation, processes or recruitment.

What do customers actually hire you to do?

Customers do not buy products. They hire a product or service to solve a concrete problem under very specific circumstances. The question is whether management knows what that problem is – and under which circumstances the need arises.

That is rarely something you find in a spreadsheet or a satisfaction survey. You have to get close to the customer's reality – almost like an anthropologist living among the natives for a while. At Cronquist

Consult we call it [Customer Value Interception](#): The ability to systematically identify, understand, create and deliver the value customers genuinely need – including needs they may not yet be able to articulate.

The idea is not new. As early as 1960, Harvard professor Theodore Levitt warned in the article “Marketing Myopia” against companies that define themselves by their product rather than the customer’s need. The railroads thought they were in the railroad business – but their customers needed transportation. Levitt also put it briefly: People do not want to buy a quarter-inch drill. They want a quarter-inch hole.

Clayton M. Christensen built on the idea with what he called “jobs to be done”: Customers hire a product to get a specific job done under specific circumstances. In his well-known example, many commuters bought a milkshake in the morning – not because they wanted a milkshake, but because they needed something that could make a long, boring drive bearable and keep hunger away until lunch. The competition was therefore not other milkshakes, but bananas, bagels and coffee.

Christensen also showed that this is where disruption arises. The established players move up-market and improve their products beyond what customers ask for. Meanwhile, new players arrive with simpler solutions that are “good enough” to solve the customer’s concrete problem in a given period under specific circumstances – and are measured on a completely different value scale. The leader who only listens to existing customers and their own product often discovers it too late.

Large amounts of data will not necessarily reveal exactly which job the customer hires you to do. It requires getting close.

At [EBK](#), the customer’s experience does not arise in a meeting room, but in the customer’s own holiday home. So we went out there, observed and interviewed the customers where the product and service are actually used, and turned it into a customer film. The film was shown to 115 employees – and suddenly the customer was not a concept, but a person.

Is customer value your real reference point – or just a phrase in the strategy plan?

The customer as co-trainer

The most direct route to the customer’s perspective is to invite the customer in. Not to a sales meeting, but into the learning space.

At [Cepheo](#), real customers took part directly in the training of two Nordic consultant teams with 16 consultants each. The consultants could listen, ask questions, challenge their own assumptions and reflect on their practice in light of what the customers themselves said. In the [process leadership programme at e-conomic](#), customers taught on one of the modules – with their wishes, frustrations and honest comments. And at [PSN Service](#), the service managers were visited by their own customers in the module on customer value and service.

It takes courage to let the customer speak freely. But it is often the most critical customers who provide the most valuable learning.

When the customer becomes part of the family

Some years ago I worked with a client in Odense that wanted something completely different from anything I had experienced in the almost 30 years I had then worked with developing people and business. The ambition was to increase sales tenfold in a short time. The means was a completely new way of developing the product – in co-creation with the customer, the employees, the users, volunteers and the customer's customers.

The customers were global, but at the same time central contributors to product development and innovation. Not now and then, but every day, as part of the company's DNA. What characterised the company was a deep bond with its customers – almost to the point where the line to friendship was blurred. Some would call it a family: A living organism where “outside-in” is really just an “us” spreading like ripples in the water.

I must admit that, as a soon-to-be grey-haired officer with experience from both war and the cold peaks of business, I felt provoked – in a good way. Ambitious plans rarely survive first contact with the enemy. But who is the enemy, really? Perhaps the battle to be fought is a confrontation with our own idea of what good leadership is. When the customer is involved all the time, it requires more self-management, a new understanding of success, and leaders who can lead together with customers – not just on their behalf.

From satisfaction to profitability

Many companies measure customer satisfaction. Fewer link it to the finances. But a satisfied customer is not necessarily a profitable customer – and a dissatisfied customer may be one of the most important to keep.

More than 25 years ago I therefore developed a method that links the customer's likelihood to repurchase and recommend with financial performance and profitability. It is the missing link in most customer surveys. At PSN Service we conducted structured interviews with 20 customers and compared customer insight and loyalty with profitability. The result was a management tool showing where relationships should be retained, developed or prioritised – both for the executive team and for the individual service manager.

In the period 2023–2025, our client PSN Service A/S improved its profit before tax by more than DKK 15 million. Of course, this cannot be attributed solely to the customer analysis and the leadership training we delivered – but it shows what can happen when the customer's experience of value becomes something you manage by, not just something you guess at.

Just this September 2026, the company became part of InstallatørGruppen ApS, with an exciting portfolio of around 50 companies. We are already in dialogue, as they have a very special approach to M&A and a strong, shared leadership culture of standing together.

Three ways into the customer's reality

Customer Deep Dive – three solutions:

- **LISTEN – Customer analysis:** What do customers experience as valuable, what drives loyalty – and how does it relate to profitability?
- **EXPERIENCE – Customer Insight Film:** Observation and interviews where the need arises, turned into a film that brings the customer's reality into the organisation.
- **MEET – The customer as co-trainer:** Real customers take part directly in the learning and challenge your assumptions.

The solutions can be used on their own or combined. What matters is that the customer's reality goes all the way into management's decisions – not just into an appendix to the strategy.

Listen – all the way

There is one thing in the world that cannot be copied: Relationships. Likes and reviews can be bought, and competitors can copy both products and prices. But a deep, professional relationship with the customer – where you know the customer thoroughly – pays back many times in repeat business and greater mutual value, because the customer's needs become clearer and can be met more precisely.

Listening to the customer sounds simple. It is not. We all have filters that generalise, delete and distort what we hear. That is why we often hear what we expect – and not what the customer actually says.

Learning to listen all the way, in silence and with full attention, takes training. And it starts with the leader. A leader who cannot listen to themselves and their own blind spots will find it hard to hear what customers really value, dream of, are dissatisfied with or wonder about.

Three questions for the leadership team

Ask yourselves:

- When did we last meet a customer in the customer's own reality – not in our meeting room?
- Do we know which customers are both loyal and profitable – and which are not?
- Which of our recent management decisions was genuinely made with the customer as the reference point?

Conclusion – the customer as compass

A compass is only worth something if you use it along the way. Customer value only becomes management's compass when it drives everyday decisions: What we prioritise, who we develop, and how we measure success.

It requires management to get close to the customer's reality, invite the customer in and link loyalty with profitability. Just as the passenger is the pilot's reference point, the customer should be management's.

This article builds on my LinkedIn articles "Kundeorienteret ledelse i virkeligheden" (2019), "At skabe WOW kundeoplevelser" (2016), "Kundereferencer fra virkelighedens verden" (2016) and "Kilden til innovation – om disruption og transformation" (2016).

Want to make customer value your management's compass?

Cronquist Consult ApS helps management teams bring the customer's reality into strategy, business development and execution. Read more here:

[Customer Deep Dive](#) · [Business development](#) · [Strategy and execution](#)