

Old Rule: Shareholders Rule / New Rule: The Customer is King

The old rule and the new rule are drastically different. In the old rule, maximizing shareholder value was the most important goal. This was done with "the tail wagging the dog" and companies were abusing customers with aggressive pricing, adding "perceived value" instead of real value. The new rule is concerned with providing the customer with what they want before they know it, and keeping them front and center. In the new rule, employees were proud when they were focused on delivering for customers, making them a "powerful engine" for the company.



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Old Rule

Maximize shareholder value

[Shareholder on pedestal](#)

CEOs often discuss the importance of their customers, and describe a push to maximize shareholder value (stock price).

Tail wagging the dog

[Tail wagging the dog](#)

"The tail wagging the dog" describes that aggressive pricing abuses customers, trying to shake out profits from them. In this metaphor, the tails is the company, while the dog is the large customer base being abused.

Abuse customers by unnecessarily charging more for services

[Stepping on customers with empty pockets](#)

With the old rule, customers were bullied with aggressive pricing on hotel phone bills, rental-car gas charges, credit card fees, etc. This led customers to believe their companies were not doing a good job of serving them.

New Rule

Predict what customers want before they know it

[Predicting what the customer wants](#)

The new rule dictates that a successful company will predict what customers want before they even know. An example of this is Apple, who dreams up devices that customers want before they know they do.

Customer experience front and center

[Customer on throne with crown](#)

Companies in the new rule keep the customer experience front and center. An example of this is Genentech, whose employees remember that their drugs are for cancer patients. Another example is Apple, which is a company obsessed with the user experience.

Employees have more pride in work when customer is happy

Employees lifting customer up with pride

Harnessing employees as a "powerful engine" can occur if employees are made proud. It was found through metrics called the Net Promoter Score that measured how likely a customer was to make another transaction with the business. It was found that in these companies, when everything was focused on delivering for customers, the employees were more proud, empowering them to work harder.