



CUSTOMER EXPERIENCE MANAGEMENT

the
Foundation

A systematic approach to customer experience management growing value for customers and the business at the same time

When it comes to customer experience, most organisations find themselves taking a transactional approach, pursuing a single score, maybe NPS, satisfaction or customer effort, and reacting to issues as they arise. This looks customer-led, but it is not a path to customer-led success. Some common practices include:

- Prioritising by what customers are complaining about or what senior leaders care about, rather than the experiences that have genuine value to customers and the business
- Reactively fixing individual pain points to stop customers being dissatisfied, rather than proactively designing great experiences to make customer happy
- Subscribing to generic frameworks that assume a good experience is the same for all customers in all industries in all organisations
- Building large and expensive customer journey maps leading to recommendations for IT transformation, rather than identifying specific opportunities to provide delight, reduce dismay, and differentiate
- Obsessing about raising a single number leading to unhelpful behaviours as people learn what makes the number go up and down, not what really matters and how much is 'enough' – for example is the cost of achieving an increase always a good commercial decision?

HOW IT WORKS

Good customer experience management is systematic, starting with the big picture of what genuinely matters to the customer and to the business, then working in a way that allows for continuous improvement, measured in terms of the impact on the decisions customers make to do more or less with the business, the costs of achieving it and therefore reflected in the bottom line.

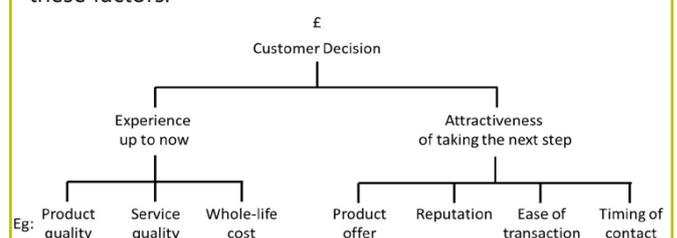
STEP ONE

Identify the customer decisions that matter most to your organisation's commercial success, decisions to join, buy more, buy less or leave, and then identify the factors that most influence those customer decisions.

Creating a map of each crucial decision allows you to clearly see how to earn more in your favour – growing retention or reducing churn, increasing share of wallet, growing products or value per customer. The map reflects all of what matters, simplified into two broad factors:

- How the customer feels about their experience up to now with you
- How attractive taking the next step is with you compared to the alternatives

It then allows you to identify what most influences each of these factors.



STEP TWO

Prioritising the customer experiences that matter most in earning these decisions, based on both customer and commercial value.

This means looking at how many customers are impacted, how often, and how deeply, alongside associated business costs and revenues. This also means identifying where errors, drop-outs, and complaints are creating failure demand and bringing extra cost into the business that could be removed whilst providing a better customer experience.

STEP THREE

Assess those experiences at the most appropriate level to identify specific opportunities to provide delight, reduce dismay or differentiate.

Not all customer experiences are 'customer journeys'. Taking an energy company as an example, some are high-level triggers, the things that matter most to customer in their life that trigger the need for help (such as moving home.)

Some are middle-level journeys, multi-stage experiences that customers will occasionally have with an organisation (such as switching energy supplier). And others are micro-level moments, one-off interactions that usually only have one step involved (such as informing the company of a change of address)

STEP FOUR

Set-up for systematic and continuous improvement based on the most useful customer and commercial metrics.

Measurement needs to connect the customer and commercial agendas as one, linking the drivers of customer decisions to financial and operational performance, producing actionable insight that works alongside higher level summary figures such as NPS, not just NPS. This will show the commercial value of customer decisions to the business, the overall and detailed customer experience performance across the factors that influence those decisions, and how well a business is doing on the few experiences that matter the most. It would tell you for example when your NPS score may be high enough for now, and that you should be concentrating on making it easier for customers to take the next step in order to earn more of their decisions.

THIS APPROACH WORKS ACROSS INDUSTRIES

We've refined our point of view on Customer Experience Management through work with many clients. The most recent include Yorkshire Building Society who as a result have restructured their customer office around 'Experience Management'. They also include SSE with whom we designed a full-company blueprint for customer experience management, a new approach to their 'voice of the customer' programme, and work that is underway to reduce churn by improving customer experience while reducing unproductive costs. And they include Transport for London with whom we developed a new approach to complaint handling based around a deeper understanding of what customers really expect.

WHO THIS IS FOR

Good Customer Experience Management will benefit a number of areas of the business, but we've found that some people gain particular benefit:

- Customer Experience Officers – charged with delivering an effective and efficient customer experience in line with a brand promise
- Chief Marketing Officers and Chief Customer Officers – needing to understand the most important factors that drive a customer's decision to join, stay or do more with the organisation
- Heads of Customer Insight – looking to accurately reflect the experience their customers are having, in a way that will drive action in the most important areas for customers and the business
- Process or Transformation managers – wanting to reduce cost in the business but not at the expense of the overall customer experience

WHERE ARE YOU NOW?

One potentially useful first step is to review your current approach to Customer Experience Management, identifying areas of strength and the biggest opportunities to improve by comparing with this cross-sector approach.

This would cover:

- How you prioritise customer experiences
- Your approach to customer experience assessment and customer journey mapping
- Your design principles and framework for creating new experiences or improving existing ones
- Your current approach to customer experience measurement (including voice of customer programmes)
- Your structure and ways of working in the extended team responsible for customer experience

This assessment takes c.4 weeks, producing a detailed review, gap analysis, and prioritised next steps. The cost for this is £25k.