Customer Centricity

Customer expectations and behaviours have changed dramatically over the past decade. Organisations are expected to meet customers' needs and expectations at every interaction, in return for customer loyalty. The ability to deliver this depends on the extent to which 'customer-centricity' is embedded within every single person in your business…

Few organisations have the necessary organisational culture to deliver truly customer-centric customer experiences. Often, a well-intentioned strategy is diluted by operational constraints (whether real or perceived) and a loss of focus, resulting in little more than lip-service being paid to the concept of customer-centricity.

Too many organisations focus on trying to deliver 'world class' service – rather than giving customers what they actually want, which in most cases is a quick and easy process to follow, that is right first time.

Typical blockages to delivering a great customer experience include:-

• There is a disconnect between strategy and vision, and the operational staff and the behaviours that are required to really deliver the customer experience. In our experience, this is usually caused by siloed business units, misaligned reward and recognition packages, and a lack of executive buy-in.

• Regulatory or other enforced processes are used as an excuse to provide poor customer experiences without considering other experience based principles that can be used to manage and improve the customer experience.

• Traditional customer feedback is often reviewed days and weeks following the actual event. Digital and online social platforms such as Twitter, Facebook and Blogs are enabling mass feedback to be captured in real-time, and distributed across the business to those responsible to action immediately.

• Often, non customer-facing business units form the greatest obstacle in preventing a company from becoming truly customer-centric. Organisations often over-focus on the frontline service delivery teams, and do not focus on creating the required mindsets, behaviours and processes, within the back and head-office teams.

Introduction

What distinguishes customer-centric organisations from other companies that proclaim their customer focus? In short, they've moved beyond lip service and re-orientated their entire operating model around the customer, increasing customer satisfaction and their own profitability in the process. Customer-centric companies understand not only what the customer values, but also the value the customer represents to their bottom line. They align their operating models behind a carefully defined and quantified customer segmentation strategy and tailor the business – product/service development, demand generation, production and scheduling, supply chain, customer care, etc – to delivering the greatest value to the best customers for the least cost.

From our experiences, we have distilled seven areas to consider when embedding the customer at the heart of your organisation:-

Strategies for embedding customer-centricity into your organisation

Putting customer-centricity at the core of your business

Each of these areas are discussed in detail in the following sections of this document.

1. Visible, customer-focused leadership

You cannot be customer-centric if the customer experience is not an executive priority…

Accountable customer-focused leadership

Having clear leadership from the top that articulates what customer-centricity means to your business, and what it looks like in practice, is critical to creating a customer-centric organisation. Whilst it is common to have someone responsible for the customer experience, organisations that are truly focused on building their business around their customers are empowering top executives to own the customer journey, from initial contact through to final resolution.

This means that individuals need to be accountable for customer experience at key touch points within the customer lifecycle. A key challenge that many organisations face is how to change service accountability from product driven or silo based views of the customer, and move the customer service activity towards common, shared experience-based indicators. Enabling this change is fundamental to driving the right behaviours.

A number of organisations have developed Chief Customer Officer (CCO) roles at senior levels to help facilitate and drive some of these changes. The CCO role is typically responsible for providing a single vision across all methods of customer contact and is often responsible for

influencing business units both in the front and back office with the purpose of promoting the customers agenda. It is common for these roles to report the Chief Executive Officer (CEO) and in many instances the CCO is a member of the board.

Governance and common purpose

Successful Customer Service Leaders throughout the organisation must also have the ability to build strong relationships with key areas of the business that impact the customer experience. Often this means playing the role of peacemaker and teacher, to educate other business functions, such as IT and HR, about the impact that changes in other business functions have on the customer. High-level governance and lower level, cross-function working groups and relationships are fundamental to driving positive customer experiences. Often starting with new projects, success will come through embedding these behaviours into ongoing daily activities.

New ways of communicating

As customers have changed the way they interact with organisations and moved towards digital channels (Facebook, Twitter, Blogs etc..) It is essential that customer service leaders are seen to have a voice and presence through these digital channels. The ability to communicate and engage via short and direct messages is a powerful tool that allow customers and employees to keep up to date without having to spend large amounts of time searching, reading documents or listening to presentations.

Steve Jobs regularly used You Tube to make special announcements to Apple staff and customers, proving far more successful and engaging than the traditional methods such as mass email, by creating a more personal approach.

Some organisations have built large social networks that allow employees to communicate and engage with each other via digital channels allowing real-time engagement and communication not possible in traditional channels. An emerging trend we are seeing is CEOs and other senior executives taking the time to respond personally to customer complaints and feedback via these same digital channels.

Leading edge

Some organisations are implementing customer rooms, a customer centric space where the customer experience is brought to life. Key experience touch points are highlighted around the walls of the room, including actual examples of the services the customer experiences. The idea is to draw out opportunities to create a better outcome for the customer by having a clear view of customer feedback and complaints insights along with the key metrics.

Last but not least

Some of the more traditional and informal methods of communication are often over looked. 'Water-cooler' conversations whereby senior executives relay real stories of employees delivering exceptional customer service, are a simple yet extremely effective way to show awareness from the top of what's happening and the frontline. These scenarios can provide motivation and inspiration for employees to provide the same level of service.

2. Understand your customer

Understand who your customers are and their likely behaviours to tailor experience based on what you know about them…

Transformational change

Customer Insight Teams and Voice of the Customer (VoC) Programmes are becoming an integral part of all customer experience initiatives. They are driven from all areas of the organisation to better understand the customer. Many organisations report positive results, albeit incremental, rather than transformational change. In order to fully capitalise on these programmes companies need to leverage their data/insights to drive decision making.

Connect internal and external customer data

Some organisations combine behaviour and usage data with external customer information, providing a view of customers based on behaviour and usage. This identifies opportunities that are not always revealed through traditional methods. External information from a customer's background provides a valid insight into their spending profile and habits. Analysis can often lead to breakthroughs in the services and products you choose to offer customers and how you choose to interact with them.

Looking through the right lens

Customers can be viewed, grouped and organised in all sorts of ways depending on the approach. For example, whether considered as an individual or a family can drastically alter the results. For an organisation to achieve the outcome best suited to them, the approach they take to identifying their customers is crucial. The approach should be monitored and adapted in line with an organisation's customer service strategy to provide different views of the customer base.

Look for variations

Many organisations lack depth in their customer insight. The ability to identify variances in customer profiles unlocks a wealth of information with which to target them. Understanding the different socio economic groups, preferences, habits, purchasing pattern etc., can help organisations approach customer service in a way that is much more useful to the customer.

Pass it on

Above all, it is vital to communicate these insights across the organisation, especially to areas that typically would not consider customer insight as part of both operational and strategic change.

3. Design the customer experience

The perception of the experience is what matters…

The customer perception of a brand is based on what they see, hear and sense. These initial impressions need to be backed by empowered employees and business processes that minimise customer effort. This perception often starts with the brand. The brand is the essence of the underlying perception that your customers have of an organisation. Often there is a significant disconnect of the delivery of this brand between Sales and Marketing and Customer Care.

Defined customer experience

Part of embedding the brand, and key to managing customer expectations is having a defined end-to-end customer experience. This enables the key interaction touch-points across every channel to be identified and understood. Key to understanding these touch-points is taking a

holistic approach and incorporating every aspect involved. Once these touch-points are understood, they can be designed to specify exactly what you want the customer to perceive at each touch-point. Often this means creating cost-effective processes where the customer may perceive a seamless experience, but which may rely on manual processes to fulfill it.

This process should also encompass emerging digital and mobile customer interaction channels such as Facebook, Twitter and smartphone applications. The change in how consumers are choosing to interact with organisations and the speed at which it is happening, has established these types of contact channels as real channels that customers expect organisations to be able to interact with them on. Many organisations fail to do this in a clear and concise manner.

Moments of truth

The majority of customers do not want amazing service, instead they want clear and accurate information on the service they will receive. Customers simply want an efficient, friendly experience that resolves their enquiry. However, there are key moments in a customer's lifecycle where delivery of outstanding service will influence their long-term perceptions and behaviours (otherwise known as 'moments of truth'). One way organisations are achieving this is through changing the behaviour of employees around a limited number of key customer interaction touch points that are most critical to providing competitive differentiation. Through targeting people centric change at key events, specific behaviours and actions can be identified and then taught and communicated to employees who are responsible for delivering it.

Service promises

Successful customer-centric organisations also tend to have service promises or customer charters, which outline what customers can expect. Each promise needs a clear metric to measure against and senior executives must be accountable for delivery of them across the organisation. Organisations need to create events and themes around these promises to keep them relevant, refreshed and top-of-mind.

4. Empower the frontline

Empower the frontline to make decisions when it counts…

The foundation for great service

To empower the frontline, the brand and its implications need to be understood. Providing empowerment to the frontline works best when people believe they are an important part of the organisation. Senior management need to regularly show their appreciation of the role people play on the frontline and acknowledge the feedback they provide as well as leading by example. It is the frontline staff who understand better than most the impact that specific changes will have on both their roles and on the customer. Ensuring that your frontline team understands how you want to treat customers and the style of relationship you want your customers to experience will impact how they behave, the sorts of decisions they make and ultimately will form the view that the customer has of the organisation.

The right tools

There are a number of key factors to consider when embedding customer-centricity into operations. Giving power to frontline colleagues is essential; they need to have the 'right' tools and information to help them meet customer needs. There needs to be clear decision making channels to enable frontline staff to make 'on-the-fly decisions' that help resolve queries at first

point of contact. Traditionally, processes have been built around scripts and measurement frameworks that are designed to deliver conformity. However, experience has told us that this can lead to unhappy customers when their needs do not fit the script.

Some organisations have gone to the other extreme and provide ambiguous or unclear frameworks which increase the risk factor, particularly around customer identification and verification processes.

Single Customer View

One of the single, biggest things that organisations can do to empower the frontline is provide a Single Customer View (SCV) of all customer interactions, relationships and external activity. It is essential that a realistic customer journey roadmap is built to show how the SCV continuously evolves to provide greater insight and functionality right across the business.

Let individuals behave as they would normally

Creating a culture of innovation, with individual customer focus and responsibility, underpinned by an embedded customer service framework, is vital to establishing effective and high performing staff. This environment captures individual creativity without increasing risk for frontline staff. To achieve this there needs to be buy in from staff for core values to drive the right behaviours and allow them to approach service in a way that is comfortable to them.

Magic moments

Creating an environment where individuals feel they have a degree of creativity and empowerment within a structured framework allows for 'Magic moments' of customer service. These are unexpected moments that go beyond the norm of customer service and provide truly unique experiences.

5. Align and engage the back office

Customer-centricity is about every team and individual in the organisation, not just customer service…

A common understanding

The design and delivery of the customer experience should be the key strand that brings an organisation together and closer to customer-centricity. Unfortunately, we often find that the majority of people outside customer-facing business units fail to understand the customer journey and touch-points from the customer's perspective.

Back office engagement

An approach that some organisations take is to use the customer journey and the mapping of the key customer touch-points as the framework to educate and help drive customer-centric thinking and behaviours within back office functions. Product and Service proposition development teams need to foster close working relationships with contact centres and retail stores to encourage effective input and feedback from those who have real experience of the impact that specific changes will have on both their roles and the customer.

Within HR simple things like creating the flexibility to allow contact centre colleagues to 'bank' time that they spend working after their shift has ended to resolve a customer enquiry, can

make a big difference to morale and focus on the customer.

It is a journey, not a sprint

Our belief is that organisations must take a more robust view of these non customer-facing business functions and provide them with the education, tools and awareness needed to inform individuals of what it means to be a customer or customer facing.

Many organisations have overcome some of these challenges by encouraging/mandating other areas of the business and senior executives to spend time on the frontline to get a real perspective of the customer experience. Often this leads to a new appreciation of the impact of decisions made in key functions, such as Marketing, IT and HR.

6. Customer Metrics

Customer-centric measurement and reward are key enablers to understand if you have succeeded or failed…

The right metrics also need to be supported with the right framework. However, putting in place a robust measurement system alone is not sufficient; the key is to understand what this measurement is telling you and to act upon it to change how the business operates. This will help foster a culture of continuous improvement. This must be an ongoing journey, one of listening, understanding and responding (where appropriate).

The actual metrics you use should be tailored to the goals of the organisation. In our experience, two key things stand out:

• There needs to be a single headline customer metric, which is understood and used across the business. Often this is built around net customer gain or loss and fiscal impact for the senior executive level. Supporting these figures, typically the headline complaint figures and customer insight trends will be used to provide context.

• Metrics need to be aligned to the customer journey and key touch-points. This helps to create experience-based accountability rather than product or business unit focus points, which often conflict against customers' needs. Many organisations employ Net Promoter Score (NPS) and more commonly Customer Lifetime Value (CLV) as key metrics.

The right metrics also need to be supported by the framework. It is not only financial incentives that make the difference; smaller gestures can be just as effective. An example of this that we have seen is the ability of employees to recognise each other through internal Facebook/Twitter pages that senior management can respond to, both online and, where appropriate, to 'surprise' employees face-to-face simply by saying 'great job'.

7. Feedback and continuously improve

New social channels allow customers to feedback in real-time; Operational changes can, and should be, made in hours, not days, weeks or months…

There are two types of feedback – the traditional voice of the customer campaigns that proactively seek customer opinion and indirect feedback which includes social media in the form of Facebook, Twitter, blogs and online forums.

Traditional methods

For traditional feedback, many organisations have pockets of feedback loops, but very few have them either across the entire business (both customer- facing and non customer-facing business units), or joined-up to allow consolidated analysis and action. Experience shows that where isolated feedback loops exist, the output is often never seen at the right level or in the right area of the business to implement effective change. To create effective feedback loops, all feedback must be consolidated against the customer journey and key touch-points. This is often best done centrally and driven out of a Voice of Customer (VoC) team that is taking a customer view, rather than thinking about specific product or channel silos.

Digital age

Social media is not only growing in popularity but provides individual customers with the power to reach huge numbers of people. A well known individual on Twitter with a million followers who 'tweets' something can potentially have the same reach and impact as a full-page national newspapers advert or television commercial. Organisations are approaching the digital age in very different ways. Some have dedicated teams monitoring and responding to individual feedback, while others are choosing to monitor but not take direct action. However, for instances involving urgent customer updates such as product issues, the speed and breadth of delivery via social media makes it the channel of choice.

Listening

Many organisations use data mining tools and search capabilities to hunt out comments and feedback made by individuals about their company. Gaining feedback through traditional methods usually only provides a view of the success of a campaign a considerable time after it has finished. Social media provides organisations with real-time insight.

Responding

Organisations have an opportunity to make changes then and there and directly influence the success of new products or services. In order to leverage these new digital channels and respond to customers in a timeframe to make a real difference, organisations need to have a framework in place. Developing a robust process considering all aspects of data protection and legalities is imperative to managing the risk involved in a new channel.

Getting the feedback to the right areas

Often, compelling feedback never makes it to the right place to be considered, as it gets passed to the wrong person or it is not clear who is responsible for it. Two practical ways to avoid this are firstly ensuring all feedback is passed through a central team for distribution and secondly, the use of a 'dashboard' that can be accessed by anyone within the organisation to submit, track and monitor feedback and ideas submitted.

Tangible actions to drive effective customer-centric change

Putting the customer first

So, how can you take the key areas we have outlined above and make them work for you? Unfortunately there are no simple answers or 'big-bang' solutions. The approach you take will depend on your organisation's history, workforce, future strategy and the current maturity of your relationship towards the customer.

In our experience of delivering customer-centric programmes and initiatives for our clients, we have found that one of the best ways to approach customer-centricity is to take bold, simple actions that reinforce the key messages you market and sell to customers. We have identified four tangible actions to enable positive change. These are:

1. Understand the maturity level of customer-centricity within your organisation.

2. Understand and document the end-to-end customer journey and key customer experience touch-points.

3. Complete a 'deep-dive' analysis and design of a small number of experience touch-points that have the most influence over your customers' perception of your business.

4. Develop both short and long-term change agendas that are focused on achieving real improvements in customer outcomes.

Each tangible action is expanded upon below:

1. Understand the maturity and level of customer-centricity within your organisation.

By assessing and measuring your approach to customer-centricity at all levels of your organisation, you can evaluate whether you have fully implanted customer management within your DNA. The results will provide you with a platform for undertaking improvements, using the wide range of levers discussed in this paper.

2. Understand and document the end-to-end customer journey and customer experience touch-points.

In order to provide a framework to identify and measure change it is essential that all areas within the organisation have a common understanding of the customer journey and key customer experience touch-points. Once you have this foundation you can then identify the key customer experience touch-points that matter most. A major benefit of this approach is the ability to break the customer journey into manageable portions that can be digested and understood by teams across the organisation.

3. Complete a 'deep-dive' analysis and design of key experience touch-points that have the most influence over your customers' perceptions.

A small number of key customer experience touch-points should be assessed at a detailed level to identify roadblocks that are preventing delivery of the best possible customer outcomes. These touch-points should then be designed to outline what the future customer experience should be. Part of this work should also identify the shared accountabilities and performance metrics that drive the customer experience. Typically, these deep dive and design activities require cross business function working groups to view the opportunities and challenges through different lenses, independently of any business unit or channel silos.

4. Develop both short-term and long-term change agendas that are focused on achieving real improvements in customer outcomes.

A plan with both short-term and long-term goals should be developed in order to deliver tangible improvements to both the customer and colleague experience. Each initiative requires clear

metrics to define success as well as accountability to deliver and maintain the desired change. In our experience, organisations often put too much focus on customer-facing initiatives when the problem stems from a back-office process or behaviour that is not identified or understood.

Conclusion

The continued evolution of customer expectations and behaviours towards digital and anytime-anywhere service is only going to accelerate as the world becomes more collaborative and technology-enabled.

Therefore, in responding to these changes, organisations must always put themselves in the shoes of their customers when designing and delivering interactions to ensure that they minimise customer effort and maximise customer value.

The evolution towards becoming a truly customer-centric organisation is both complex and long, and rightly so. It is the holy grail of unlocking the true potential of customer value. Yet organisations should not be discouraged. There are a number of initiatives that can be driven from Customer Service Leaders to change the composition of the organisational structure at all levels. Furthermore, our experience has shown that even small changes can have significant benefits for both employees and customers.

Incremental changes in policy and processes to demonstrate a shift in thinking and behaviour can help to drive transformational change agendas. However, Customer Service Leaders need to be smart about how to approach customer-centric change to ensure the greatest return on investment. Often the return is not easily quantified and leaders must have the courage to stand up for the customer and drive through compelling initiatives that may not return in-year benefits but which will deliver an efficient platform for achieving long-term customer value.