



LEADERSHIP & CULTURE – THE BUCK STARTS & STOPS HERE

LEADING CUSTOMER CENTRIC CHANGE IN YOUR ORGANIZATION

Zay Yar Lin, CGAP 2016 Photo Contest Grand Prize

Adré Schreuder –
Founder & CEO of Consulta

20 February 2018



Speaker



Adré Schreuder

Founder & CEO

adre@consulta.co.za

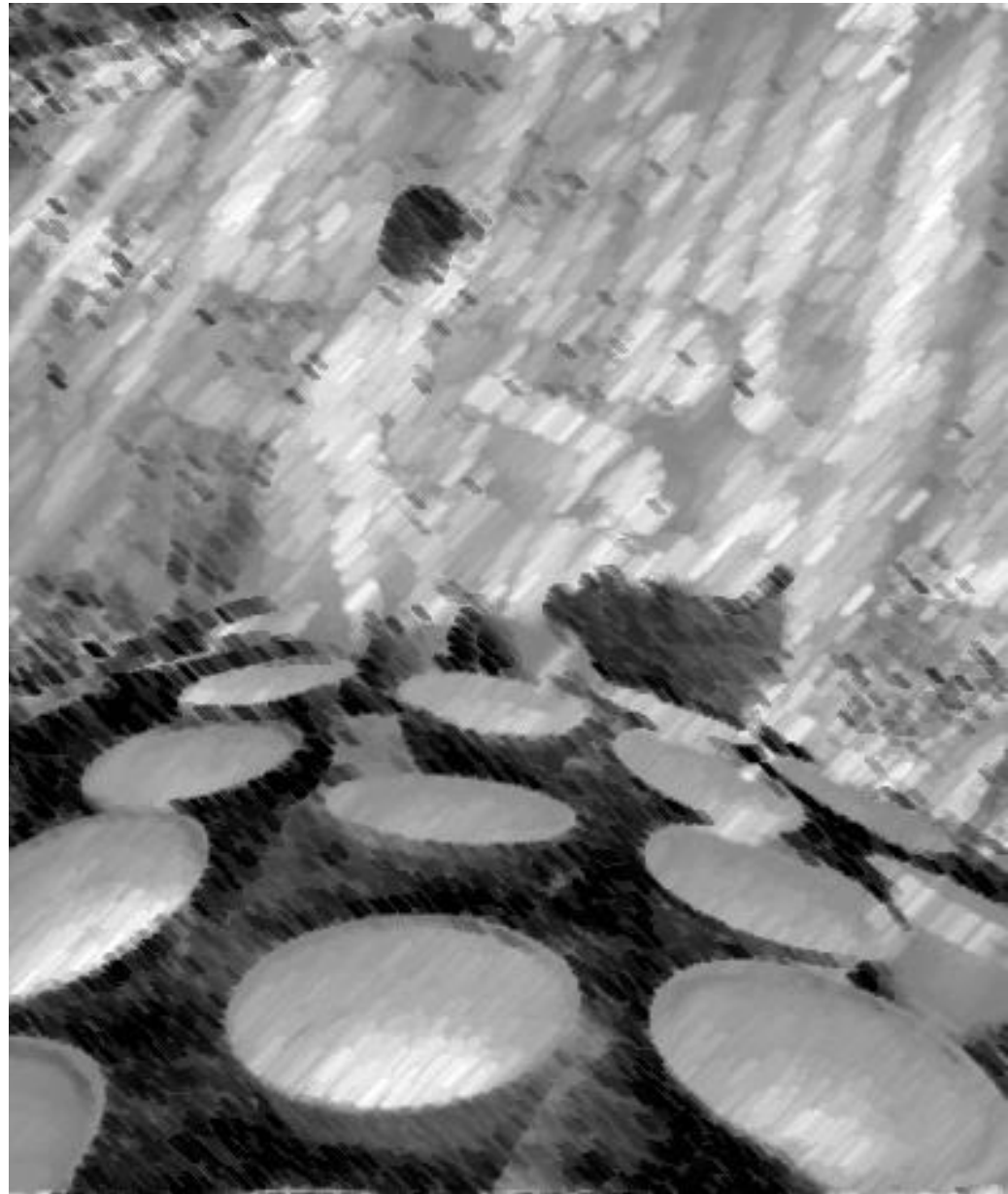
www.consulta.co.za

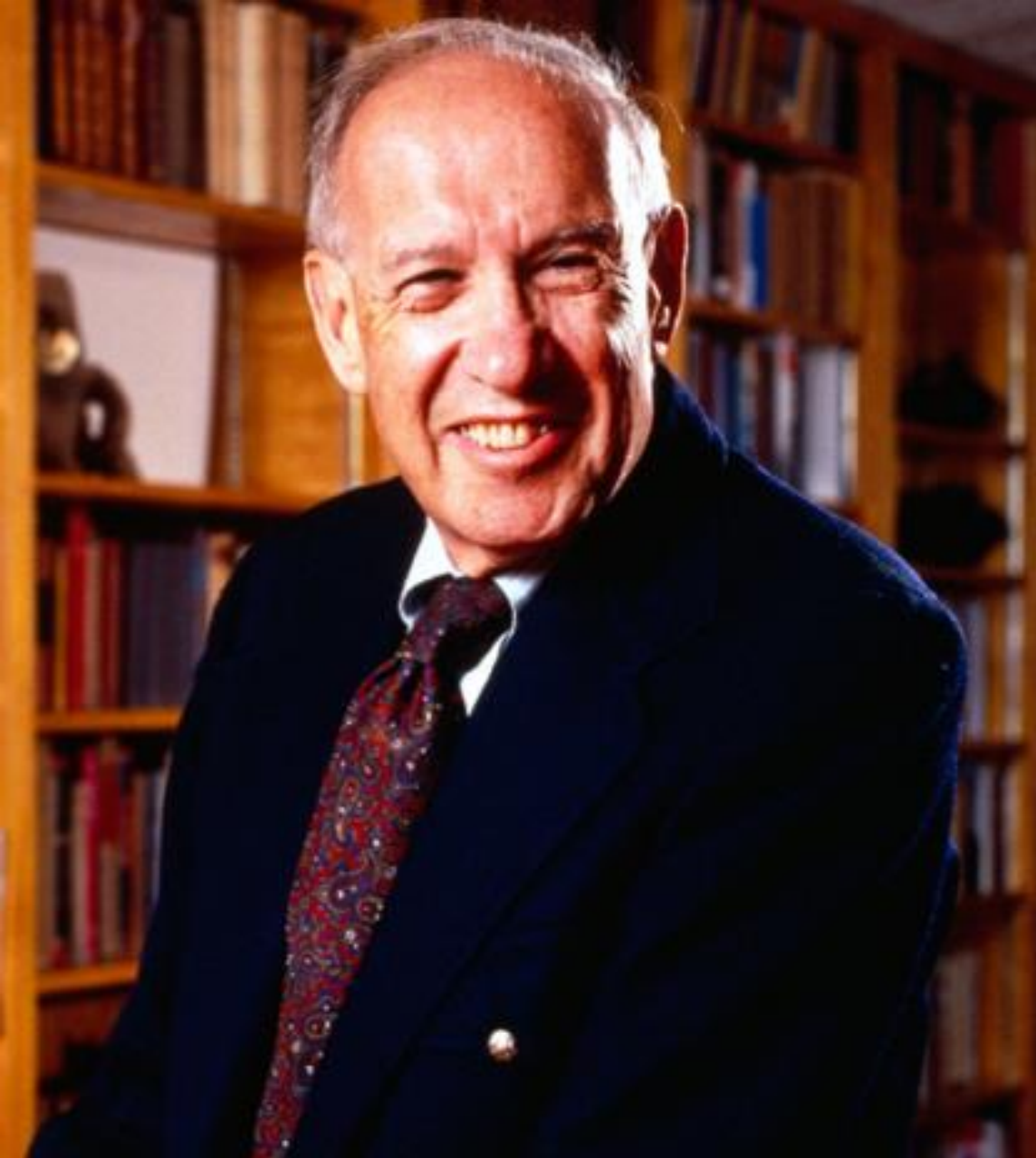
Agenda

11:00 - 11:05	Introductions
11:05 - 11:45	Customer Experience = Customer Centricity?
11:45 - 12:00	Group Exercise
12:00 - 12:40	Leading Customer Centric Transformation
12:40 - 12:50	Measuring Progress on CC Transformation Journey
12:50 - 13:00	Conclusion

Customer Experience = Customer Centricity?

1



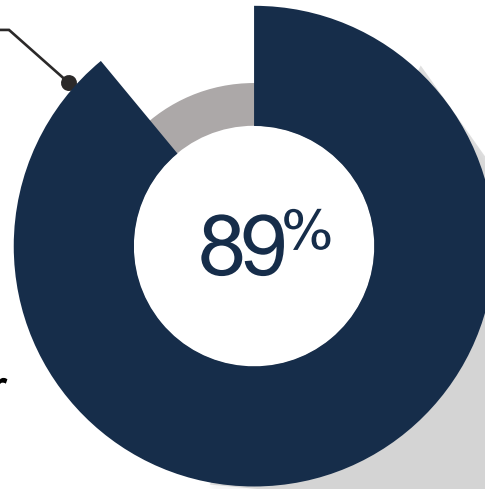


***“Culture
eats
strategy for
breakfast.”
- Peter Drucker***

What is your narrative?

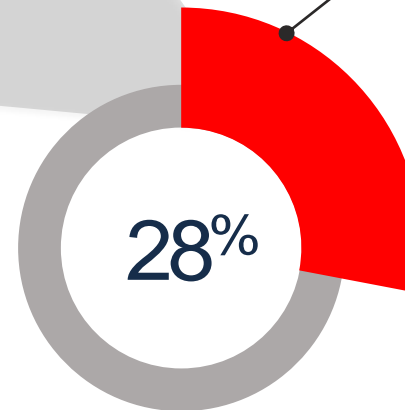
Gartner 2016

Of companies will be differentiating themselves mostly on the basis of Customer experience



Maritz CX

Only 28% of CX professionals feel their programs are successful at driving business outcomes



Start with the Customer experience and work backwards – Steve Jobs



<https://www.youtube.com/watch?v=r2O5qKZII50&t=11s>



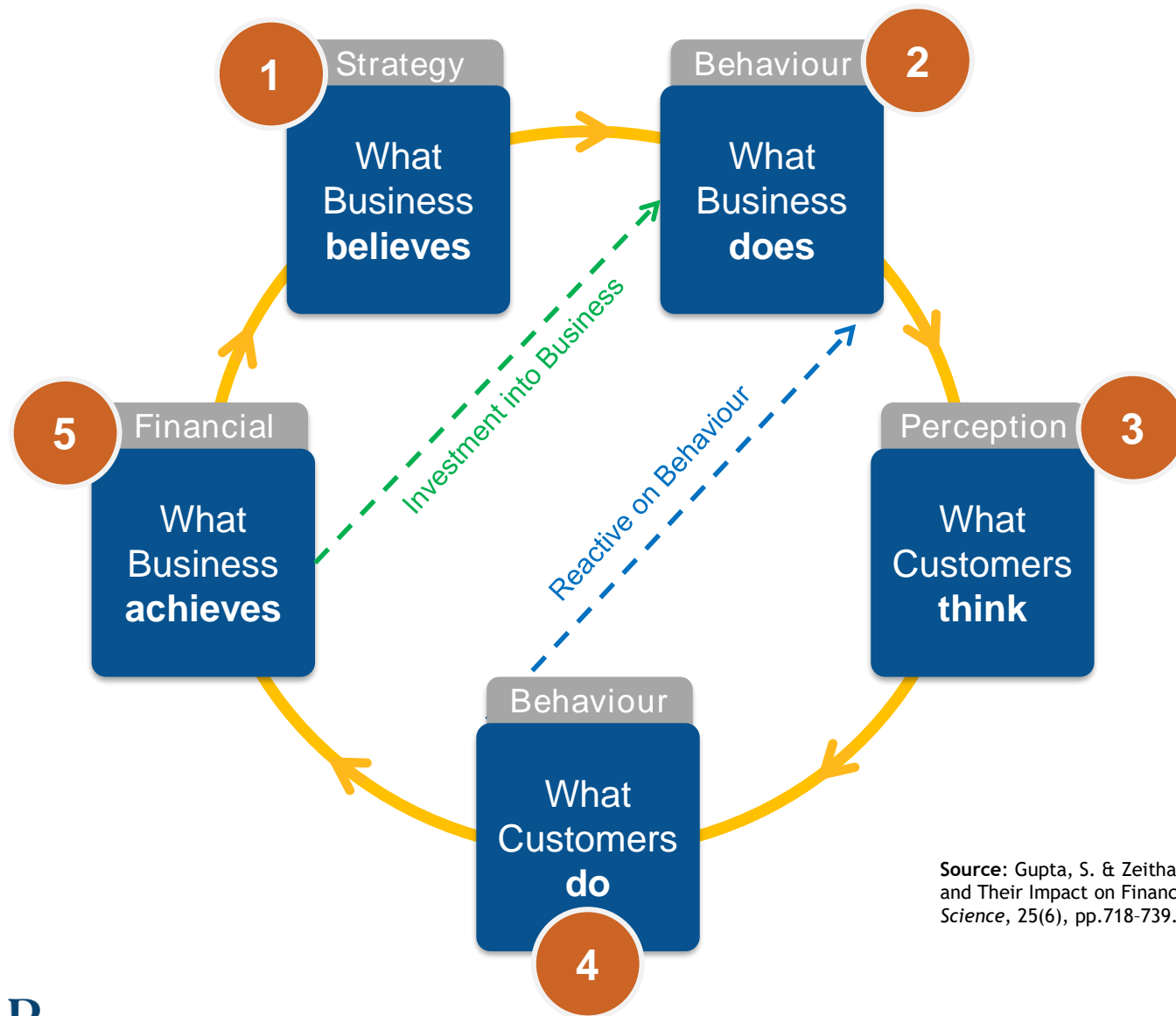
Jeanne Bliss

Beloved Companies ...

- **Decide to Believe**
"We trust our customers. We trust those who serve them"
- **Decide with Clarity of Purpose**
"Our iron-clad integrity and clarity guides the direction of our decisions"
- **Decide to be Real**
"We have inspired soul, humanity in our touch and personality that's all ours"
- **Decide to be There**
"We must earn the right to our continued relationship with customers"
- **Decide to say Sorry**
"We act with humility when things go wrong. We will make it right"

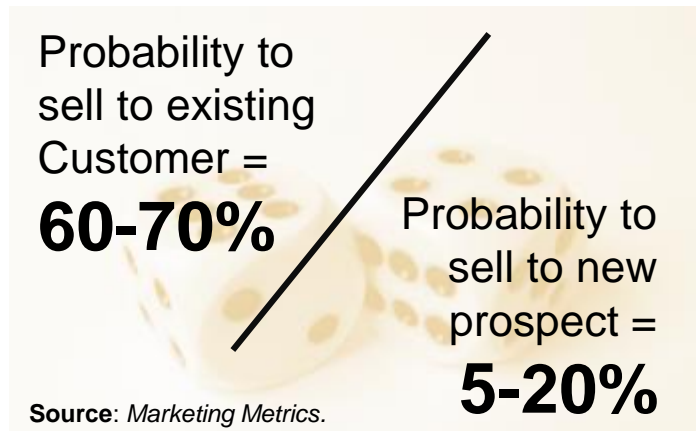
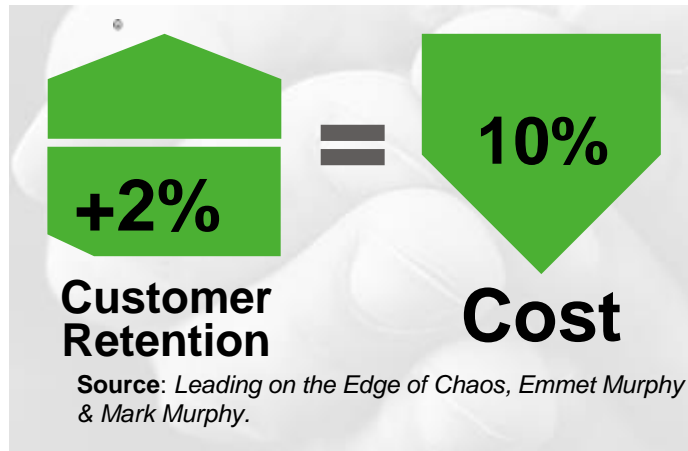
Source: www.customerbliss.com

Leading Indicators Of Business Performance



Source: Gupta, S. & Zeithaml, V., 2006. Customer Metrics and Their Impact on Financial Performance. *Marketing Science*, 25(6), pp.718-739.

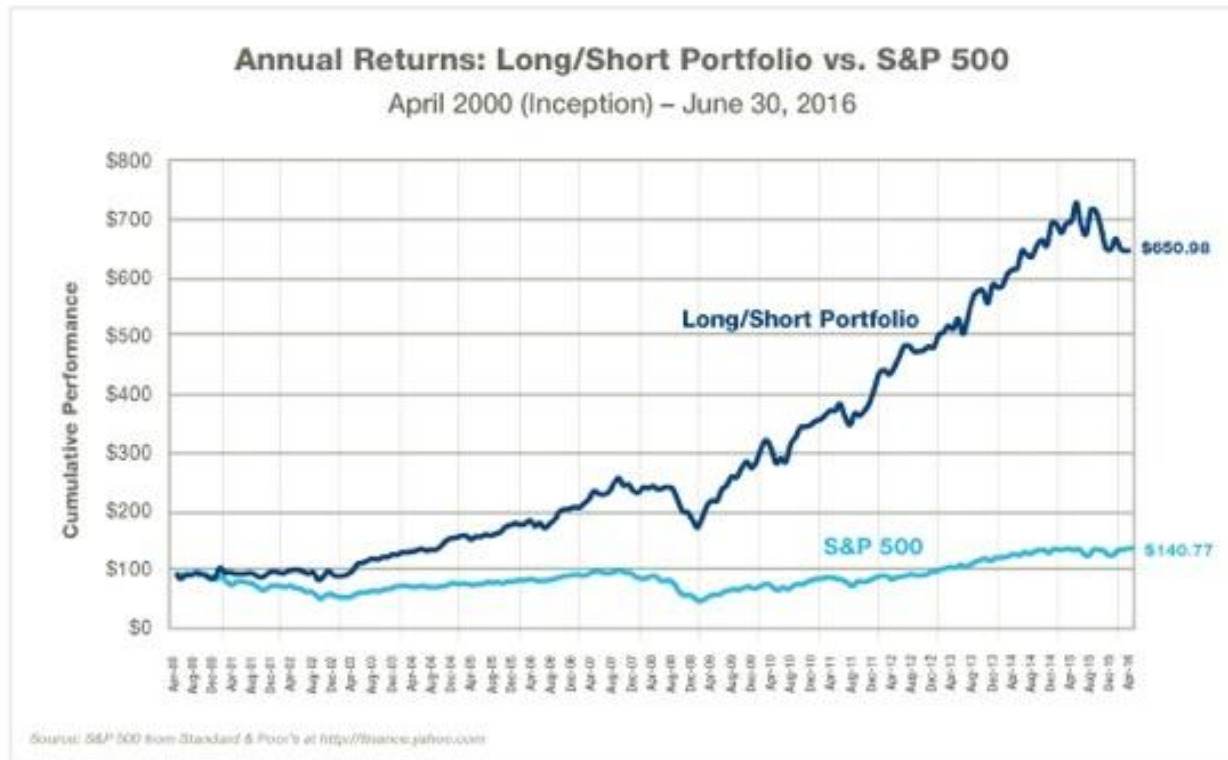
Proven Business Outcomes



Source: Gupta, S. & Zeithaml, V., 2006. Customer Metrics and Their Impact on Financial Performance. Marketing Science, 25(6), pp.718-739.

Financial link between Customer Satisfaction & Business Outcomes

Research using ACSI data demonstrates the relationship between customer satisfaction and the financial performance of individual firms. ACSI's methodology show that customer satisfaction is directly linked to stock market performance.



<http://theacsi.org/national-economic-indicator/financial-indicator>

Corporate Culture Conversations

Purposeful Leadership

Do your leaders operate consistently with a clear, well articulated set of values?

Compelling Brand Values

Are your brand attributes driving decisions about how you treat Customers?

Employee Engagement

Are your employees fully committed to the goals of your organization?

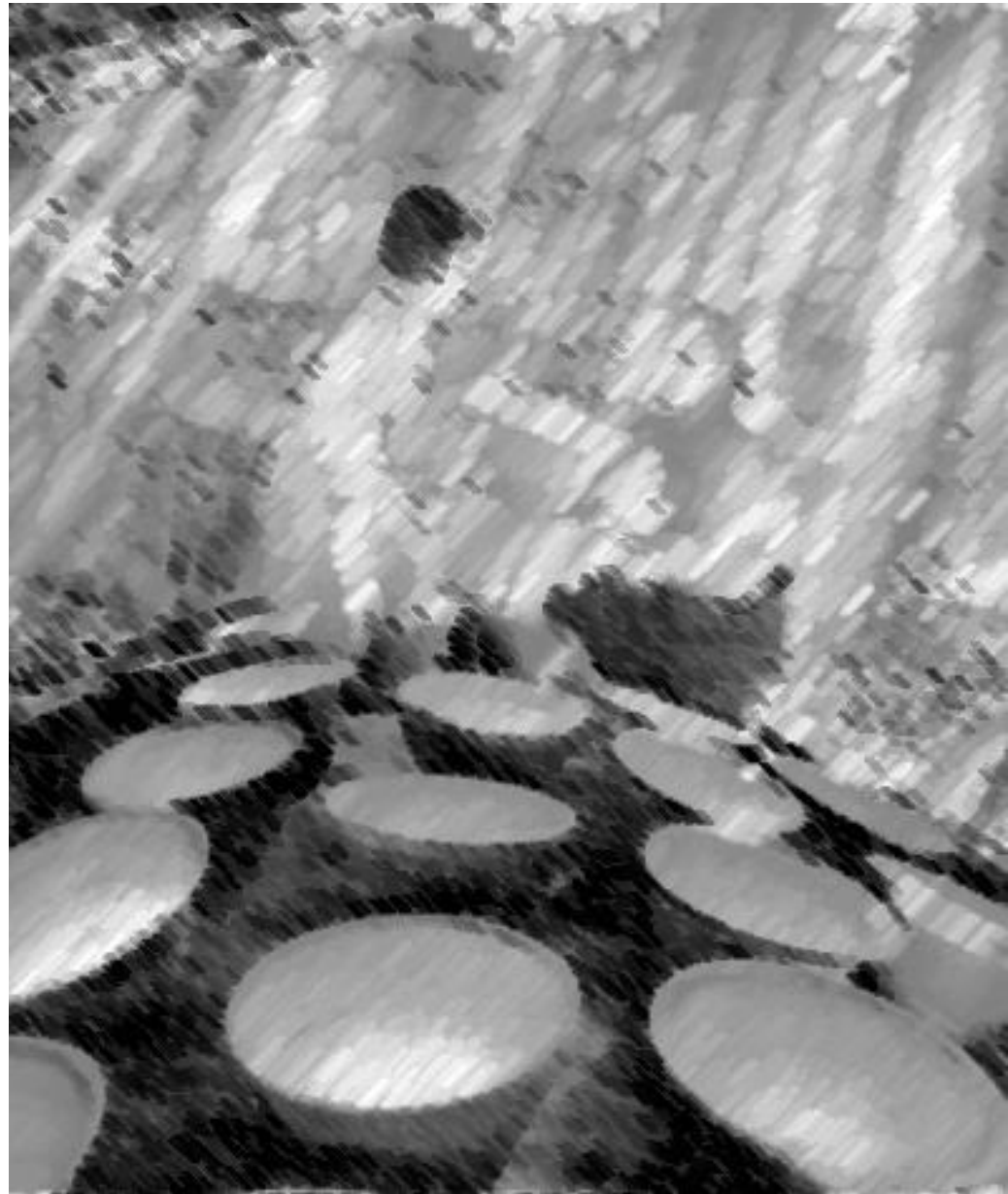
Customer Connectedness

Is Customer feedback & insight integrated throughout your organization?

Source: Temkin Group – June 2015

Group Exercise

2

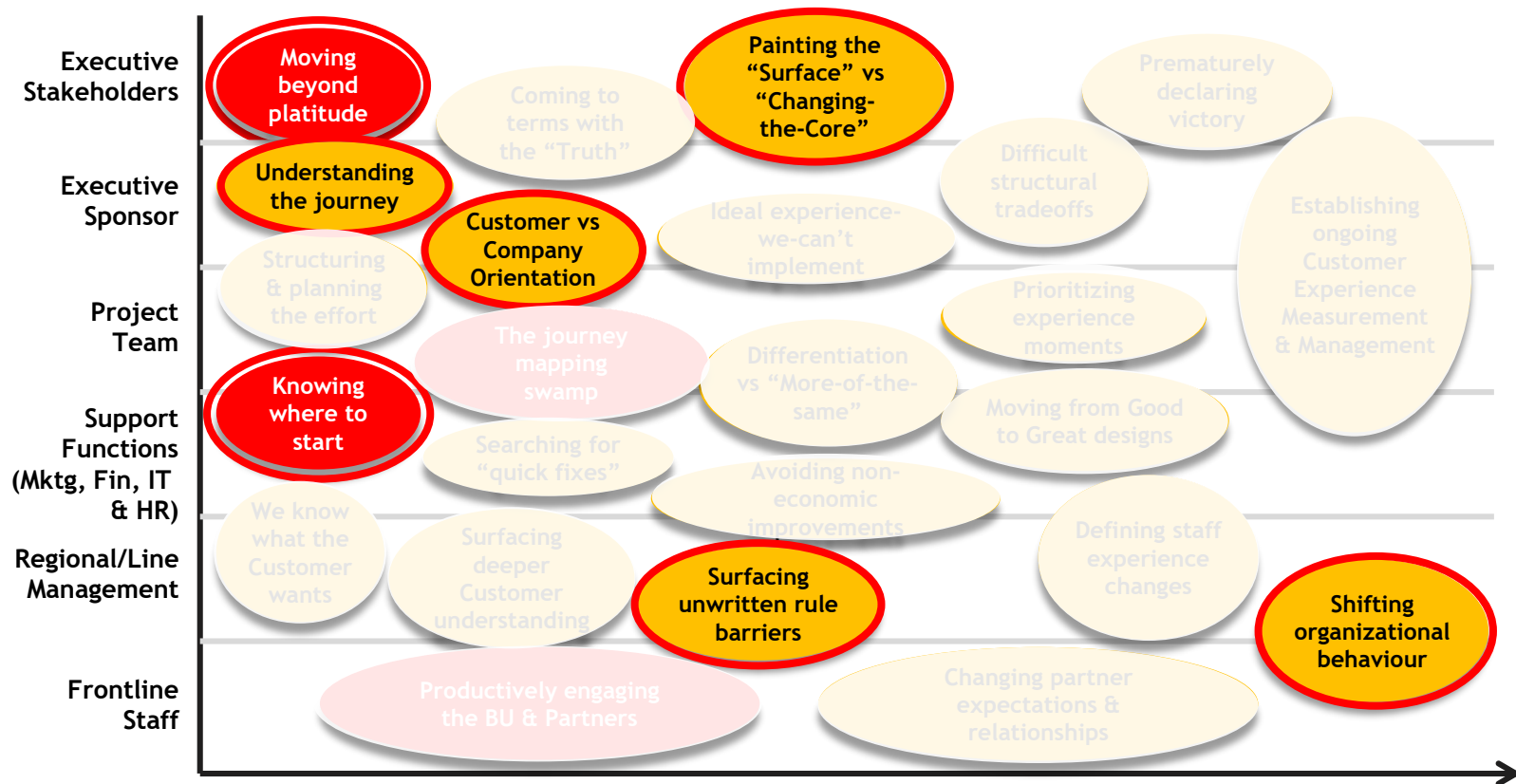


Group Exercise

Group discussion:

Discuss the most challenging components/dimensions in the implementation of customer centric transformation in your organizations?

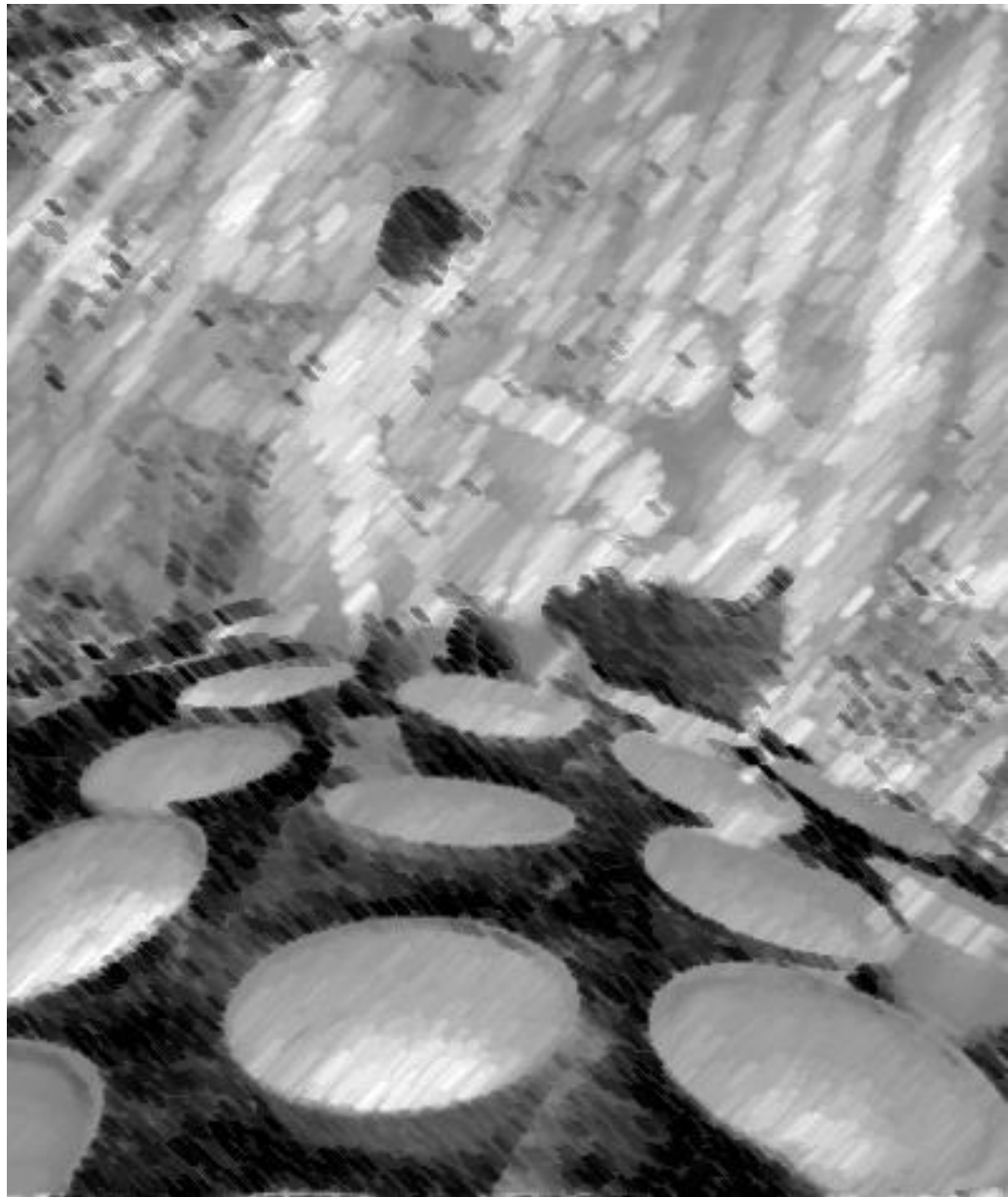
“Roadblocks” & “Potholes” in Customer Centric Transformation



Adapted from: Frank Capek - Overcoming Customer Experience Program Stress Points - <http://Customerinnovations.wordpress.com/> Posted on August 4, 2009 by Frank Capek

Leading Customer Centric Transformation

3

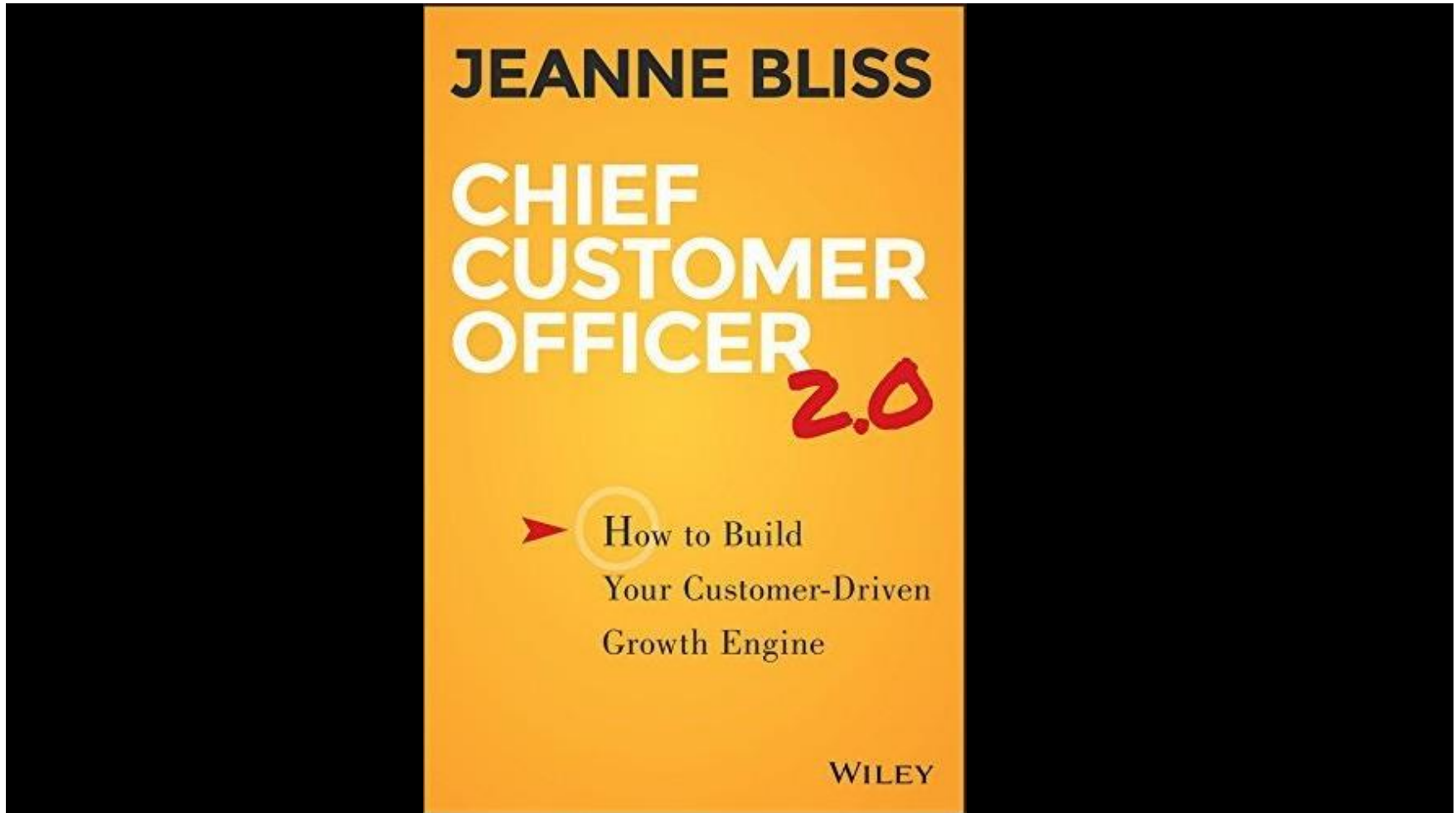


Starting at the right place

- Customer Centricity (CC) - most **talked about** concept in today's business.
- Most business **include CC in strategic objectives**
- Biggest hurdles - **shared vocabulary** translated into measurable actions to drive customer centric transformation
- CC best **understood as a journey** consisting of various phases of awareness, dedication, competence and results



Customer Focused – Mindset or Set of Competencies?



https://www.youtube.com/watch?v=zlxFJPuRX_0

How to Build your Customer Driven Growth Engine

1 HONOR AND MANAGE CUSTOMERS AS ASSETS

Know the Growth or Loss of Customers and Care About the 'WHY?'

2 ALIGN AROUND EXPERIENCE

*Give Leaders a Framework for Guiding the Work of the Organization.
Unite Accountability as Customers Experience You. Not Down Your Silos.*

3 BUILD A CUSTOMER LISTENING PATH

Seek Input and Customer Understanding, Aligned to the Customer Journey.

4 PROACTIVE EXPERIENCE RELIABILITY & INNOVATION

*Know Before Customers Tell You, Where Experiences Are Unreliable.
Deliver Consistent and Desired Experiences.*

5 LEADERSHIP, ACCOUNTABILITY & CULTURE

*Leadership Behaviors Required for Embedding the Five Competencies.
Enabling Employees to Deliver Value.*

From INSIDE-OUT to OUTSIDE-IN

Changing your focus from **INSIDE-OUT** to **OUTSIDE-IN** changes your perspective in the design of a differentiated customer experience.

INSIDE-OUT

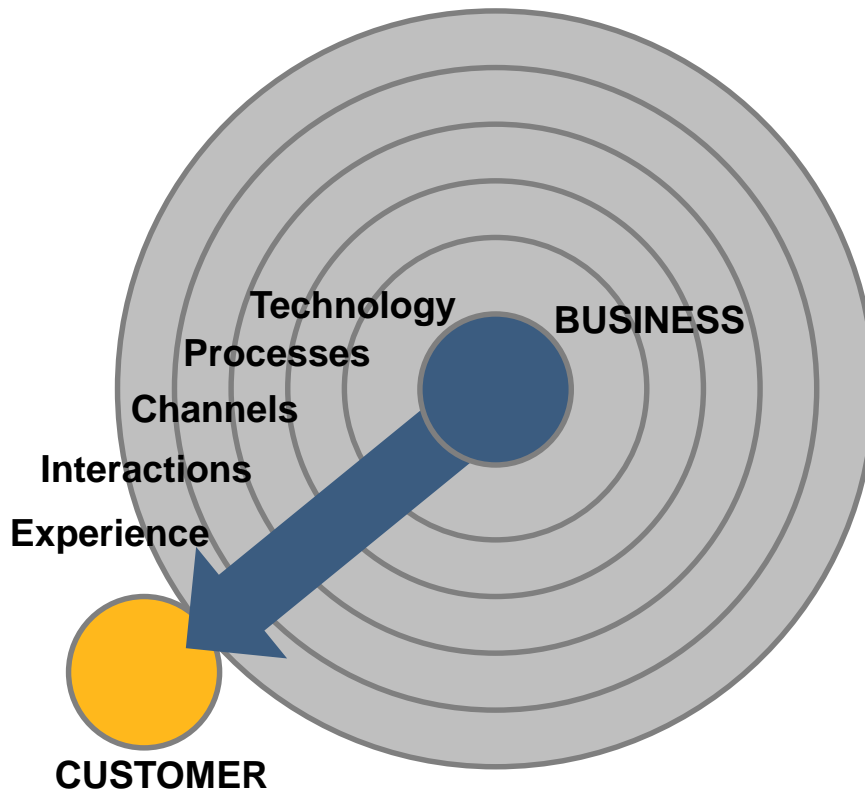


OUTSIDE-IN

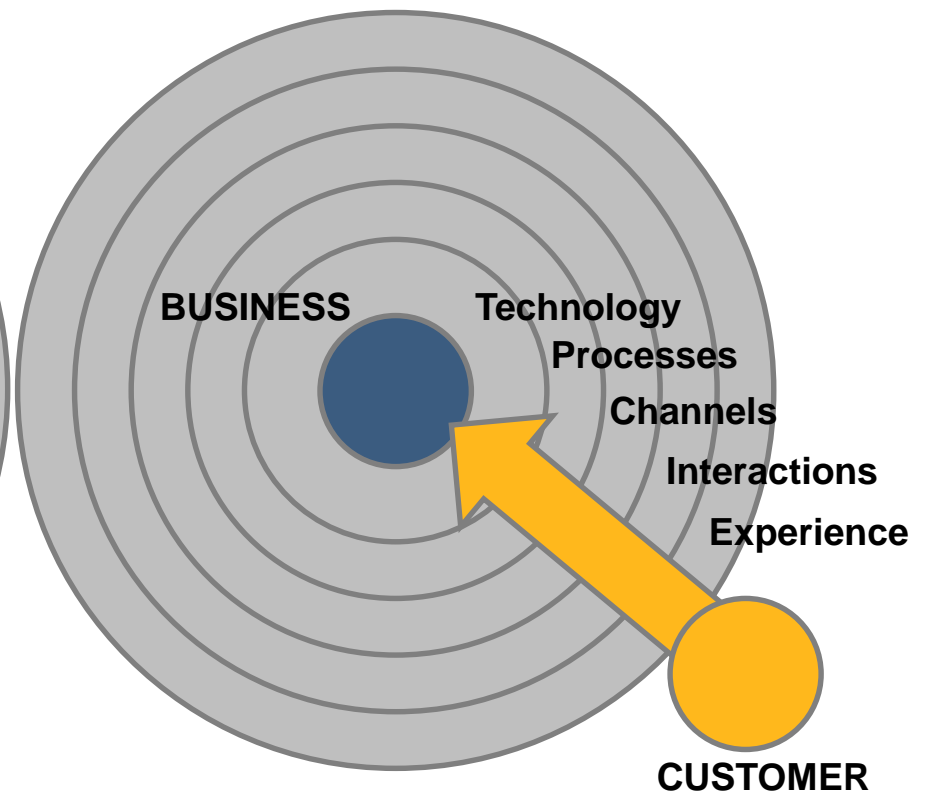


INSIDE-OUT vs OUTSIDE-IN

INSIDE-OUT



OUTSIDE-IN



<https://painsandgains.co/2016/01/08/experience-over-everything/>

Among purpose-driven companies, **customer-driven companies were significantly more successful** than shareholder-driven ones, **providing a 36 percent advantage in shareholder returns**, compared with their industry median; shareholder-aligned organizations provided only a 17 percent advantage.

Ranjay Gulati. Reorganize for Resilience: Putting Customers at the Center of Your Business. HBR Press. 2010

36%

Customer Centricity Re-engineered

An organization's ability to achieve the ideal future state of Customer Centricity depends on:



FIVE PILLARS OF CUSTOMER CENTRICITY AS A BUSINESS MODEL



Source: Worldbank - CGAP

Towards a Customer Centricity Model

The model serve as narrative and consists of 4 components each serving a specific function in the customer centric positioning of the business in the market

- **STRATEGIC IMPACT**

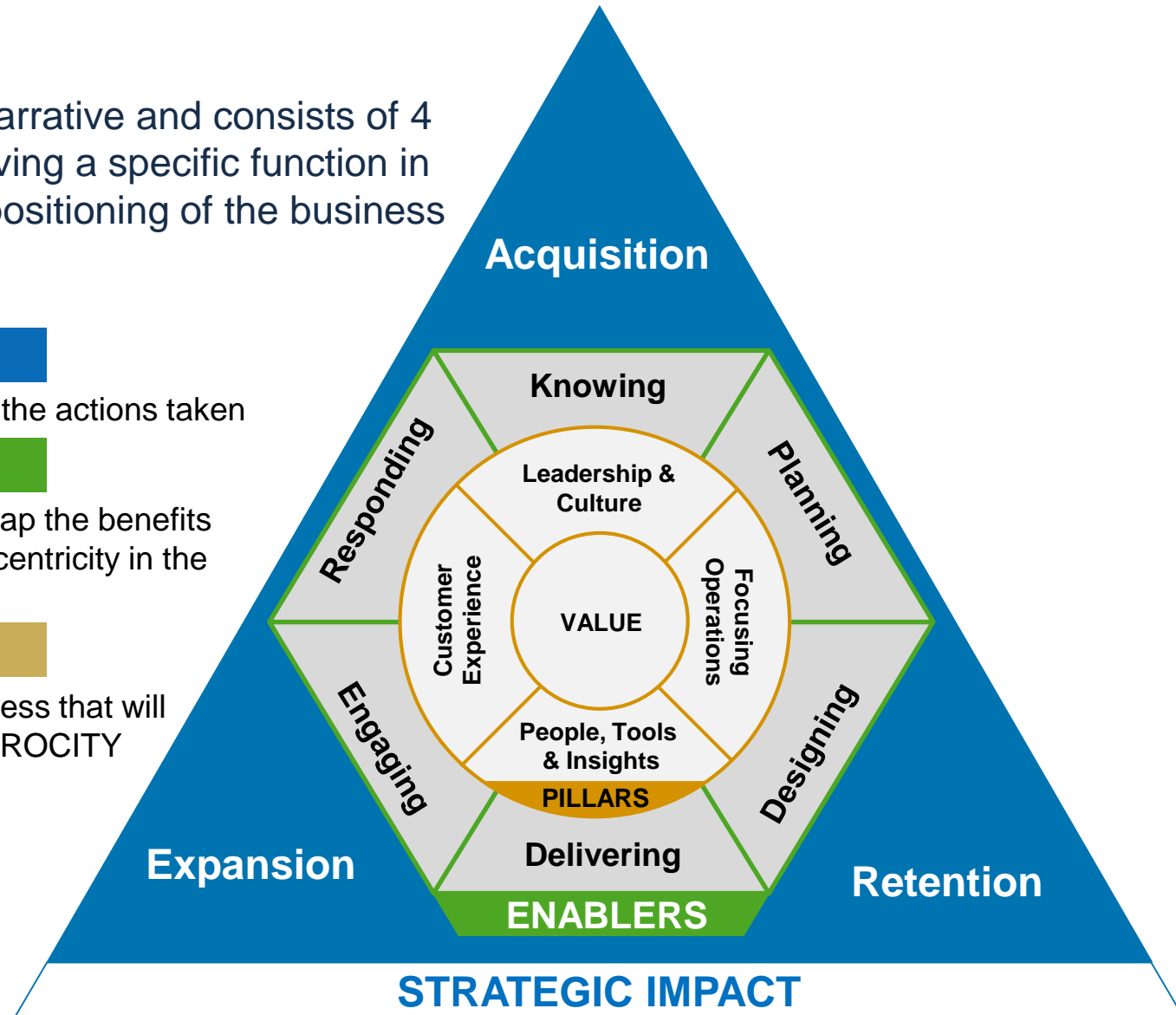
Strategic outcomes of the actions taken

- **ENABLERS**

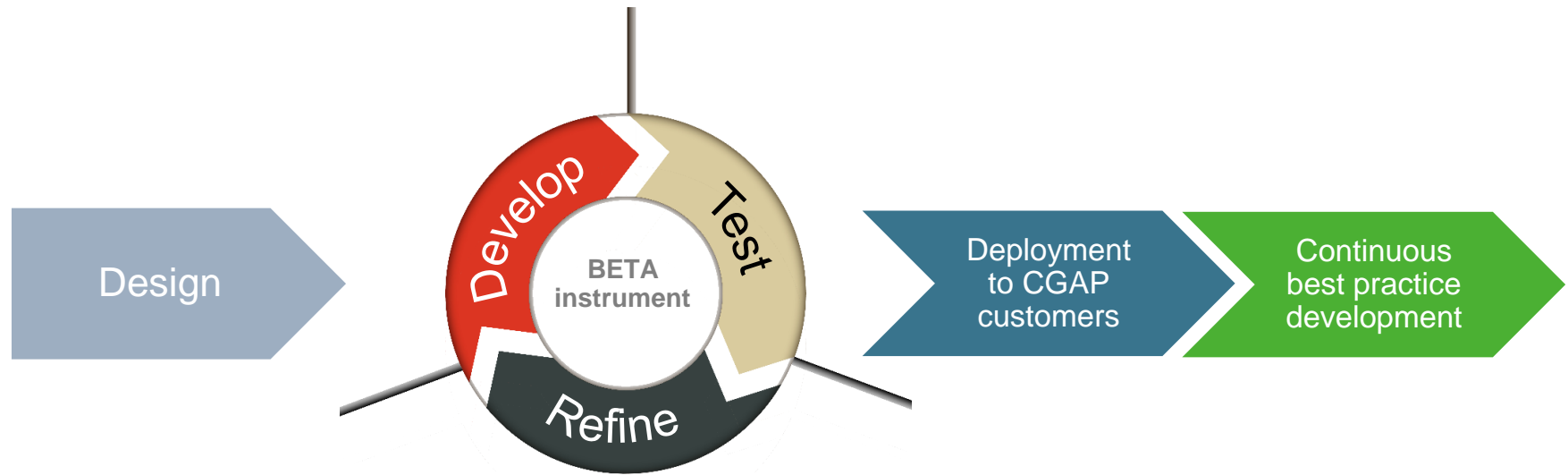
The action levers to reap the benefits (VALUE) of customer centricity in the organization.

- **PILLARS**

The areas in the business that will ensure VALUE RECIPROCITY



Model development



Reviewed Customer Centricity Maturity models

- Gartner
- Forrester
- Temkin Group
- MaritzCX
- Ernst & Young

Consolidated statements and objectives

- CGAP
- Consulta CCM

Compile Survey questions

- Statements grouped by CC pillar

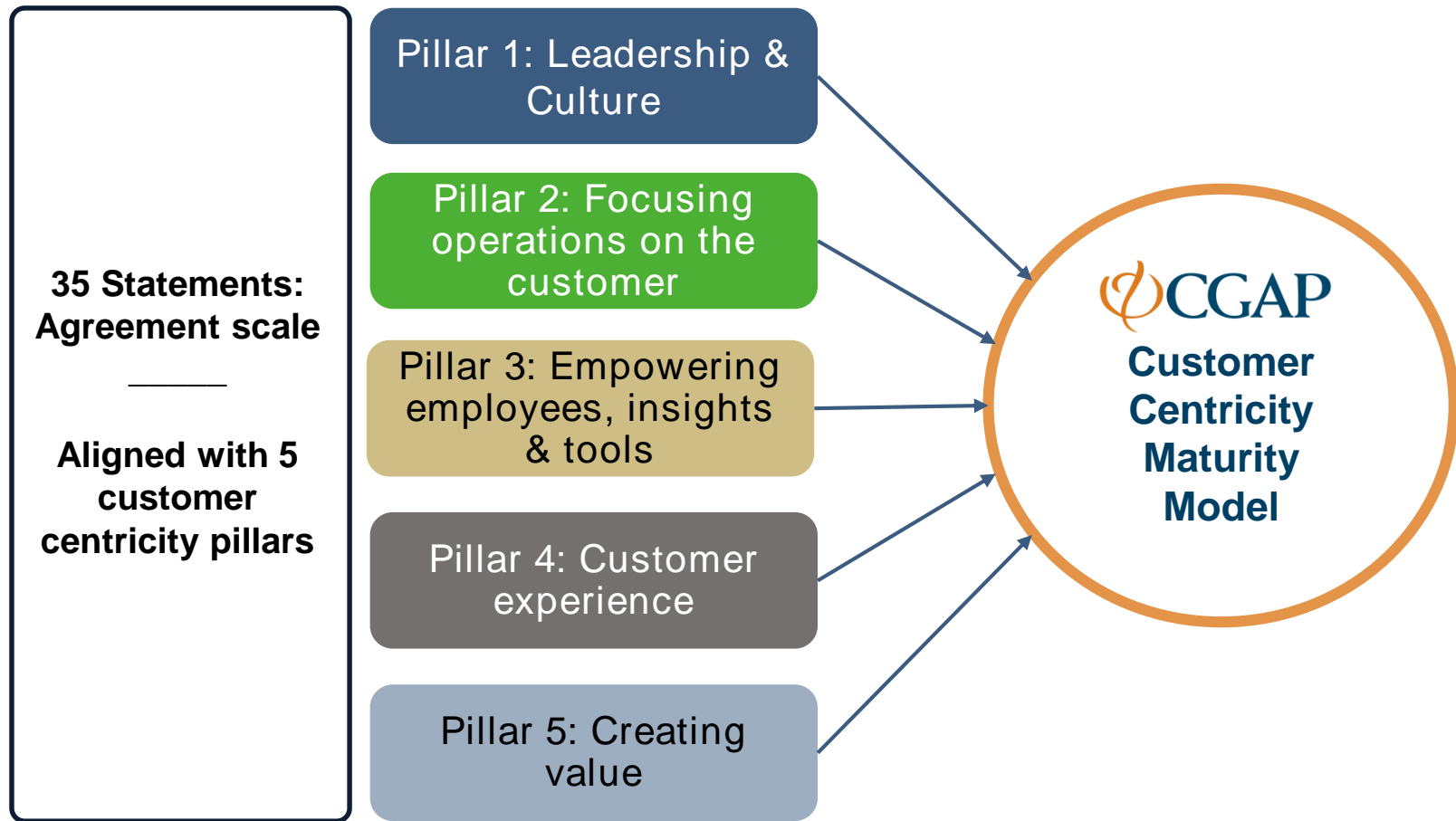
Alignment: CGAP toolkit

Toolkit matrix and recommendations

- Review CGAP Customer-Centricity Toolkit
- Map CGAP Pillar & Process Phases against CC Maturity Model
- Produced Toolkit to enhance CX Maturity

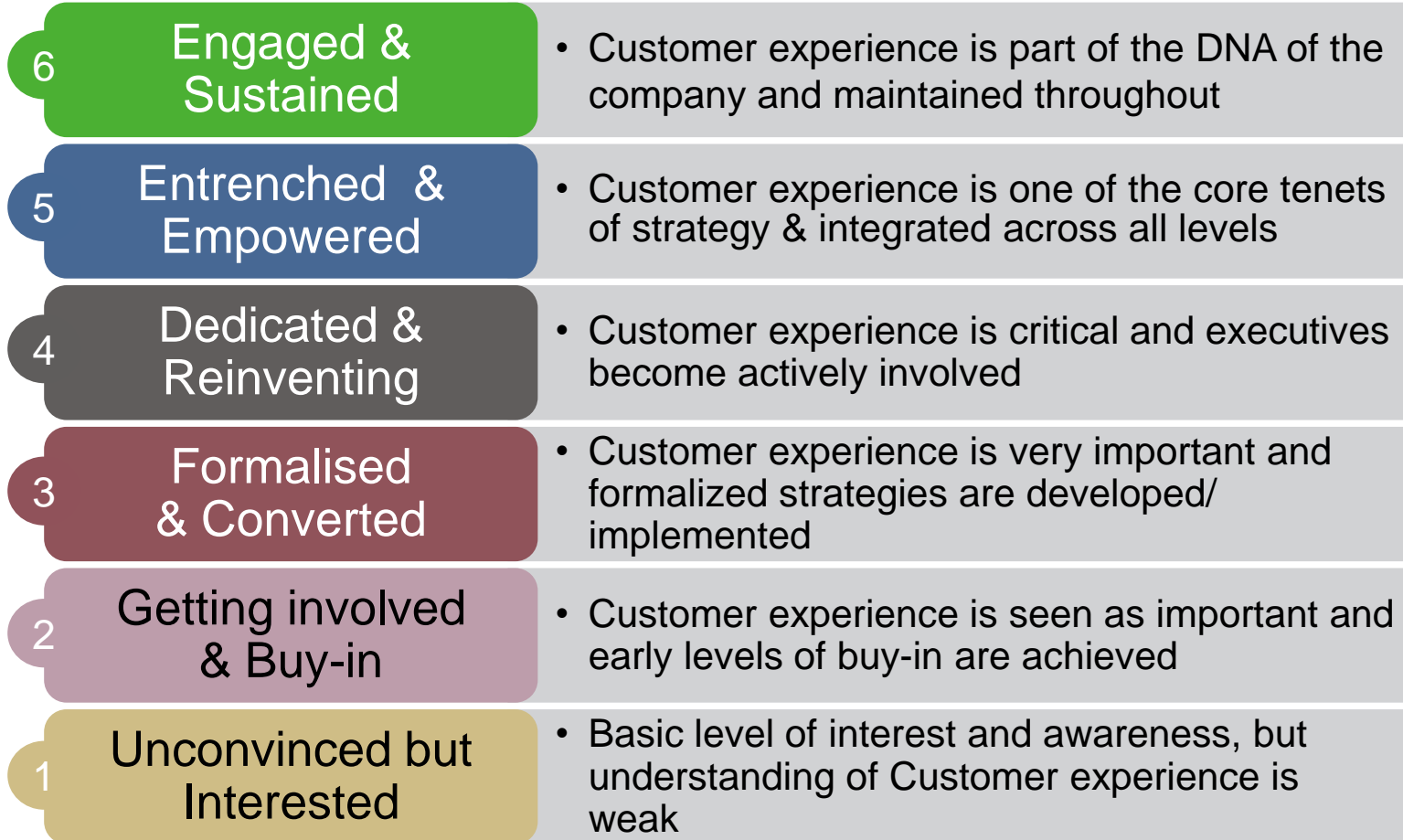
CGAP Customer Centricity Maturity Model

A Causal Model with Longitudinal Journey



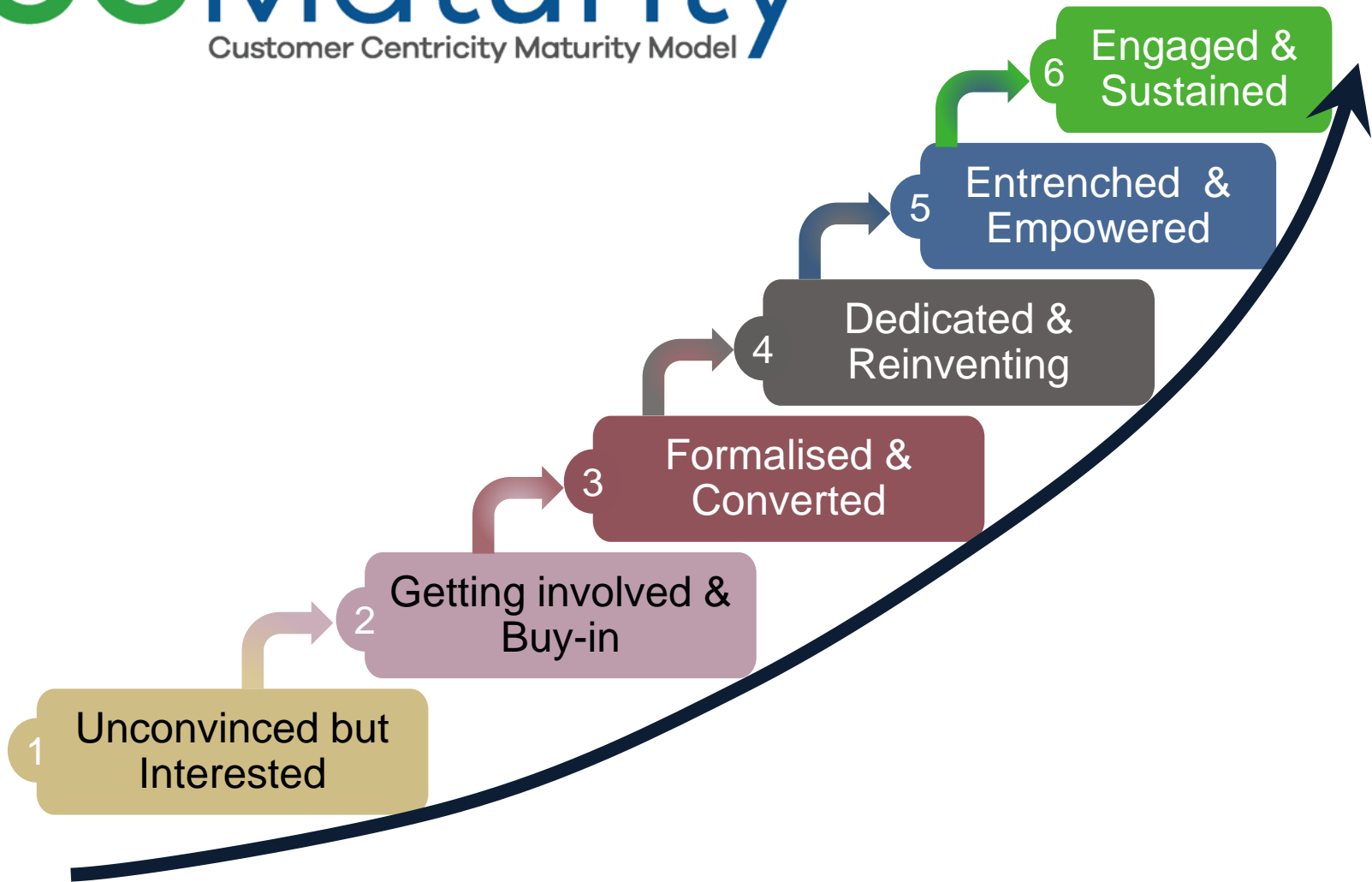
Customer Centricity Maturity Assessment

A Journey of 6 Levels



ccMaturity

Customer Centricity Maturity Model



Interactive Exercise

Do your own Customer Centricity Maturity Self Assessment



<https://goo.gl/cQEsVN>

Pillar 1: Leadership & Culture

- 1 Brand promises aligned to CX capabilities
- 2 Leadership communicates importance of CC
- 3 Customer access helps to understand customer expectations
- 4 Senior Leader is responsible & accountable for CX strategy
- 5 Regular review how market changes affect our CX delivery
- 6 CX strategy highlights customer centricity goals for next 3-5 years
- 7 Leadership is aligned on a CX vision
- 8 Agile enough to update CX strategy
- 9 Leadership is accountable to KPI's on customer centricity



Pillar 2: Focusing Operations



Structure & hire to ensure best CX 10

Best practices to ensure consistent great CX 11

Business regularly discuss ways to improve the quality of CX 12

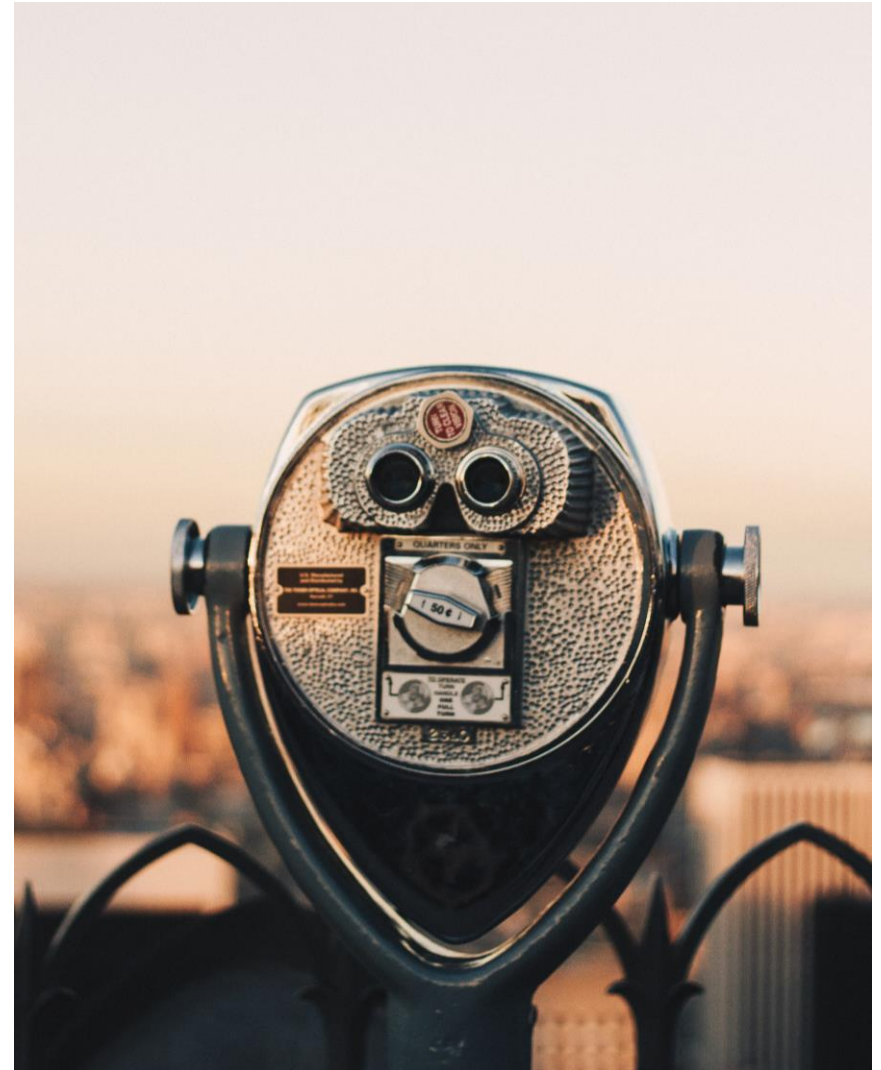
Recruit and appoint for CC competencies 13

Partner across value chain to best CX 14

Ensure consistent great CX across all touchpoints and channels 15

Pillar 3: People, Insights & Tools

- 16 Employees support each other to deliver great CX
- 17 Employees empowered (mandate, tools & support) to deliver great CX
- 18 Employee development programs to improve CX
- 19 Have training, mentoring & coaching on CX vision, strategy, delivery
- 20 Regular communication & events to ensure customer centricity focus
- 21 Performance evaluation includes recognition & rewards for great CX



Pillar 4: Customer Experience



Clear customer-centric strategy is widely communicated 22

Regularly engage with customers to better understand expectations 23

Measurement framework across strategic and operational levels 24

CX Framework uses broad set of measures for CSat & Loyalty 25

Regularly use insights to review Customer Value Propositions 26

CX design uses human-centered design principles to best CX 27

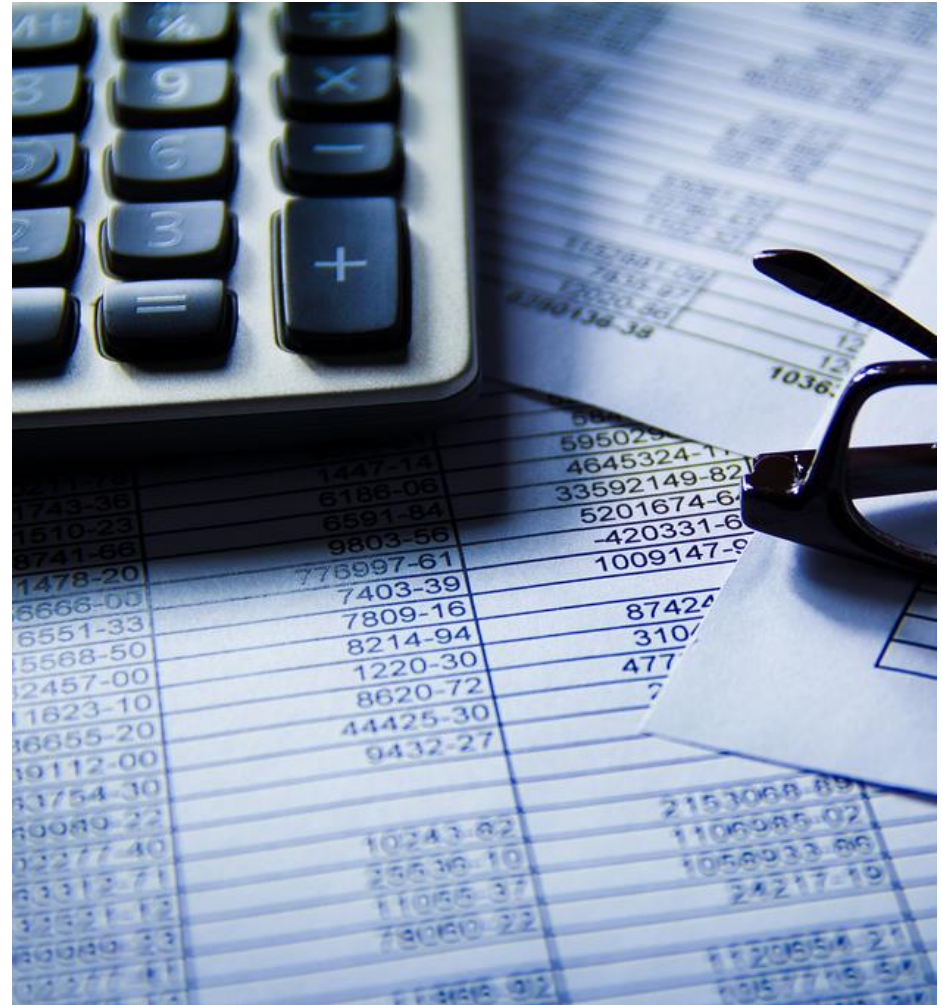
CX design considers impact on CX delivery 28

Customer complaints & problems receive highest priority 29

Customers receive quick, quality feedback on queries 30

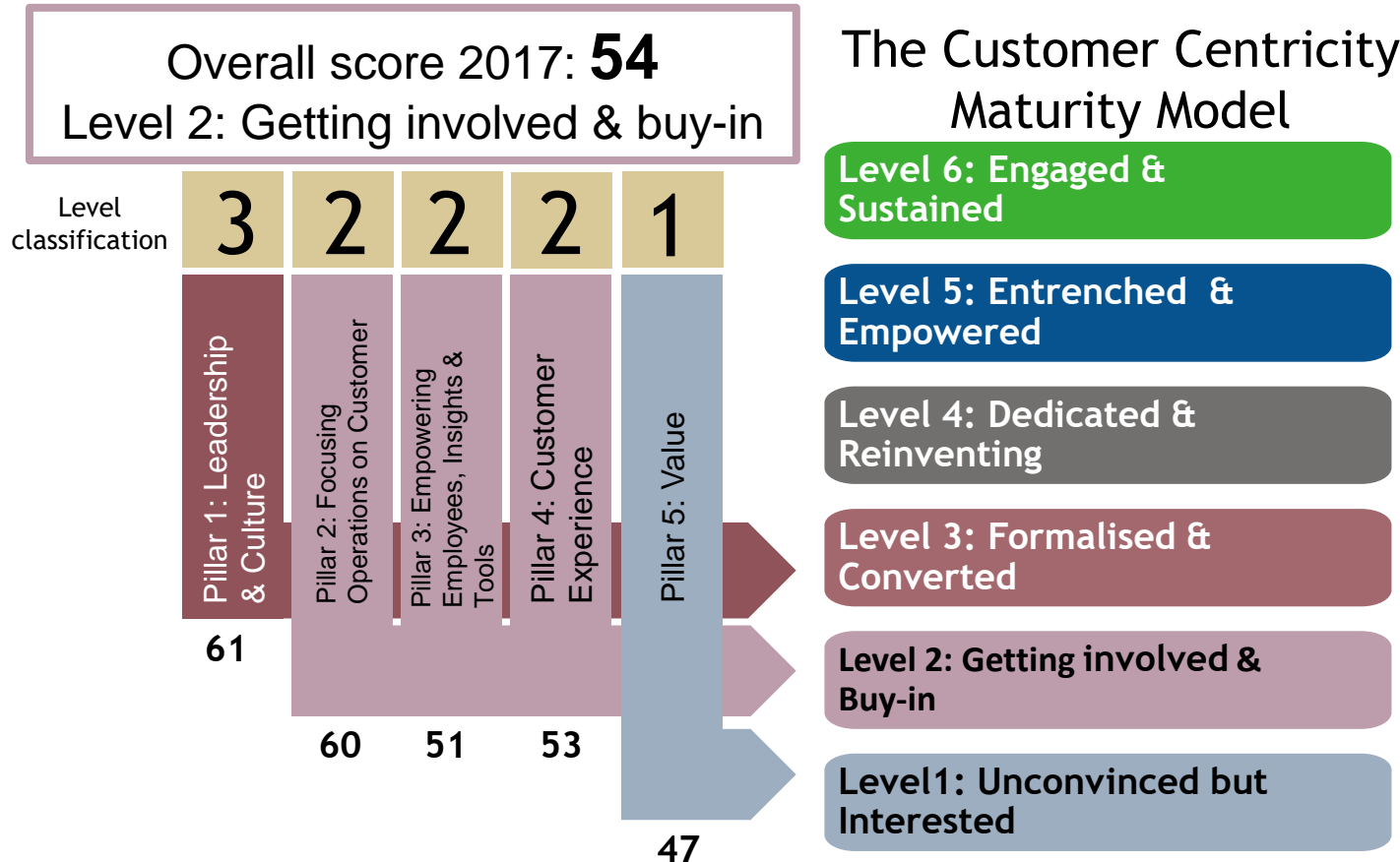
Pillar 5: Value

- 31 Planning include value dimension focused on value segments
- 32 Clear definition & understanding of customer value
- 33 Customer value calculated with CLV or similar models
- 34 Measurement framework can link customer measures to financials
- 35 MI system tracks customer tenure



Customer Centricity Maturity Model

A summarized view on Customer Centricity Maturity Levels



CC Development Matrix



Logical process ► ▼ Emphasis: 5 pillars	Making the case for CX	Finding the starting point	Planning to implement	Making it work	Measuring and learning
Leadership & Culture	CC Master Class	Customer Centricity Desired State (Maturity)	CC Destiny	CC Strategic Roadmap	
Focusing Operations	Customer Journey Mapping		CC Benchmark Design	CC- Playbook	CC Benchmark Implemented
People, Tools & Insights	Insights to Action CEM & CEP Training	Root Cause Analysis	Development & Implementation of Voice- of-customer Channels		
Customer Experience	VOC Evaluation	Journey Mapping (Desired State)	Prototype & Testing of Desired State Customer Journeys	CEM Measurement Framework Implementation – Dashboards & Insights Deep Dives	
Value	ROMI, Linkages Analysis, Predictive Modelling			CC Forecast	

The CGAP Customer Centric Guide

<http://customersguide.cgap.org/>

The screenshot displays the CGAP Customer-Centric Guide website. The header features the CGAP logo and navigation links: HOME, WHY, LEARN, DESIGN, ORGANIZE, RESOURCES, and ABOUT. A search icon is also present. Below the header, a breadcrumb trail reads: HOME > WHY GO CUSTOMER-CENTRIC? > CUSTOMER CENTRICITY. The main heading is "Why Go Customer-Centric?" accompanied by a circular icon with a person inside. A subheading states: "Putting customers at the center produces loyal, active customers and moves your organization toward long-term competitive advantage." Below this, there are four orange boxes: "Customer Centricity" (Customer-focused competitive edge), "Business Challenges" (Solve acquisition, retention + expansion), "Leaders" (Advice from executives), and "Case Studies" (Learn from others). Further down, there are four blue boxes, each with a "WHY" label and a circular icon with a person inside. These boxes are titled "Customer Centricity", "Business Challenges", "Leaders", and "Case Studies". The "Customer Centricity" box contains text: "Customer-focused organizations gain competitive advantage over the long term by remaining agile and giving customers what they need. In return, customers remain loyal, actively use products and services, and provide referrals." and "A customer-centric approach provides value for customers by responding to their wants and needs through tailored experiences and products. Product use empowers customers and gives them control over their financial lives." A photograph of two business professionals is visible on the right side of the page.

CGAP | CUSTOMER-CENTRIC GUIDE

HOME WHY LEARN DESIGN ORGANIZE RESOURCES ABOUT

HOME > WHY GO CUSTOMER-CENTRIC? > CUSTOMER CENTRICITY

Why Go Customer-Centric?

Putting customers at the center produces loyal, active customers and moves your organization toward long-term competitive advantage.

Customer Centricity
Customer-focused competitive edge

Business Challenges
Solve acquisition, retention + expansion

Leaders
Advice from executives

Case Studies
Learn from others

WHY
Customer Centricity

Customer-focused organizations gain competitive advantage over the long term by remaining agile and giving customers what they need. In return, customers remain loyal, actively use products and services, and provide referrals.

A customer-centric approach provides value for customers by responding to their wants and needs through tailored experiences and products. Product use empowers customers and gives them control over their financial lives.

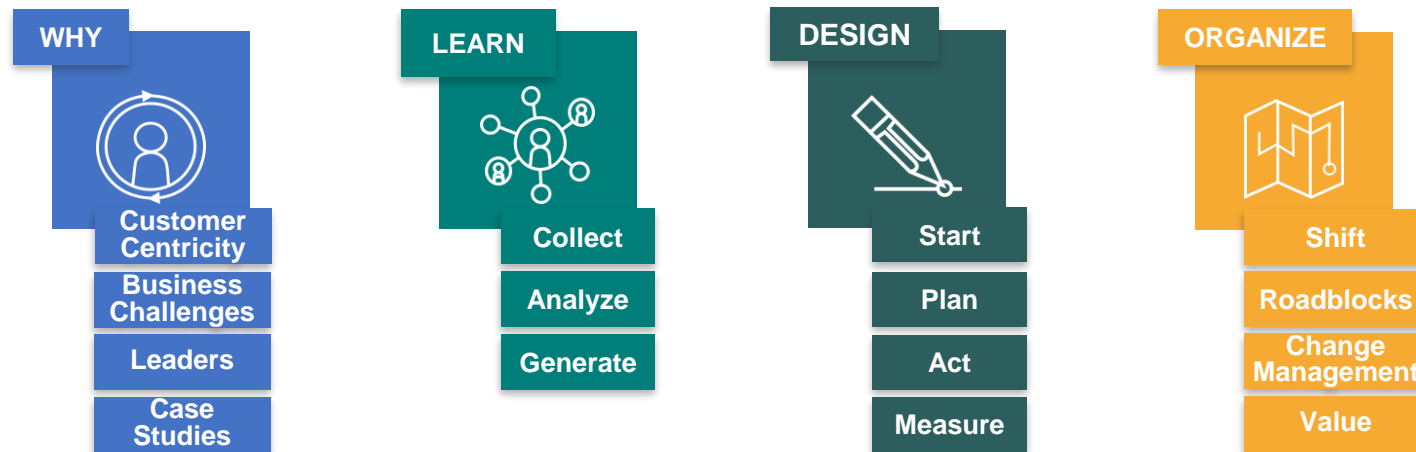
WHY
Business Challenges

WHY
Leaders

WHY
Case Studies

Icon Legend

User Journey on Customer Centric Guide (<http://customersguide.cgap.org/>)



Matrix Alignment of CC Toolkit resources with CC Roadmap over Maturity Levels



1. Making the case

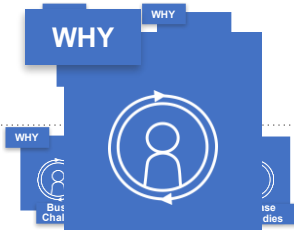
2. Starting with your customers

3. Planning and taking action

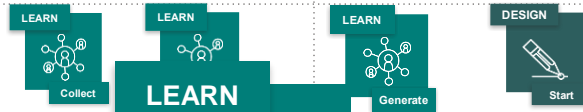
4. Making it work

5. Sharing the results

Level 1:
Unconvinced but Interested



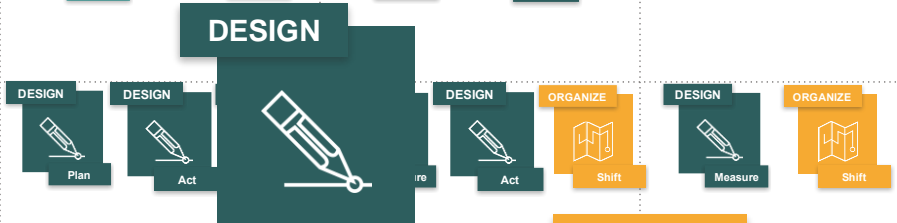
Level 2:
Getting involved and buy-in



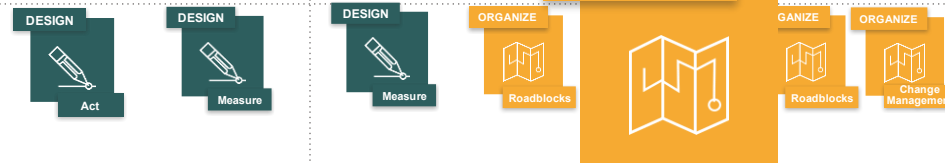
Level 3:
Formalised and converted



Level 4:
Dedicated & Reinventing



Level 5:
Entrenched & Empowered



Level 6:
Engaged & Sustained



1. Making the case

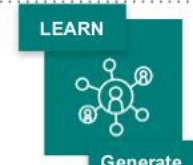
2. Starting with your customers

3. Planning and taking action

Level 1:
Unconvinced but Interested



Level 2:
Getting involved and buy-in

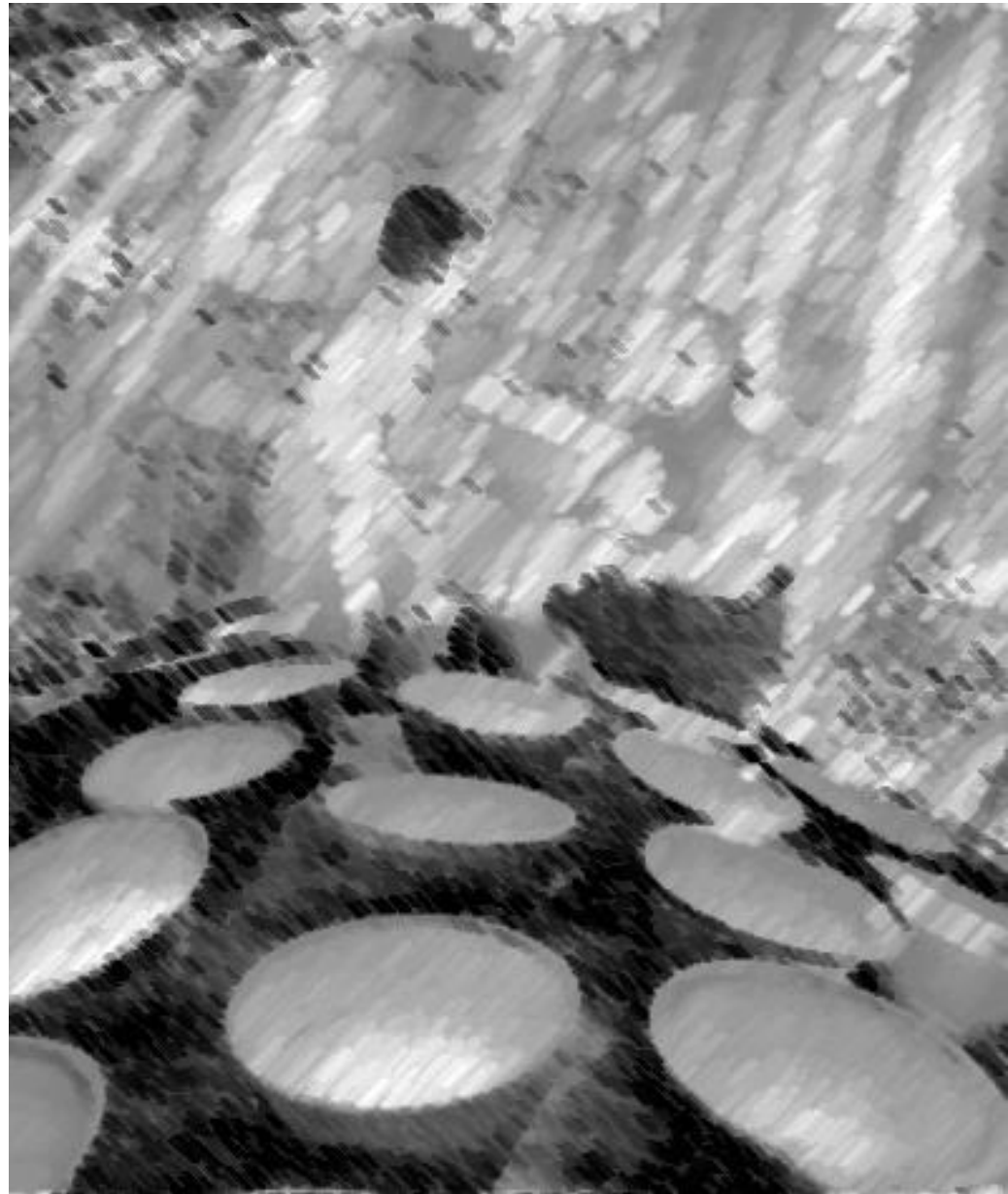


Level 3:
Formalised and converted

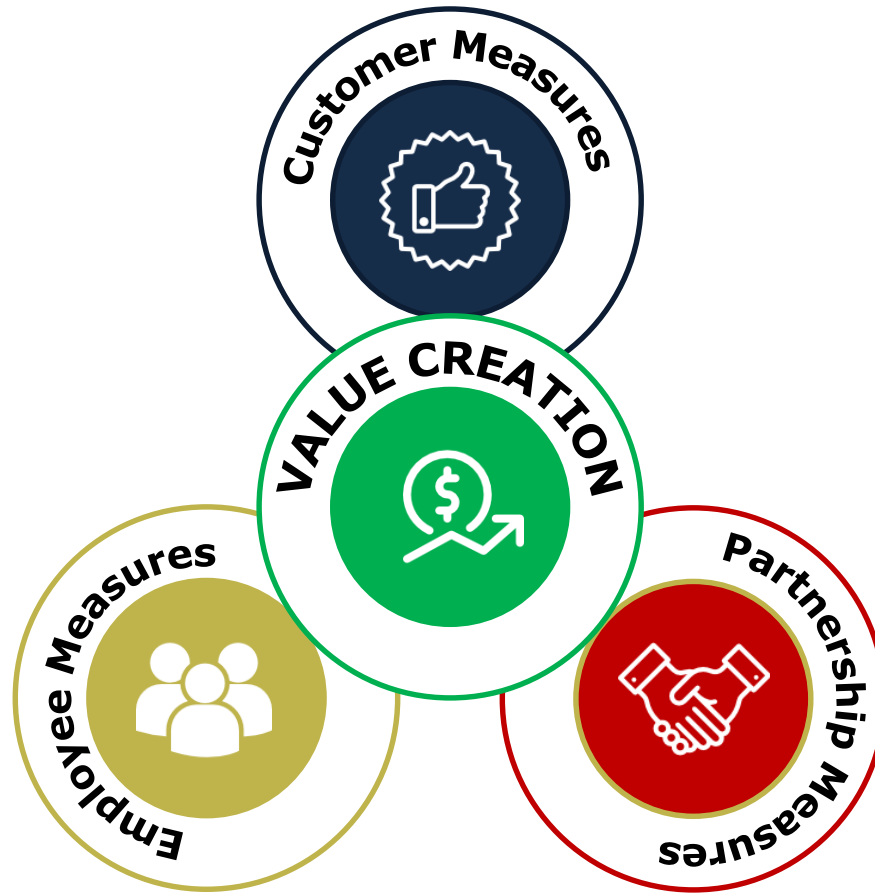


Measuring Progress on CC Transformation Journey

4



Measuring your progress



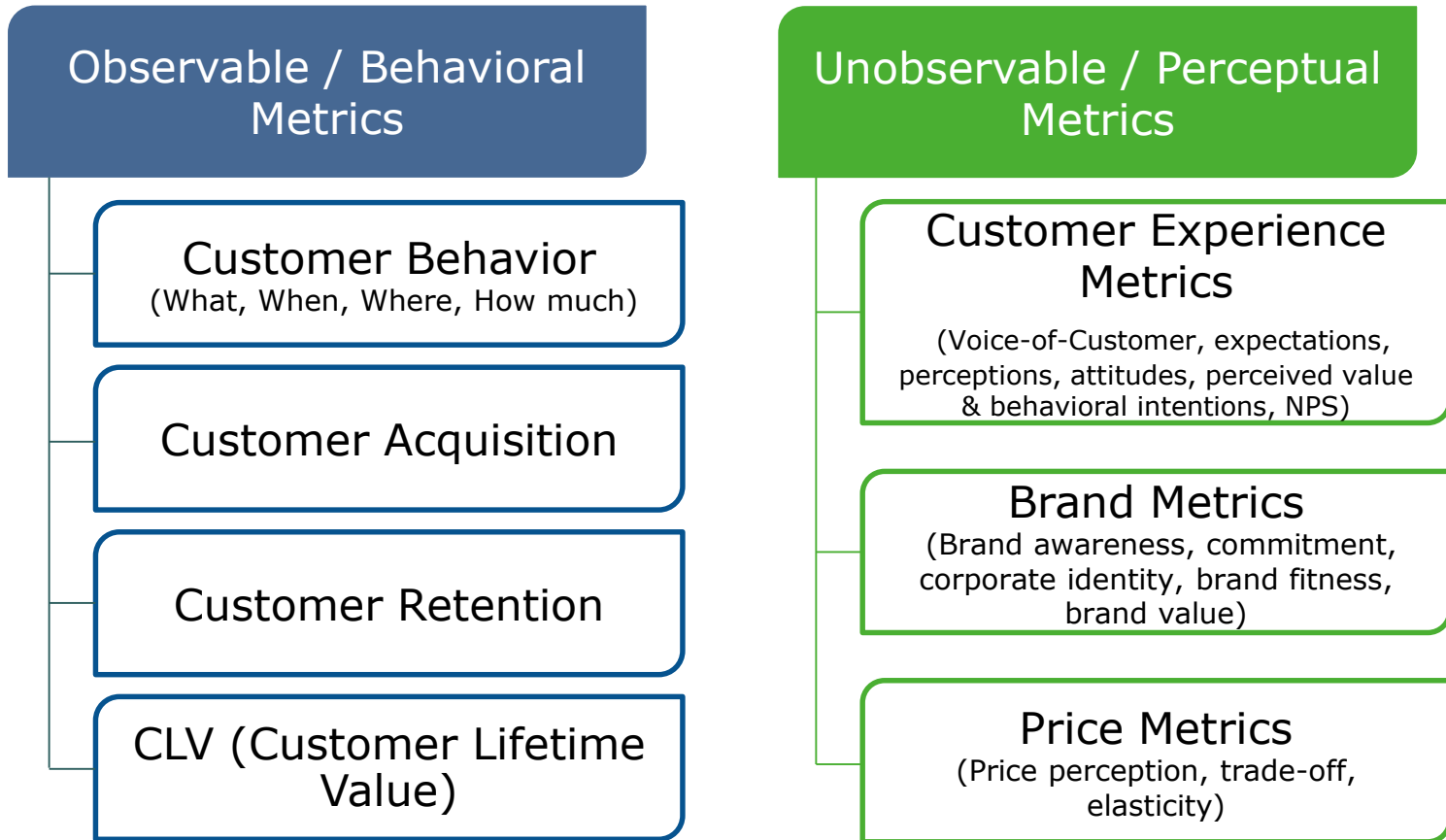
In Consulta we follow an easy four step process called LUPA. It defines HOW we do everything

LISTEN

In order to understand your business, we listen to you, your customers and your colleagues via various channels, including face-to-face, telephonic, email and web based interviews.



Customer measures



Source: Adapted **Gupta and Zeithaml:** *Customer Metrics and Their Impact on Financial Performance*. Marketing Science 25(6), pp. 718-739, ©2006 Visual - Copyright – Consulta Research

CUSTOMER LOYALTY MEASUREMENT

LOYALTY METRICS

Observable / Behavioral Metrics



BEHAVIORAL MEASURES

- Real retention
- Additional purchase (extra, other)
- Continuation of relationship
- Actual Word-of-Mouth

Unobservable / Perceptual Metrics

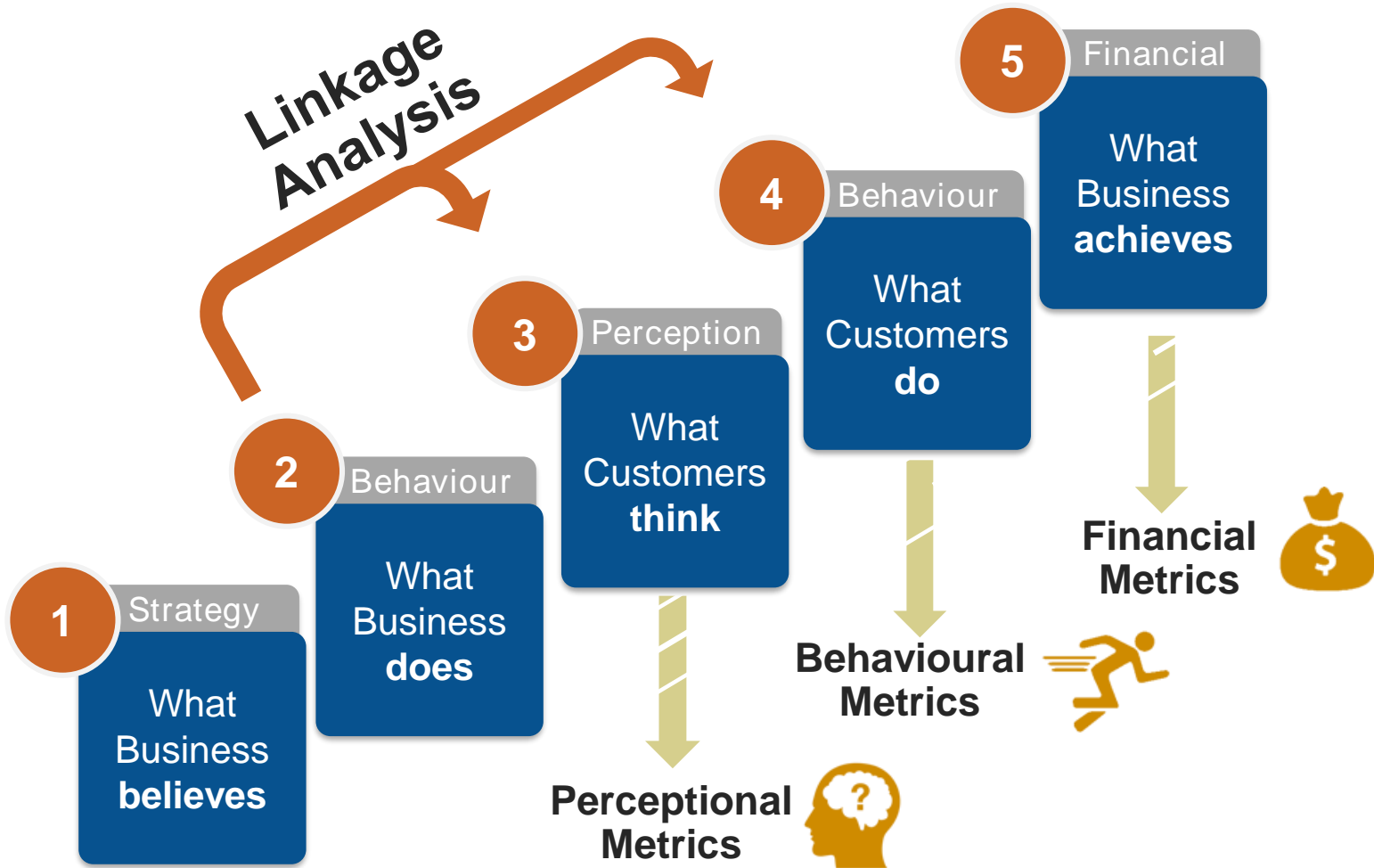


LIKELIHOOD MEASURES

- Likelihood to buy more
- Likelihood to buy again
- Likelihood to continue the relationship
- Likelihood to recommend

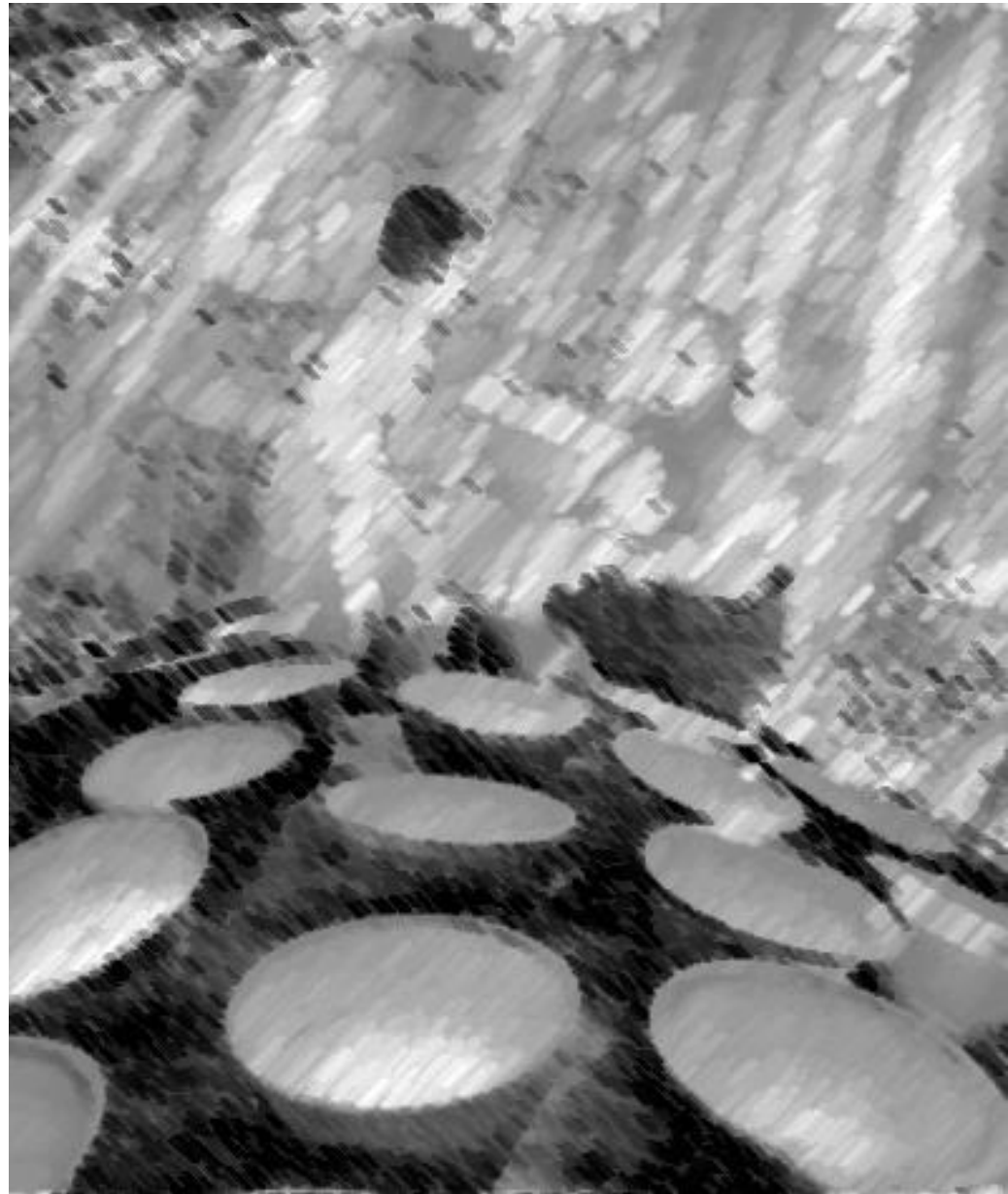
Return on Customer Experience (RoCE)

Establish the Financial Linkage



Conclusion

5



Sustainable Key Take outs

1. More comprehensive model for Customer Centricity – *break the feedback-mentality*
2. Journey to Customer Centricity will take 3-5 years (... of consistent clear strategy) – *break the start-and-stop-and-start mentality*
3. We need more evangelist CX professionals by "educating" business about the true scope of CX implementation – *break the silver bullet 6-months project mentality*
4. Business needs to "walk-the-talk" – *break the PR-ra-ra podium lip service mentality*
5. More CCO'/CXO's that will represent the Customer at C-level – ***break the "we focus on the Customer, but prefer profit" mentality***



Thank you

To learn more, please visit
www.cgap.org