



JANET LEBLANC
+ ASSOCIATES INC.



Customer Experience: The Ultimate Innovation

Customer experience innovation will differentiate your organization from your competitors.

by **JANET LEBLANC**, Janet LeBlanc + Associates Inc.

ABOUT JANET LEBLANC + ASSOCIATES INC.

A leading North American consulting firm specializing in customer experience management. Recognized as one of the foremost experts on customer-centric leadership, Janet LeBlanc guides senior leaders on how to use customer strategies to drive business growth. We partner with public sector institutions and Fortune 100 companies to overcome silo-based obstacles and collaborate on how to earn customer-driven growth.

Our team of dedicated professionals deliver services across four practice areas including leadership, customer insights, customer experience design and innovation, and performance improvement.

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Developing a new product feature and enhancing a service through new technology are standard examples of innovation. They are also the simplest forms of innovation: Ongoing upgrades and improvements are common sense business objectives and yet rarely can they offer a sustainable competitive advantage. New products and services are often copied as fast as they are invented.

Compare this to customer experience management, which Jeffrey Phillips, author of *Relentless Innovation*, characterizes as the “ultimate innovation”—a forward-thinking investment that can distinguish organizations from their competitors and continually drive business results to new heights.

Recognizing that each customer is forming (and likely sharing) opinions about a company in multiple, diverse and ongoing ways, it is critical to consider the impact of the end-to-end customer experience. Is the customer journey mapped out? Is it designed to impress customers so that they crave more of it? Is the customer experience differentiating the company brand, building and strengthening customer loyalty, and earning positive reviews and referrals?

The Ritz-Carlton Hotel provides a truly unique and exceptional customer experience. Walking through the hotel lobby is like a symphony where every employee makes eye contact with a guest when they are 15 feet away and verbally acknowledges a guest when they are five feet away. This one simple interaction point provides a truly unique experience that is memorable and continues to differentiate The Ritz-Carlton from many hotels around the world.

Unlike the quest for continuous improvement through product and service enhancements, a differentiated customer experience is remarkably difficult for competitors to replicate. Organizations that design and consistently deliver an innovative and unique customer experience model are better able to attract and retain customers as lifelong advocates who are more willing to choose brand loyalty over price.

Innovating Beyond Customer-Facing Processes

Many organizations today focus customer experience innovation on process improvement—eliminating non-value-added steps in a process to reduce the effort customers must make to fulfill their task. Years of multiple cost-reduction strategies and efficiency improvements have left many organizations servicing customers based on bare-bones service standards and support. In fact, there are relatively few organizations today that use innovation to focus on customer delight rather than process efficiency.

As another point of interest, most customer experience innovation is channeled into the front line, such as sales, service and retail functions. A North American benchmarking study on customer-centricity conducted in 2014 by Janet LeBlanc + Associates Inc., in collaboration with the Peppers & Rogers Group, reported that only 20% of companies indicated an excellent rating on their ability to proactively use customer feedback to improve back-end processes.

In addition, a Deloitte report on customer-centricity stated, “Often, non-customer-facing business units form the greatest obstacle in preventing a company from becoming truly customer-centric. Organizations often do not focus on creating the required mindsets, behaviors and processes within the back and head office teams.”

Focusing customer feedback strictly on improving customer-facing processes and interactions shows a lack of understanding of the relationship between the front office and back office in delivering exceptional experiences. Back-office or head-office teams are usually so far removed from the customer experience that they have a limited understanding of customer needs and expectations.

Employees at all levels of the organization must be engaged in the innovation process and understand how their role impacts the customer experience.

Everyone has the capacity to innovate. However, innovation must be cultivated as a competency throughout an organization and cannot be an occasional occurrence. It must become a sustainable capability of employees who have the necessary skills to progressively create and implement innovative ideas.

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4 Steps to Advancing Customer Experience Innovation

Brainstorming is only one step in the innovation process. Most ideas are developed and constructed through a series of activities and events that form the innovation process. There are four steps to advancing customer experience innovation:

1: Identify challenging issues to define emerging opportunities

Monitor market trends to uncover future customer needs. Use market research to identify challenging customer issues that might, in fact, open up new business opportunities if they are solved through innovation. Evaluate emerging social, economic and technological trends to identify the implications of those trends on customers. Use search engine tools such as NowRelevant, which shows you everything on a subject that has been mentioned on the web in the last two weeks, or Trends Buzz, which lists trending topics from Twitter, Wikipedia, Yahoo, Google, The New York Times, Wordtracker and more.

2: Research and understand customer needs

Explore the end-to-end customer experience journey to identify customer pain points and challenges. Use customer experience journey mapping (see “Take the Journey”) to understand how customers interact with an organization by looking at the customer experience, not from an internal point-of-view, but rather from the customer’s perspective. Break down complex processes into fundamental steps and group problem areas into themes for ideation.

3: Generate new ideas and discover new technologies

Collect as many ideas as possible by using a variety of methods. Engage all parts of the organization, both front and back office, in the ideation process with a spirit of inclusivity. Rarely will one person develop a winning idea, but more often seeds of ideas will be constructed together through a collaborative approach. Use multiple methods to generate ideas including telephone sessions, in-person ideation workshops, or intranet suggestion boxes to collect multiple ideas. Create a risk-free environment for brainstorming by deferring judgment on all posted ideas.

4: Select the best solution to fulfill customer expectations

The fourth step requires evaluation of the ideas in an effort to filter out extraneous information and any ideas that may be out of scope for the project. Be sure to have both employees and customers evaluate the ideas using approved criteria. For example, employee evaluation criteria could be based on the feasibility of the idea, time to market, and likelihood of success. As another example, customer-specific criteria could be based on the potential of the idea to solve a customer problem and strengthen customer loyalty.

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Engage All Levels of the Organization

Creating exceptional customer experiences through innovation requires a relentless focus on understanding and fulfilling customer needs. Far beyond standard product and service enhancements which are process-oriented, it's critical to focus on the many touchpoints of a customer's end-to-end journey. This should extend beyond the front lines to include the back-office and head-office teams—their decisions and behavior can also directly or indirectly impact whether a customer has a good experience.

To this end, employees at all levels of the organization must be engaged in the innovation process and understand how their role impacts the customer experience. When the core purpose of an organization is centered on delighting customers, every employee will look for opportunities to innovate. As customer loyalty grows and multiplies, so will revenue streams.

Take the Journey

Customer Experience Journey Mapping is an effective method for understanding the end-to-end experience from the customer's perspective. It is one of the best tools used today for understanding how customers interact with a company, clearly pinpointing when and where they experience satisfaction, frustration, amazement, disappointment, appreciation or judgment. This method also identifies what motivates customers to move from one stage of the journey to the next.

More specifically, a customer experience journey map is a graphical representation of every interaction a customer has—or could have—with a company and brand. It uses graphics, pictures and visual cues to illustrate and examine all encounters from a customer's point of view. The foundation of a customer experience journey map includes the archetypical steps customers travel when going from Point A to Point B of their journey as they attempt to achieve a goal or satisfy a need.

Journey maps provide one of the best methods for understanding how customers interact with an organization by looking at the customer experience, not from an internal view, but rather from the customer's perspective. This important perspective provides a proven framework to uncover moments of truth and opportunities to delight or WOW customers. A customer experience journey map also shows how different departments work together to interact with the customer and reveals the influence of various functions on the inputs and outputs of the end-to-end customer journey.

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“Your most unhappy customers are your greatest source of learning,” says Bill Gates. When done correctly, customer experience journey mapping identifies high-priority barriers and opportunities for a great experience. As the number and complexity of customer interactions increase, the need for experience mapping becomes critical.

Experience mapping provides an opportunity to take a holistic view of the customer’s physical and emotional journey and design ways to differentiate the experience from competitive offerings. It offers a proven framework to uncover moments of truth and key opportunities to bring an experience to life—seamlessly across all touchpoints, with measurable results. ■

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