

WHAT IS YOUR CUSTOMER-CENTRIC DNA?

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WHAT IS YOUR CUSTOMER-CENTRIC DNA?

Key findings from the 2018 North American Study on Customer Centricity.

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they have mastered the ability to intentionally design—and consistently deliver—a customer experience across all products, channels and brands.

The processes to design, organize and oversee every interaction between a customer and the organization is managed through a disciplined approach and methodology throughout the customer lifecycle.

Emerging Trends Identified in the Study

Over the past six years, there has been a fundamental shift in the number of organizations that have embraced customer experience management as a core operating model.

About 120 senior leaders participated in the 2018 North American Study on Customer Centricity, titled “What Is Your Customer-Centric DNA?” Since 2012, Janet LeBlanc + Associates has surveyed North American leaders to learn how they shape the culture of their organizations to focus on the customer. Released in a series of e-books, the results have been benchmarked against previous findings to identify evolving trends and behaviors.

A person’s DNA can be defined as the fundamental and distinctive characteristics or qualities of someone, especially when regarded as unchangeable. By extension, “organizational DNA” is the well-ingrained value system that guides its decision-making and how it behaves.

A truly customer-centric organization

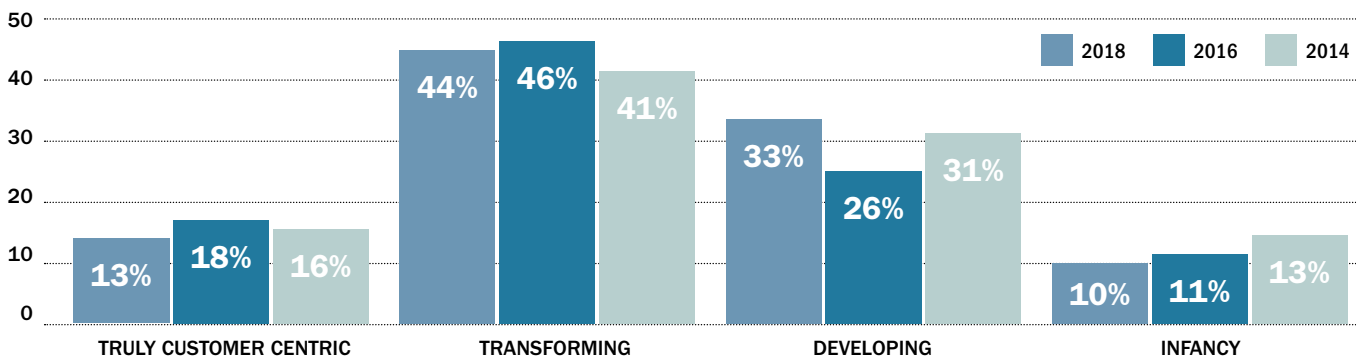


has successfully engaged and aligned all employees around meeting and exceeding customer expectations. Working together,

According to the study, a greater number of senior leaders recognize that improving the customer experience is not simply a rally cry

FIGURE 1: PROGRESS ACROSS THE FOUR PHASES ON THE JOURNEY TO BECOMING CUSTOMER CENTRIC

Results from the 2018 North American Study on Customer Centricity show a decline of 5% from 2016 of those organizations who view themselves as truly customer centric.



to boost morale and productivity. Instead, they understand it as a viable business strategy that will drive business and financial results.

CEO Jeff Bezos guides Amazon with a clear vision to “create the world’s most customer-centric company.” Airbnb, Netflix and Uber are other examples of global firms that are driving the experience economy by using an improved customer experience as their core business strategy.

Despite having gained a better understanding of what it takes to achieve true customer centricity, the majority of survey participants have only begun developing their strategy or taking their first steps of implementing transformational change.

Among those who have made progress, some recognize that, despite quick wins at the beginning of implementation, they are further away from achieving their goal than they first thought.

The toughest stumbling blocks are often legacy challenges that are so deeply ingrained. Employees will say, “We have had that customer problem for years.” This is where cultural transformation is most needed to overcome them.

The Journey Toward Customer Centricity

Janet LeBlanc + Associates’ Customer-Centric Index® maps the progress of organizations across four phases on their journey to becoming truly customer centric:

INFANCY: Strategic alignment and building leadership support are essential at this phase. Setting the vision and strategy for aligning the customer experience with business strategies and goals is also essential.

DEVELOPING: Building a coalition of sponsors and recruiting change advocates

are needed at this phase. Educating employees about what the future will look like helps employees understand their role in driving customer experience improvements.

TRANSFORMING: Commitment and endurance are needed during this phase to see a long-term transformation come to fruition. Corporate patience is a must to keep customer experience initiatives on track for the duration of the journey. Communicating success stories helps to keep employees motivated and on track.

TRULY CUSTOMER CENTRIC: Achieving customer centricity is a major accomplishment and must be recognized and reinforced. Organizations must protect against complacency by keeping the organization focused on emerging customer expectations.

(FIGURE 1 shows organizations’ progress across the four phases from 2014 through 2018.)

Best Practices: The Five Pillars of Customer Centricity

Beyond the four phases of progress that organizations navigate to become truly customer centric are the essential practices required to drive this progress. Janet LeBlanc + Associates designed a standard framework of essential practices containing five pillars of customer centricity.

Together, they identify the various behaviors

needed to instill customer experience as the core operating model for the organization—to shift the culture toward customer centricity.

PILLAR ONE: UNDERSTAND HOW TO STRATEGICALLY ALIGN AROUND THE CUSTOMER

Strategic alignment with the customer requires a shared vision of the ideal experience. It requires a clear articulation of how the customer fits within the organizational mission (why we exist) and within the firm’s value statements (what we believe in and how we behave). It also requires the senior leadership team to unite the organization around

a shared vision of the ideal experience (what we want to be) with a clear sense of purpose defined for everyone’s role in serving the customer.

The 2018 survey results show an impressive gain since 2012 in the area of “measuring the impact of customer experience initiatives on business performance” (SEE TABLE 1). This key value driver

of strategic alignment is critical to the drive toward customer centricity.

Customer-focused organizations can empirically prove the link between how customers perceive the quality of their experience and various key elements of loyalty behavior such as willingness to buy more, reluctance to switch and likelihood to recommend.

The most customer-centric organizations

A greater number of senior leaders recognize that improving the customer experience is not simply a rally cry to boost morale and productivity.

TABLE 1: KEY VALUE DRIVERS OF STRATEGIC ALIGNMENT

	Measure the impact of customer experience initiatives on business performance.	Clearly communicate a shared vision of the ideal customer experience.	Hire customer-focused executives.
2018	29%	30%	29%
2016	20%	27%	34%
2014	20%	23%	27%
2012	16%	22%	23%

Percentage represents those respondents of the 2016 North American Study on Customer Centricity who rated a “9” or a “10” on a 10-point scale.

understand what actions are critical for driving revenue, rescuing customers at risk, as well as retaining and growing share of wallet. They are reaping the benefits of delivering exceptional customer experiences through repeat business, valuable word-of-mouth advertising and reduced cost to serve.

PILLAR TWO: RECOGNIZE THE IMPORTANCE OF SENIOR LEADERSHIP

No one leader can achieve customer centricity alone. Instead, a strong coalition must exist across the organization to bring about transformational change.

Silo-based thinking is the nemesis of true customer centricity. By examining the end-to-end customer experience across functional departments, organizations can identify redundant steps, poor hand-offs from one department to the next, duplicate work and costly time-wasters.

Senior leaders need to do the hard work required to move from silo-based business

No one leader can achieve customer centricity alone.

planning to a cross-organizational focus on customer priorities. When senior leaders use shared metrics and cross-functional accountability to deliver the ideal customer experience, they are taking another important step toward becoming truly customer centric. Collaboration must move from an informal structure to formal multidisciplinary teams, with customer priorities at the center of these discussions. (SEE TABLE 2.)

PILLAR THREE: INTEGRATE CUSTOMER PERSPECTIVES INTO EVERYTHING YOU DO

With rapidly changing customer expectations, organizations today have a stronger will to understand customer requirements and how they perceive the quality of the experience. They also understand the need to collect and analyze customer feedback through a variety of sources, from structured surveys to social media feedback.

Many organizations are building comprehensive voice of the customer programs to

develop a 360-degree view of the customer across all products, channels and interaction points. “Voice of the customer” is a term used to describe a corporate-wide system designed to capture customer perspectives about their experiences. These perspectives are then integrated into business planning systems, process improvement initiatives and employee engagement practices.

Almost half of those surveyed for the 2018 North American Study on Customer Centricity report being able to respond immediately to pressing customer issues. One-third regularly ask customers to evaluate their performance relative to competitors. Twenty-two percent of respondents’ report “regularly tracking the cost of poor quality and its impact on the customer experience.” This represents a 13% increase since 2012. (SEE TABLE 3.)

Considering how difficult relationships are to strengthen, they are remarkably easy to lose. Understanding where the customer experience is unreliable and the resulting cost of poor quality to the organization can help answer some of the following questions:

- Do leaders fully understand the economics of the customer experience?
- Are customer issues visible throughout the

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TABLE 2: KEY VALUE DRIVERS OF SENIOR LEADERSHIP

	Act as a role model for customer-centric behaviors.	Regularly showcase examples of customer-centric behaviors by employees.	Spend time interacting directly with customers.
2018	29%	24%	33%
2016	33%	22%	41%
2014	27%	21%	36%
2012	22%	20%	37%

Percentage represents those respondents of the 2016 North American Study on Customer Centricity who rated a “9” or a “10” on a 10-point scale.

TABLE 3: KEY VALUE DRIVERS OF CUSTOMER INSIGHTS

	Quickly identify and resolve trouble spots in the customer experience.	Use customer feedback to improve customer communications.	Gather customer feedback, in real-time, to identify early signs of customer defection.
2018	28%	26%	28%
2016	29%	30%	22%
2014	25%	20%	16%
2012	21%	14%	17%

Percentage represents those respondents of the 2016 North American Study on Customer Centricity who rated a “9” or a “10” on a 10-point scale.

- company at all times?
- Are leaders deliberate about knowing which customers are at risk?
 - Is there shared accountability for solving customer issues?

PILLAR FOUR: ENGAGE EMPLOYEES TO DELIVER A BRANDED CUSTOMER EXPERIENCE®

A Branded Customer Experience® is intentionally designed and consistently delivered across all products, channels and brands. The customer experience brings a brand to life. Every interaction with employees or transaction online provides an opportunity to reinforce the branded experience that represents the ideal experience expected of customers.

To truly embrace customer centricity, everyone in the organization must understand their role in delivering the ideal customer experience and what they need to do differently to improve it. (SEE TABLE 4.)

Employees can make or break your customer experience. They are the face, the voice, the character, and the performance of the company. The ability to deliver a consistent, high-quality experience across every

interaction is what separates the good from the great.

PILLAR FIVE: MEASURE AND REWARD CUSTOMER EXPERIENCE IMPROVEMENTS

An organization’s performance measurement system includes the ongoing monitoring and reporting of progress toward reaching its goals. It is the internal system that collects, collates, reports, and recognizes the risks and rewards along the way.

The purpose of performance measurement is to assist the organization in making decisions about where to invest resources, how to adapt to market changes, and where its people, processes or technology might not be measuring up to expectations.

Organizations that measure and reward customer experience improvements as part of their overall corporate performance system have adopted a customer-centric mentality. Employees at all levels of the organization are more easily motivated by what is measured and rewarded. Linking customer experience metrics to a corporate-wide performance measurement system sends a clear mes-

sage to employees about the importance of customer experience to the success of the business. (SEE TABLE 5.)

The Journey Continues

The 2018 North American Study on Customer Centricity reveals a clear progress toward bringing the customer closer to the forefront of the business. Delivering a Branded Customer Experience® includes a collaborative, cross-functional approach to intentionally design, and consistently deliver, the ideal experience during every interaction between a customer and the organization throughout the customer lifecycle. ●

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TABLE 4: KEY VALUE DRIVERS OF EMPLOYEE ENGAGEMENT

	Clearly define what employees need to do differently to improve the customer experience.	Give employees the authority to resolve customer issues on the spot.	Provide employees with the right information to address customer issues.
2018	26%	28%	26%
2016	23%	34%	29%
2014	18%	28%	19%
2012	13%	17%	16%

Percentage represents those respondents of the 2016 North American Study on Customer Centricity who rated a “9” or a “10” on a 10-point scale.

TABLE 5: KEY VALUE DRIVERS OF MEASUREMENT AND REWARDS

	Use rewards, other than monetary, to reinforce customer-centric behaviors.	Reward and recognize achievements of customer experience improvements.	Track the effectiveness of customer experience action plans and initiatives.
2018	21%	21%	17%
2016	19%	18%	20%
2014	19%	17%	16%
2012	14%	14%	13%

Percentage represents those respondents of the 2016 North American Study on Customer Centricity who rated a “9” or a “10” on a 10-point scale.

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