

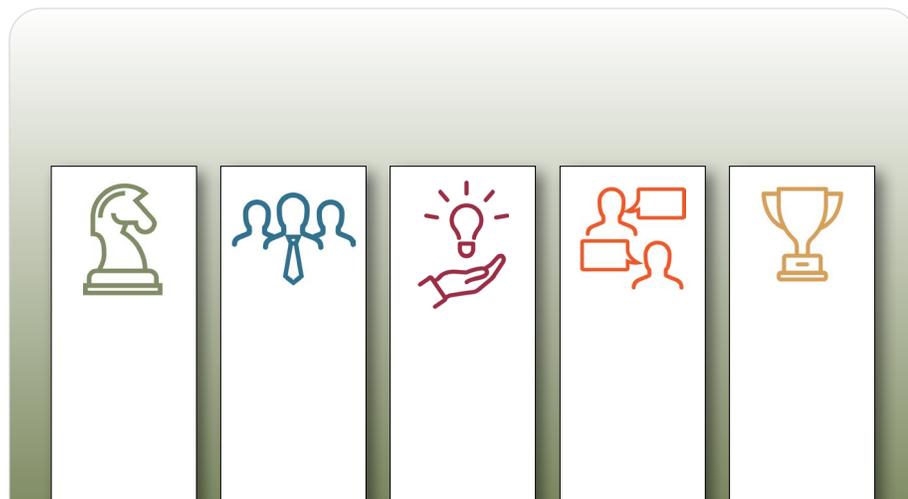
WHAT IS YOUR CUSTOMER-CENTRIC DNA?

“Truly customer-centric organizations are driven by strong leaders who desire positive change. They have a clear vision for a better future, even if there are potential unknowns along the way.”

WHAT IS YOUR CUSTOMER-CENTRIC DNA?

Key findings from the 2020 North American Study on Customer Centricity.

BY JANET LEBLANC, JANET LEBLANC + ASSOCIATES



The definition of a “truly customer-centric” organization is one that has mastered the ability to *intentionally* design and *consistently* deliver the ideal customer experience across all products, channels and brands. The processes to design, organize and oversee every interaction between a customer and an organization is managed through a disciplined customer experience management approach. A truly customer centric organization understands the value of integrating the voice of the customer into its vision and culture—and realizing results arising from that awareness and investment.

One of the key findings of our eight-year study on customer centricity in North America reveals that early adopters of cus-

tomers-centric cultural transformation, largely represented by for-profit corporations, are now joined by an increasing number of organizations that deliver public services, higher education, health care and military services.

Since 2012, Janet LeBlanc + Associates, in collaboration with *Contact Center Pipeline*, has surveyed companies to understand how they are reshaping their culture to focus on the customer. Every two years, senior leaders from across North America have been invited to participate in an online survey titled, “What Is Your Customer-Centric DNA?”

The Journey Toward True Customer Centricity

According to the most recent survey conducted in late 2020, a greater number of

senior leaders understand that integrating customer perspectives into a viable strategic imperative can successfully transform culture, drive measurable performance improvements, and achieve financial results.

Survey responses reveal senior leaders are making an authentic commitment to customer centricity. They are including customer experience management as a core operating principle for how they will achieve long-term success.

The study maps progress on the Customer-Centric Index®, used to measure an organization’s degree of maturity across four phases of a journey toward true customer centricity. (SEE FIGURE 1.)

In 2020, the majority of survey participants—56%—reported maturing into the “Transforming” (third) stage of the journey. Compare this to 7% who identified as being in the “Infancy” stage and 19% who are “Developing” toward a transformation. Overall, 18% identify as being “Truly Customer Centric.”

CUSTOMER-CENTRIC PROGRAMS ARE TRANSFORMING ORGANIZATIONS ACROSS NORTH AMERICA

Progressing through the “Transforming” stage is the most difficult transition in the journey. At this stage, organizations have already addressed the quick hits needed to improve the customer experience. These include:

- Gaining executive support for a new orga-

FIGURE 1: The Customer-Centric Index®

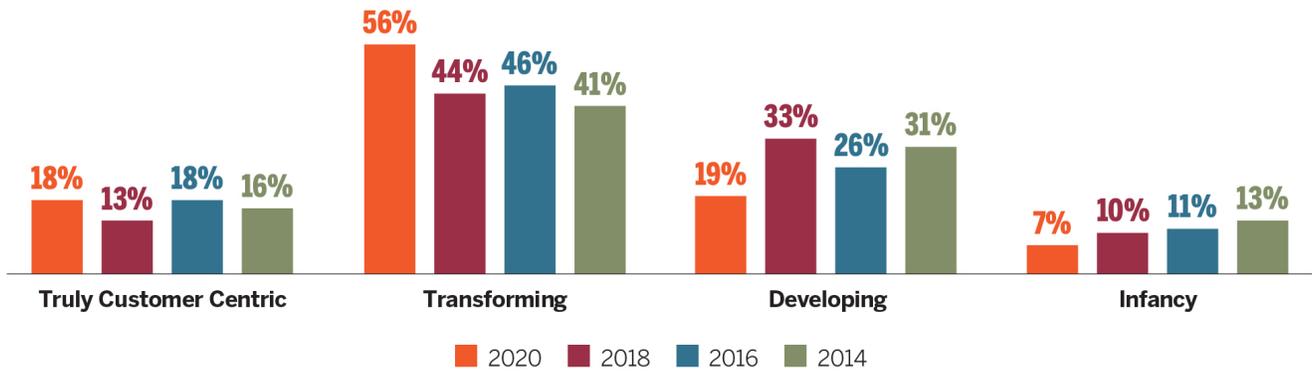


FIGURE 2

FOUR PHASES OF THE CUSTOMER-CENTRIC JOURNEY



1. TRULY CUSTOMER CENTRIC: Organizations that are truly customer centric have mastered the ability to design and implement a consistent, intentional customer experience.



2. TRANSFORMING: Commitment and endurance is taking shape at this stage to see a long-term transformation come to fruition.

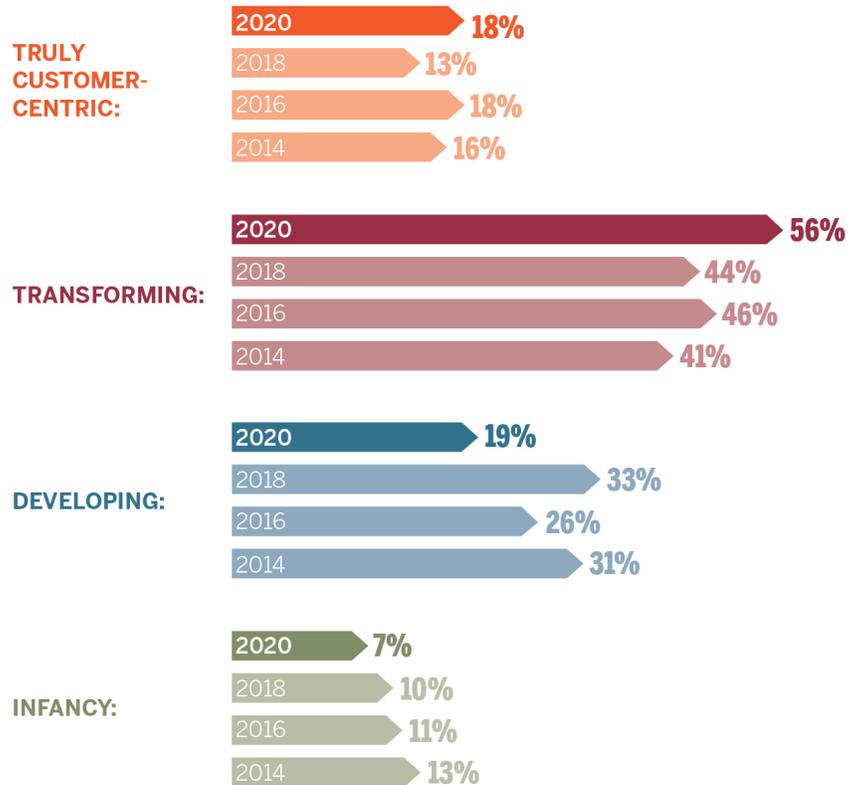


3. DEVELOPING: Building a coalition of sponsors and recruiting change advocates is needed at this stage.



4. INFANCY: Strategic alignment and building leadership support is critical at this stage.

MOVEMENT ACROSS THE FOUR PHASES OF CUSTOMER CENTRICITY



nizational direction.

- Rallying the troops to recognize the importance of customer experience improvements.
- Using customer insights more frequently to guide product development.

- Creating new roles to lead corporatewide customer experience initiatives.
- Regularly communicating the importance of a customer-centric culture.

To advance from “Transforming” to “Truly Customer Centric” is not simply about mak-

ing things better, faster or more efficient. It is about adopting and adapting to an entirely new way of doing business in areas that relate to strategy (how we think and plan), process (the way we operate), people (the way we work), and systems (the way we interconnect). (SEE FIGURE 2.)

FIGURE 3

FIVE PILLARS OF CUSTOMER CENTRICITY



CUSTOMER-CENTRICITY PILLARS IMPROVE

*Mean scores on a 10-point scale

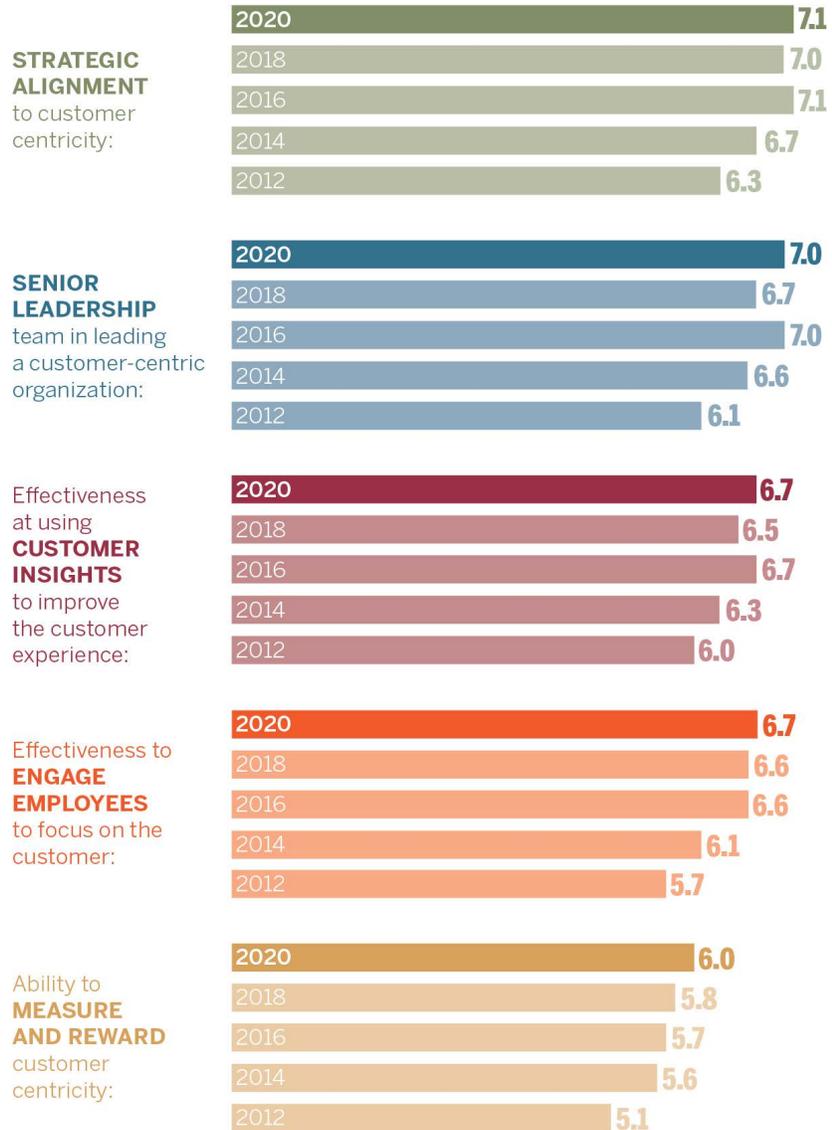
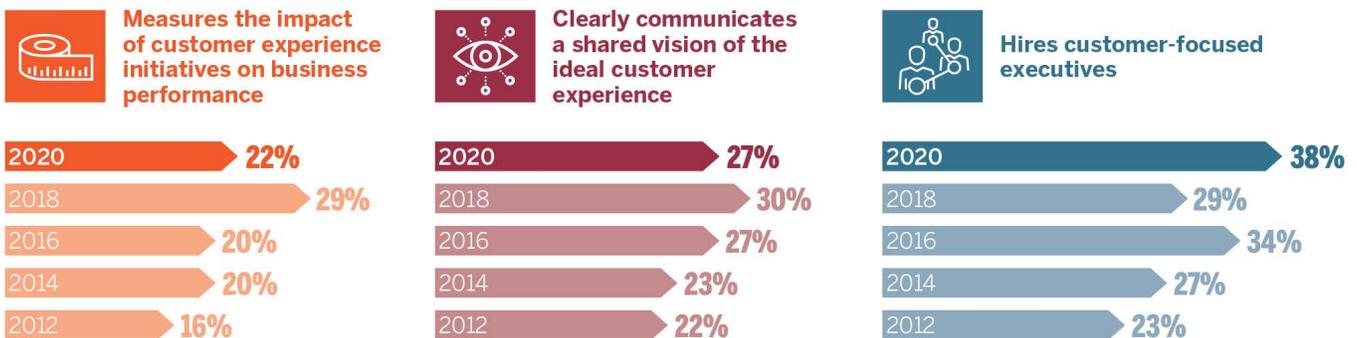
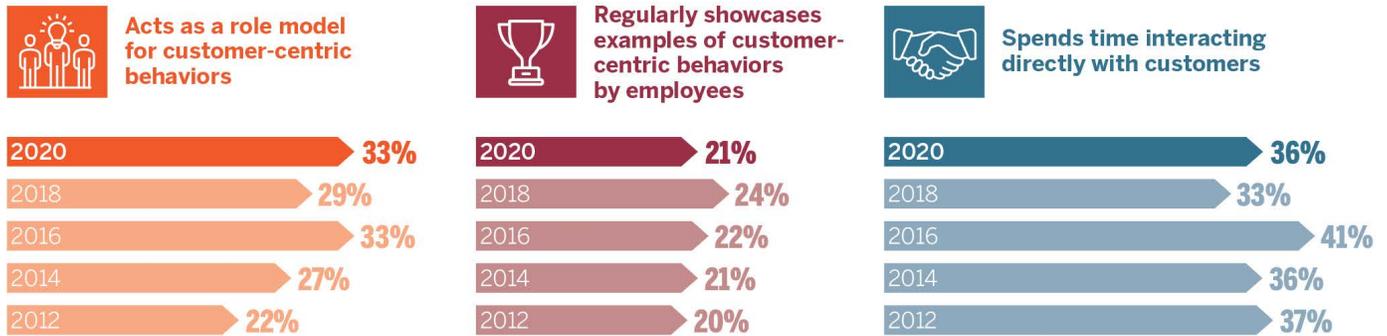


CHART 1: Key Drivers of Strategic Alignment



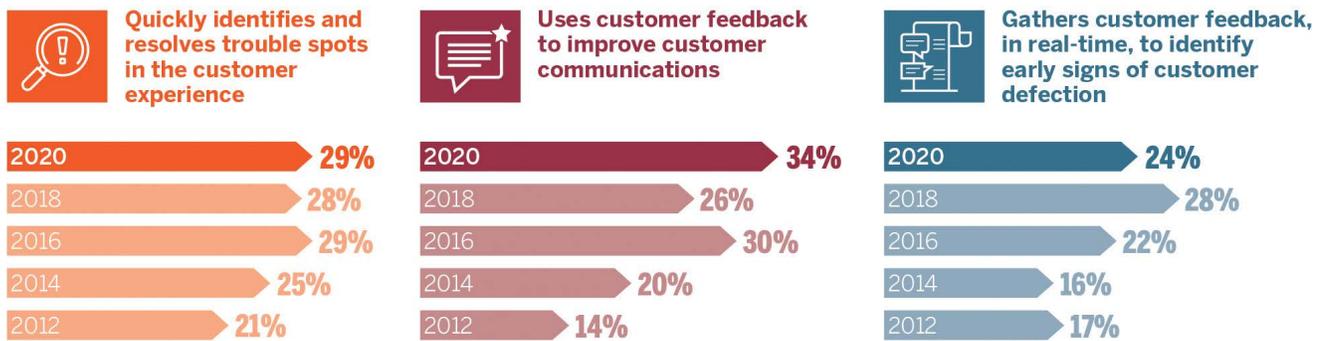
The percentage represents those respondents of the 2020 North American Study on Customer Centricity who rated a “9” or a “10” on a 10-point scale.

CHART 2: Key Drivers of Senior Leadership



The percentage represents those respondents of the 2020 North American Study on Customer Centricity who rated a “9” or a “10” on a 10-point scale.

CHART 3: Key Drivers of Customer Insights



The percentage represents those respondents of the 2020 North American Study on Customer Centricity who rated a “9” or a “10” on a 10-point scale.

FIVE PILLARS OF CUSTOMER CENTRICITY



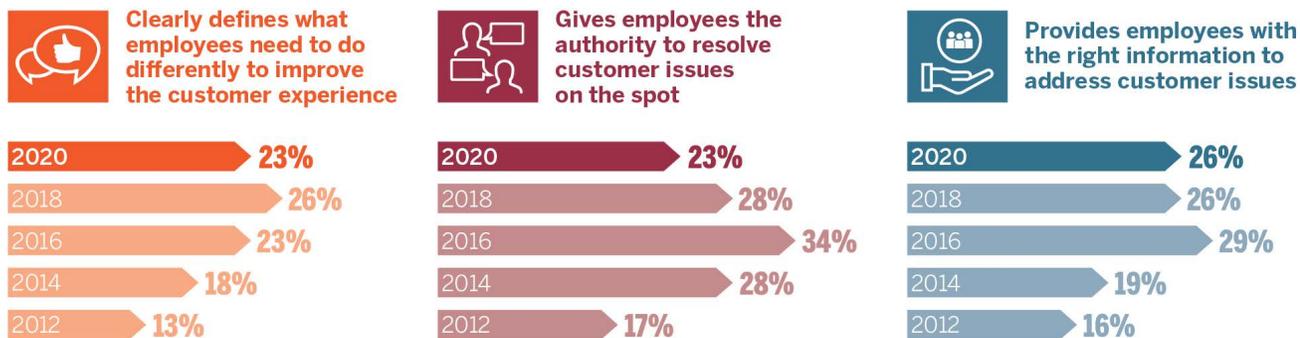
Five Pillars of Customer Centricity

The survey asked senior leaders about five pillars of customer centricity: Strategic Alignment, Senior Leadership, Customer Insights, Employee Engagement, and Measurement and Rewards.

The study revealed that many senior leaders understand the importance of strengthening strategic alignment to a shared vision of the ideal customer experience. Among them, 38% hired customer-focused executives and 40% communicate regularly the importance of a customer-centric culture.

Compared to 2012, the study found a 15% increase in the number of organizations who use customer insights to evaluate performance relative to competitors. Eleven percent (11%) report an increase in tracking the cost of poor quality to measure its impact on the customer experience.

CHART 4: Key Drivers of Employee Engagement



The percentage represents those respondents of the 2020 North American Study on Customer Centricity who rated a “9” or a “10” on a 10-point scale.

CHART 5: Key Drivers of Measurement and Rewards



The percentage represents those respondents of the 2020 North American Study on Customer Centricity who rated a “9” or a “10” on a 10-point scale.

Organizations are devoting more effort to engaging employees by helping them understand what customers value most during the experience. Senior leaders recognize the importance of frontline employees to the success of their brand and report a 12% increase since 2012 in empowering employees to do what’s right for the customer.

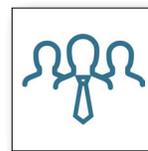
While many organizations realize they have more work to do to implement customer experience measurement and rewards programs to accelerate the pace of change, the study revealed a greater number of reported improvements for this pillar compared to all previous years of the study. (SEE FIGURE 3.)



PILLAR ONE: STRATEGIC ALIGNMENT

Strategic alignment is the process by which building blocks used at the corporate level ensure the organizational direction is attuned to and aligned with customer ideals. The mission, vision and strategic objectives must clearly articulate how the company intends to integrate these ideals toward a meaningful and measurable outcome.

The 2020 survey results show an impressive gain of 15% since 2012 in the area of hiring customer-focused executives (SEE CHART 1). This key value driver of strategic alignment is critical to achieving true customer centricity.

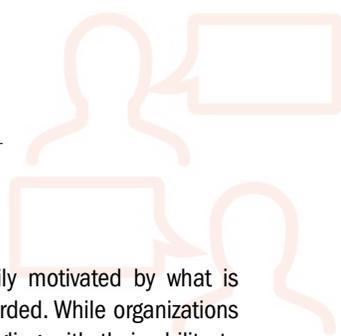


PILLAR TWO: SENIOR LEADERSHIP

People who are set in their ways may resist change because of a perceived loss of control, concerns about the uncertainty of change, or worries about the levels of effort and costs required to learn a new way of doing things.

Truly customer-centric organizations are driven by strong leaders who desire positive change. They have a clear vision for a better future, even if there are potential unknowns along the way. Customer-centric leaders have the competency to plan progressively and the agility to navigate course corrections.

In 2020, senior leaders stepped up their



game, recognizing their role in leading customer centricity. Increases were reported by those who include customer experience (CX) as a recurring leadership agenda item and communicate the importance of CX to business success.

An 11% increase was reported by those who act as a role model for customer-centric behaviors (SEE CHART 2).



PILLAR THREE: CUSTOMER INSIGHTS

As artificial intelligence (AI) accelerates the speed of emerging technologies, keeping up with its pace may prove challenging. This especially applies to customer experience transformations that are adapting their technologies and systems to the specific needs of the organization, while keeping up with rapidly adapting customer expectations.

Truly customer-centric organizations have a corporate system designed to capture customer perspectives about their experiences. These perspectives are integrated into business planning, process improvement initiatives, and employee engagement practices.

Centrally managed Voice of the Customer programs, in a coordinated effort to prioritize improvements and organizational change, help to make acting on customer feedback part of everyday decision-making.

Over the last eight years, respondents reported an 8% improvement gathering customer feedback in real-time to identify early signs of customer defection. There was a 20% improvement using this feedback to improve customer communications (SEE CHART 3).



PILLAR FOUR: EMPLOYEE ENGAGEMENT

To embrace customer centricity requires everyone in the organization to understand their role in delivering the ideal customer

experience and what they need to do differently to improve it.

Employees can make or break your customer experience. They are the face, the voice, the brand personality, and the performance of the company.

2020 survey results report a 10% improvement in how organizations train employees on how their role impacts the customer and a 9% improvement in empowering employees to do what is right for the customer (SEE CHART 4).



PILLAR FIVE: MEASUREMENT AND REWARD PROGRAMS

Organizations that develop an end-to-end mindset about the customer experience have processes or journey maps in place to identify how a customer moves from one stage of their journey to the next. This requires a seamless connection of work activities across departments, authorities and budgets—often difficult to reconcile within hierarchical structures.

Over the last eight years, respondents reported an 8% improvement gathering customer feedback in real-time to identify early signs of customer defection.

Measuring how efficiently customers move through the end-to-end experience can help organizations recognize pain points, weak links in the system, and risks of defection along the way.

Employees, at all levels of the organiza-

tion, are more easily motivated by what is measured and rewarded. While organizations appear to be struggling with their ability to track the effectiveness of customer experience initiatives, 8% report an increase in their ability to use rewards to reinforce customer-centric behaviors (SEE CHART 5).

Organizations that measure and reward customer experience improvements as part of their overall corporate performance system have adopted a customer-centric mentality.

The Journey Never Ends

The 2020 North American Study on Customer Centricity reveals North American organizations are making great progress “Transforming” toward becoming “Truly Customer Centric.”

Many understand—or are learning—that a truly customer-centric transformation is not possible without strong strategic alignment, invested senior leadership and a commitment across the organization to understand and align with customer insights to guide organizational development.

Employee engagement across the organization is also critical, as are measurement and rewards programs to accelerate the pace of change.

The ability to consistently deliver a Branded Customer Experience® is what separates the good from the great. A branded 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. ®



Janet LeBlanc is President of [Janet LeBlanc + Associates](#), a consulting firm specializing in customer experience management. She coaches senior leaders of Fortune 100 companies and public sector

institutions to create a customer-centric culture. Branded Customer Experience® and Customer-Centric Index® are registered trademarks of Janet LeBlanc & Associates Inc. All rights reserved. (janet@janetleblancassociates.com)

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