

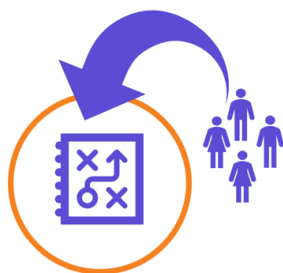
# The BOLD Leader Guide to Customer Experience

The notion of companies existing to meet a set of customer needs has been around for a very long time. Peter Drucker said it in 1954, “The purpose of business is to create and keep a customer.” Many others have confirmed this idea in the years since.

As business leaders, we understand that companies exist only if they meet a set of customer needs. The most successful companies today increasingly understand that *how* their organization delivers for customers is as important as *what* it delivers.

This orientation has resulted in an increased focus within many organizations on the customer experience. We see many companies creating detailed current journey maps of various customer interactions, identifying customer pain points and launching a series of customer experience improvement projects to address these current headaches. Too often, these activities overwhelm the organization, grind to a halt, and fail to produce meaningful results for the organization or its customers. Customer experience is in danger of becoming a diluted concept and not much more than the latest business buzzword.

BOLD leaders, which we define as those who think and act beyond the existing organizational limits, and who are driving important changes in their organizations, understand that any movement without considering the customer is fraught with peril. BOLD leaders take customer experience a meaningful step further. They use a deep understanding of the customer to define an ideal experience and work backwards from that ideal in a focused way. The infographic below provides a summary of this BOLD leader approach in three steps.

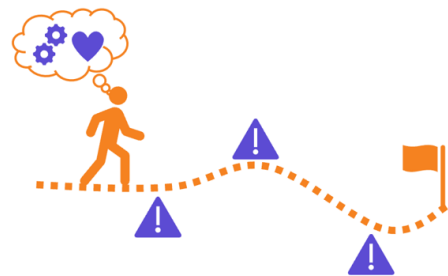


## Think Outside In

Map the ideal experience for your target customer and work backwards to address gaps between the current and ideal experience. Consistently be thinking *customer first* and truly understand the impact on the experience for every “inside” decision and investment you make.

## Use Critical Moments to Focus the Change

Start by addressing critical moments that have the most impact on the customer experience. Changing the customer experience requires both “hard” changes (tangible elements like products, processes, and systems) and “soft” changes (intangible elements like culture, behaviors, and attitudes) across the entire organization.



## Deliver Desired Outcomes

Customer experience needs to be part of everyone’s role. Measure your improvement in the ideal customer experience and the impact on key business performance drivers (using leading and lagging measures). Celebrate your progress along the way by recognizing and rewarding behavior change and sharing customer stories.

This may sound simple, but it's harder than you think. It takes a level of confidence in the outcome, the will and perseverance to work through built up resistance, and extreme focus that demands results. BOLD leaders who follow this approach are able to build customer advocacy, achieve faster revenue growth, reduce their cost to serve, and enhance their employee experience as well. For their organizations, customer experience is not a trade-off but rather a driver of future financial performance. Our national research has found that twice as many organizations that begin with customer experience exceed revenue and profit targets as those that do not. Converting to a truly customer-centric operating model takes determination and guts to change an organization's perspective, decision-making processes, operating disciplines and culture.

## “Think Outside In”

Set aside for a moment, how your organization operates today. Forget the SWOT analysis that drives thinking from a completely internal perspective. Any improvement in the customer experience needs to be built upon a solid foundation of empathy and understanding of your target customers (those who will drive your future growth and profitability). The success of any customer experience is measured by how well the target customer's need was solved. A systematic program to observe customer behavior, interpret that behavior, and develop crucial customer insights about customer needs is the starting point for establishing a customer centric “outside in” perspective. Only after you've clearly understood this perspective can you meaningfully assess your organization's performance against it.

With this customer-informed perspective, evaluate your existing customer journey. By this we mean the entire, end-to-end, customer experience – how your target customers:

- Learn about your organization as a potential solution to their triggering need,
- Try out your solution(s),
- Buy your product or service,
- Use your offering to solve their needs, and
- See how you can evolve as their needs and opportunities change.

Mapping the current customer journey can be helpful in creating a shared perspective across the organization. However, we advocate using your deep understanding of the customer to put most of your energy into developing a model of the “ideal experience” from the customer's perspective. It is critically important to capture not only what should happen along the journey, but also the desired customer mindset and feelings you want to create as the relationship evolves.

Working pain points from a current journey map is not helpful when organizations get bogged down in focusing on specific transactional processes and working existing pain points that in many cases are not differentiating. Clearly defined “ideal” experiences may not ever be fully achieved, but they provide a “true north” to guide organizations as they create newly reengineered experiences that can deliver better results for the customer and the company. The goal is an experience that is truly distinguishing, one that moves the organization past simple enhancements to what already exists.

This “ideal experience” can feel a long way from your current state. Where do you start? First, we universally find that there are a handful of big critical moments in any customer journey that deserve immediate attention. These are the moments that have a disproportionate impact on the overall experience. Identifying and quantifying their impact for the customer and the company can help focus your improvement efforts. See the box to the right for some examples of critical moments.

Outside in thinking literally means consistently thinking *customer first* and truly understanding the impact on the experience for every “inside” decision and investment you make.

### “Use Critical Moments to Focus the Change”

Too often we meet companies who have invested tremendous precious resources – people, time and money – mapping a current experience. They understand their situation, but through all their work, they haven’t effectively fixed anything or made the customer experience better in any meaningful way. If you’re in that trap – or trying to avoid it – picking a few critical moments and working to drive those as close to your ideal experience as possible is a great place to start. BOLD leaders know this about change: Real change starts with a commitment to learn. Focusing on critical moments helps to galvanize that process.

If you want to move forward faster and focus your effort on the priorities that make the most difference to your customers and for your organization, start with a few critical moments and be prepared to change EVERYTHING to affect each critical moment to get the result you need.

Critical moments are defined from the customer’s perspective, not your existing process steps. Customer experiences are also cumulative, so, ultimately, every interaction (in person, digital, through others) and everything you do impacts the customer experience. Improving the customer experience at the critical moment often requires rethinking multiple aspects of your business. Rarely is it enhancing a single process. By focusing on the broader, end-to-end customer experience, it is easier to identify all of the elements that come into play at critical moments. For instance, in the sidebar below, you will see just some of necessary changes required to deliver on the “what will this cost” critical moment for health care. If you consider how to address that question in a more

holistic way, you’ll make different choices that are not simply defined in a better process at check-out.

The customer experience is made up of both tangible and emotional elements. This is why changing the customer experience requires both “hard” and “soft” changes. “Hard” changes are those tangible changes in products, processes, systems and tools. “Soft” changes are the intangible changes in culture, behaviors, and attitudes. This requires thinking about and attending to both what should happen and what the customer should feel through the customer experience.

BOLD leaders move experience development beyond a series of projects. They use the ideal experience as a lens to change behavior and improve daily decision making. This drives the change they are after organically.

### Example Critical Moments

**Healthcare**  
*What will this entire treatment cost?*



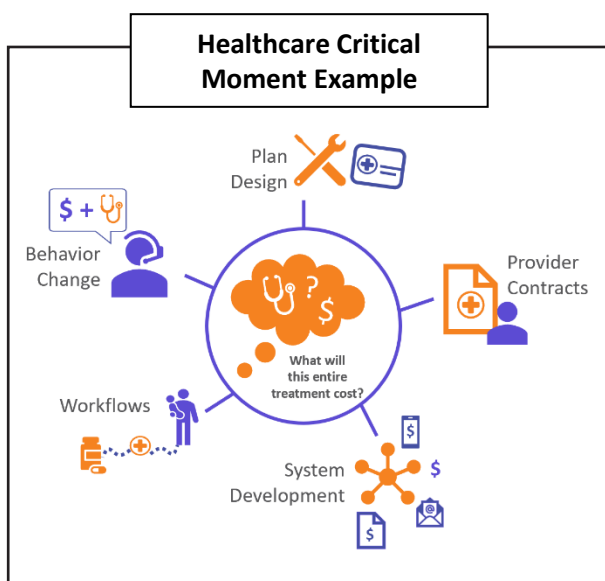
**Broadband**  
*My circumstances have changed.*



**Medical Device**  
*We have a quality problem, and a life is at stake.*



**Business Analytics**  
*How will you help me obtain the outcomes I need?*



Within every organization, choices are being made every day. Teach and motivate your employees to shape their choices to move your organization closer to the desired ideal experience. In this way, all work becomes customer experience work.

Finally, changing everything also means being willing to stop initiatives that aren't working, aren't a direct support to moving toward the ideal or are confusing the new direction and priorities. BOLD leaders are fearless and ruthless about identifying "what to stop." Their reallocating of resources devoted to those activities can help to fund critical customer experience initiatives.

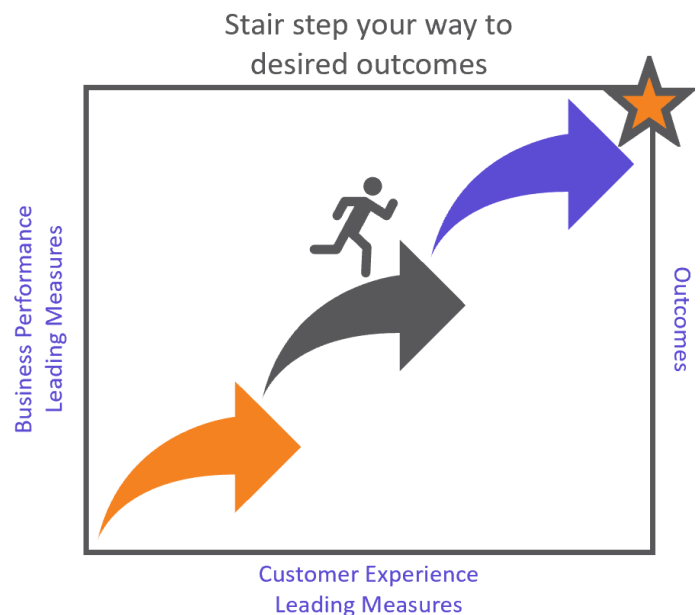
### **"Deliver Desired Outcomes"**

Having started down the path of improving your customer experience, how do you ensure the organization stays committed and delivers the desired outcomes? First, establish the appropriate governance structure. Customer experience needs to be part of everyone's role, so broadly shared customer experience objectives and accountabilities for everyone in the organization are necessary. Designate an individual to ensure that the customer needs are at the center of every discussion. The CEO, Chief Revenue Officer, or another member of the senior leadership team can play this role. In some organizations, a new role of Chief Customer Experience Officer is created. In all cases, the individual with this role should be a change agent with the power to negotiate with other senior peers to drive the desired behaviors and outcomes and coordinate efforts across departments.

Next, implement a measurement program that considers both your customer experience performance overall and at critical moments. A tight collection of leading and lagging indicators serves best. At each level, measure both the improvement in the customer experience and the impact on key business performance drivers. Remember, evidence that the customer experience is improving is typically a leading indicator of improved business outcomes, so trending this information to see the correlation over time is vitally important.

Finally, measures are only powerful if shared, discussed and celebrated. Since the journey is long, BOLD leaders celebrate successes – even small ones – to build and sustain momentum. Share customer success stories broadly within your organization. Even better, find ways for customers to share their stories themselves with your staff. Within your own organization, recognize and reward positive behavior change. Find ways to discuss the positive business performance outcomes in the context of the customer experience versus, as independent outcomes.

Many of the most highly rated customer experiences are with companies such as Apple, Amazon or Disney. Those organizations have had BOLD leaders shape their organizations from the beginning to deliver an outstanding customer experience. In many ways, transforming an organization that has lost its customer focus is significantly more difficult. If a strong customer orientation is not currently in the organization's DNA, reintroducing it, nurturing it and then migrating fully to it can be a herculean effort.



BOLD leaders that see an organization through to a full transformation know this to be true, and the research reinforces the point. The work can be hard and the journey long – but the rewards for truly BOLD leadership to transform the customer experience are worth the effort!

### Ask yourself:

Are you satisfied with the progress you're making through your customer experience efforts? If not, let's talk. If yes, but you'd be happier with more significant and/or faster step improvements, let's talk.

Are you just getting started and a bit overwhelmed with the volume and variety of information and struggling with your first decisions about where and how to start effectively? If so, let's talk.

Are you underwhelmed with the work on customer experience your organization has done to date? If so, for sure let's talk.

Are you a BOLD leader seeking a partner to help you orchestrate a customer experience centered change in your organization? If so, we'd love to talk with you!

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*For over 20 years, Aveus, a division of Medecision, has been committed to making change rewarding for our clients and their customers.*

*We've done it in good times and bad, through opportunity and crisis.*

*If you need someone to react to an idea you're thinking about or help problem-solve a challenge you're facing, we'd love to talk!*

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