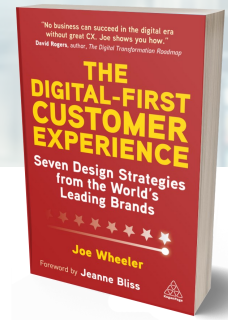


SOLVE THE RIGHT PROBLEMS

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Getting started on this journey begins with a profound understanding of customer needs, expectations, and preferences - effectively separating the “signals from the noise” to isolate those changes that would make a meaningful difference - solving the right problems. There are three things we need to keep in mind:

First and foremost, we need to see the journey both functionally and emotionally, through what the customer experiences holistically, (not just where and when their interactions with your company begin and end).

Always remember customers are trying to achieve a result rather than the consumption or use of your products or services. It's fine to be proud of your products and services but they aren't the endgame. The endgame is the outcome they create for your client. Even if you were selling the Mona Lisa, the point isn't in the painting, it is in the pleasure it would provide to its owner. Your product or service are a “means” rather than the “ends.”

Before you increase a dollar of operating costs to improve the experience, (assuming it isn't required for regulatory or safety reasons) you need to ensure it will deliver an incremental financial benefit to shareholders, the customer is willing to pay for and ideally, improves the employee experience in some measurable way.

5 Steps for Separating the “Signals from the Noise”

There are 5 steps required to focus on the right problems, however, this isn't a one-time exercise as later during the design effort, you will be connecting and interacting with customers through rapid experimentation. But you need to begin by completing an initial “deep dive” to develop a profound understanding of how you are performing relative to competitors.

5 Steps:

1. Enroll the Core Team, Key Stakeholders, and a Guiding Coalition
2. Map the AS IS Customer and Employee Journeys
3. Summarize and Share Qualitative Insights
4. Mystery Shop Competitors and Benchmark Best Practice Companies
5. Validate Qualitative Insights with Quantitative Methods

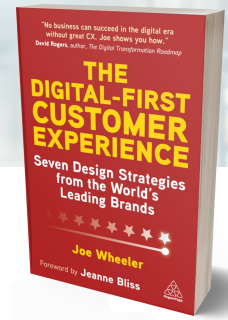
Let's take them one at a time.

Step 1 - Enroll the Core Team, Key Stakeholders, and a Guiding Coalition

A client we worked with years ago had a saying that holds true today: “People support what they help build.” When getting started on this journey, it can be tempting to proceed by yourself or with a couple of other “believers.” But at this point you don't know what you don't know. Think broadly in terms of your Core Team membership to include representation from Operations, Marketing, Technology, Call Center Ops, Ecommerce, HR etc. Their individual involvement and contribution will change as the project goes through its natural phases. Enrolling a diverse team from the beginning ensures you will move along faster in the long run.

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Step 2 - Map the AS IS Customer and Employee Journey

Your overall goal in this step is to get as clear a view of the current customer and employee journey as you can. Remember, the employee view is as important as the customer view as they are two sides of the same coin. There are several sub-steps to consider:

1. **Go to Gemba:** Gemba literally means “the real place” in Japanese. It suggests that to really understand something, you can’t just review a dashboard of trend data, you must physically go to the place where the issue is happening, talk to the employees and understand the process. We learned about this years ago during a benchmarking visit to Toyota. It falls under the category of developing what our hosts described as ‘profound knowledge’ of the customer and employee experience.
2. **High Performer Study & Performance Factor Analysis:** If your current customer experience today involves a lot of human interaction, such as in retail or hospitality or in after-sales call center support, then a key step is to conduct a study of what distinguishes high-performers in your most critical customer-facing roles. Especially if one of your goals is to increase customer interactions via digital channels going forward.
3. **Walk a Mile in Your Customers’ Shoes:** With the keen insights generated from being in the field across your different channels, now it is the time to observe customers as they navigate through your store, use your website, your mobile apps/bots/virtual assistants, attend one of your client conferences, and talk or chat with your salespeople and call center representatives. When you do this, it is helpful as you observe customers to make note of human, functional or digital interactions that produce positive, negative, or neutral experiences. Make note of what works well, what doesn’t and if possible, how frequently it appears to happen.
4. **Interviews, Focus Groups and Ethnography:** You are now in a far better position to conduct interviews and/or focus groups with customers. The good news is that companies make it easy to capture this data virtually. Through video-based interviews and focus groups, customers can be invited to share their view of the experience: what works and what could be improved. Which Touchpoints and Interactions are most valuable to them? Which are least valuable? How do you rate relative to your competitors? You can even recruit them to shop your firm and a competitor in advance and capture their experience with a mobile app to share during the discussion. An experienced facilitator can ensure you capture important insights that you will use during the next few steps.
5. **Create a Map of the AS IS Customer and Employee Journeys:** Generate a map of what that journey entails. This is described in some detail in the book and may include developing Service Blueprints.

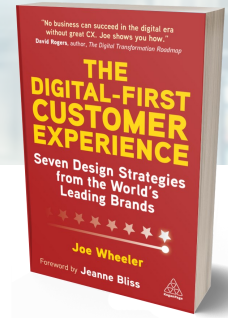
Step 3 - Summarize and Share Qualitative Insights

The result of Step 2 should allow you to produce some key artifacts that will be required before moving to steps 4 and 5. These include:

- A visualization of the customer and employee experience in the form of both an AS IS Journey Map, and an AS IS Service Blueprint.
- A qualitative view into Chronic Problems and Opportunities to Delight that exist in the current customer journey.

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- An analysis of the potential opportunities to optimize your delivery channels to better serve customers and reduce cost-to-serve.
- The key enablers and inhibitors facing front-line employees in serving customers and the behaviors that distinguish high performers in key frontline roles.
- Finally, your hypothesis on the Loyalty Drivers and the Moments of Truth you believe have the greatest influence over them.

The result of this data collection produces three very important deliverables:

- A web portal the Core Team and Key Stakeholders can access to drill into any of the details of what has been discovered. The degree to which you have captured customer comments with video will increase visits to this site. Be sure to add some form of Discussion Board to begin the conversation about what is being learned.
- A report, detailing the qualitative technical analysis of the current customer and employee experience being delivered today.
- A 10-15-page Executive Summary Presentation of these findings and their implications.

The end of this step includes sharing what you have learned with your Executive Sponsors, Guiding Coalition and other key managers that would have interest in what has been discovered. A word of warning. These insights are still qualitative. As soon as you put this on paper, no doubt someone will want to start acting on what was captured. On one such occasion, the CEO of our client, convinced that pricing was the key Loyalty Driver was ready to launch a price war after our Detractor Analysis of qualitative data. We were able to convince him to wait until we completed the quantitative validation and sure enough, Pricing fell far down the ranked attribute list, and only rose to the top when the highest-ranking Loyalty Drivers were performed poorly.

Step 4 – Mystery Shop Competitors and Study Benchmark Best Practice Companies

Although it is just a few data points, it is a good idea mystery shopping two or three of your top competitors. Your marketing or strategy team may provide you with some form of SWOT Analysis, but some firsthand experience as a potential customer can prove invaluable.

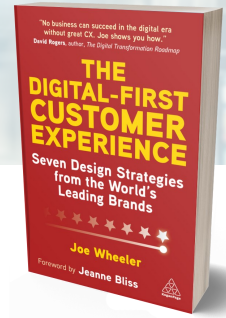
Once this phase of your research is complete, it's time to summarize what you have learned and from the themes that have emerged, target some best practice firms to study, especially those outside of your industry, to see how they have solved similar problems (not necessarily the same problem) to provide a new lens into your customers current experience and "take a page" out of someone else's playbook.

Step 5 – Validate Qualitative Insights with Quantitative Methods

As in qualitative research, there are a few ways to go about approaching quantitative validation however, to have the data you need to generate a business case your CFO will take seriously, you need to have statistically significant evidence to support your claim in terms of the estimated revenue and operating margin the data suggests can be achieved.

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Although survey research is a typical way to conduct quantitative studies, new quantitative focus group technologies provide accelerated ways to validate qualitative insights and even illicit further improvements in real-time from hundreds and even thousands of customers.

Text analytics solutions from a myriad of software companies apply artificial intelligence and machine learning algorithms using regular expression classifiers or classifiers developed from client code books. These represent a powerful way to isolate potential Loyalty Drivers and their associated Moments of Truth.

On several client projects we have used all three of the above toolsets. For example, we collected and coded unstructured data into themes that were additive to our qualitative research. We then tested our new hypothesis with 150+ customers using a quantitative focus group platform. With these key learnings in hand, constructed a survey to validate our hypothesis with a survey platform. Again, the right quantitative method and tools are determined by your goals and available data.

Summary

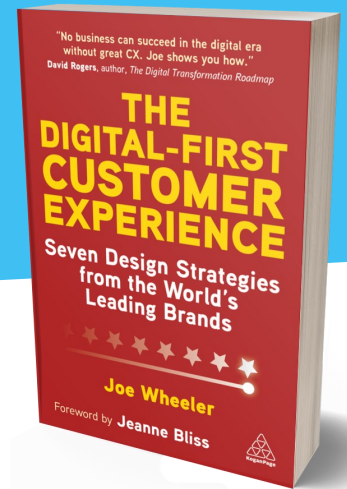
Once we have unshakeable facts of what creates spending, retention, and advocacy in the current experience, as well as the causes of churn and customer dissatisfaction, we must prove that improvements would generate incremental Revenue, Gross Margin Dollars and/or reduce Operating Expenses. We need to build a business case to make the argument that investing in the customer experience is a better use of capital than probably a half-dozen other projects competing for those dollars including things like stock-buy backs, new product introductions or strategic partnerships.

Said more simply, you need to create a business case that will generate a superior return over other investment opportunities.

Digital First CUSTOMER EXPERIENCE

“ No business can succeed in the digital era without great CX. Joe shows you how.

David Rogers
author, The Digital Transformation Roadmap



Companies around the world are struggling to make sense of the promise and peril of digital strategies in delivering a competitively superior customer experience. Joe Wheeler's new book is the definitive guide to designing digital-first experiences customers love.

Key features-at-a-glance

- Explores the post-pandemic trends that are requiring every company to re-think how they design customer experiences that exceed expectations.
- Illustrates the best way to collect meaningful data which shows companies how to identify the right problems to solve for their customers.
- Describes how to design a digital-first customer experience driving a new level of brand loyalty.
- Helps readers identify the right technologies that will add incremental value for all stakeholders.

The book features case studies of these leading brands: Lemonade, Spotify, CEMEX, VMware, Starbucks, NIKE, and Amazon.

Part One introduces the new "3Cs", key trends associated with technology convergence, competition, and culture change in a post-pandemic world.

Part Two takes a deep dive into seven design strategies, from designing emotional peaks across channels to empowering customers through immersive experiences merging physical and digital assets.

Part Three provides a playbook for how to design digital-first experiences, including how to solve the *right* problems, develop a measurable business case, design digital-first experiences customers love,

Susan Fournier

Dean, Boston University
Questrom School of



A timely treasure for those who wonder whether, why, and how “digital” fundamentally changes the customer experience, with an added bonus “playbook” for designing business models up to the task.

