The Anatomy of a Customer-Centric Organization

Your step-by-step guide to building
a customer-centric culture

an eBook by

Kapiche

Introduction

Customer-centric: it's become almost as overused as "synergy" or "throughput." We all know the pitch. Some version of "the customer is always right." It's become cliche. With so many organizations talking about putting the customer at the center of everything they do, it's strange that overall customer satisfaction is actually declining.

Customer expectations have, no doubt, changed over the last few years. New communication channels pop up every day. Customers are savvier than ever and by that token, they have more complex issues. That could explain some part of it. Perhaps what we're really seeing is that the old way of doing things isn't working anymore.

So, how do you move forward in this new world? How do you make sure you're doing more than talking and actually making your customer your number one priority? Across the organizations we've worked with, we've found that they each have four key strategies that they have implemented on their journey to becoming truly customer-centric. These 4 strategies make up the chapters of this eBook.

Before we dive into our suggestions, we would like to define what we see as a customer-centric organization. To us, being customer-centric means working for a positive customer experience at every stage of the customer journey. Any decision you make considers the potential impact on the customer and always seeks to improve their experience in the long-run.

Alright, with that out of the way, let's dive deeply into the anatomy of a customer-centric organization, along with what you can do to build your own.

The four key strategies to building a truly customer-centric organization:

Start at the top

We look to our leaders for guidance. They set the course for the company. They define values and culture. Effectively, they design and drive what ends up being the DNA of your company. The same is true if you're aiming to be a customer-centric organization. If you want everyone to buy in, it needs to start with your most senior employees.

As we mentioned, they drive the culture and identity of your company. The C-suite is also in charge of budget and approves what the company invests time and money in. However, putting an executive in charge of the customer experience is rarer than you might think. Companies that are highly committed to the customer experience have started adding a Chief Customer Officer, or CCO for short. Rogers Communications is a great example of how powerful the results can be when you invest in being customer-centric. Alongside appointing a CCO, they focused heavily on improving the customer experience and over two years they reduced customer complaints by 50%.

We recognize that leaders come in all shapes and forms, and don't want to discount those that are leaders outside the C-suite. That said, in order for your organization to achieve the goal, you will need an advocate in the highest rungs of your organization. We understand that it won't be an option for every organization to add a new C-level role, but there are actions you can take to bring executives into the conversation.

DID YOU KNOW?

According to research done by Reynolds, only 39% of companies claiming to be customer-centric have one or more executives leading their customer strategy.

> "*Left to their own devices, employees will decide what your CX strategy means for them, which may or may not be right. If they're wrong,* **this leads to frustration that corrodes CX momentum.**"

Forrester

Communicate consistently with executives

Those at the top have a lot to juggle. They're tasked with leading the entire company and are responsible for every aspect. Since there are so many layers, typically, between the C-suite and the customer, it's easy for them to lose touch with what's happening day-to-day.

With that in mind, it becomes very important to show the varied benefits that investing in the customer brings. Along with showing the variety of ways it improves your company, it's critical to raise the topic often.

In advertising, they say someone has to see a message, on average, seven times before it sticks. Take a similar approach with executives. The more often they see the evidence, the more likely they are to remember it.

Prove value

Executives like results. They like hard, tangible, numbers that they can tie actions to. Part of getting their buy-in will involve showing why it makes sense for the organization to invest. However, a one-off project may not be enough to convince them to change the culture of the organization. You'll need to show the value of the overall practice of being customer-centric.

According to research, happy customers spend, on average, 140% more than unhappy customers. With that being the case, it'll probably serve you best to show how you make happy customers. Though there may be a few different answers to that question, it really seems that what matters most for customer happiness is consistency.

McKinsey conducted a survey of 14,000 people across multiple industries and the one thing that kept popping up was the value of consistency. They found that measuring satisfaction on customer journeys is 30% more accurate at predicting the overall customer satisfaction than looking at the satisfaction of individual interactions.

McKinsey also found through their research that when you maximize satisfaction with the customer journey you can improve overall customer satisfaction by 20%. Pair that with their finding that maximizing customer journey satisfaction also lifted revenues by 15% and dropped the cost-to-serve by 20% and it adds up to pretty powerful stuff.

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What's the real value of customer experience?

How to justify the case for CX in your organization (and prove the ROI!)

Download it free!

Designing your CX dream team

Every Customer Experience team will look a little different, but there are key responsibilities that need to be addressed. Below the Chief Customer Officer, you may have a Director, or Vice President of Customer Experience responsible for ongoing strategic decisions. This person will likely manage a few different functional teams or positions including:

- **Customer Service or Customer Support:** These employees are responsible for all direct customer interactions, so they play a big part in delivering the customer experience strategy.
- **Customer Insights or Voice of the Customer:** This is the team that are responsible for collecting customer experience data, analyzing and understanding customer trends and using tools like Kapiche to uncover these insights. They will then feed these actionable insights out to the relevant parts of the business to make changes where required.
- **Customer Experience:** CX is responsible for getting the rest of the business on board with customer experience. They will own the required changes, rally the necessary teams and resources and then implement new strategies across the relevant departments.

Depending on the size of your organization, a customer insights team might consist of just one analyst or involve a number of people including a data scientist and a change management specialist. However, a customer-centric organization needs to have a team that is responsible for analysis and a team responsible for action. Both pieces are necessary to get the full ROI on your customer data.

Structure your CX team for maximum ROI

You need the executive team to be on board if you want to be a customer-centric organization. Though, once they have bought in and set the course for the company, how do you actually execute on those ideas? First, you need to make sure the additional layers are in place to support your customer-centric efforts.

Empower the front line

The people on the front-lines are the ones who make things happen, so they also need to be a large focus in your strategy. Providing high-quality service is difficult. It's made even more difficult when your team needs to jump through hoops to do their best work. Your team is your most valuable asset. Making sure they have the tools and resources they need to do their jobs effectively is very important.

One study found that 75% of customers around the world desire more human interaction. The same study found that 65% of people said a positive customer experience was more influential than advertising. And, lastly, they said they'd pay up to 16% more for a premium customer experience. Providing a real, authentic human interaction with each customer contact might be scary – but removing the scripts and providing the right tools pays off.

In this case, the benefits aren't only for customers – when your team has the time needed to do their best work it shows you trust them, which leads to happier, more productive employees. The better your employees feel about your company, the better customers will, too.

"71% of consumers think a company's employees have a significant impact on CX"
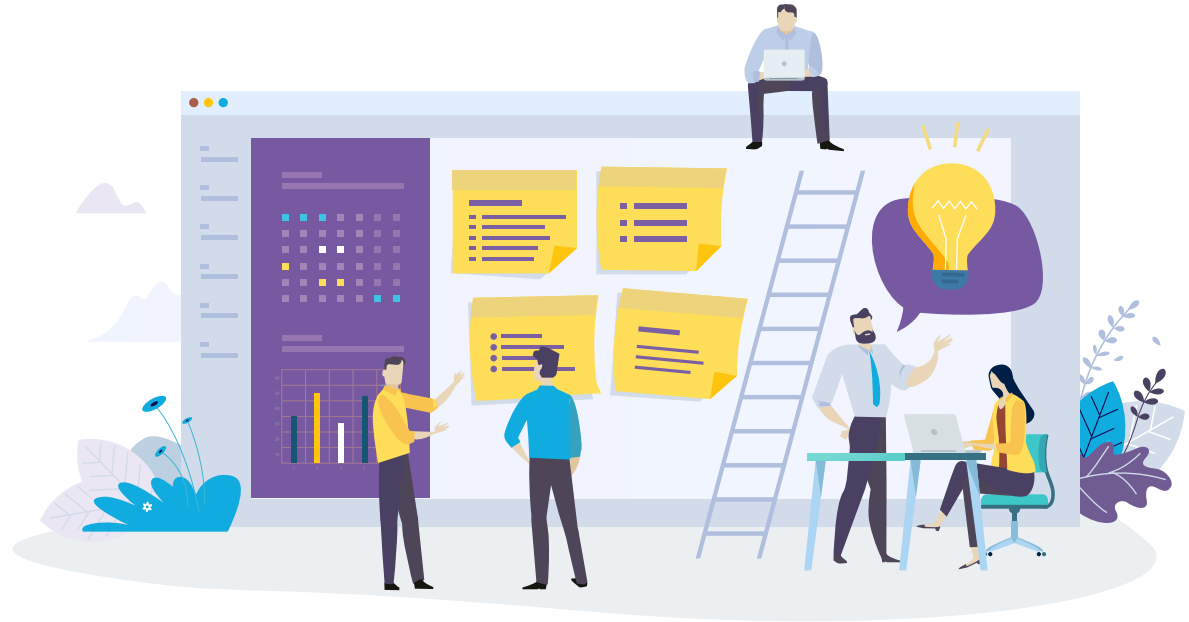
Have accurate reporting

You need to be sure your reporting is accurate. Think of strong data points as pixels in an image. When the pixels are blurry and not exact, they create an image that's equally, or more, blurry.

When you have clear pixels you're able to understand the picture better. If your data doesn't convey a clear picture, then no team is going to benefit from it. Pitney Bowes improved the quality of their data and was able to significantly increase their up-selling and cross-selling efforts.

Before taking action, make sure that you have analytics in place to measure the customer experience accurately. Without it, you're working off a blurry picture.

Measuring and tracking customer experience action

Remember when you first learned the scientific method? It might have been early in your school career that you made your first hypothesis about what you expected to see happen. An experiment and a few careful measurements later, and you were able to support or disprove your hypothesis.

Measuring CX outcomes is a similar process to the scientific method. When you decide to take action, you have a desired outcome - whether that's increasing signups, reducing churn or generating more referrals. In order to understand the impact of your actions, begin to calculate ROI and make better decisions, you need to measure CX action against an expected outcome.

Very briefly, here are the steps to measure CX outcomes:

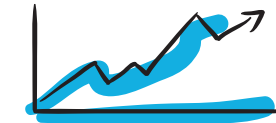**STEP 1**
Identify the issue you are working to address.

STEP 2
Consider the steps you're taking to remedy the issue.

STEP 3
State the expected outcome, alongside measurements that will help confirm your success.

STEP 4
Take action and record the necessary data points.

After following the steps above, you'll determine if your actions resulted in the expected outcome - or something altogether different. Measuring and tracking the CX actions and how they positively (or negatively) impact an organization's bottom line, NPS score, growth rates, churn rates, etc is fundamental in the process of becoming an insights-driven organization.
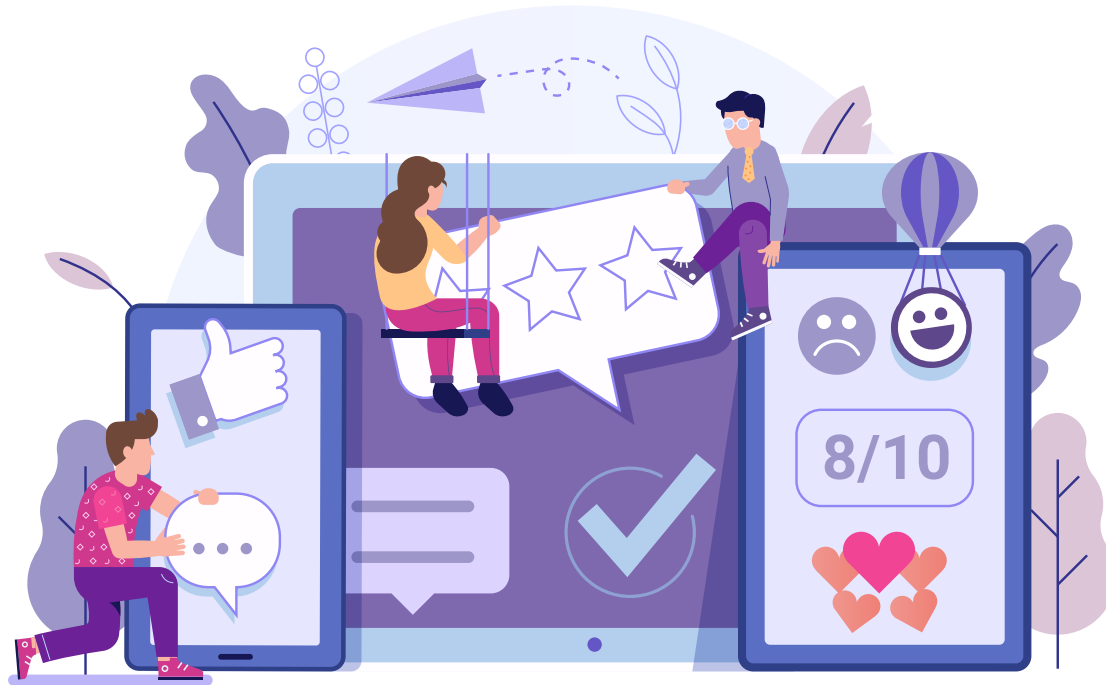
Focus on empathy

Empathy is, generally, one of the top requirements mentioned in job postings for customer experience roles such as customer support and customer success. It's a word we throw around often, but may not be an actual trait we understand or work to improve. Empathy is the ability to understand a customer's emotional needs, why they have that need, and how to address it.

Though teams may pride themselves on being very empathetic, according to research, it's not all that common. PwC found that only 38% of customers said the employees they interact with understand their needs. That's a pretty shocking number since, for most teams, it's a tentpole value.

So, how do you improve your team's empathy? There really isn't a sure-fire way to make your employees more empathetic, but we have a few tips:

1. **Focus on listening:** As we mentioned, with a high volume of interactions, it can be difficult to view each as a something unique. Though it's tempting to go into "autopilot" it's not going to serve the customer best. Really pay attention to the issue, ask probing questions, and be present.
2. **Be present:** All support tickets aren't created equally. Some are more time consuming and complex than others. In those cases, it

may be tempting to check-out or decide it's just too difficult. When those cases come up imagine you were helping a family member or close friend.

3. **Understand priorities:** Customer inquiries don't always only ask about one thing. It's common for there to be multiple questions in a ticket. In some cases, certain issues may be quicker to address, so it's good to understand where you should put your energy. Ask the customer what's most important. It'll show your commitment.

4. **Avoid assumptions:** Once you've been in a position, or company, for so long it can be easy to forget not everyone has the same level of understanding as you do. You might be presented with an issue that, for you, is very simple to solve. However, that may not be the case for the customer. Be mindful and meet them at their level.

5. **Personalize canned responses:** As we covered, it's common to have the same issue come up many times. In those cases, it can make sense for you to use a canned response. The issue is the same, so the response can be too. Though that's a fair line of thought, it does ignore that you could be prepping your team to go into autopilot mode. When you have to think about every interaction, even the rote ones, you'll be more present.

> *"Every decision that could have the slightest impact on the customer must be carefully considered before moving forward. As we move into the digital era of customer service, that is mor e true than ever. **A customer is not a transaction or account number. A customer is a human being.**"*

Shep Hyken, Customer service and CX expert, keynote speaker, and bestselling author

Bring teams together

From sales, to marketing, to operations, engineering and beyond, it's key to align the entire organization around the goals of your customer-centric strategy. Are teams working together to achieve this? Is your CX team working with your product team to ensure they are hearing the feedback from customers? Is your marketing team working with your support team to ensure there is educational content available for your customers and prospects?

Combining the efforts of multiple teams is a powerful way to move forward. The old saying, "two minds are better than one" is cliche, but is so for good reason. Once you've got your CX team in shape, it's time to build connections across the company. There are many ways to build these bridges to ensure that everyone is working together:

- **Share goals:** understanding what other departments are working towards can lead to opportunities to collaborate.
- **Presence is powerful:** simply spending time together can help move the company into alignment. From coffee meetings to culture team building activities, talking together can help customer-centricity spread.
- **Organize around the customer:** when frontline teams can connect other departments to the customer, they build stronger relationships. Keep the customer front and center and bring teams closer around their needs.

Ensuring consistent communication about the organization's CX goals is a critical part of aligning teams to your CX goals.

Break down silos

If you haven't heard the term "silo" in a business setting, it refers to departments within a business operating independently from the company as a whole. Functionally, what it means is that there's a divide between departments. It's possible to work this way, but it's, typically, not what's best. According to Forrester insights-driven companies will grow 27% annually — much faster than the projected global 3.5% GDP growth. It's not possible to be truly insights-driven if there isn't any collaboration between teams.

Have a single source of truth

Insights are only useful if you have access to them. With the amount of time, money, and resources we invest in gathering and organizing data, it's generally only visible to the team conducting the research. And, in some cases, that's not even true.

Just as it is with the executive team, it's important for those outside of the CX team to be aware of customer data. For example, if your product team is clued into common complaints and onboarding issues customers have, it means they may be able to make changes that positively impact the overall customer experience. However, that's not possible if they're not able to see the data.

Having information live in one place makes it much easier for those insights to be actionable. If you collect data in a variety of places (such as customer surveys, site analytics and other customer data such as demographic and spend data), bringing them together will help identify new opportunities. Working from the same set of data means that everyone can make the most informed decision. Adobe Systems opened access to customer insights for all their employees. The company even created an entirely new department combining their customer and employee experience teams. The team set up stations where employees can listen to customer calls.
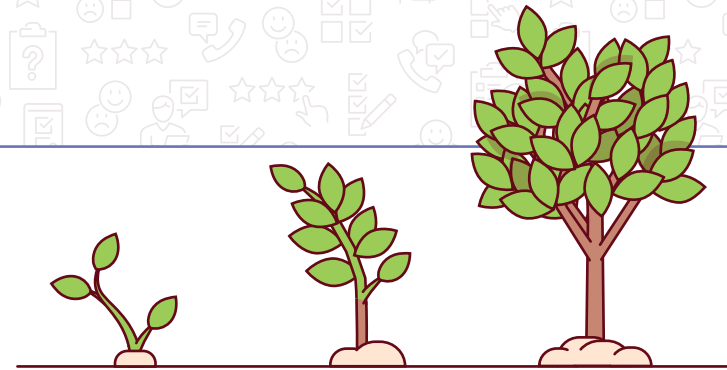
Take the long view

Short-term gains are tempting. They look good for your quarterly report. If you have investors, they'll be delighted. But, in truth, they're band-aids at best and harmful at their worst. Making choices for long-term success isn't always attractive and can be a little painful. But, they can be the difference between making a lasting company and one that fades after a few years. **So, how do you take the long-view? We have a few suggestions:**

Hire customer-oriented staff

Incentivize through compensation

Involve the whole company

Hiring customer-oriented staff

Most of the time we're only interested to know if a prospective employee is customer oriented if they are going to be working with customers directly. Though that does fit conventional wisdom, it doesn't serve to create a customer-centric culture.

In order to make sure being customer-centric is in your DNA you need to hire people that have those values. At Hootsuite, customer success and human resources collaborated to include questions to find out how customer-oriented candidates are. They include those questions no matter the position they're hiring for.

Not only does it mean that they hire people that are customer-oriented, but they also signal to candidates that it's something they're serious about. That level of commitment helps maintain those customer-centric values when hiring new staff, but also reaffirms it for current staff.

Incentivize through compensation

It's not uncommon to have bonuses tied to performance. Sometimes it's personal performance, team performance, or even company-wide performance. It's not a terrible idea, but it can drive the wrong behaviors if done with the short term view in mind. According to one study 85% of workers surveyed said they were motivated by monetary incentives.

The key is to incentivize customer-centric actions, not revenue-centric actions. For example, when salespeople are rewarded for signing new customers, with no thought to whether those customers will stick around, they aren't thinking long-term. The same idea applies to incentivizing upselling in call centers. If compensation is driving agents to be pushy or stretch the truth, your incentives program needs to be re-examined.

Adobe did just this. They tied their incentives to customer retention and a few other customer success measures. Long-term customers not only spend 140% more than new customers, they're also more likely to purchase new products, and refer you to others.

As with the above tip on hiring, when you tie something so big to customer success it's signaling to everyone in the organization how serious you are. It lets them know this isn't a trend but, rather, it's a company value and tennent of your business.

Involve the whole company

A lot of what we covered is about signaling how serious you are to the company as a whole, even more so than the actual actions themselves. The best way to signal the importance of the customer is by involving the company as a whole in customer success.

As we talked about above, doing things like tying compensation to customer success and hiring for customer-oriented employees are great ways to ingrain those ideals. You should also consider having "all hands" support days.

An "all hands" support day is where the whole company participates in responding to customer inquiries. These days allow everyone in the company to connect more closely with customers. Your product and engineering teams can get invaluable insights into how everyday customers use your product. Sales and marketing can find out about common pain points in the customer journey.

Along with bringing teams that don't regularly communicate directly with customers closer to them, it also helps increase the level of respect for your support team, which can sometimes be overlooked. Last, it improves the service your customers get. With more literal hands to respond and a wider breadth of knowledge due to the diversity of your whole company, it should come as no surprise.

Conclusion

Many companies tell the world they're customer-centric without actually doing the work to make that a reality. Each organization will be different and have different needs, but every business has room for improvement. Championing your customers isn't only a good PR move, it also helps out your bottom line.

Make sure you're involving those at the highest levels of the organization. Without them, you won't be able to influence the overall culture. Show them the hard numbers and help reconnect them to the customers they serve.

Starting at the top is important, but so is having a strong front line. Hire people who are empathetic and geared to serve. Give them access to the knowledge they need and, empower that team to make the decisions they know are right.

Finally, take the long view. Becoming customer-centric won't happen overnight. You'll need to make some significant changes to make progress. Hiring people in all departments with a customer-orientation shows your commitment to the cause. Consider tying incentives to customer success and also make sure you involve the whole company in your efforts.

Like we said, there is no foolproof way to become customer-centric, but, we think we've given you a great place to start.

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