



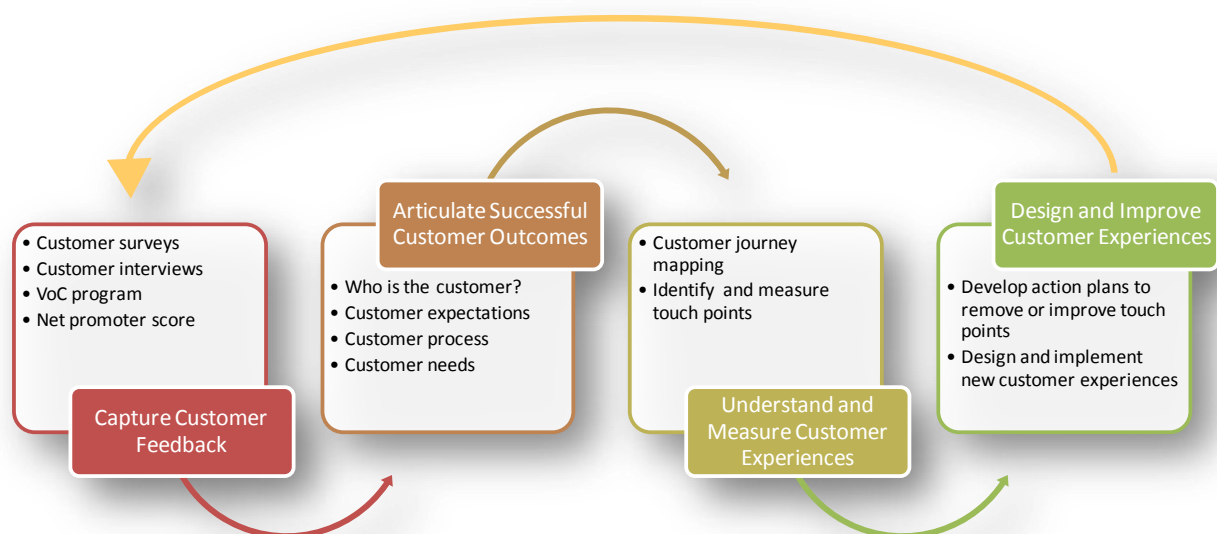
Customer Experience Management and Continuous Improvement Program

Customer experience management (CEM) is an emergent enterprise discipline aimed at improving the experience of customers, when interacting with an organisation's products and services. A CEM program is an initiative aimed at providing a comprehensive and cross-functional methodology to understand, measure and continuously improve the interactions an organisation has with its customers, for the entire period of the relationship. The successful implementation and operation of a CEM program produces an attainable and sustainable continuous customer improvement culture, benefiting an organisation, its stakeholders and its customers by reducing costs, increasing revenue and enhancing customer experiences.

The purpose of this paper is to outline the key features of a successful customer experience management program and how they can be used as part of a framework for understanding, measuring and continually improving an organisation's customer interactions.

STAGES IN A CUSTOMER EXPERIENCE MANAGEMENT PROGRAM

The first time a prospective customer has an experience with an organisation is when they first identify a need for a product or service. Whether it is through advertising, marketing, on the Internet or through word of mouth, at the stage when a prospective customer becomes aware of an organisation and its products or services, they form an impression. As with all interactions, it is a moment to delight or disappoint customers. If the prospective customer decides to use an organisation's products or services, the prospective customer becomes a customer with the level of relationship success from that point on determined by the organisation's ability to continually meet the customer's needs. The following sections highlight the key stages for a CEM program and should be used as a framework for continuous customer experience improvement.



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STAGE 1 – CAPTURE CUSTOMER FEEDBACK

The ultimate goal of all organisations is to make customer's lives easier, simpler and more successful. The most important criterion for the success of the organisation-customer relationship is the ability to continuously meet, and even exceed, customer's needs. Any continued failure of this duty is likely to result in the termination of the relationship by the customer and the earlier problems are detected the better.

Insightful feedback from customers is perhaps the best information an organisation can have. While positive and uplifting feedback should be shared within the organisation, it is important not to hide from or ignore negative feedback, for it is this type of knowledge that provides the greatest opportunity to potentially save, or even improve, one or many customer relationships, if and only if timely and appropriate action is taken.

That is why the first step in the Customer Experience Management Program is to implement a customer feedback initiative. There are many of these initiatives in common use today and some of the most widely used include customer surveys, customer interviews, Voice of the Customer (VoC) programs and the Net Promoter Score (NPS). However, it is important not to attempt to capture customer feedback at every opportunity. If an organisation's goal is truly to make customer's lives easier, simpler and more successful then continually soliciting feedback through surveys, questions and unnecessary customer interactions becomes detrimental to the relationship.



STAGE 2 – ARTICULATE SUCCESSFUL CUSTOMER OUTCOMES

Having implemented a successful customer feedback initiative, the information received should be used constructively for the ongoing success and improvement of the relationship. It is important for the organisation to use the feedback to differentiate between customer's wants and needs and this famous quote from Henry Ford "If I'd have asked customers what they wanted, they would have told me, a faster horse," highlights why this is important.

In the real world

Steve Jobs, CEO and Founder of Apple uses this Henry Ford quote in defense of Apple's reluctance to listen to even its most passionate customers. It is his belief that feedback can only tell you what people want and if you build it for them, it will not turn out to be right. Instead, Apple uses feedback as inspiration for their ideas and innovation, in order to understand and build what customers really need.

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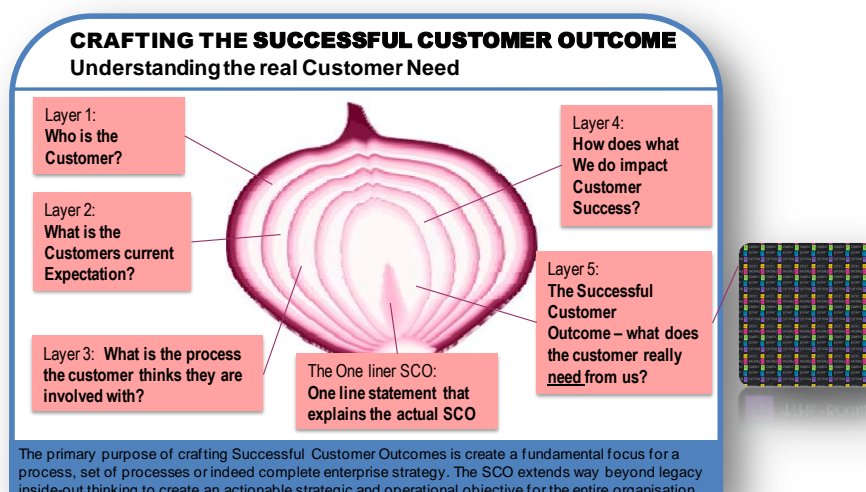
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Using the feedback collected, organisations must clearly define customer needs and one of the leading needs analysis tools in use today is called the Successful Customer Outcome Map. This mind map uses the following questions to provide a focus for the organisation in articulating the real customer need.

- Who is the customer?
- What is the customer's current expectation?
- What process does the customer think they are involved with?
- What do we do that impacts customer success?
- The Successful Customer Outcome – what does the customer really need from us?
- What one line statement best articulates the Successful Customer Outcome.

This mind mapping technique extends an organisation's focus far beyond legacy inside out, or organisation focused thinking. It provides the organisation with an Outside In or customer-centric view of the relationship, helping identify many more opportunities to make customer's lives easier, simpler and more successful than traditional techniques.



STAGE 3 – UNDERSTAND AND MEASURE CUSTOMER EXPERIENCES

It is a reality of life that all customers have experiences. In fact it is impossible for a customer not to have an experience when dealing with an organisation. This experience, the sum of all the individual interactions a customer has with an organisation, from the customer's point of view, is the relationship. From the customer's point of view, there is nothing else.

At each and every interaction the customer forms an impression of the organisation and every single interaction creates a potential point of failure. Customer dissatisfaction comes from interactions the customer deems unnecessary and from interactions the customer deems inappropriate or unsuccessful. Under these circumstances, it is the customer alone who has the power to decide the necessity, appropriateness and success of each interaction.

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When customers experience a level of dissatisfaction with the organisation, it gives them a reason to terminate the relationship. Mapping the customer journey and identifying the customer interactions known as “Moments of Truth”, using customer feedback and interviews, provides an organisation with a valuable insight into the relationship the way the customer experiences it. By uniquely identifying each of these interactions, it is also possible to take a measure of the customer process. This measure provides a benchmark which, in the next stage, is used to measure the level of improvement attained when unnecessary, inappropriate and unsuccessful customer interactions are removed or improved from the customer experience.

In the real world

The principle of “Moments of Truth” is attributed to a well known management thinker called Richard Normann. However, it wasn’t until Jan Carlson, the president of Scandinavian Airlines System (SAS), turned the struggling state-run airline from losses of \$30 million in 1979 and 1980 into a profitable business within 12 months, that organisations believed it possible to significantly improve customer experience and profitability simultaneously. Subsequently, Jan Carlson wrote the book “Moments of Truth”, and it is this concept that continues to inspire business leaders to create significant differentiation and delivers exceptional results for many of this century’s most successful companies.

STAGE 4 – DESIGN AND IMPROVE CUSTOMER EXPERIENCES

During this stage of the program, information captured from previous stages is used to design and improve the customer experience. Using the customer journey maps and the moments of truth identifications, an Action Plan is created.

The Action Plan is list of innovative ideas which will improve the customer experience. In creating the plan, the organisation identifies those improvements which will remove, or at least improve, each Moment of Truth. The more likely a Moment of Truth will cause customer dissatisfaction, that is, where a customer deems an interaction to be unnecessary, inappropriate or unsuccessful, the more important it is to remove it.



Using the list of opportunities identified in the Action Plan, the next step is to map the customer journey for the new and improved customer experience. Once again, it is important to uniquely identify the Moments of Truth, the goal being to reduce the number when compared to the number identified in the previous stage. Upon completion, a cost benefit analysis is carried out and a priority given to those improvements considered of greatest value.

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In the real world

Gilead Sciences is among a group of companies providing pharmaceuticals to treat medical problems resulting from HIV-AIDS. However, in 2006, Gilead revolutionized the industry by introducing a new drug developed to improve the quality of life for AIDS sufferers. By mapping the customer journey, Gilead identified the cocktail of 17 different drug doses HIV-AIDS patients took every day for their treatment to be effective.

Identifying the customer's need to simplify HIV drug regimens in order to improve patient quality of life and adherence to therapy, Gilead developed a single pill taken once a day to replace the cocktail of 17 different drug doses. In doing so, they revolutionized the customer experience and the industry, reaping significant financial benefits which continue today.

A CUSTOMER EXPERIENCE MANAGEMENT AND CONTINUOUS IMPROVEMENT PROGRAM

Once the stages of the customer experience management program have been implemented, stages 1-4 are repeated and the program becomes a continuous customer experience improvement framework. As the program matures, employees become more empowered and a culture of innovation and continuous improvement emerges. Organisations gain significant performance improvements, greater differentiation from their competitors and a greater market share but ultimately, it is the customer who receives the greatest benefits as their lives become easier, simpler and more successful.

CUSTOMER EXPERIENCE MANAGEMENT TRAINING

The Customer Expectation Management Method (CEMMethod) is a set of eight simple customer experience techniques that help organisations align, optimize and improve any customer product or service process. The techniques focus an organisation, division or team on doing the right things, not just doing things right, and are easily used within a CEM Program. An education program for management teams, executives, customer experience professionals and front line staff in Customer Experience and the use of the CEMMethod is also available. For further details, contact the author.



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ABOUT THE AUTHOR

David Mottershead is The Customer Experience Coach. He is a pragmatic and forward thinking professional with a talent for solving business problems by distilling information quickly and helping people to see things from a new perspective. David is a passionate advocate for customers, customer experience and the principles, techniques and methods that deliver world-class customer experience.

David works with organisations across all industry sectors, educating them on how to improve their customer focus and assisting them with the implementation of their Customer Experience Management and Continuous Improvement Programs. He is one of the pioneers of Outside In thinking and practice and continues to encourage organisations to view their businesses from the customer perspective.



David is Head Coach at The Customer Experience Coach, Managing Director of Outside In Consulting, Group Manager and Head Trainer for the BP Group in Australia and New Zealand and a member of the BP Group advisory board.

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