

THE BIG QUESTIONS TO ANSWER IF YOU ARE SERIOUS ABOUT TRANSFORMING YOUR CUSTOMER EXPERIENCE

By Brad Meehan



Many of Australia's largest organisations are committed to delivering exceptional customer experiences. This is often a core part of the strategy with a clear set of objectives and measures. The importance of customer is heavily communicated to reinforce criticality with supporting research, key initiatives, internal marketing etc. However, results by and large have been underwhelming. Recent research across various experience measures at the aggregated level have shown very little movement in key metrics over the last 3 years.

Strativity Group literally wrote the book on Customer Experience 20 years ago. Since then, we have helped hundreds of organisations transform the quality, consistency and differentiation of the experience they deliver to capture quantifiable value. Based on this experience, we believe there are some key questions that must be asked and answered to build a robust approach and execute in a way that enables significant uplift as opposed to incremental improvements.

Some key questions to ask (and answer) if you are serious about transforming your experience.

1. What is the likely value associated with improved experience delivery? Do we understand the relationship between the experience we deliver and the behaviour of customers (that impacts revenue, costs and financial performance)? How does this relationship vary across business areas, products, segments, etc.?

The answer to this question will enable you to 'size the prize' and determine appropriate investment levels when compared to other opportunities to deploy capital and resources. Programs that commence without this level of clarity fail in 90% of instances (based on our experience).

2. If we determine there is significant value on offer through enhancing experience delivery, how do we best prioritise our efforts? Which experiences should we focus on? Which experience elements, if improved, would deliver the strongest ROI?

Large and complex businesses have tens, hundreds or even thousands of different types of interactions with customers. We can improve some of these and destroy value, as the experience element has no impact on customer behavior and commercial outcomes. Other interactions are most significant in their ability to shift perception, drive behavior, pull cost out or increase revenue. A prioritisation matrix that ensures every dollar investment delivers the maximum ROI and meets IRR hurdles is critical.

3. How much of our focus should be on leadership, organisational aspects and culture versus front end experience elements such as account management, digital tools, customer communication, etc.? Likewise, when it comes to customer engagement, should we focus on memories and emotion or product and process improvement?

Understanding and agreeing on the strategic dimensions of focus is as important as prioritising specific interactions. Through research and analysis, supported by experience and expertise, it is possible to identify how your strategy and execution should be balanced and sequenced to achieve best results. Also consider how the approach should shift over time as maturity and capability is enhanced.

4. Should our goal be to improve quality and consistency or is this about redesigning and innovating the experience (i.e. products, services and even business models)? Do we need to meet or exceed customer expectations? How does this vary across business areas, products, segments, etc.?



The answer to this question is different for every organisation based on market context, resources, capabilities and strategic objectives. Working through a process to consider these elements carefully will bring clarity and assist with strategic focus. Some organisations' can create significant value through enhancing their current experience (streamlining operations and removing pain points) while for others, re-designed, insight led innovation and an expansion of the experiences delivered will offer far greater upside.

5. What is holding us back today? There has been a focus to varying degrees on delivering great customer experiences for more than a decade for most organisations'. If we are still not achieving this, is there an underlying issue or belief set that is impeding success? How do we unpack this and integrate into our approach to increase the chances of success?

This is the most commonly missed question. A typical approach may involve understanding the needs of customers, identifying current issues and then designing the ideal state. We then build an action plan to achieve this, only to find progress is hard and results minimal. We would encourage leadership teams to go back before they go forward. If you understand why progress in the past has been difficult (often requiring hard conversations around beliefs and fears), this can be built into the approach moving forward to enhance the chances of success.

6. How much effort should we apply to defining the aspirational experience across businesses, products, services, touchpoints etc.? Should we focus on the optimal design and ensure consistency or shape principles and empower people to execute?

Trying to achieve the right balance between over-design and under-design can be difficult. Many organisations waste time on the detailed design of every interaction which is never implemented to drive change. While others promote a few core principles and let everyone deliver these as they see fit. Use your strategic goals, current culture and competitive context to determine what will deliver the best outcome for your particular organisation.



7. If we determine the optimal strategy, how do we activate and execute most effectively? Is it realistic for large and diverse businesses to consistently deliver exceptional experiences? Are we already doing this in pockets? How do we leverage existing efforts to drive improvement and change in a meaningful and sustainable way?

Developing an evidence-based strategy and gaining agreement on the optimal path forward requires effort but is certainly the easy part. Engaging the broader business, leveraging pockets of excellence and shifting the mindset of hundreds or thousands of people is far more difficult, but of course, where the value is actually created. This is where Strativity Group is different to most consultancies. We understand and pride ourselves on the ability to execute, inspiring people to want to change and providing the tools, practice areas and support to achieve this. Using external shifts as the catalyst for change is important, so to not invalidate prior efforts which can cause individuals to resist new things at a somewhat subconscious level. It is also critical to motivate people to want to change before we tell them how to change. Engaging with the organisation to enable introspection and self-realisation as a platform for personal change is critical. This will assist in overcoming one of the key barriers to strategic success, best illustrated by a recent project we completed where 90% of employees believed the organisation needed to change, but only 11% believed they personally need to change.

How many of these did you answer?

If you can answer all of these questions (or at least most) you are well on your way to drive real change. If you can only answer one or two, then perhaps there is more work to do and we would be honoured to support you on your journey!



About Strativity Group

Strativity Group is the world's leading boutique customer strategy consultancy (Forrester 2019). We partner with like-minded organisations to deliver meaningful change and quantifiable results. Our team are passionate strategists with operational experience, bringing a unique blend of research, analysis, commerciality, empathy, design and pragmatism. Every client comes with a unique context and opportunity. We move beyond generic frameworks and standard methods to identify the barriers and enablers of strategic change, and then help our clients re-imagine the future and rapidly progress towards it. Over the last 20 years our work has seen organisations achieve their purpose, realise strategic goals and create over \$3B in commercial value.

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Brad Meehan is the Managing Director of Strativity Group in Australia and New Zealand. He has developed and executed count-less competitive strategy and customer centric transformation programs across the APAC region and is a trusted adviser to many CEOs and senior executives. Brad has a passion to drive real change and deliver tangible results to impact the lives of executives, employees, customers, shareholders and the broader community.

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