CUSTOMERS 2020:
A PROGRESS REPORT

MORE INSIGHT FOR A NEW DECADE

WALKER

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In 2013 Walker released an eye-opening preview of B-to-B customer experience in the year 2020. Arming forward-thinking companies with thought-provoking insight to plan for the future, *Customers 2020* focused on how B-to-B firms should begin positioning themselves to meet changing customer expectations.

Four years later, "the future of 2020" is almost here. As companies prepare for a new decade in an increasingly customer-driven world, Walker has gathered fresh feedback from customer experience (CX) leaders, as well as perspectives from a select CX advisory group, to update insights and offer proactive recommendations designed to transform the customer experience. Our follow-up report, *Customers 2020: A Progress Report*, answers these key questions:

- What customer expectations and trends are still relevant as 2020 approaches?

- What should B-to-B firms do today to ensure they're able to win and keep customers in 2020 and beyond?

- What are the implications for CX professionals?

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AT A GLANCE

In a follow up to the groundbreaking *Customers 2020* report, Walker gathered updated feedback and perspectives from business leaders and customer experience professionals to offer new insights for a new decade. In addition to overcoming increasing complexity, in 2020 and beyond B-to-B companies will be challenged to meet the big three of customer expectations: personalization, ease, and speed.

What companies must do: The need for transformative change means a culture shift from merely being "customer focused" to becoming "customer committed." This can be accomplished when firms commit to:

- Envision, activate, propel – a three-step approach to act more deliberately on behalf of customers

- Shift focus from silos to journeys – resist silos and prioritize customer interaction stages

- Embrace and manage change – create and sustain an organization that's good at changing

What CX professionals must do: The time is now for CX professionals to lead the way in preparing for the future. To manage the transformation that's required to compete effectively in 2020, CX professionals must:

- Create governance to drive culture

- Expose the value of customer information

- Make CX innovation a priority

THE CUSTOMER CONUNDRUM

COMPLEXITY IS HERE TO STAY.

New technology, innovation's rapid pace, evolving products and services, and intense competition mean customer interactions at every stage of the journey are increasingly complex. This reality, during a time when the customer's desire for more effortless experiences is heightening, is not lost on those who appreciate irony. Often, the steps companies take to make interactions easier for customers – creating technologies and processes for customers and employees to use – are the ones that are most complex and difficult to pull off. Yet, overcoming internal complexity is required to deliver what customers want and expect.

CONSUMER EXPERIENCES MAKE A STRONG IMPRESSION.

There's no doubt consumer experiences have a profound impact on B-to-B. Business-to-business customers benefit from personalization and ease in their personal life as retail consumers. Now, they expect similar results when dealing with firms in the B-to-B sector. B-to-B companies haven't yet matched the agility and expertise their B-to-C counterparts demonstrate in designing and integrating personalization into consumer experiences, both online and in store. While business-to-consumer is admittedly a different market, B-to-B customer expectations will continue to be influenced by transformational consumer experiences.

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MEETING CHANGING EXPECTATIONS: THE BIG THREE

Increasing complexity and the consumer experience create a real conundrum for CX professionals.

In *Customers 2020*, we predicted a future in which informed, empowered B-to-B customers dictate the experience. Changing customer expectations, fueled by the internet, technology, and consumer experiences, affect how B-to-B firms will do business and align with customers.

Today, CX professionals continue to be challenged with three changing customer expectations:

PERSONALIZATION:
There is no average customer. Customers want to do business with companies that know their individual and company needs and are willing to tailor the experience to meet those needs.

EASE:
An explosion of information, connected networks, and more competitive options lead to little patience for complexity. Customers don't have time on their side and place a real premium on simplicity.

SPEED:
The pace of business is accelerating rapidly. Time is of the essence. Customers can't afford to wait around while their business issues are being considered. They value companies that provide real-time response and proactively anticipate their future needs.

THERE IS NO AVERAGE CUSTOMER

PERSONALIZATION

Prolific personalization in the business-to-consumer marketplace shapes what B-to-B customers want. With tools to customize the product for everyone, alerts when the product expires, automatic renewals, and product recommendations based on purchase history, providing a personalized experience is where business-to-consumer companies have made their mark. Like consumers, businesses also have unique needs and **one thing is certain, B-to-B companies continue to fall short on identifying and fulfilling customer needs for a personalized experience**.

For many B-to-B firms, the significant cost of personalization is hard to justify. Offering a personalized experience, whether delivered digitally or through employees, requires a complete, integrated view of the customer, which is challenging for most and virtually unimaginable for large, multinational organizations. Many simply don't have the data, and for those that do, it's likely not housed in a way that supports the integration, analysis, and decision-making required to personalize.

WHAT'S REQUIRED TO MEET THE EXPECTATION?

Understanding that there is no "average" customer is the first step. To meet every customer's unique needs, companies must embrace a new level of customer fascination — one that treats each customer as an individual and seeks an intimate understanding of needs. To do this companies must:

- **Select a starting point for integration**. Be creative and start small by focusing on integration for one customer touchpoint in the journey. Lead work across silos to expose the broader view necessary to customize the experience.

- **Build transparency with customer-facing employees**. Creating a complete view of the customer is a daunting task. Whether it's fulfilled completely or partially, companies need transparency to understand customers. Make customer insights readily available so employees have the information they need.

- **Deliver insights that deepen customer relationships**. In sharing insights, focus on gathering intelligence that helps the company create deeper relationships with customers. Consider including information such as industry perspectives, the competitive landscape of strategic customers, and challenges the customer is facing.

B-TO-B HAS ALWAYS HAD THE CAPACITY FOR PERSONALIZATION

Historically, B-to-B firms delivered a personalized experience through those who interacted directly with customers. Today, through modernization, digitization, and growth in B-to-B complexity, there are now significantly more instances of people — customers and employees — interacting with technologies and processes, not humans. B-to-B is being challenged to deliver the same level of personalization through new technologies and processes.

CUSTOMER EXPECTATIONS FOR A PERSONALIZED EXPERIENCE INCREASE DRAMATICALLY

We asked customer experience professionals to rate customer expectations for a personalized experience along three time periods: three years ago, today, and three years from now. The expectation for personalization continues to grow, with the gap between today and the year 2020 being the largest gap of all of the expectations we measured.

4%
2013

31%
TODAY

88%
2020
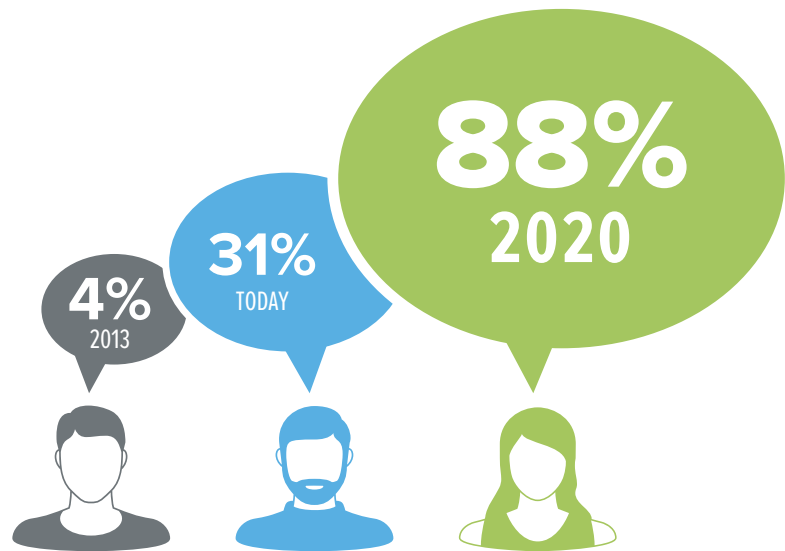
WALKER'S TAKE ON PERSONALIZATION

Customer expectations for personalization are accelerating. Business-to-business companies must make the investments in data, analytics, and technology that are required to meet this challenge.

"We need to know what daily battles our customers must fight and how we can help them. We'll get this information from a drive to intelligently use all the big data that we have. It'll be making this information transparent to the people who deal with these customers. We'll need to educate our own people and make sure they understand what customers need. We'll provide this to our people proactively. They need it right away; it must be easy for them."

— **Global Client Loyalty Leader**, Telecommunications

EASE IS ALREADY A NECESSITY

EASE

New technologies help make things simple, and **simplified experiences are something customers have come to expect**. Many B-to-B firms are too narrowly focused on the digital experience as the way to deliver on this customer expectation. While the digital experience is critical, B-to-B firms must not lose sight of the experience that is developed through the relationship between customers and employees.

The evidence is clear. Customers make financial decisions based on their perception of how easy it is to do business with their supplier. With customers becoming more empowered and information about competitors just a click away, B-to-B firms must invest to ensure there is minimal effort involved in key phases of the journey.

WHAT'S REQUIRED TO MEET THE EXPECTATION?

Complexities are inevitable in the customer experience. The companies that will win are those who can turn complex approaches into easy and effortless experiences for customers (and employees). To do this companies must:

- **Determine where personal contact adds value**. Building and maintaining strong customer relationships requires a balance between personal interactions and digital experiences. B-to-B must determine which parts of the journey can be automated to promote ease and those that still require personal contact.

- **Embrace an outside-in approach**. Companies must make it a priority to truly understand and empathize with customers. They must seek an outside-in approach, with customer intelligence, emotion, and behaviors guiding strategic priorities throughout the customer journey stages.

- **Develop new benchmarks**. Often B-to-B companies find themselves benchmarking against others in their industry. While relevant, that's not the comparison customers use. Customers are comparing their business relationships to their experiences as consumers. Companies must look for alternative benchmarks, including B-to-C and companies outside their industry, to guide their progress.

- **Help ensure consistency**. One way to facilitate ease is to ensure the customer's experience is the same every time. When routine is established, interactions are inherently viewed as easier.

- **Embrace "smooth" as a CX design principle.** Design and create "smooth" experiences using technologies and processes to remove friction in B-to-B interactions.

LESSONS FROM B-TO-C

While the dynamics of B-to-B are distinct, there are ways B-to-B can learn from B-to-C when it comes to simplicity. Hilton, for example, is seeking to revolutionize the check-in process by eliminating it. Customers can check-in through their mobile app and go straight to their room when they arrive. The company's targeted focus on a specific element of the journey, the check-in experience, allows it to reduce complexity and changes the experience in a transformative way.

CUSTOMER EXPECTATIONS FOR EASE ARE STRONG TODAY AND WILL BE EVEN STRONGER IN THE FUTURE

We asked customer experience professionals to rate customer expectations for an easy experience along three time periods: three years ago, today, and three years from now. The expectation for ease is already strong, with nearly 50% saying this expectation is high today. The outlook for 2020: nearly everyone says the expectation will be high.

11% — **2013**

47% — **TODAY**

90% — **2020**
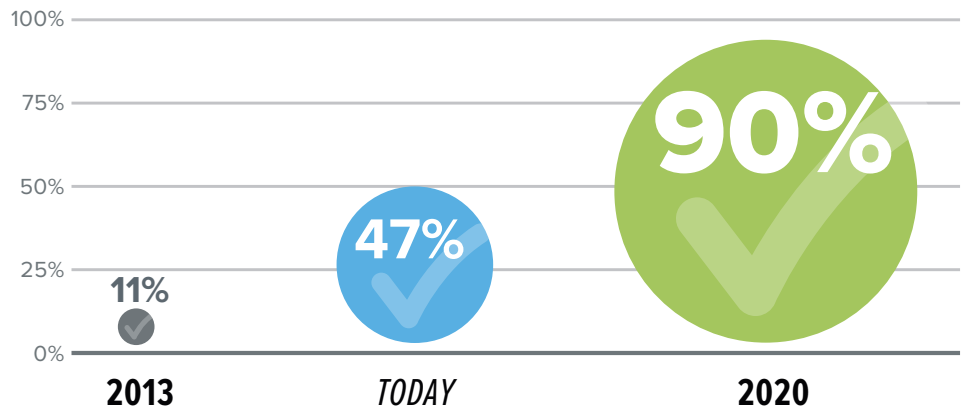
WALKER'S TAKE ON EASE

In business-to-business customer relationships, delivering "ease" isn't always easy. Customer expectations for simplicity are already heightened, and B-to-B needs to dramatically accelerate its progress. It's time B-to-B companies make simplicity an enterprise-wide, strategic initiative.

"I see the complexity and dysfunction in large organizations becoming a greater challenge. With more functions involved in decisions, the complexity seems to be rising. We need to be talking about making it easier for customers to buy – helping them navigate and making it easy to decide."

— **Vice President**, Customer Excellence, Industrial Engineering

TIME IS OF THE ESSENCE
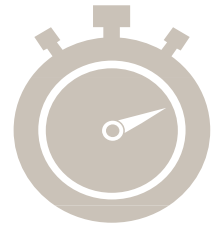
SPEED

Customers rarely, if ever, enjoy the waiting game. **In competitive business environments, they want matters resolved quickly**. They also value proactive responses from companies that are savvy enough to anticipate and intervene before an issue becomes a problem.

Meeting the expectation for speed can be a challenge in large complex companies where organizational structures, policies, and procedures generally prevail. Managing across silos and sifting through data are common barriers to improving customer response times.

WHAT'S REQUIRED TO MEET THE EXPECTATION?

Customers appreciate companies that demonstrate care and concern for their time. Realizing that customers require an immediate response to the task at hand, companies must:

- **Focus on personas and predictive analytics**. There is no shortage of customer intelligence, but there is a shortage when it comes to the "art" of analytics. Companies can leverage advanced analytics, such as predictive analytics and artificial intelligence, to better understand and provide immediate resolution to individual customer needs and have the foresight to proactively address future needs.

- **Design the customer experiences**. While incremental improvements have merit, they aren't likely to significantly impact speed. Using design principles to guide customer experience improvements can lead to the transformational change necessary to increase speed and address other key customer expectations.

- **Pilot innovations with diverse customer groups**. Don't overlook how your customers can contribute to improvements. Engage a diverse group of customers in your innovation activities to understand what questions customers ask themselves regularly and design solutions that meet current and future customer needs.

- **Flatten the organization.** Empower employees and embrace a willingness to allow decision-making to occur at the lowest possible level of responsibility.

"I think time will continue to be a huge variable. We don't want to wait for anything. This will be true with our business engagements too."

— **Director**, Total Customer Experience and Quality, Information Technology and Services

THE BIG THREE:
COMPANIES ARE NOT YET PREPARED

29%

62%

9%
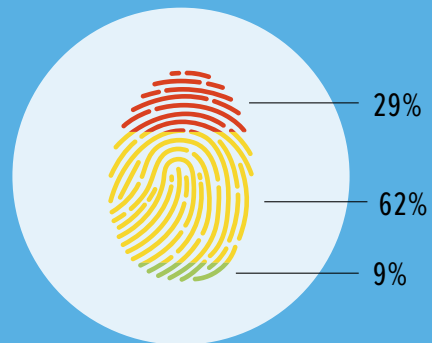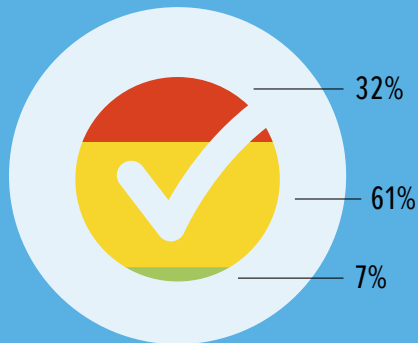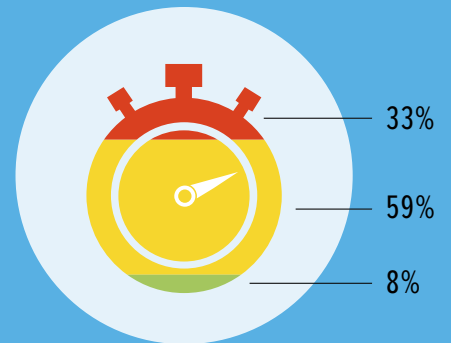
PERSONALIZATION

Customer experience professionals recognize their companies' shortcomings in the areas of the big three: personalization, ease, and speed. Less than 10% consider their company very effective at delivering on these critical customer expectations.

32%

61%

7%

EASE

33%

59%

8%

SPEED

☐ Very Effective   ☐ Somewhat Effective   ☐ Not Very Effective

WALKER'S TAKE ON THE BIG THREE

The combination of increased complexity and the business-to-consumer experience create a real conundrum for B-to-B companies. With the year 2020 right around the corner, B-to-B companies must organize their customer initiatives around delivering a personalized, easy, and quick experience. While all three are essential, customer expectations for "ease" are already heightened. If searching for a place to start, B-to-B companies should start by considering ways to make customer interactions easier.

IT'S TIME FOR TRANSFORMATIVE CHANGE

PERSONALIZATION, EASE, AND SPEED.

In a competitive business world where stakes are high, customers have clear expectations of what they want and how it should be delivered. And while it's hard to predict exactly how expectations may change in the coming years, we know enough to arm B-to-B companies with the insight and strategies needed to create competitive advantage for 2020 and beyond. In this section of the report, we provide 20/20 hindsight — today — for how B-to-B firms can and should prepare for the future.

TRANSFORMING COMPANY CULTURE: FROM CUSTOMER FOCUSED TO CUSTOMER COMMITTED

Every company focuses on its customers. Without serving customers to some degree, businesses wouldn't survive. But saying "we're focused on customers" and prioritizing that focus to command customer-centric improvements are two very different things. Moving from being "customer focused" to "customer committed" is the transformative shift B-to-B firms must make to successfully compete in the future.

This transformation requires fundamental change in how companies think, act, and collaborate. Becoming truly customer committed, B-to-B enterprises must:

▶ **Envision, activate, propel** — adopt a three-step approach to act more deliberately on behalf of customers.

▶ **Shift focus to journeys** — prioritize customer interaction stages, not silos.

▶ **Embrace and manage change** — create and sustain an organization that's good at changing.

ENVISION, ACTIVATE, PROPEL

Becoming customer focused — and subsequently customer committed — is a process that requires motivation, planning, and investment. It's a pledge companies make for the long-term. Based on Walker's 2016 report, *The CEO View of CX*, top executives appreciate the significance of customer experience, citing it as the most important factor driving competitive advantage. **But, even with executive support, transforming a business culture to focus more intently on customers isn't easy**.

Envision — Take time to evaluate where you are in terms of customer focus and then envision where you could be. This means gathering the right people to investigate, fact find, brainstorm, and report about your current reality and what the future could — and should — look like. Typical activities during this stage:

- Engage in a company-wide CX maturity assessment
- Initiate executive engagement and gain buy-in
- Complete an existing process review, including employee engagement
- Develop a vision, including CX design principles, and accompanying governance structure

Activate — This stage brings associates together to activate the organization toward customer-committed change. Activities are aimed at addressing these objectives:

- Create a sense of urgency; "Why does this matter?"
- Embrace discomfort and be ready to act
- Ensure managers understand and embrace the CX design principles
- Identify barriers and ways to address them

Propel — Once the foundation is formed through vision and action, companies must propel their customer commitment throughout the enterprise, building momentum. Activities at this phase center around:

- Manager-led launch meetings
- Ongoing recognition for those demonstrating customer-committed behaviors
- Reinforcing design principles through action and messaging
- Consistent tracking of progress and changes

CX MATURITY ASSESSMENT

Walker's Accelerate CX™ is a comprehensive program designed to assess, improve, and optimize customer experience initiatives. It starts with an assessment of a company's current level of maturity within their customer experience efforts and includes ways to accelerate their level of CX sophistication.

WHICH STRATEGIES WILL BEST MEET THE CHANGING NEEDS OF YOUR CUSTOMERS?

Customer experience professionals were asked to identify the strategies they are focused on to meet future customer expectations. The top two items they selected: culture and simplifying products and processes.

Strategy	%
DEVELOPING A CUSTOMER CENTRIC CULTURE	46%
SIMPLIFYING PRODUCTS AND PROCESSES	45%
INVESTING IN ADVANCED ANALYTICS	34%
COMBINING DISPARATE SOURCES OF CUSTOMER INFORMATION	33%
UNDERSTANDING INDIVIDUAL CUSTOMER CHARACTERISTICS	30%
DEVELOPING AND EXECUTING A DIGITAL TRANSFORMATION STRATEGY	22%
IMPLEMENTING AN OMNI-CHANNEL STRATEGY	20%
ADAPTING HOW WE COMMUNICATE WITH CUSTOMERS	16%
USING CUSTOMER INTELLIGENCE TO GUIDE PRODUCT INNOVATION	16%
INVOLVING CUSTOMERS IN THE INNOVATION PROCESS	12%
FOCUSING ON AGILE IMPROVEMENT INITIATIVES	12%
ADAPTING OUR SELLING STRUCTURE	10%

WALKER'S TAKE

Some might view culture as an employee engagement and retention strategy. While these are beneficial outcomes, its reach is broader. Its influence on the customer experience is undeniable. To create a customer-committed culture, B-to-B companies must be deliberate and intentional in cultural transformation efforts. Creating a culture that engages employees and helps them empathize with customers' current and future needs is an essential first step.

"It starts with working to alter the course of our culture. It's foundational to all the other things we talk about doing. Unless the organization cares about customers, it won't matter."

— **Vice President**, Marketing and Chief Vision Officer, Insurance Provider

SHIFT FOCUS FROM SILOS TO JOURNEYS

With so many B-to-B companies organized by function, it's easy for business units to be lulled into a false sense of security when scores hold steady or show slight improvement. **When companies adopt a silo view of customer experience, it's impossible for employees or teams to see the full picture from the customer's perspective**. Yes, it's possible that one specific function scores high, but what about the customer interactions with other areas of the business that take place at similar times?

Shifting focus from silos to journeys makes it possible for companies to see where customer pain points emerge and to zero in on key moments of truth. It's from this holistic perspective that companies can move away from mere "break-fix" incremental changes to opportunities for transformational or breakthrough improvements.

It's more than merely creating a journey map. While journey mapping isn't new, its value in zeroing in on moments of truth in the customer experience is evergreen and undeniable. The 360-view that journey mapping provides is essential to customer-committed companies adopting an outside-in approach. But, its value is more than simply creating a journey map. It must also be a way to ensure continued focused on journeys.

Customer experience professionals are in a perfect position to expose the flaws in the silo-based approach and make a case for a stronger, more singular focus on journeys.

Focus on creating customer empathy. CX professionals can take the lead on journey mapping and other research necessary to create organizational empathy for customers. This will help employees see the broader context of their roles and responsibilities.

Organize cross-functional resources around the journey. Using some of the change management guidelines included later in this report, CX professionals can develop the partnerships and buy-in required to bring the relevant teams together, inspire collaboration, and instigate action with a specific customer touchpoint.

Start somewhere. For some companies, embracing a journey focus is a seismic shift. When making change, it doesn't have to be all or nothing. Prioritize initiatives, and pick one or two to get started. If the journey view shows breakdowns in ordering or support, create a plan and tackle the biggest trouble spots first.

EXAMPLE OF SHIFTING TO JOURNEY FOCUS

Customer intelligence may show that customers are frustrated with the service experience. Historically, CX professionals would go to the service organization and work with them to identify the issues and corrective actions. Shifting to a journey focus, CX professionals would foster collaboration across all the departments and functions to resolve the problem. Yes, this would include the service organization, but could also include Human Resources, Product Development, Account Management, and others.

FROM SILOS TO JOURNEYS

TODAY

When faced with a customer issue or opportunity we engage the respective functional area:

- Marketing
- Sales
- Account Management
- Product Development
- Service/Support
- Delivery
- Installation
- Human Resources
- Finance

2020

When faced with a customer issue or opportunity, we will organize around the customer journey:

- Awareness
- Engagement
- Decision
- Onboarding
- Usage
- Support
- Renewal

WALKER'S TAKE

The focus on functional areas is not moving the needle in a significant way. B-to-B firms must shift their mindset from functional improvements to journey-based improvements, bringing together all the functional areas that influence the customer experience. Employees can no longer see their role aligned with a particular business function. They must see their role in a broader context recognizing their influence along the full customer journey.

"Line of business (LOB) leaders recognize they won't be successful unless everyone is on board. We need to create alignment top to bottom. Our "Bring Your LOB Leader to Work" pilot involves customer profiling on a stage. We have an exec with a front-line employee present and share how they are making progress. People love the story of how they are breaking down silos."

— **Vice President**, Customer & Market Insights, Social and Mobile Cloud Technologies

EMBRACE AND MANAGE CHANGE

Change management for CX guides how we prepare and enable people to successfully adopt a customer-committed attitude in operations, one initiative at a time. While change is challenging for any organization, effectively managing change to drive action and sustain improvements is more about people than process. **Companies have a hard time changing because the change is often too narrowly defined as a "project."**

Generally, B-to-B firms and customer experience professionals are skilled at planning and implementing projects, but they fail to see that beyond the core project, there are people who must understand why, buy in to the benefits, and implement the change day to day. Without cooperation from colleagues across functions, the progress of "change making" grinds to a halt because those responsible for carrying out the change simply aren't invested — likely because they were never consulted.

ACCOMPLISHING CHANGE: WHAT IT TAKES

Change succeeds when people, employees, and others who may be affected are adequately motivated and prepared. Effective change management requires:
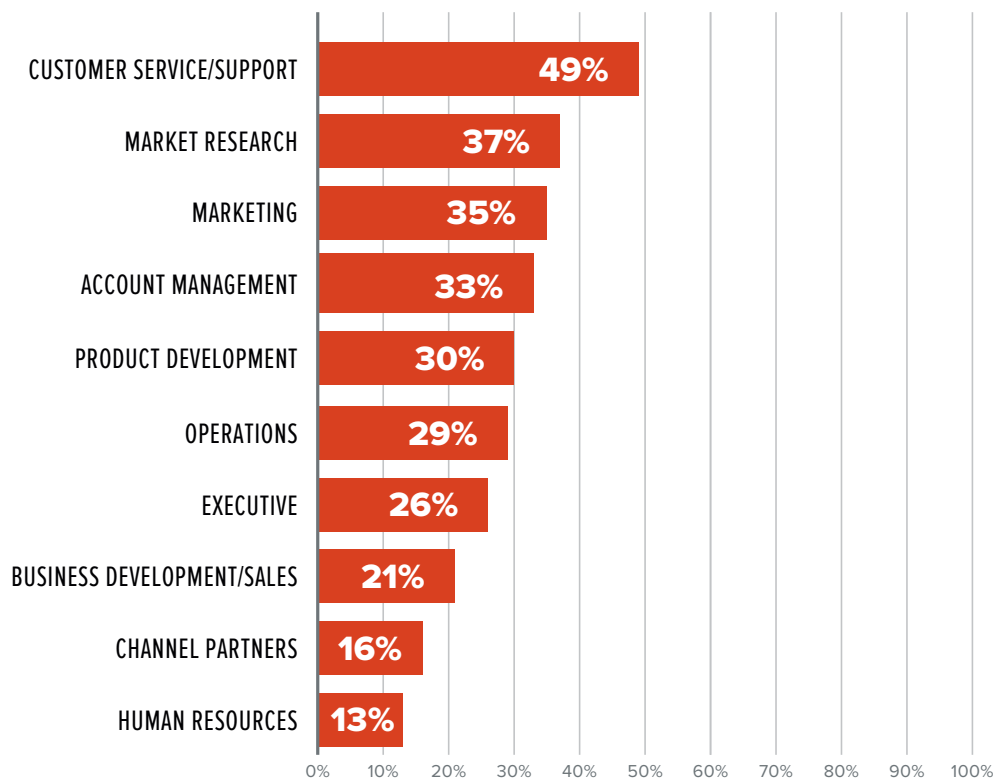
- **Executive sponsorship** – Engage a senior executive who prioritizes the change and is visible during key phases of the change-making process.

- **A compelling story** – A strong story or argument will go a long way to promote full understanding of why change is needed, introduce potential benefits, and gain all-important buy-in from people charged with making the change.

- **A distinction between project execution and change management** – Having a project team isn't enough; change is easier when a separate team is assigned and responsible for the "people" aspects of the initiative.

- **Preparing the people** – Job one for this group is to listen to constituents and others affected by the change. They'll have concerns, questions, and perhaps even firsthand insights, that can aid in developing and deploying the new process.

- **Remaining engaged** – Too often CX professionals simply leave improvement up to departments or shepherd an initiative through to launch and then step back. Continue to use change management principles to carry the project and people through to implementation and measurable outcomes.

CONSIDER THESE QUESTIONS WHEN CREATING YOUR STORY

- **What happens if we don't make this change?**

- **What's the risk to customers and the company?**

- **What's the value proposition...for customers and employees?**

- **How does this change support our CX design principles?**

- **What does success look like?**

HOW EFFECTIVE IS EACH AREA AT TAKING ACTION?

It's clear, even with a silo focus, getting organizations to take action is a challenge for CX professionals. When asked how effective different functions are at using customer intelligence to drive improvements, the results are disheartening.

Area	% Responding Very Effective
CUSTOMER SERVICE/SUPPORT	49%
MARKET RESEARCH	37%
MARKETING	35%
ACCOUNT MANAGEMENT	33%
PRODUCT DEVELOPMENT	30%
OPERATIONS	29%
EXECUTIVE	26%
BUSINESS DEVELOPMENT/SALES	21%
CHANNEL PARTNERS	16%
HUMAN RESOURCES	13%

% Responding Very Effective

WALKER'S TAKE

With customers and employees, getting individuals to change their behavior is a challenge. To help their organization act on customer intelligence, CX professionals must: 1) embrace the silo to journey shift discussed in the prior section, particularly when it comes to identifying and prioritizing improvement initiatives, 2) stay engaged in initiatives through completion, and 3) prepare the people while letting those skilled in the business manage the process side of change. At the same time, CX professionals work alongside others to focus on the people side of change that is often underestimated.

"CX professionals help their organizations look at change in terms of a portfolio – not about a list of projects initiatives. Organizations need to make decisions holistically - identifying the right things to do based on customer and brand value impact."

— **Diane Magers**, CEO, Customer Experience Professionals Association

DO YOU HAVE WHAT IT TAKES?

CUSTOMERS 2020:
A PROGRESS REPORT

For today's customer experience professionals, there's no better time to take a more definitive lead in preparing your company for 2020 and beyond. Customers want more, but demand experiences that require less time and effort. B-to-B firms must find new ways to use customer intelligence to make the sound business decisions that inform action and promote change. It requires CX professionals to think differently about their role and lead the way in defining organizational structure, using intelligence to its full advantage, and finding new ways to innovate.

CREATE GOVERNANCE TO DRIVE THE CULTURE

Governance. It's not a particularly exciting word, often bringing to mind images of stalled progress, bureaucracy and red tape. **But for companies positioning themselves to compete in 2020 and beyond, governance of CX resources, procedures, and cadence is essential.** As a way of eliminating role confusion and duplication, especially in large organizations, the re-engineering benefits of governance can actually propel crucial initiatives forward.

Determine the right operating model. The kind of governance model you choose depends largely on your company's culture and vision of customer experience. The model could be centralized, with the customer experience team assuming a large portion of ownership, or enterprise wide, accommodating partnerships between a smaller customer experience team and employees throughout the company.

Draft a charter. Serving as a guide and go-to resource for how the program will operate, a charter outlines the governance structure and states goals and objectives. Program specifics also may be included, such as the cadence of the program, frequency of meetings, survey deployment and reporting, direction for implementing the close loop, and integration with existing processes like Six Sigma or Lean.

Secure necessary resources. Alliances with business units are key to the success of any program. Governance should express the commitment of business unit resources needed to get the job done. While the resources are still functional in nature, they must be aligned around the customer journey.

WHEN GOVERNANCE IS MIA: SIGNS AND SYMPTOMS

Data, action, and insights are just some of the specific areas in which establishing clear governance can be beneficial. Without creating a clearly understood organizational structure, companies may experience varying degrees of enterprise-wide chaos and confusion, such as:

Role confusion — With so much emphasis on the customer experience, everyone is claiming ownership. Without governance, there is no clear understanding of who is responsible for the customer experience strategy and its related responsibilities.

Duplication of effort — Governance prevents duplication of effort when one group launches an initiative without knowing that a similar or related project is taking place in another area.
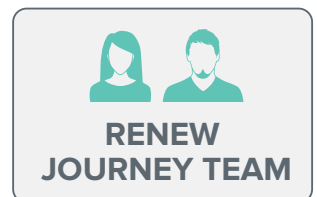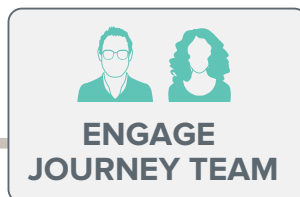
WHAT IS CX GOVERNANCE?

In the world of customer experience, governance is about identifying and managing the resources that are needed to drive sustained action, the procedures that organize the process, and the cadence for ensuring activities progress to completion.

Rogue surveys – With no governance of contacts, the wrong people may be surveyed, the right people may be missed, or the same people may be surveyed too often. Additionally, lack of governance means the customer experience team may be unaware of surveys being conducted by individual departments or information that already exists, creating an unnecessary burden on customers.

Unreliable results – Governance on analytics helps ensure customer intelligence is reliable and that information presented to senior management paints an accurate picture of the situation.

Inconsistent message – Ever feel like people aren't in unison? That's what happens without CX governance. Having a consistent and uniform message helps ensure employees are all pointed in the right direction.

CX GOVERNANCE

CX Executive Team: Supports the CX strategy, identifies success measures, ensures alignment with corporate strategy, and tracks the progress and the impact of CX initiatives.

CX Leadership: Represents the customer voice, coordinates customer intelligence gathering, responsible for the CX roadmap, and keeps employees and customers up to date via communication plans.

Journey Teams: Cross-functional teams own the strategy and execution plan for individual customer journey improvements, ensure customer-focused design principles are implemented, and are responsible for monitoring key metrics.

CX EXECUTIVE TEAM

CX LEADERSHIP

ENGAGE JOURNEY TEAM

ONBOARD JOURNEY TEAM

RENEW JOURNEY TEAM

☑ Journey teams have a designated leader and cross-functional resources

☑ Initiatives for an identified customer journey stage

☑ End-to-End Initiatives

EXPOSE THE VALUE OF CUSTOMER INFORMATION

With access to information literally in the palms of their hands, today's customers are empowered like never before. **To compete in a world that's becoming more customer driven every day, companies are forced to learn more about what their customers want, need, and expect**. This new reality has caused many B-to-B firms to focus more deliberately on the customer, and in most cases, those in the C-suite are leading the way.

The push to learn more about customers and personalize the experience is increasing the demand for customer intelligence. In most large organizations, data and information are gathered in nearly every part of the business. Not only is the amount of information increasing, it's being derived from a record number of sources, including relatively new platforms like social media, chat, and communities.

While this wealth of information has potential, the reality for CX professionals is that more isn't better on its own. Exposing the value of customer information means today's CX professionals must move beyond serving as a conduit for scores and feedback. They must be unwavering in their advocacy for the customer and relentless in their commitment to look outside-in to determine what really matters to customers.

Know what information exists and how it's used. Customer data and information are collected throughout the enterprise. Make it a priority to find out where information already exists and how it's being used.

Don't share data, share insights. Growing reservoirs of information can be overwhelming, but not all sources are created equal. Take the time to analyze and discern which sources of information will produce the results you're looking for.

Be the customer advocate. While function-based data may measure progress at the operational level, ensuring customer intelligence is gathered and used to drive progress on the design principles and change along the customer journey is the CX professional's role.

Distribute insights broadly. When data produces actionable insights, share the findings in a simple way — not only with the affected areas of the business, but more broadly to the departments that support good customer experiences.

Shift from communicator to coach. Gone are the days of communicating customer intelligence. Today, companies are looking for individuals who can help them "see" and "feel" the customer. These senses are created when the customer experience professional becomes coach.

95% INCREASE

5% STAY THE SAME

HOW WILL THE DEMAND FOR CUSTOMER INTELLIGENCE CHANGE IN 2020?

"Well-informed customers will want to do business with companies that know them and their business intimately, have a clear understanding of where it's headed and can design an experience that meets their needs."

 – *Customers 2020*

IMPORTANCE OF CUSTOMER INFORMATION SOURCES IN 2020

We asked customer experience professionals how important different sources of customer intelligence will be in 2020. They indicated that virtually every source will be important in the future.

CUSTOMER INFORMATION SOURCES

- CUSTOMER TRANSACTIONS/ PURCHASES
- PRODUCT USAGE
- OBSERVING CUSTOMERS
- CUSTOMER-FACING EMPLOYEES
- CUSTOMER COMPLAINT SYSTEMS
- WEBSITE
- TRANSACTION SURVEYS
- RELATIONSHIP SURVEYS
- SALES DATABASE
- CALL CENTER INTERACTIONS
- SOCIAL MEDIA
- CHAT

WALKER'S TAKE

With more sources of customer intelligence and the amount of information multiplying, customer experience professionals must determine what information to focus on, decipher the information, tell the customer story, and guide the organization toward improvements in the big three — personalization, ease, and speed. While this is no easy task, the rewards can be immense.

MAKE CX INNOVATION YOUR PRIORITY

While customer experience professionals anticipate being tested on meeting customer expectations of personalization, ease, and speed, one topic we expected to hear, but didn't is the role innovation will play in the future of customer experiences. **Clearly on the minds of CEOs, based on Walker's 2016 report *The CEO View of CX*, innovation applies to transforming and revolutionizing customer experiences, and the CX professional is in a prime position to lead the way**.

Innovations most often equate to transformational changes in the way customers interact or do business with a company. While significant and impactful, CX innovations don't necessarily have to be company-wide; they can address a moment of truth in the journey or be built from an idea or hypothesis resulting from customer feedback.

WHEN IS INNOVATION OR TRANSFORMATIONAL CHANGE NECESSARY?

Look for these situations to signal opportunities for innovation:

- Revelation of a customer pain point
- Inability to move the needle with survey scores, customer feedback, and financial or operating results
- Market dynamics and indicators, such as emerging competitive gaps or new players in the marketplace

16%
USE IT

ONLY 16% OF CX PROFESSIONALS ARE FOCUSED ON USING CUSTOMER INTELLIGENCE TO GUIDE INNOVATION

CX PROFESSIONALS AREN'T FOCUSED ON INNOVATION AND SHOULD BE.

According to Walker's 2016 report, The *CEO View of CX*, CEOs see innovation as both a component of the customer experience and necessary to business success. For CX professionals to be relevant to company leaders and aligned with strategic business objectives, they must prioritize innovation of the customer experience.

We asked CEOs what strategies they are focused on, and we asked them to evaluate their effectiveness on leveraging the customer experience to create a competitive advantage. We compared those who are most effective to those who aren't as effective. We found that CEOs who primarily focus on innovating products and services, and concentrate on employee morale are the most effective at leveraging CX to create a competitive advantage. On the flip side, companies that focus on cost-cutting aren't as effective.

THE CEO PERSPECTIVE – COMPARING STRATEGIC INITIATIVES

The most effective at CX focus on:
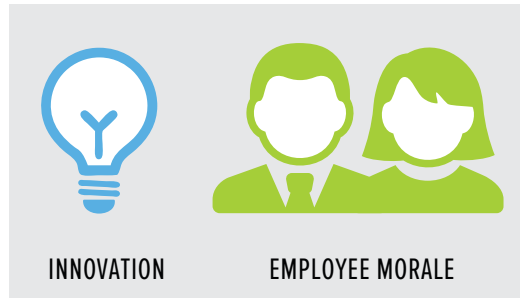
Those not as effective at CX focus on:

INNOVATION   EMPLOYEE MORALE

COST-CUTTING
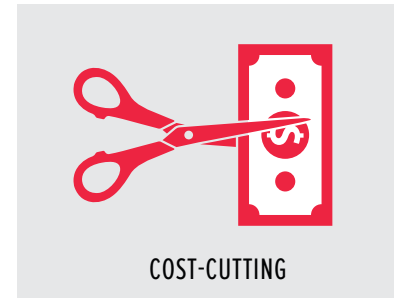
The CEO View of CX - Walker 2016

WHAT ROLE CAN CX PROFESSIONALS PLAY?

Successful innovations and transformational change rely on inspired leaders, a customer-committed culture, and enterprise-wide buy in. Leading the charge, customer experience professionals play a crucial role in helping B-to-B firms gain traction in identifying opportunities for CX innovation and bringing them to fruition.

Be the role model for outside-in. Opportunities to innovate present themselves when companies think like their customers. Customer experience professionals must be relentless in their advocacy for the customer perspective to guide innovation and customer-focused improvements.

Engage customers in the process. Input and insights from key customers are a commonly overlooked source of intelligence for innovation and transformational change. They can be instrumental in brainstorming, co-creation, prototyping, beta-testing, and in relaying where trouble spots exist in the journey.

Choose something to focus on. Especially if you're new to CX innovation, commit to starting somewhere. It's likely you have the data and feedback to know where opportunities exist to improve, so pick a journey stage to concentrate on and then work your way up.

WALKER'S TAKE

Innovation encompasses far more than product. Innovation exists and is possible with the customer experience. With access to the gamut of customer intelligence, CX professionals are well suited to assume a leadership role in customer experience innovation, which involves changing — even revolutionizing — the ways in which organizations interact with customers.

CUSTOMERS 2020:
A PROGRESS REPORT

ABOUT THE STUDY

Customers 2020: A Progress Report was conducted by Walker Information to explore the progress B-to-B companies have made on the themes outlined in the 2013 report *Customers 2020*. Contributors include the Customer Experience Professionals Association (CXPA), CustomerThink, and Convince and Convert. Walker maintains sole responsibility for the research and the recommendations. Walker executed the information-gathering activities, conducted the analysis, and wrote the report. The findings and views expressed in the report are Walker's and do not necessarily reflect the views of the contributors.

OUR RESEARCH IS REFLECTIVE OF THREE INITIATIVES:

1. **Our panel of esteemed customer experience leaders**. Walker gathered six customer experience professionals who represent a diverse set of business models. This group influenced the research design and provided tremendous insight into the understanding and implications of the results. Many thanks to the following members of our advisory group: Steve Deggendorf (Fannie Mae), Terry Dekalb (Agilent), Tracy Devlin (Akamai), Zoe Garbett (Castrol), Surachita Mishra (Sysco), and Kevin Scanlon (Dell).

2. **In-depth interviews** with 22 executives, including executive vice presidents and senior directors. These discussions explored how customer expectations are changing, what companies are doing to meet these expectations today, and insight into specific topics such as culture, innovation, and the future role of the customer experience professional.

3. **Quantitative input** from more than 400 customer experience leaders and influencers was gathered using an online survey. This feedback represents a range of industries, company sizes, and titles. The input focused on measuring the progress that companies have made and identifying the key initiatives that will drive future customer experiences.

OUR SINCERE THANKS TO THOSE WHO CONTRIBUTED

The Customer Experience Professionals Association is a global, non-profit organization dedicated to the advancement and cultivation of the Customer Experience profession. The CXPA increases the impact and visibility of CX professionals, facilitates member-to-member sharing, and establishes respected standards in the industry. For more information, visit www.cxpa.org.

CustomerThink is a global online community of business leaders striving to create profitable customer-centric enterprises. Main areas of coverage include Customer Relationship Management, Customer Experience Management, and Social Business. This is the place to learn about every facet of customer-centric business management. For more information, visit www.customerthink.com.

Convince and Convert is a group of strategic advisors who work with world-class organizations to make digital marketing and customer experiences remarkable. For more information, visit www.convinceandconvert.com.

ABOUT WALKER

Walker is a customer experience consulting firm. We specialize in helping today's business-to-business companies build and maintain a competitive advantage by delivering an exceptional customer experience. Our team of senior consultants averages more than 20 years of experience, and they deliver a wide range of services to meet and exceed our clients' objectives.

And it works – Walker clients outperform the market by more than six to one!

WALKER'S SOLUTIONS AND SERVICES

No two companies are alike, so we collaborate with each client to understand their business, focus on their objectives and deliver the right combination of services to accelerate their success. No consulting firm can match Walker's focus on customer experience and the broad range of solutions and services we deliver, which includes:

- Customer experience assessment programs, which result in execution-ready strategic roadmaps.
- Journey mapping services to document the customer touchpoints and focus on "moments of truth."
- Design of customer "ideal experiences," targeting problem areas and identifying opportunities for breakthroughs.
- Collection of customer insights, leveraging a wide range of methods to understand the perspective of the customer.
- Advanced analytics services to interpret customer intelligence and improve decision-making.
- A full range of technology services to manage customer data and integrate with clients' existing systems.
- Action planning and change management services to prompt transformation across the organization.
- Education and training services to engage employees and foster a customer-focused culture.

Learn more about Walker at www.walkerinfo.com.

WALKER RESOURCES

WALKER B-TO-B CX SUMMIT

The industry's only conference focused on the latest and best customer experience strategies for B-to-B companies. We feature powerful keynote presentations, engaging workshops, and valuable networking all aimed at sharing best practices to improve the way companies drive business success. Learn more at www.walkercxsummit.com.

WALKER WEBCASTS

We produce a popular series of monthly 30-minute webcasts on a variety of customer experience topics. Each webcast is hosted by Walker's thought leaders. Learn more at www.walkerinfo.com/knowledge-center/webcasts.asp.

KEYNOTE PRESENTATIONS

Walker's thought leaders deliver excellent keynote presentations on a wide range of customer experience topics. Consider bringing a Walker executive to your next big event.
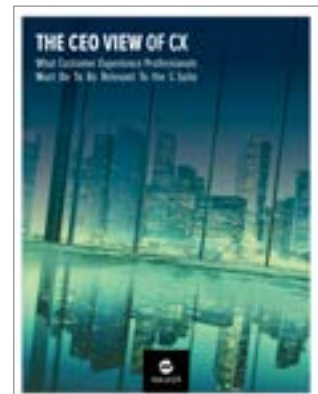
CUSTOMER WORKSHOPS

Walker conducts dozens of workshops for leading companies. Whether you're considering a session of two hours or two days, consider hiring the experts at Walker to help plan and execute your next customer experience workshop.

WALKER KNOWLEDGE CENTER

Walker's Knowledge Center is an outstanding resource for customer experience leaders. You have access to informative webcasts, thought-provoking white papers, powerful case studies, eBooks, and more. Learn more at www.walkerinfo.com/knowledge-center.

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