Developing a customer-centric operating model

Part 1 | Listen and understand

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Customers are continually evolving, and their needs and preferences are changing as technologies, products and market forces continue to develop. In this series, we will explore an industry-proven methodology for adapting, executing and scaling an operating model based on customer experience (CX) through five critical CX pillars:

- Listen
- Understand
- Design
- Activate
- Scale and optimize

Throughout this series, these pillars will be supplemented and enhanced by tangible case studies and industry examples that will serve as the backbone of driving a customer-centric operating model.

Listen

How to establish robust feedback cycles to promptly capture and act upon the voice of the customer

Listening is a critical step in any relationship, and customer-centricity is no different. Listening and gathering customer feedback can be achieved through a variety of different mediums, all of which enable direct interaction with your customers. However, these mechanisms are not simple one-time conversations; they must be repeatable to enable continuous feedback loops and actionable to drive the change you want to see.

This customer feedback can be captured from both an internal and external perspective:

- Customer relationship surveys
- Customer interviews
- Voice of the employee
- Future interaction surveys

These feedback loops can be leveraged in a variety of ways to truly "listen" to your customers. For instance, customer relationship surveys can be leveraged to compare and contrast different customers, ideally in the form of statistical and correlation analyses. This provides the baseline for data-driven decisions and tangible support and examples for customer preferences. On the other hand, direct customer interviews enable targeted feedback regarding specific aspects of the individual customer experience.

Customer feedback may not come solely from the customer. Employees often have the most direct interaction with the customers and hold many critical insights through these close interactions, sometimes on a daily basis. Thus, it is critical to include these high-touch employees in the customer interviews and voice-of-the-employee interviews to identify additional opportunities to provide the desired customer experience.

These mechanisms to gather customer feedback must ultimately enable future interactions between company and customer. This standardization of feedback will support the idea of constantly putting the customer first and adapting to continually evolving topics to give your company the desired insights to keep up with evolving customer needs.

Ultimately, the value of listening to the customer can have many positive results. At the surface, the feedback can be used in the development of robust formal and informal feedback processes. This enables timely identification of shifts in customer sentiment that helps provide quantitative and qualitative data to continually define the opportunity for CX improvement. Digging deeper, it can improve customer satisfaction and customer relationships as it shows an ability to listen and have an interest in what the customer has to say, creating both positive buying experiences and feedback loops.

Understand

How to develop data-driven capabilities to align customer preferences to service delivery

Now that we have established the importance of listening and the mechanisms for gathering customer feedback, it is critical to identify how to use those valuable insights. Through a data-driven approach, we can identify the key customer experience drivers to align customer preferences to service delivery.

Segmentation
Structuring the grouping of customers that enables you to align target service offerings based on how different types of customers want to purchase from your company

Cost to serve
The ability to understand the variable cost in the order receipt and handling process due to "included" services and customer-initiated actions enables optimal usage of resources and assets

Operational data
Combining CX survey results with operational data helps link customer feedback to specific actions and events during fulfillment processes

Impact assessment
Identification of internal and external stakeholders and how changes will impact them enables the development of a plan for future engagement with impacted stakeholders based on their attitudes, ambitions and anxieties

Future competitive intelligence
Creating a repeatable process enables the continual ability to structure service offerings based on business impact, quantifying competitiveness of service offerings and linking what customers say (surveys) with what they do (operational data) to provide stronger insights than either independently

Dow case study

A newly assembled CX Global Team set out to build the strategy and disciplines across the enterprise that were necessary to achieve a unified customer experience. Customer interviews or listening sessions were critical to getting the customer journey right, and it became clear that the most honest and somewhat tough conversations about where Dow fell short on customer expectations usually provided the most clarity. Listening requires lots of humility and exposes your vulnerability, which is why it's often easier to justify rather than acknowledging the issues. That knee-jerk reaction of justifying is something that everyone at Dow has tried hard to change. We have worked hard toward shifting into productive conversations that reveal exactly where improvements need to be made.

Customers will tell you what their experience is, but you must be humble enough to accept and act on it. With that information, our CX Global Team was able to set the framework to guide the crucial decisions and governance that resulted in Dow's current CX infrastructure. This led to Dow's true awakening.

We discovered a gap between the experience we thought Dow was providing and the one our customers were actually living. This armed our team with data that validated the need for change and helped us prioritize and elevate the pain points in the customer journey that had to be fixed quickly.

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