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E-GUIDE

Becoming Customer-Centric

How to Transform Your Organization into a Customer-Centric Business

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Planning to Succeed

Becoming a customer-centric organization is the goal of more organizations today than at any time in history. To reach this goal, organizations need to build on foundational activities, such as creating a customer-advisory board or deploying Voice of the Customer (VoC) or Customer Experience (CX) software. Those are important steps that will provide the information you need to transform your business on many levels. However, they are only steps, and not the complete journey to becoming truly customer-centric.

WHAT IS A CUSTOMER-CENTRIC ORGANIZATION?

A customer-centric organization puts the customer at the heart of every business decision so that employees know what customers want and expect and aren't just predicting or guessing. Knowing what customers want and expect requires a shift in how your organization handles feedback. You have to share all the feedback you collect from your VoC or CX surveys. People in customer-centric organizations are empowered to solve customer problems, and always consider the effect each decision might have on their customers.

What are the Key Components of a Customer-Centric Organization?

- Delivers products or services that are valued by customers.

- Focuses on making customers successful.

- Talks to and listens to customers.

- Shows customers that they are listening in detail.

- Empowers the people on the front lines to solve problems.

- Creates a positive customer experience at every touch.

- Considers the effect of every decision upon customers.

- Knows what customers want; doesn't predict or guess.

5 Steps to Becoming a Customer-Centric Organization

1 Gain Executive Support and Empowerment

2 Adapt or Evolve Your VoC/CX program

3 Wire in Feedback Everywhere Seamlessly

4 Deliver Enterprise Visibility to Customer Feedback

5 Make Your Customers the Stars of Your Meetings

It is important to note that Step 1 is critical to your success and initiates a cultural shift toward being more customer-centric. This step shows that the organization is not going to settle for guessing or trying to predict what customers want or how they feel. Steps 2 and 3 provide the infrastructure—these are steps you need to take to make Steps 4 and 5 possible. Steps 4 and 5 will complete the cultural shift for your organization.
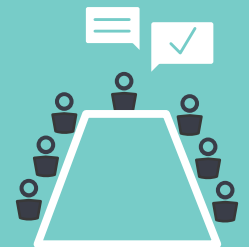
SETTING AND MANAGING EXPECTATIONS

Planning for success is crucial in this process. This involves setting realistic expectations about how long it takes for an organization to adapt to new ways of thinking.

For example, implementing your VoC or CX software is relatively easy, depending on the solution you choose. Integrating it with your regular communications solutions (such as Slack, JIRA, or email) can be more complex and take additional time. However, entrusting the people on the front lines to keep your customers happy is critical and is often the hardest part. Building in time for acceptance and widespread usage will help set realistic expectations across the company.

1 Gain Executive Support and Empowerment

Creating a customer-centric organization requires your corporate leaders to empower people who deal with your customers on a daily basis—your front line. This means that you need to recruit a senior executive to support and evangelize this initiative. This executive must publicly delegate authority to the people on the front lines to do what's best for the customer and the company and entrust them with the power to make real change.

This is a major cultural shift for most organizations, and a very powerful one for both customer and employee satisfaction. This is a core cultural value for companies like Disney and Starbucks.

Typically, obtaining executive sponsorship and front-line empowerment requires a business case. Fortunately, the statistics in support of creating more customer-centric organizations are overwhelming and relatively easy to find—which is a testament to the impact of becoming customer-centric. We have compiled many and will share them throughout the guide.

According to *Forbes*, 59% of companies with a CEO who is involved in customer experience report higher revenue growth, compared to just 40% reporting growth among companies without a customer-focused CEO. Additionally, 39% of CEOs say customer experience is the most effective method of creating a competitive advantage, which was the most common answer.

What are Competitive Advantages of a Customer-Centric Organization?

80%
Companies that lead in **customer experience outperform laggards** by nearly 80%.

89%
89% of companies **compete on customer experience,** up from just 36% in 2010.

81%
81% of companies view **customer experience as a competitive differentiator**.

73%
73% of companies with above-average customer experience **perform better financially than their competitors**.

60%
Customer-centric companies are 60% **more profitable than companies that don't focus on customers**.

2 Adapt or Evolve Your VoC or CX Program

Once you have support, you need to make sure that your Voice of the Customer (VoC) or Customer Experience (CX) solution collects feedback the way you need it to meet your objectives. Most organizations already have a way of collecting customer feedback; however, the solution in use is often not the best solution to meet the company's needs.

What you plan to do with that feedback determines what kind of solution you need.

AGGREGATE AND REPORT

For many companies, this is the final step in their effort to become more customer-centric; however, it's really just the second step. If your organization's objective is to collect feedback, aggregate it, and report it to influence large decisions and corporate initiatives, this is all you need. However, this approach will not transform your business into a customer-centric one. Instead, it anonymizes your customers' voices, so nobody feels heard or valued, and the information rarely makes it to the front lines.

Look for solutions that include the kind of reports you need to create, or that have integrations with your organization's preferred business intelligence or reporting solution.

Avoid solutions that require you to rip and replace other systems. This adds time and expense to the process (not to mention the time required for people to learn a new system). Avoid solutions that do not easily share information with other systems, and systems that feature longer times to go live.

INTEGRATE AND AUTOMATE

If the corporate objective is to drive customer feedback into and across your organization, this is just the beginning. In this case, you need to collect feedback and respond to it both individually and collectively.

Look for solutions that integrate easily with your email, messaging, support ticket, and engineering ticket apps. Typically these include email, Slack, JIRA, Salesforce, and Service Cloud, among others.

Avoid solutions that require replacing your existing systems and processes or demand long implementation cycles. Both of these can dramatically increase your time to results and the total cost of your solution.

Listen to Your Customers

96%

96% of customers say customer **service is important in their choice** of loyalty to a brand.
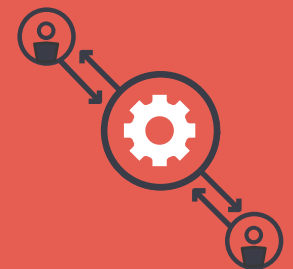
33%

Offering a high-quality customer experience can **lower the cost of serving customers** by up to 33%.

83%

83% of companies that believe it's important to make customers happy **also experience growing revenue**.

COMPANIES LOOKING TO REPLACE THEIR VOC OR CX SOLUTION USUALLY FOLLOW THESE FIVE STEPS:

1. Contact peers (both internal and external) to discover what works for them.

2. Check expert and peer-review sites (such as Capterra and G2).

3. Download a trial version or get a demo of a VoC or CX solution.

4. Get bids.

5. Integrate and deploy.

3 Wire in Feedback Everywhere Seamlessly

Many companies choose to automate and handle customer engagement using chat-bots so that customers self-serve without human interaction. However, the more customer-centric approach is to automate the distribution of feedback behind the scenes so that your service seems exceptionally personal. This is how you use technology to empower the people dealing with customers on the front lines.

Intelligently automating the routing of feedback to the right people eliminates the need for somebody to spend time going through each response and assigning it to somebody. If you have an employee spending just two hours a day assigning feedback to the team, that's about 500 hours a year that could be spent helping customers be more successful and happier.

Automating this process not only saves employee time; it also means that your people respond faster in person. Companies that undertake this additional step often hear customers say things like, "I never expected a response to my comment, let alone one that same day."

Look for solutions with automation features and notifications built-in, such as Send Email or Send Message capabilities, or solutions with an open API that will allow you to add automation.

Avoid systems that are rigid and difficult to adapt or that require implementation expertise to get up and running. Adding automation features to these systems will dramatically increase your budget and implementation time, if it's even possible.

Deliver Experiences that Generate Profits

17%

American consumers will pay 17% more to purchase from a **company with a reputation for great service**.

140%

Customers are likely to spend 140% more **after a positive experience** than customers who report negative experiences.

70%

70% of Americans have **spent more money to do business with a company that offers great service**.

up to 79%

Organizations that **reinforce a people-based culture increase their odds of a successful customer-centric transformation** by 30% to 79%.

4 Deliver Enterprise Visibility to Customer Feedback

This next step is one of the hardest because it involves a cultural shift for your business. Once you have the capability to disseminate customer feedback, you need to make it accessible to every employee. There are typically a couple of interim steps before this step is complete.

First, make sure that the automation you set up in Step 3 sends feedback to the people who can act on it right away. This typically includes both customer support representatives and salespeople or account managers, as well as managers for both groups. One company sends any service review that does not get a 9 or 10 score to the CEO for personalized follow-up. Others have detractor management teams.

Second, make the information visible and transparent company-wide, regardless of whether it's positive or negative. This step is much more difficult than it seems because there will be results that reflect poorly on individuals. However, when everybody is adequately trained on receiving feedback and investigating what could have gone better, this becomes less of an issue. At this point, the feedback becomes more about the customer than the employee.
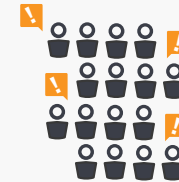
Third, reward employees for paying attention to the feedback and helping solve problems that can't be immediately addressed. Here, customer feedback becomes ingrained in the company culture.

Keep Your Customers Close

77%
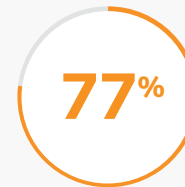
77% of consumers view brands more favorably if **they seek out and apply customer feedback**.

Customers tell an average of nine people about a positive experience with a brand, **but they tell 16 people about a negative experience**.

$1.6 trillion

The top reason customers switch brands is because they feel unappreciated. Additionally, **the switching costs U.S. companies a total of $1.6 trillion**.

5 Make Your Customers the Stars of Your Meetings

The final step in the process of becoming a customer-centric organization requires people to be intimately aware of what your customers want and need. You make customers the stars of every meeting by first understanding their successes. Your customers' stories—from feedback, use cases, and personal interactions—provide the most valuable information available. Then your meetings shift from predicting or guessing what they want to **knowing** what they want and need.

This requires every employee in your organization to base their business decisions on customer feedback. This isn't limited to customer support and sales; it extends to everybody from engineering to marketing to even HR and accounting. Naturally, customers should always be at the center of product roadmap discussions, pricing discussions, support planning, and executive strategy planning. Knowing how customers will respond to the decisions made in these meetings will improve your acceptance when you make these changes public—particularly when it comes to setting a company direction.

The second half of Step 5 requires the organization to support individuals who begin to see their daily business choices in terms of meeting customer needs. When this decision-making is given at least equal weight with cost-cutting, everybody wins— the customer, the company, and the employees whose morale goes up (which is also another win for the company and the customer).

Improve Your Employee Experiences

1.5x

Companies that excel at customer experience have 1.5 times more **engaged employees** than less customer-focused companies.

147%

Companies with engaged employees **outperform the competition** by 147%.

20%

Companies with initiatives to improve their customer experience **see employee engagement increase** by 20% on average.

Making Sense of it All

What you need depends on your company and your leadership, and what changes you are trying to make—macro (large and complex) changes or micro (small and immediate) changes. Certain solutions will let you do both.

Macro Changes:
If you're looking to influence large-scale and complex changes at the executive level, then you only need executive support and a VoC or CX solution that aggregates feedback. These two steps will give you an excellent high-level overview of how your organization is doing on a regular basis. Of course, the more often you collect, review, and share this feedback, the more quickly your organization can adapt. While this is not truly a customer-centric approach, it is a big step for many companies.

Micro and Macro Changes:
If you are looking to drive change on a day-to-day basis as well as larger, macro changes, you will want to empower the people directly dealing with customers with the ability to make customers happy in real-time. For that, you will also need a system that can easily automate and integrate into your other systems, as specified in Step 3. But truly making the customer the center of all business decisions requires a cultural shift to empower employees to put the customer first.

What is Your Organization's North Star?
This will determine how far along the customer-centricity scale you want to go. Your North Star is your cultural tenet—what does your company want to be known for? Some companies want to be the biggest, the most profitable, the most innovative. Others want to be a leader in customer satisfaction. There is no right or wrong answer here, but it is helpful to understand where your company focuses when trying to deliver the right level of customer-centricity for your organization.

Set Up Your Customer Feedback for Success:
No matter where your company is on the road to customer-centricity, you can create a customer feedback solution that will support your organization and keep the company pointed in the direction of its North Star. Visit www.alchemer.com/5steps-to-cco or call 1-800-609-6480 to talk to Alchemer today.

Beat the Competition

84%

84% of companies that work to improve their customer experience **report an increase in their revenue**.

5.7x revenue

Brands with superior customer experience **bring in 5.7 times more revenue than competitors that lag in customer experience**.

85%

Companies that make an **emotional connection with customers outperform the sales growth of their competitors** by 85%.