MANAGING YOUR CUSTOMER CENTRIC INITIATIVES

SOME OF YOUR TYPICAL BUSINESS CHALLENGES

Customer Mindshare & Profitability

Operational Efficiency, Employee Engagement & Sustaining Growth

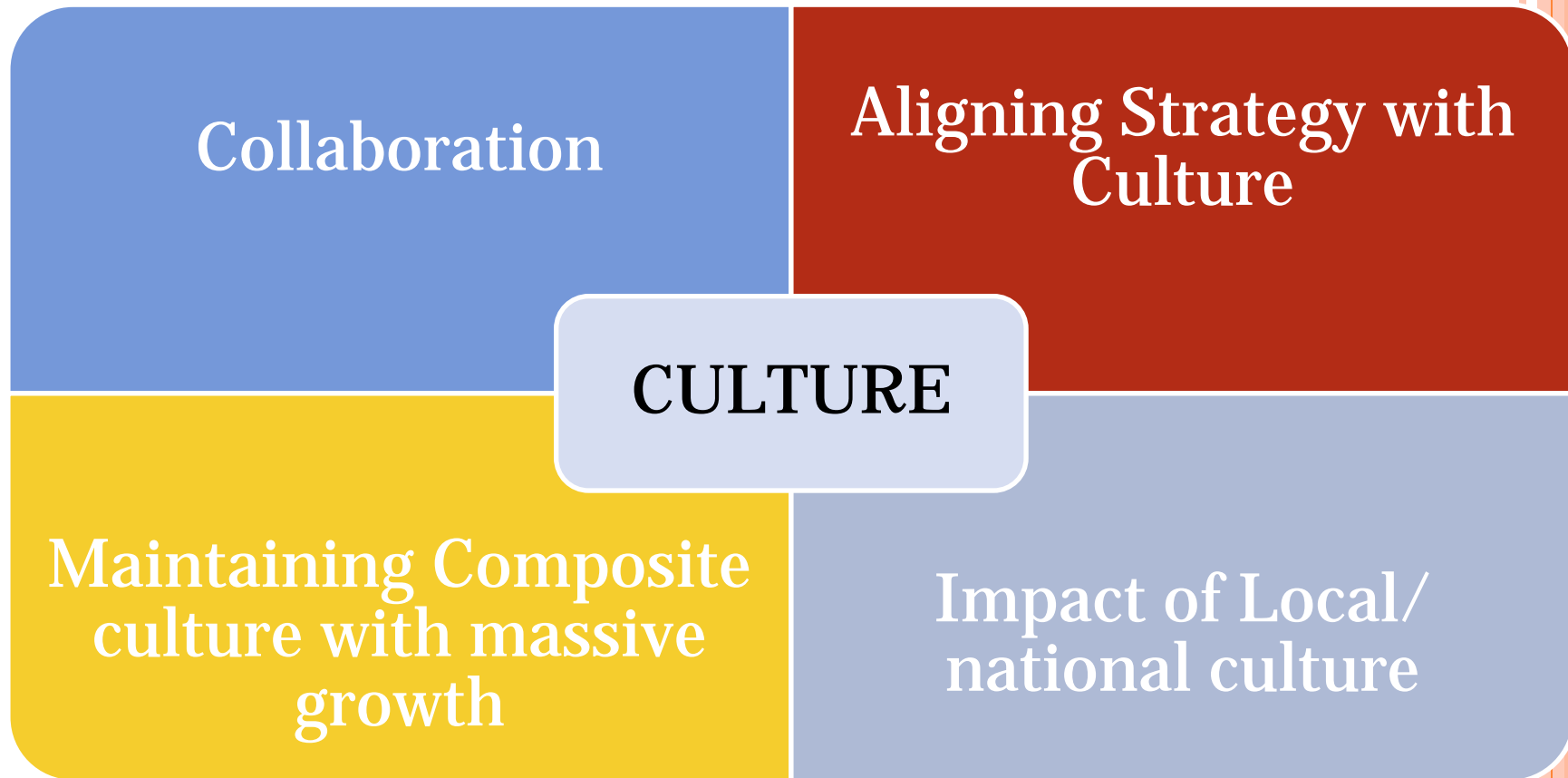Technology, Globalization, Regulation& Innovation
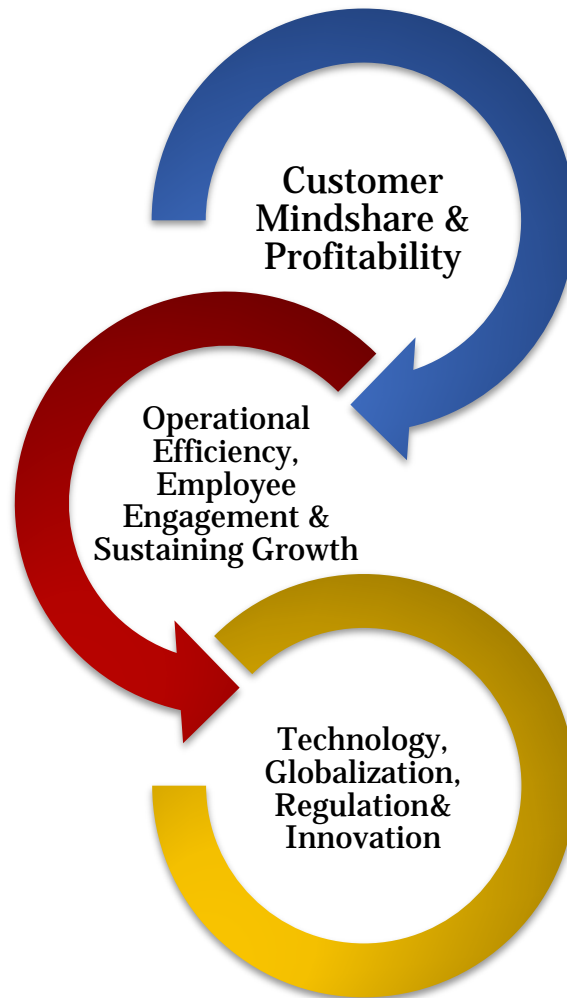
Bain & Co

DOES ORGANIZATION CAPABILITY COPE WITH DISRUPTIVE CHALLENGES

1.CULTURE

- A strong culture happens when everyone in a company understands and does what it takes to deliver the productivity, relations and quality consistent with its brand promise
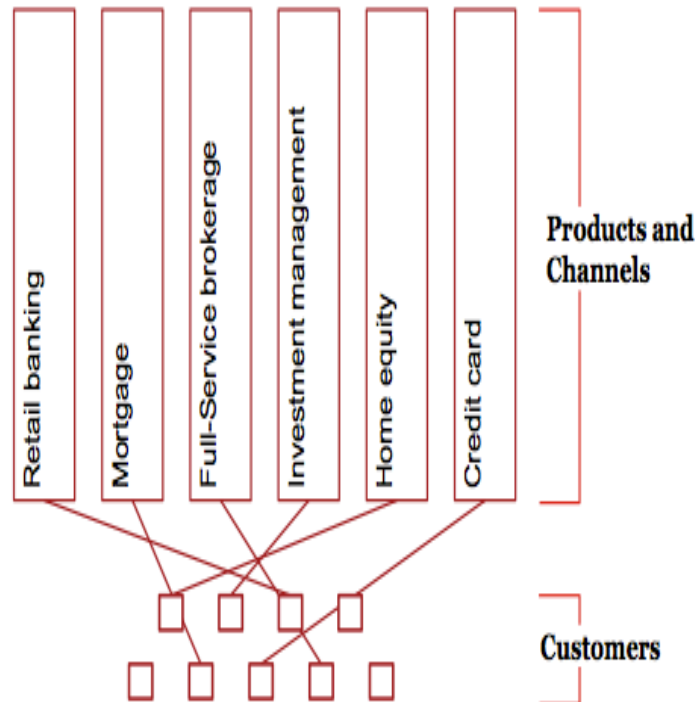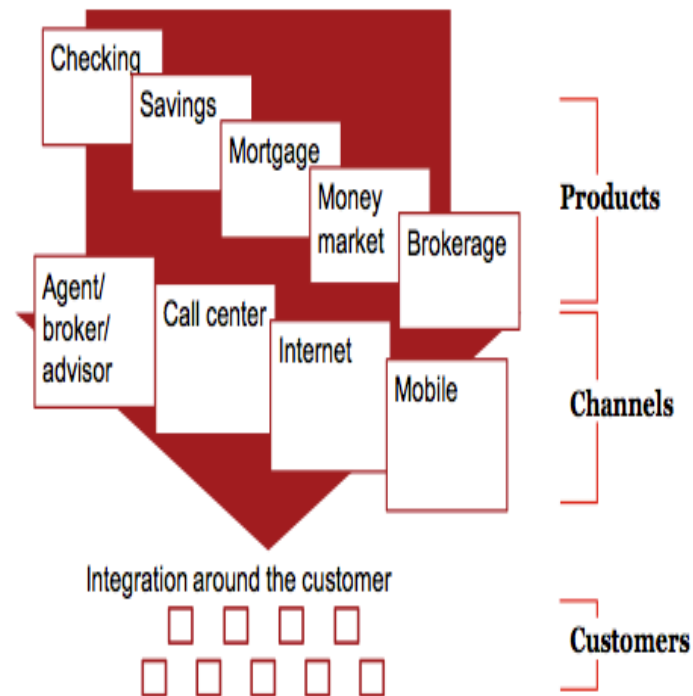
ESSENCE OF CUSTOMER -CENTRIC CULTURE

Collaboration

Aligning Strategy with Culture

CULTURE

Maintaining Composite culture with massive growth

Impact of Local/ national culture

COLLOBORATION FOCUSSED

Traditional model organizational centric

Retail banking · Mortgage · Full-Service brokerage · Investment management · Home equity · Credit card

Products and Channels

Customers

Customers get what you can sell them

New model customer centric

Checking · Savings · Mortgage · Money market · Brokerage

Agent/broker/advisor · Call center · Internet · Mobile

Products

Channels

Integration around the customer

Customers

Customers get what they want

ALIGN STRATEGY WITH CULTURE
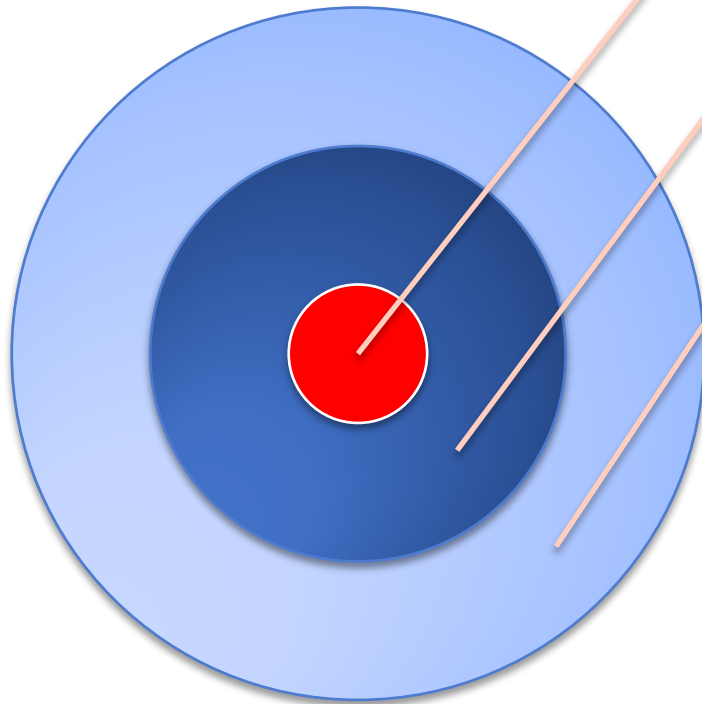
Reinforcing Traits through formal & Informal mechanism

"The needs Of patient comes First"- Mayo

Improved Customer service by driving bottom-up cultural change

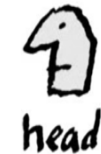# UNDERSTAND &BE MINDFUL OF THE LOCAL CULTURE

- Connect at an multiple level

Emotional Needs
- What's important, meaningful
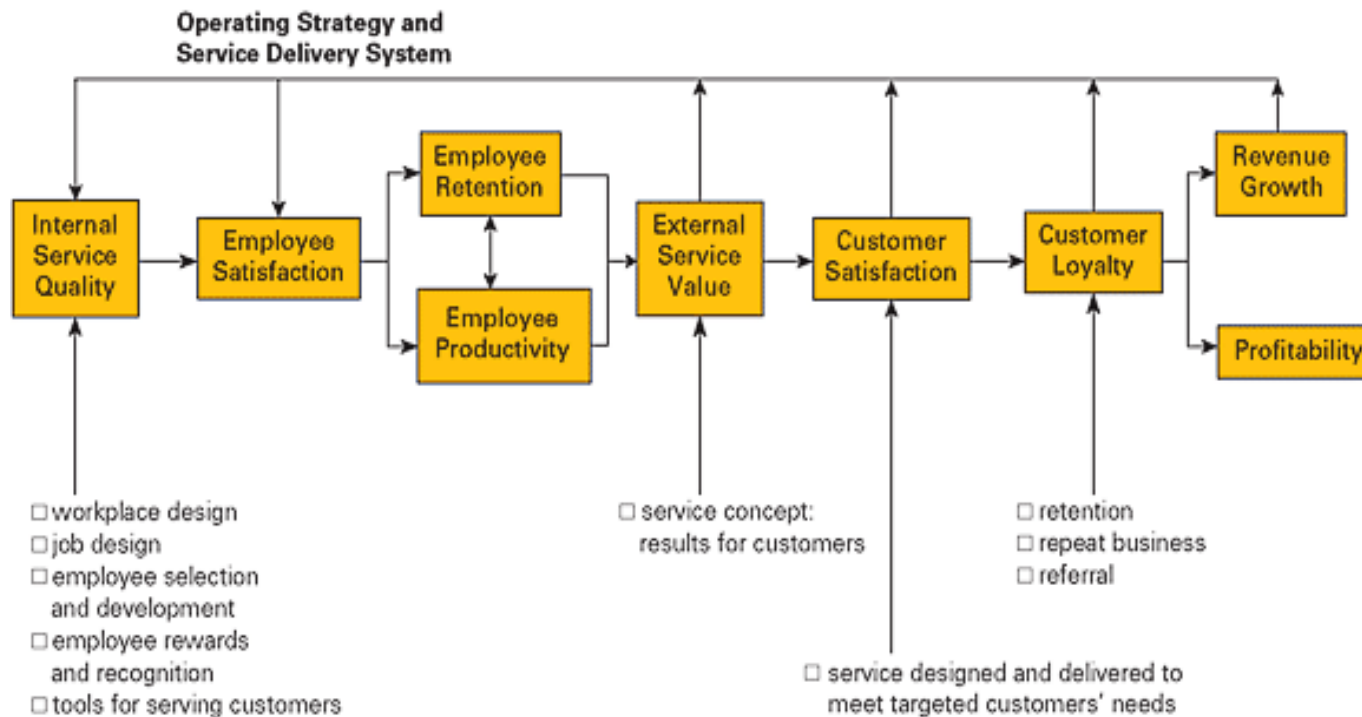
heart

Goal Needs
- Current goal, "job to get done"

head

Interaction Needs
- Task at hand, step in the process

hand

GROWTH THROUGH COMPOSITE CULTURE

The Links in the Service-Profit Chain

Operating Strategy and Service Delivery System

Internal Service Quality → Employee Satisfaction → Employee Retention / Employee Productivity → External Service Value → Customer Satisfaction → Customer Loyalty → Revenue Growth / Profitability

□ workplace design
□ job design
□ employee selection and development
□ employee rewards and recognition
□ tools for serving customers

□ service concept: results for customers

□ retention
□ repeat business
□ referral

□ service designed and delivered to meet targeted customers' needs

James L. heskett,Thomas O. Jones,Leonard A. Schlesinger-HBR-March April 1994

2.CREATE LINE OF SIGHT

- Define Vision & Mechanism
- Create Insights for Customer Facing Positions
- OUTSIDE IN-OUTLOOK
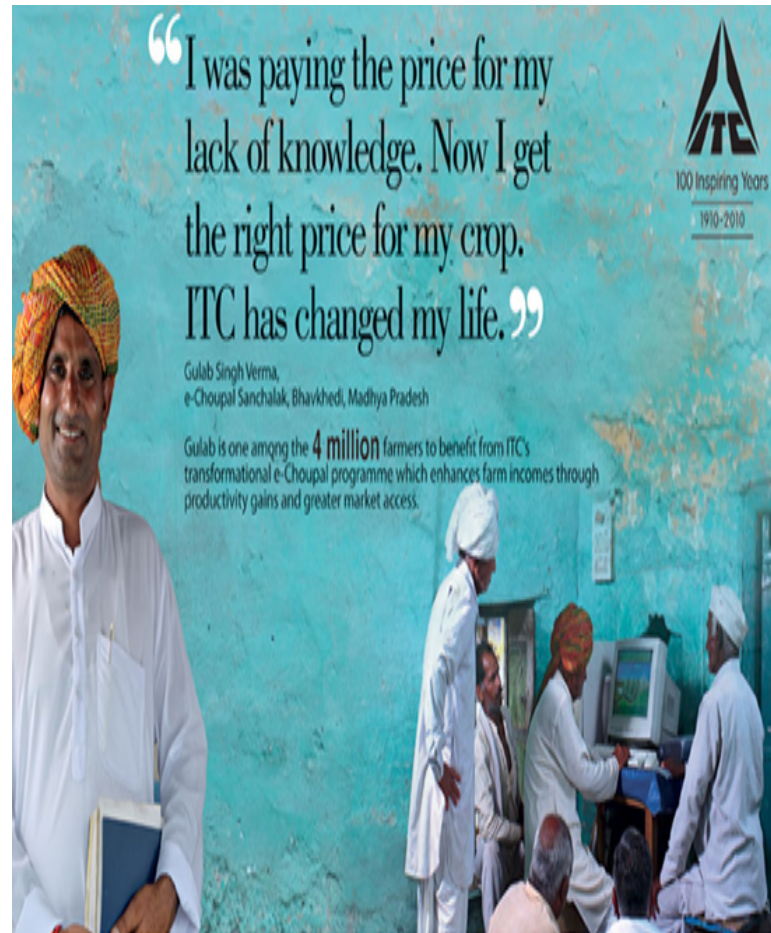
INSIDE OUT VS OUTSIDE IN APPROACH

Exhibit 1
From Product-Focused to Customer-Centric

Product-Focused

- Discrete transaction at a point in time
- Event-oriented marketing
- Narrow focus

- Narrow definition of the customer value proposition
- Off-the-shelf products
- Top-down design

- Perceived as outsider selling in
- Push product
- Transactional relationship
- Individual to individual

- Centrally driven
- Limited decisionmaking power in the field
- Incentives based on product economics and individual performance

- "One size fits all" processes
- Customization adds complexity (e.g., one-off workarounds)

- Rigid organizational boundaries
- Organizational silos control resources
- Limited trust across organizational boundaries

Source: Booz Allen Hamilton

Customer Orientation

Solutions Mindset

Advice Orientation

Customer Interface

Businesses Processes

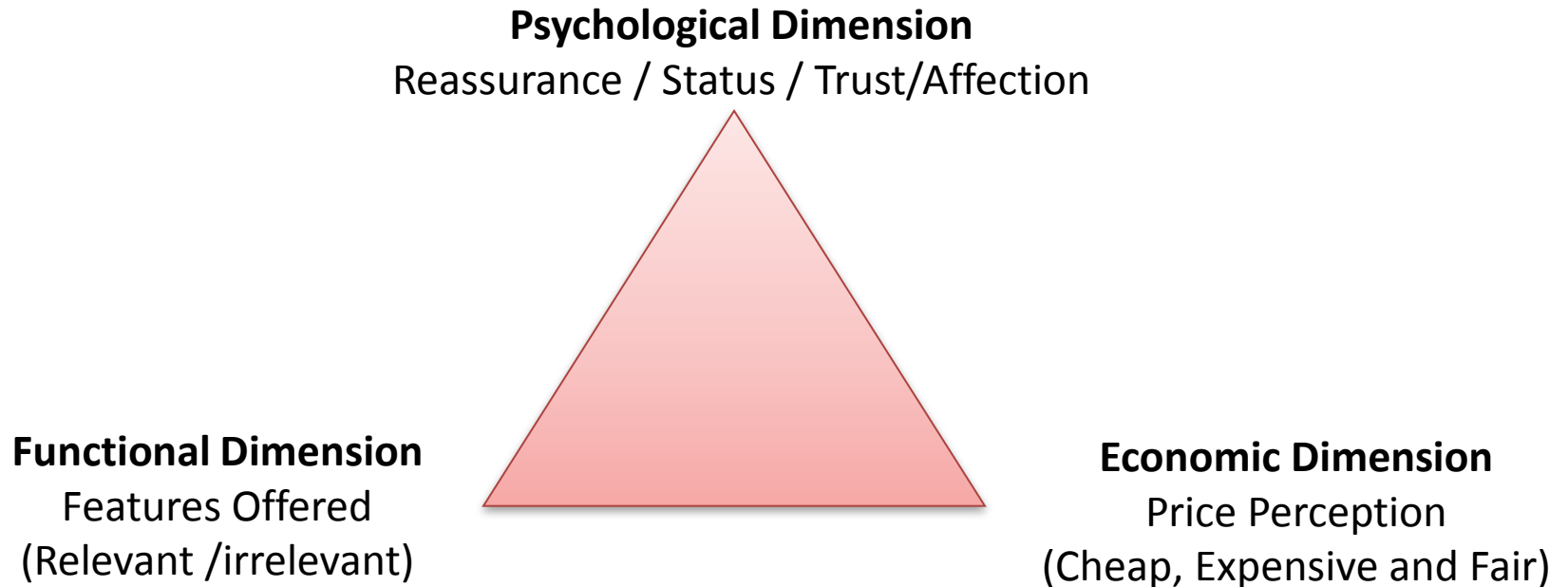**Organizational Linkages and Metrics**

Customer-Centric

- Customer life-cycle orientation
- Work with customer to solve both immediate and long-term issues
- Build customer understanding at each interaction

- Broad definition of the customer value proposition
- Bundles that combine products, services, and knowledge
- Bottom-up. Designed on the front lines

- Working as an insider
- Solutions focus
- Advisory relationship
- Team-based selling

- Innovation and authority at the front line with the customer
- Incentives based on customer economics and team performance

- Tailored Business Streams
- Balance between customization and complexity
- Complexity isolated within the system

- Cross-organizational teaming
- Joint credit
- High degree of organizational trust

EMPLOYEE CONNECT

3.DEFINE HOLISTICALLY WHAT THE SUCCESS LOOKS LIKE

EVOLVING ORGANIZATIONAL ASPIRATIONS

Psychological Dimension
Reassurance / Status / Trust/Affection

Functional Dimension
Features Offered
(Relevant /irrelevant)

Economic Dimension
Price Perception
(Cheap, Expensive and Fair)

- Long Term Relationship
- Multiple factors Shaping Customer Loyalty

BEHAVIORS ARE RAPIDLY EVOLVING

Always Connected　　　**Always Sharing**　　　**Always Aware**
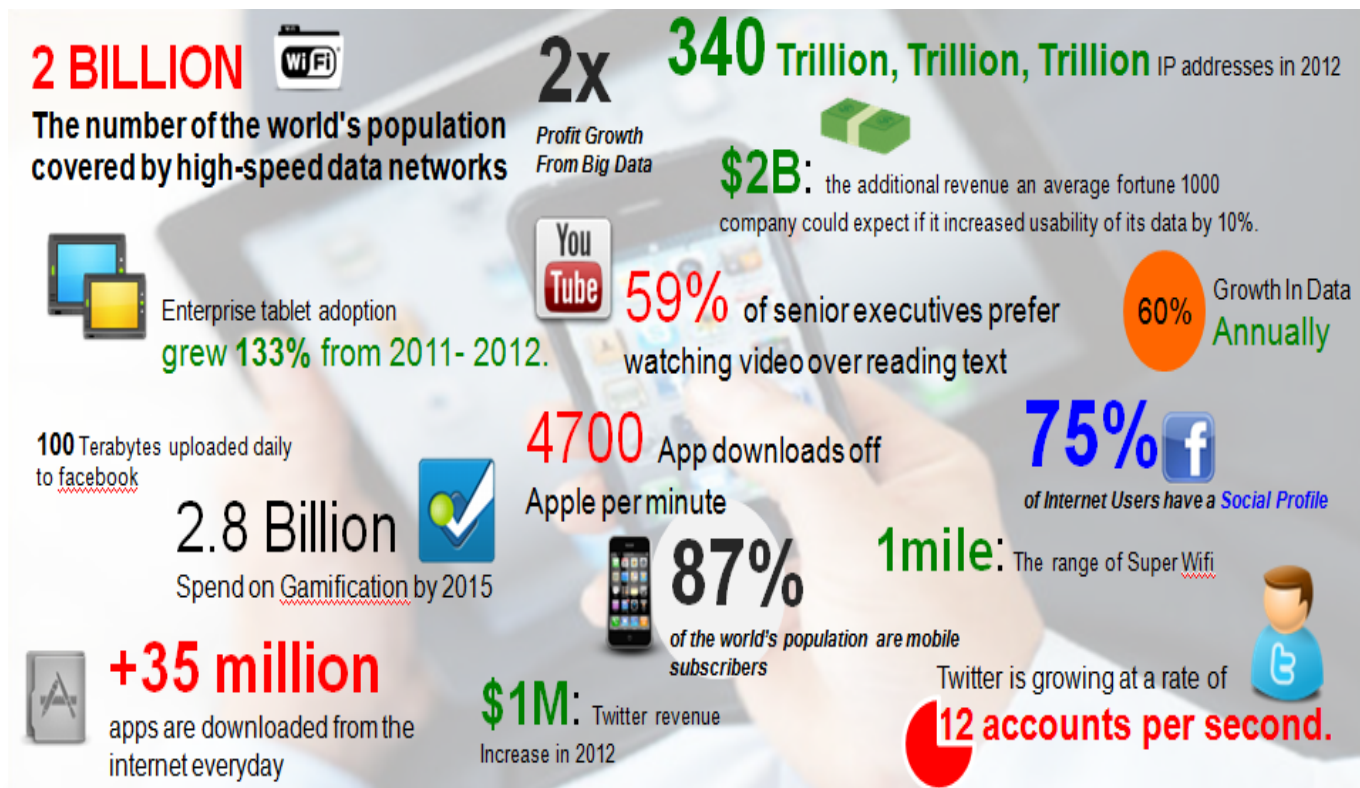
The Rate Of Adoption Is Unprecedented

EXPECTATIONS AND DEMANDS ARE RISING

More Options

More Access

More Influence

Increasing At Home, Where You Buy & Where You Work

LEVERAGE DIGITAL TECHNOLOGY

2 BILLION The number of the world's population covered by high-speed data networks

Enterprise tablet adoption grew **133%** from 2011- 2012.

100 Terabytes uploaded daily to facebook

2.8 Billion Spend on Gamification by 2015

+35 million apps are downloaded from the internet everyday

2x Profit Growth From Big Data

59% of senior executives prefer watching video over reading text

4700 App downloads off Apple per minute

87% of the world's population are mobile subscribers

$1M: Twitter revenue Increase in 2012

340 Trillion, Trillion, Trillion IP addresses in 2012

$2B: the additional revenue an average fortune 1000 company could expect if it increased usability of its data by 10%.

60% Growth In Data **Annually**

75% of Internet Users have a *Social Profile*

1mile: The range of Super Wifi

Twitter is growing at a rate of **12 accounts per second.**

| Social | Mobile | Data | Cloud |

Driven by a combination of Accelerated Trends

4.MANAGE YOUR PIPELINE OF SOLUTIONS
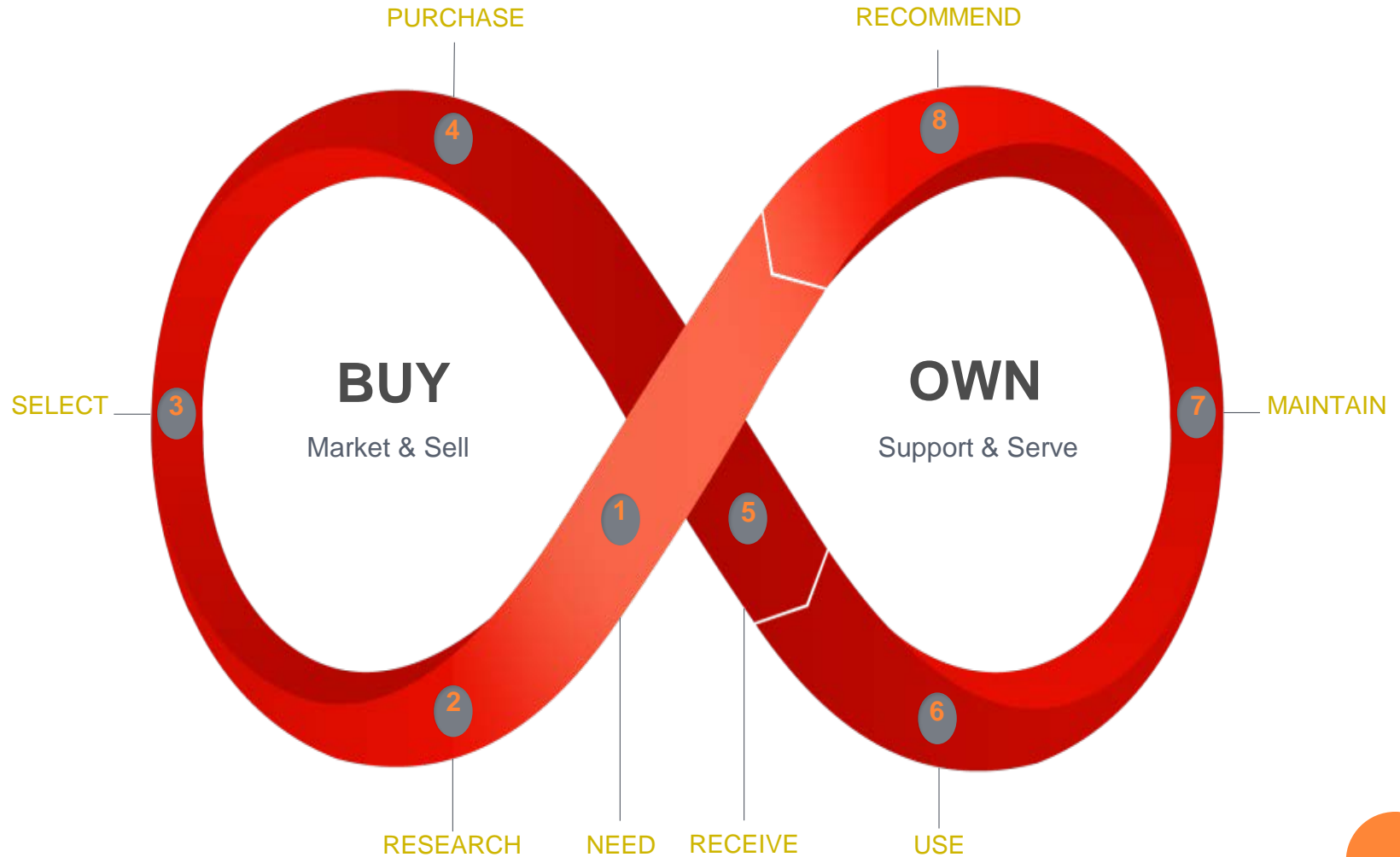
TEST

SCALE UP

ITERATE
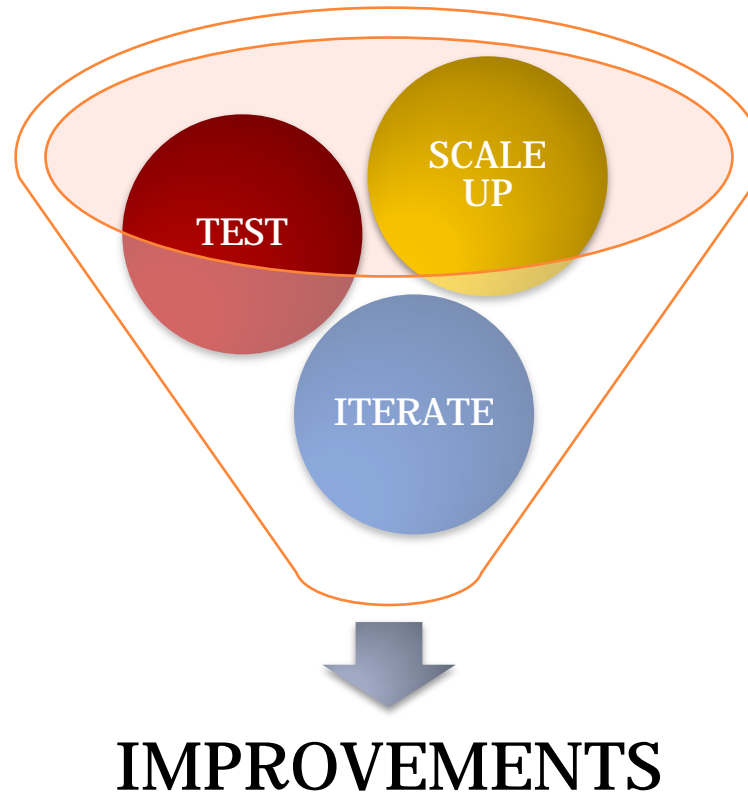
IMPROVEMENTS
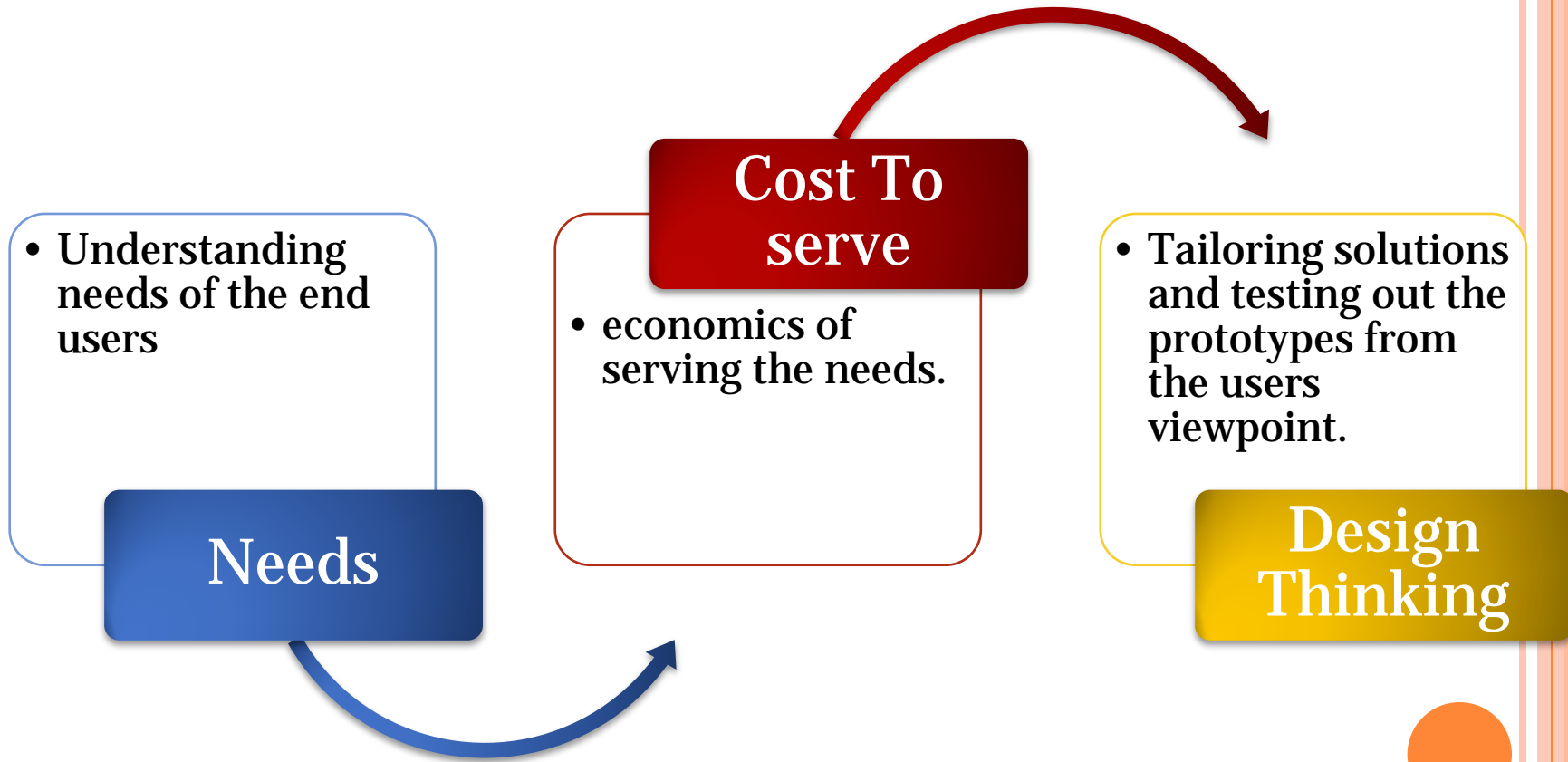
CUSTOMER CENTRIC IMPROVEMENTS

Enable "pipeline" of small and well-focused initiatives delivering ongoing improvements to customer touch points and delivery channels.

THE CUSTOMER LIFECYCLE

PURCHASE

RECOMMEND

4

8

SELECT ——— 3

BUY

Market & Sell

1

5

OWN

Support & Serve

7 ——— MAINTAIN

2

6

RESEARCH   NEED   RECEIVE   USE

DRIVERS

Needs
- Understanding needs of the end users

Cost To serve
- economics of serving the needs.

Design Thinking
- Tailoring solutions and testing out the prototypes from the users viewpoint.

INNOVATION FUNNEL TO SOLUTIONS MINDSET

Exhibit 2
Solutions Advance the Customer Value Proposition

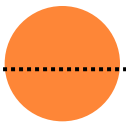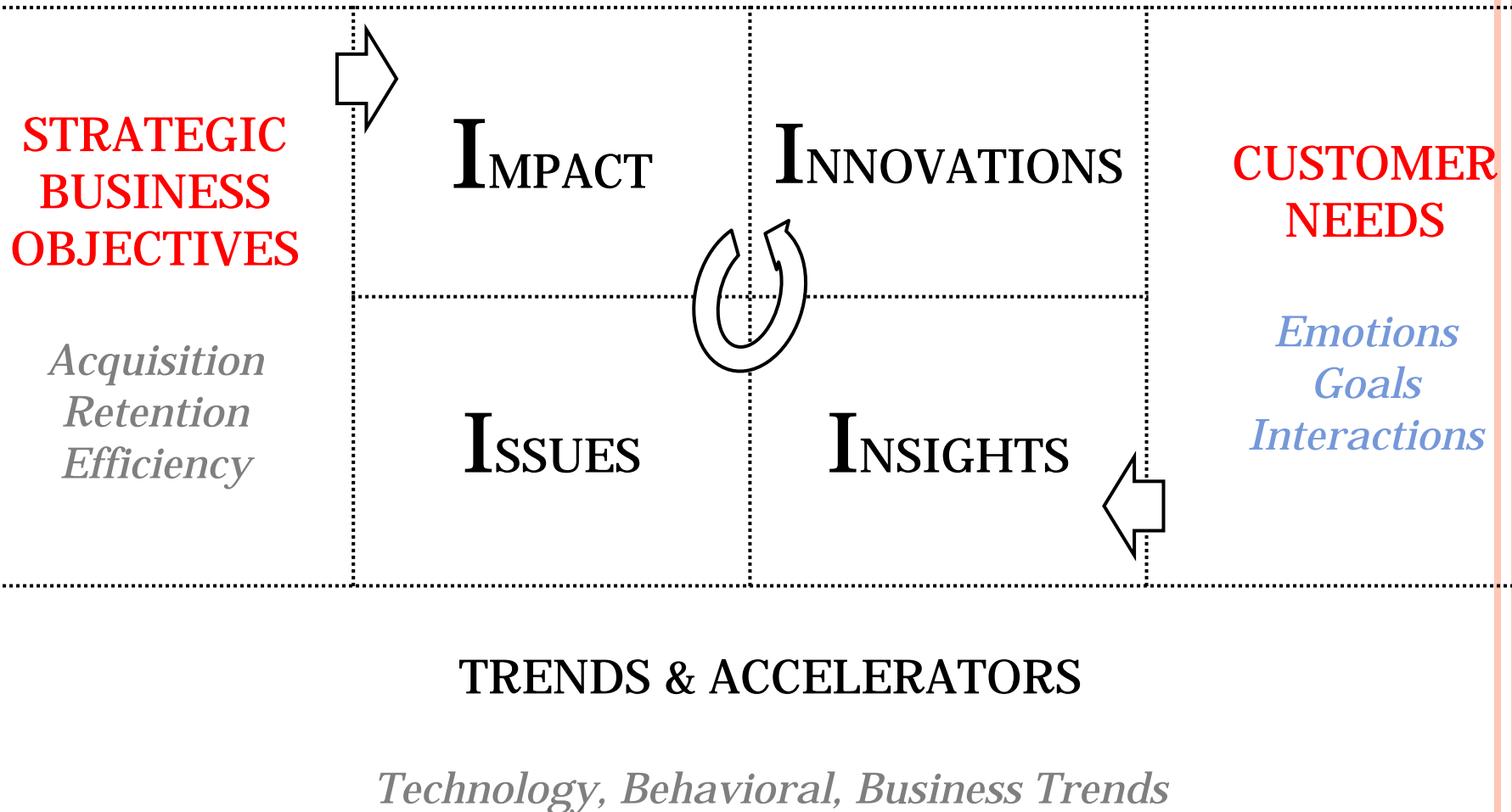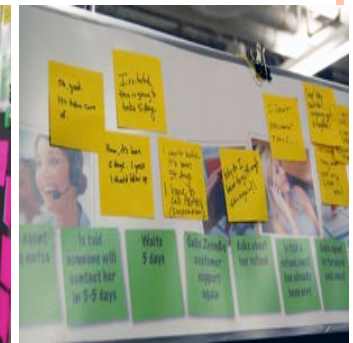| Industry	Traditional Product =	Traditional Value Proposition		+ Value-Added Services =	Customer-Centric Value Proposition
Truck Manufacturing	• Trucks	"We sell and service trucks"		• Financing • Service	"We can help you reduce your life-cycle transportation costs"
Aerospace Components	• Aerospace fasteners	"We sell high-performance fasteners"		• Application/Design support	"We can reduce your operational costs"
Utilities	• Electricity	"We provide electricity reliability"		• Energy asset maintenance	"We can help you reduce your total energy costs"
Chemicals	• Lubricants	"We sell a wide range of lubricants"		• Usage and application design • Lubricant analysis	"We can increase your machine performance and up-time"
Pharmaceuticals	• Drugs	"We sell pharmaceuticals"		• Product support • Outcomes-driven information database	"We can help you better manage your patient base"

Source: Booz Allen Hamilton

[1] Booz Allen Hamilton, "Smart Customization: Profitable Growth Through Tailored Business Streams," November, 2003.

5. Map The connections & LINKAGES between your goals and program initiatives

APPROACH

STRATEGIC BUSINESS OBJECTIVES

Acquisition Retention Efficiency

IMPACT

INNOVATIONS

ISSUES

INSIGHTS

CUSTOMER NEEDS

Emotions Goals Interactions

TRENDS & ACCELERATORS

Technology, Behavioral, Business Trends

Customer journey mapping

University New England Student Lifecycle

20 Cross-Functional Participants Applying the Approach

Select a specific customer to map

SOFIA

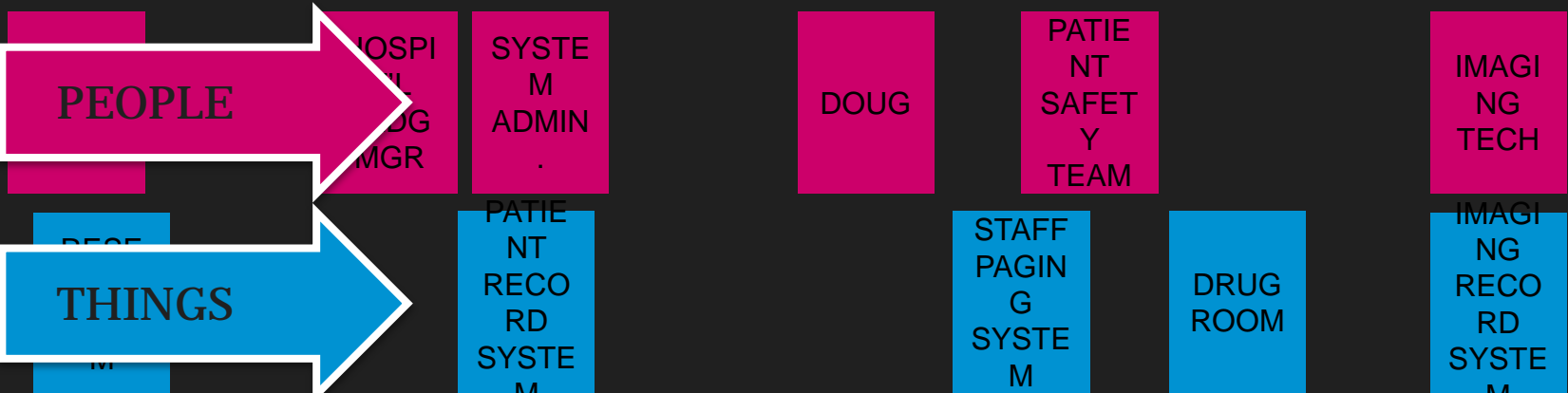**ATTITUDES** | WISH I ... | SICK? | ... | I'M REALLY NERVOUS | THAT LOOKS SCARY! | WILL IT HURT ME?! | MOM CAN'T HELP? | NO! NO! PLEASE NO!

ACTIONS | GOES TO | DID ... | DOCTOR | ... | CHECKS IN | WALKS TO MRI ROOM | SEES MRI MACHINE | CRIES & RESISTS | ... | SEES DOCTOR ENTER | GETS A SHOT | GOES THROUGH MRI

ON STAGE

PEOPLE | TAKE ... | CHECKIN NURSE | IMAGING TECH | MOM | DOCTOR / ANESTH. | IMAGING TECH

THINGS | TAKE ... | DESK & COMPUT. | CHART | MRI MACHINE | SHOT & DRUGS | MRI MACHINE

BACK STAGE

PEOPLE | HOSPITAL ... MGR | SYSTEM ADMIN. | DOUG | PATIENT SAFETY TEAM | IMAGING TECH

THINGS | REGE ... M | PATIENT RECORD SYSTEM | STAFF PAGING SYSTEM | DRUG ROOM | IMAGING RECORD SYSTEM

SOFIA

AM I REALLY SICK?

WISH I WAS AT SCHOOL

I'M REALLY NERVOUS

THAT LOOKS SCARY!

WILL IT HURT ME?!

MOM CAN'T HELP?

NO! NO! PLEASE NO!

GOES TO INITIAL DOCTOR

...

RIDES TO HOSPIT'L

...

CHECKS IN

WALKS TO MRI ROOM

SEES MRI MACHINE

CRIES & RESISTS

...

SEES DOCTOR ENTER

GETS A SHOT

GOES THROUGH MRI

DOCTOR

MOM

CHECKIN NURSE

IMAGING TECH

MOM

IMAGING TIME +

STAFF 2X

COST OF DRUGS

SIDE EFFECT COSTS

TH.

IMAGING TECH

TAKE-HOME PACKET

CAR

DESK & COMPUT.

CHART

MRI MACHINE

SHOT & DRUGS

MRI MACHINE

TECH. WRITER

HOSPIT'L BLDG

SYSTEM ADMIN

DOUG

PATIENT SAFETY TEAM

IMAGING TECH

RV. SYSTEM

PATIE RECORD SYSTEM

STAFF PAGING SYSTEM

DRUG ROOM

IMAGING RECORD SYSTEM

EVALUATE & PRIORITIZE
Identify the moments that matter

SOFIA

AM I REALLY SICK?

WISH I WAS AT SCHOOL

I'M REALLY NERVOUS

THAT LOOKS SCARY!

MOM CAN'T HELP?

NO! NO! PLEASE NO!

WHY?

WHY?

WHY?

GOES TO INITIAL DOCTOR

...

RIDES TO HOSPIT'L

...

CHECKS IN

WAI... ...ROO...

...NE

CRIES & RESISTS

...

SEES DOCTOR ENTER

GETS A SHOT

GOES THROUGH MRI

DOCTOR

MOM

CHECKIN NURSE

IMAGING TECH

MOM

DOCTOR ANESTH.

IMAGING TECH

TAKE-HOME PACKET

CAR

DESK & COMPUT.

CHART

MRI MACHINE

SHOT & DRUGS

MRI MACHINE

TECH. WRITE...

HOSPIT'L BLDG...

SYSTEM ADMIN

DOUG

PATIENT SAFETY TEAM

IMAGING TECH

PATIE... RECORD SYSTE...

...RV. SYSTEM

STAFF PAGING SYSTEM

DRUG ROOM

IMAGING RECORD SYSTE...

UNDERSTAND & EMPATHIZE

Ask why, create empathy maps

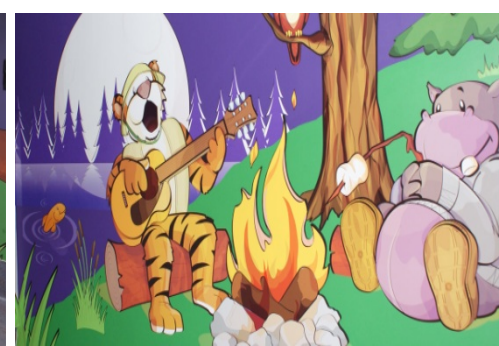REFRAME THE PROBLEM

Use a deep understanding of needs

REDESIGN EXPERIENCES
Influence attitudes to change behaviors

MAP THE CONNECTIONS

Interlinkages of KPI

- Organizations need simpler KPIs that cut across organizational boundaries. Targets, objectives and role mandates of people will have to change; cooperation mechanisms will have to be fostered

EXHIBIT 5.6 | Smart Rules to Enhance Cooperation, Leadership, Engagement

Improve knowledge of others
- Their work, strengths
- Management to recognize performance

Expand the shadow of the future
- Adjust duration
- Increase frequency
- Promote inversion

Reinforce integrators
- Remove rules
- Remove dimensions in the matrix, delayering
- Refuse escalation

Enlarge the domain of reciprocity
- Set rich objectives
- Cut resources
- Eliminate internal monopolies

Increase total quantity of power
- To give all actors enough cards to play a more collective game
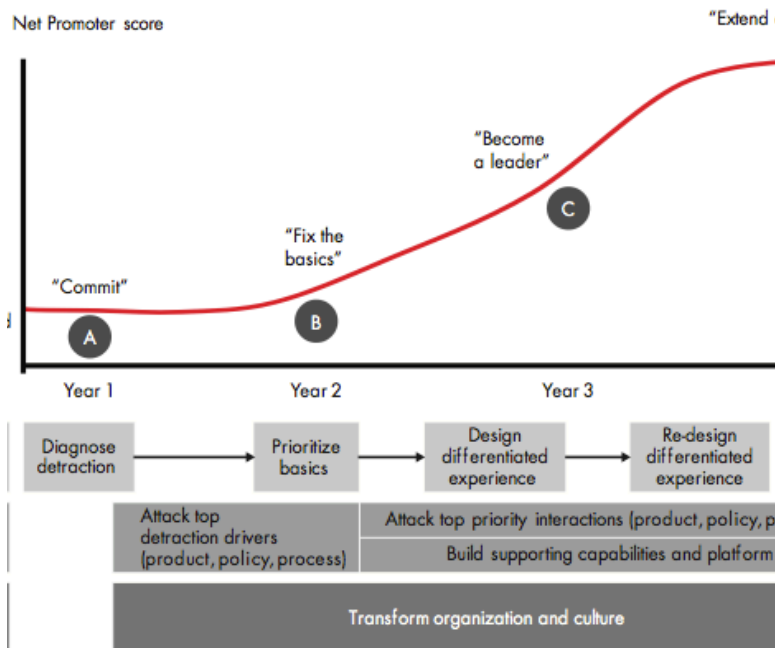
Modify the pay-off matrix
- Make those who don't cooperate bear the cost

Source: Y. Morieux (2011), 'Smart Rules: Six Ways to Get People to Solve Problems Without You', Harvard Business Review, volume 89, n°9, September: pp78–86.

MAP THE CONNECTIONS

Design, Deliver & DNA	Viewpoints

approach to customer experience transformation builds leadership

- Develop a wide angled view of each customer's evolving life-cycle needs
- View the entire value chain ;
- Analysis and decisions concerning other factors like offers, sales incentives, pricing and service delivery

Measurements & periodic review

PERIODIC REVIEW MECHANISM

○ **Measurements**

So HOW should I be measuring ?

- Review mechanism
- Simplicity of Metrics
- Special Function dedicated to Customer centricity
- Reward & Recognition

DRIVERS OF INTERNAL METRICS'

- Organisation structure
- Mindset /Professional acumen of people
- Technological capabilities
- Effective Communication

In conventional process language -

Measurement / Material /Machine/Management/Method/Manpower

OR

Strategy/Structure/Systems/Shared values/Skills/style/staff

DRIVERS OF EXTERNAL METRICS'

Efficiency = TAT

o Expectations

Customer Intimacy = Customization

Amount of effort(Physical + Psychological)

o Key process Evaluation dimensions - RATER

Let's begin