



7 Key Steps for Customer Experience Leaders to Gain Senior Management Buy-In



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MARKET REPORT



About the Author



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Ingrid is a serial Customer Experience Officer (CXO). As one of the first CXOs, she has been on the leading edge of customer experience for over 20 years. She has worked with numerous Fortune 500 companies across Financial Services, Healthcare, Packaged Goods and Retail, helping them to create differentiating customer experience strategies and cultures.

After years of doing the job, Ingrid founded **Chief Customer** and now spends her time helping companies turn Customer Experience theory into practice – making their customer experience strategies real, from CSRs to the C-Suite. Lindberg was the Chief Experience Officer at Cigna and at Prime Therapeutics and has held roles with American Express, Ceridian, State Street, First Data, Pillsbury and Pier One, always working to enhance experiences for employees and customers.

Ingrid is a widely recognized international public speaker and is heavily quoted by top publications including the Wall Street Journal, New York Times, Atlanta Constitution Journal and Kiplingers.

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Introduction

It seems so simple. There is a huge customer need and you have a solution. Getting money to fix it should be easy, right? Unfortunately, that fairy tale world isn't the one that most customer experience practitioners live in. Most of us are fighting for dollars against everything, from data security needs to foundational operational requirements to whatever product is being deemed as new, innovative and a 'must' to fund.

I keep hearing the statement that "customer experience is the new battleground!" or that "CEOs believe that customer experience is their only differentiator!", yet I also continue to hear customer experience practitioners struggle to find funding. The challenges appear pretty daunting.

When we analyse the global spend patterns, we learn that 92 per cent of practitioners spend less than 1m USD a year on customer experience solutions¹. Considering the fact that the vast majority of customer experience practitioners still sit within a function in the organisation, instead of as a stand-alone entity, those dollars seem to be even scarcer. For instance, the same research sees 22 per cent of CX professionals sitting within marketing.

When you look at the average marketing spend, according to CMO Survey², most firms have a marketing budget of between 7-9 per cent of their revenue. When asked to break that down into where that spend is going, the functions listed are primarily digital and more traditional

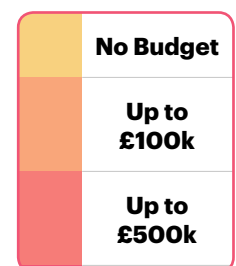
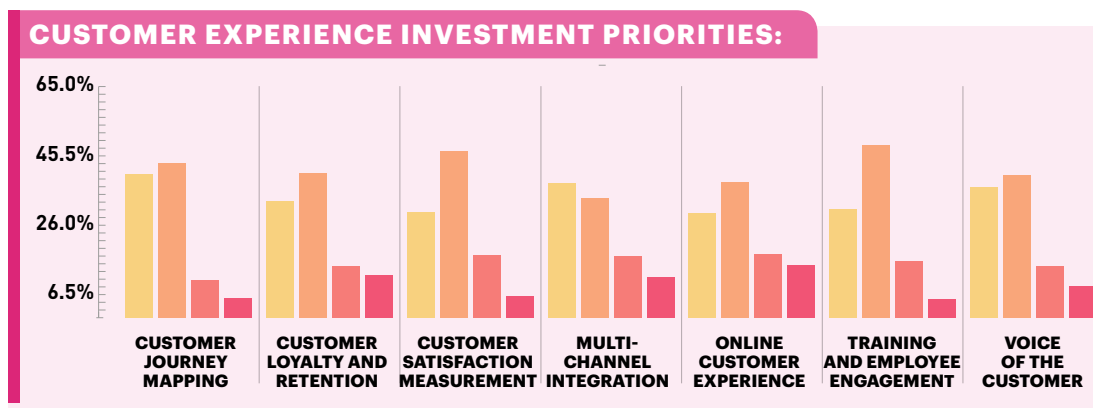
marketing. Customer experience isn't even listed. If not reporting into marketing, many customer experience professionals are reporting into customer service, operations, IT and even into digital marketing.

Of the 20 per cent of practitioners who say that they report into a named customer experience function, only 5 per cent of are sitting at the executive table. Without that seat on the executive team, the other 95 per cent of practitioners are beholden to a game of telephone up the chain in order to actually make the prioritisation table and receive funding. No wonder we hear from so many people that they have challenges getting money.

Customer Experience Funding Patterns

I define customer experience as the 'sum of all interactions a person has with your company throughout their life'. The customer experience is so much more than digital, marketing or service. It is every single moment a person has with your company. Every time they hear about your brand they're having a customer experience. The placement of customer experience in these organisations is indicative that most companies don't understand the impact customer experience can have if done right.

If we back up a bit and look at the funding requests we're seeing, the majority of them are really foundational.



¹ <http://www.cxnetwork.com/cx-experience/white-papers/the-global-state-of-customer-experience-2016>

² https://cmosurvey.org/wp-content/uploads/sites/11/2016/02/The_CMO_Survey-Highlights_and_Insights-Feb-2016.pdf



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Most of the work that people are still trying to get funding for is geared towards laying the groundwork for larger scale initiatives in the future. The challenge with groundwork is that it isn't always as sexy, or as understandable as some of the competing priorities. When a CEO is thinking that customer experience is the only thing that will differentiate them, asking for journey mapping money often doesn't illicit a favourable funding response. Learning how to listen and learning how to measure are both incredibly important,

but they so often do not rise to the top of funding prioritisation activities.

I advise teams to find larger, more impactful projects that can rise to the top of the funding requests and then use existing divisional funding to do more of the baseline work like journey mapping. As your customer experience programme gets more mature and builds credibility, you can always revisit some of the more baseline funding needs. For example, every Voice of Customer (VOC) programme I've ever built has started with manually imputing data into excel spreadsheets. Once we were gaining traction and credibility in the organisation (and people were begging our VOC team for more data), that was the moment I started asking for funding in order to automate our VOC programme using technology.

After 20+ years of being in organisations asking for money to do customer experience project work, I have seven tips I'd like to share that have proven to be very successful for me.





7 Tips to Help You Be More Successful in Your Customer Experience Funding Requests

1 Start With Understanding Where the Company Needs to Go

Define a Future State Architecture Map. The Future State Architecture Map is a tool I've been using for well over 20 years. It clearly lays out a path to what you're trying to achieve as a company. The entire map is based on meeting customer needs, and if done well, it takes an enormous amount of the argument out of funding requests. If you take the time to articulate what the company needs to deliver, in order to meet both stated and unstated customer needs, it becomes the roadmap for the entire enterprise.

When companies use this tool successfully, they base all their funding decisions on the map – only building things that their customers are asking for, or things that will solve a customer need. This tool helps to stop pet projects, arguments about what one leader vs another thinks is the right customer investment. It gives an organisation grounding on where to start and what to do first, second and third.

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One of my favourite examples of this is a company I was working with that was about to spend an enormous amount of money on a digital redesign. When we did the work to complete the map, and then prioritised it based on impact to long term loyalty (which was this company's goal), we clearly

saw that the digital investment wasn't what was going to move the needle on that measurement. We were able to show the executive team what was important to their customers and redirected the funding to that project.

2 Understand the Lifetime Value of Your Customers

This is one of the most baseline (and oftentimes overlooked) steps that a customer experience team can take. So many requests for funding are based on a bit of data and a whole lot of heart. I've heard "We so clearly know that this is the right thing to do!" or "Our customers hate that we do this thing to them!", yet time after time, the solutions are underfunded or unfunded.

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The trick I've learned to overcome this is to build a Customer Lifetime Value (CLV) model. The CLV is a tool that allows you to understand exactly how and when a customer becomes profitable. Every company cares about profit. When you can correlate the projects you are trying to fund to the profit of a company, using math, not passion, people listen.

I was doing work with a firm that had a very specific occurrence that caused people to leave them. This was a business to consumer firm, and the company, although claiming to be very focused on retention, had missed the fact that one decision they were making was costing them millions. They had the belief that as long as they were receiving their monthly payments from their customers that they were making money. They didn't care as much when people left them, because many came back.



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Tell your epic story again and again. You'll create a storm that more often than not can lead to successful funding decisions.

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When we built the lifetime value model, we were able to prove that a customer didn't become profitable until 30 uninterrupted months into the relationship. What that meant was that every single time there was a service disruption and that customer left (even if they returned a few weeks later), the clock restarted. It wasn't enough to get them back because it was costing so much money to get them re-set up. The key was to keep them continuously. That information took the opinion out of the decision and made it very easy for the company to invest in fixing the issue.

3 Customer Experience Leaders Don't Need to Drive the Actual Projects

So many times I'll meet customer experience leaders who are trying to do everything. They have digital projects and product projects and marketing projects and service projects. And they're struggling to keep them all afloat and funded. A great customer experience leader is influencing others to pick up the work they should be accountable for based on the future state map. When this happens, the accountability for funding is spread out more, making success more likely.

I've never met a CEO who wants to give all of the project money to one person. It creates disruption in leadership teams. Besides, customer experience is about what everyone is delivering, not just the customer experience team. When you find people within an organisation who are as passionate about delivering a better customer experience as you are, get them on board the funding request train asap! The more, the merrier, right? There is a twofold win in this approach: 1) You'll be helping your peers look good for the boss, and 2) You're showing that you are able to influence without authority. Win/ win.

4 If You Aren't at the Table, Find Sponsors

One of the best tips I give to practitioners who don't have a seat at the table is to find a sponsor. Oftentimes, there are executive leaders who know they have a huge customer problem but may not have the data or manpower to make the business case. In those instances, a customer experience practitioner can be a powerful ally.

If you can identify the leader who has the largest gaping hole (something that is really harming your customer experience), offer to be arms and legs to build the business case and apply all of your Voice of Customer knowledge to the work.

You'll end up with an executive sponsor who is going to be looking to you for ideas in the future and you'll be solving something massive for your customers. Another win/ win.

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5 Find Ways to Tie the Customer Experience Work Into Existing Projects

At any organisation, there are always hundreds of projects in queue. Some are a part of larger portfolios, dependent on quarterly or annual planning cycles. Others are the things that just 'get done' throughout the organisation every day. Both of these represent opportunities for customer experience to influence and get their foot in the door.

Even small amounts of funding can have really big impacts. For example, if your company is going through a large scale data security project, work with the team to ensure that you're adding in the customer experience requirements and that the



work is being designed in such a way that it is easy for the customer to understand what's happening and what they need to do.

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Another way to ensure that you're impacting things in flight is to put together a set of guiding principles for the organisation. The 'rules' of how your company should interact with your customers. These can be as far stretching as "we'll never charge an overdraft fee" to "we'll never ask a customer to take more than three steps".

Whatever they are, insert those into the portfolio and product processes. Even if your master project didn't get funded, you'll help to ensure what was funded and being built is actually helping your customers!

6 Tell an Epic Story

Storytelling is one of the best ways to capture someone's attention, and to garner support. One of the things I've learned is that sometimes, the best business case with the best set of numbers may not get you across the finish line. Sometimes, you need a really epic story.

There are tons of ways that you can bring an epic story to life. You can do customer on the street chats, where you capture live video of your customers talking to your executives about why they need this thing you're trying to get funded. You can pull on heartstrings and share stories of where you've failed a customer as a company because you haven't built this thing yet.

Whatever channel or story you choose to use, make sure you get to everyone on the executive committee. Tell your epic story again and again. You'll create a storm that more often than not can lead to successful funding decisions.

7 Help the CEO Understand the Impact

One of the best tips I can share with you after having had Customer Experience Officer (CXO) jobs at many companies in many industries, is that CEOs are a really impatient sort. When you can, help your CEO understand how long it will take after something is built or deployed to impact your customer experience scores, it can help to create more of a sense of urgency to start now.

Many projects take years to complete, and then based on how many times in a year you actually interact with your customers, you can calculate how long it will be before you see positive impact. When you can clearly set expectations, it will only help you to get money sooner, and it may even help to give you a little more leeway on the "when will we see results???" question that you're sure to get.

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The other common trait that CEOs share is that they are all pretty competitive. I've found that showing a CEO what your #1 and #2 competitors are doing and how your project will vault you ahead of them, is one of the best approaches to getting funding fast.



The Challenges at Different Stages of the Customer Experience Journey

In all of my years of being a CXO, there are five steps that each transformation follows:

1 The Prove phase

Where you're proving to the organisation that investing in customer experience is important.

2 The Evangelise phase

Where you're out asking the entire organisation to help you make a change.

3 The Pressure phase

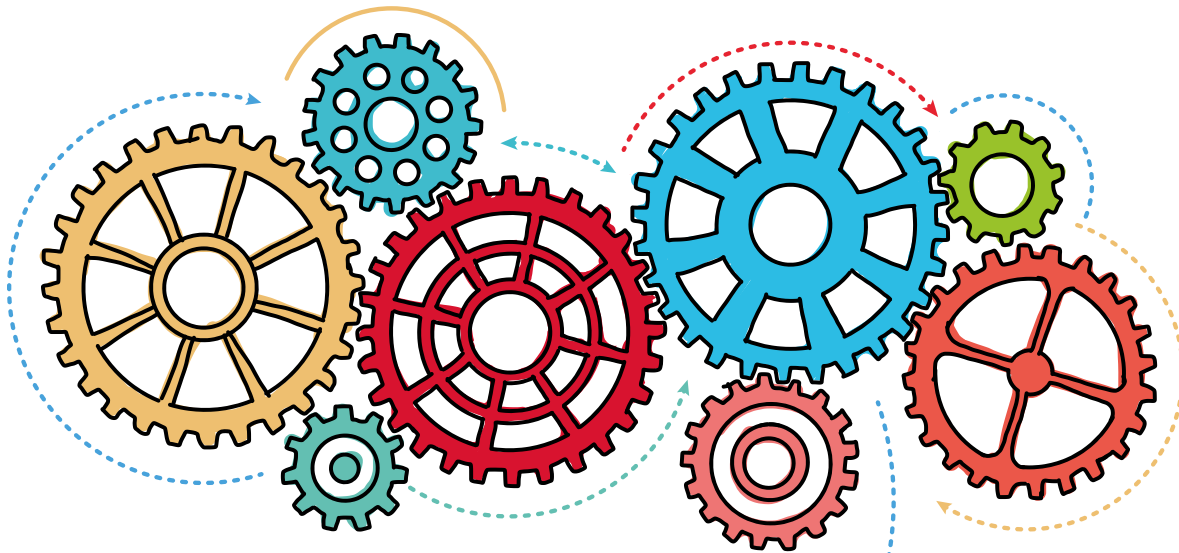
This is the one where the organisation is looking to you for your big impacts – even if you haven't received big funding.

4 Shape Strategy

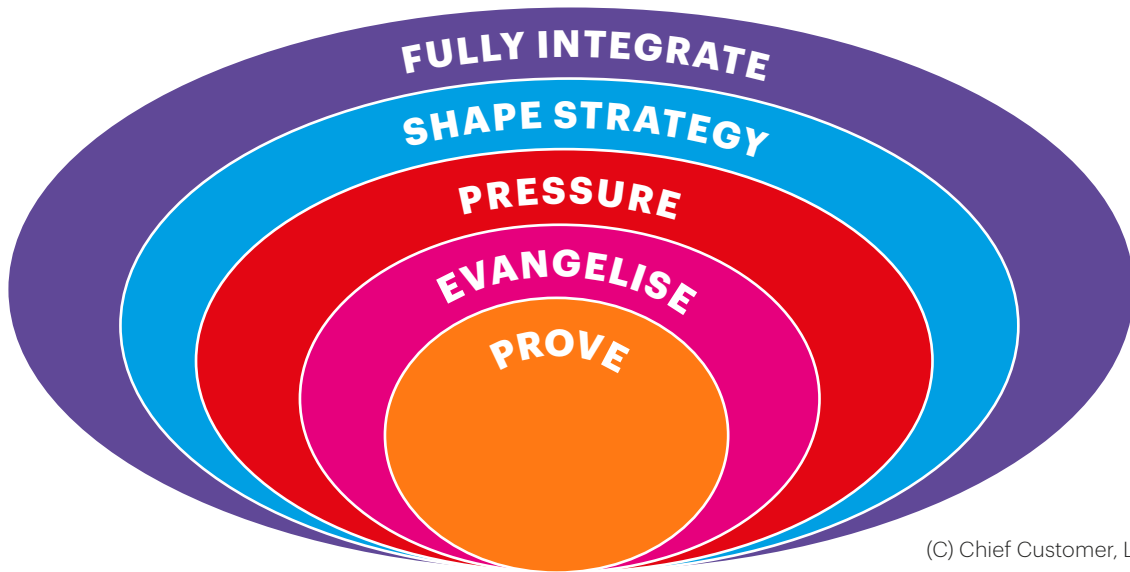
This is when you have really shown that customer experience can have impact and is an important part of what the company is doing.

5 Fully Integrate

This is the stage where, if you've set the stages of the transformation up well, you almost aren't needed anymore. This is where everyone in the company is looking out for the customer's best interest and is working together to fulfil unmet customer needs.



Transformation



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What I've learned is that the two stages in a customer experience journey where it is hardest to get funding are the first, Prove and the third, Pressure.

In Prove, you're new – and the function is new. Everyone is looking to you to solve the company's customer experience problems, but there are already a thousand projects in play. You have to figure out ways to get your work into the queue.

In this stage tips 1, 2 and 3 are very helpful. You need to take the time to plan and make sure you're asking for money for the right things. Don't rush into trying to start work without having your Future State Architecture Map defined. You have to take the time to do the work to understand the lifetime value of your customers so that your business cases are sound. Lastly, you don't have to take everything on yourself. Find other partners and executives who can champion the work for you.

When you hit the Pressure stage, your success is almost 100 per cent dependent on the decisions you made in the beginning. The organisation isn't sure that they should give customer experience projects more money. They're waiting for all the work you started with your first projects to wrap up and to start having impacts.

The best lesson I've learned from having gone through this stage time and time again is that this is when your friends are really going to come in handy. You've created all sorts of executive sponsors who are helping to champion this work (tips 3 and 4) – let them help ensure that customer experience work is being funded. Even if it is just pieces of their projects, it can help to drive change.

In this stage, you can also continue to really drive work using tips 5 and 6. You should have work embedded all over the place at that point in the journey.

Conclusion

If you set up your programme on a solid foundation of customer needs and data and if you used the math of customer lifetime value to build your business cases, you'll sail through the Prove stage. It may be a little bumpy at times, but you'll get through it.

And I promise, once you're through that and you've proven that the bets the company makes on customer experience have outstanding results; the funding challenges almost entirely disappear.



About CX Network

CX Network is an online resource for customer experience professionals providing value-rich content such as industry reports, customer trends, best practice, latest industry news, interviews with CX leaders and so much more! Our focus on the content that matters to customer experience leaders most, allows us to cut through the white noise that surrounds this ever-changing subject, and makes us the primary resource for CX executives to turn to.

By joining our network you will receive expert commentary, reports, and resources developed by and for experiences customer experience professionals and industry insiders. With a growing membership and global portfolio of events, CX Network ensures you keep your finger on the pulse by delivering practical and strategic advice to help you achieve your business goals.



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