Forsta

The operational leader's guide to HX

Build systems and break silos

Contents

What if there was a secret sauce to increasing revenue, reducing costs and improving both customer and employee experience?

By operationalizing customer experience, you can create a customer centric approach across your entire organization for remarkable results. You'll experience more growth, higher retention, increased revenue, and improved profitability. It's time to unlock your organization's full potential as an Ops leader.

I.
Executive summary

II.
Introduction

1.
Operational challenges and targets

1.1 Challenge one: Increase revenue and grow new revenue channels

1.2 Challenge two: Reduce operational costs and improve operational efficiencies

1.3 Challenge three: Improve customer and employee experiences

2.
The solution: Operationalizing CX

2.1 Step 1: Collaborate and innovate

2.2 Step 2: Design for results

2.3 Step 3: Transform for the long haul

The problem

Operations leaders need to:

1. Increase revenue and grow new revenue channels.
2. Reduce operational costs and boost profitability.
3. Improve customer and employee experience.

The results

You'll find that great customer experience means:

1. More growth
2. More retention
3. More revenue
4. More profit

The solution

By operationalizing CX with these three steps:

Collaborate and innovate: Business outcomes rest on your customers, so understanding and optimizing the entire customer journey across the business is paramount. Listen to everything your customers and your employees are saying, and work with other stakeholders who can help create positive change.

Design for results: Start with a customer centric approach, effective personalization and use all the data you have – to solve root causes and deliver broader business objectives.

Transform for the long haul: Empower your employees to accelerate change and improve the customer experience, and your business' bottom line.

This is Human Experience.

As an operations leader, you've got a great deal of responsibility on your shoulders. You're the one expected to keep the ship sailing smoothly, navigate its course, and ensure every single cog is perfectly in sync. It can therefore be difficult to give your time and energy to strategies that don't have an obvious ROI.

What is customer experience?

Simply, customer experience (CX) is the overall perception that customers have towards your brand based on the cumulative effect of all the interactions (positive or negative) they've had with you. But it's crucial to include your employee experience (EX) as well. Your staff members are a vital part of that exceptional customer experience all brands want to deliver.

The future of CX is human experience (HX)

CX + EX = HX

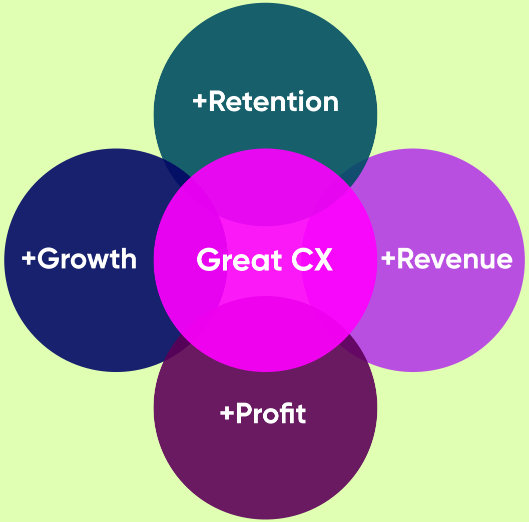
Customer experience (CX) is one of those areas. Historically the victim of cost-cutting exercises, CX often falls by the wayside in favour of more visibly valuable and profitable initiatives. At Forsta, we see this happening when organizations focus too narrowly on the lead metric – Net Promoter Score (NPS). This can incentivize manipulation and 'gaming' to get the desired numbers, rather than promoting the behavior that results in positive business impact.

But when you reduce your focus on CX to save money and free up resources, you're doing yourself – and your business – a monumental disservice.

There are, unquestionably, some common issues that arise if you don't know how to leverage CX to its full advantage. Without the right guidance, CX often:

- **Fails to deliver value**
- **Fails to deliver change**
- **Fails to deliver learnings**
- **Fails to engage people from across the organization**

When you have a streamlined, customer-driven system of agile improvements, you can expect substantial returns.



When you know how to get the best out of it, CX pays – and it pays big. Both B2B and B2C brands that use innovative CX strategies are three times as likely to significantly outperform financial goals.[1]

Customer experience is ultimately a demonstration of how well you're delivering on your brand promise. If your operational activities don't support great CX, but your brand is making bold claims about how much you value your customers, you're creating an experience gap. That's the discrepancy between what your brand is promising, and what it's delivering. And when you fail to deliver? Your customers, quite simply, go elsewhere.

When you deliver a great customer experience, you create opportunities for more: ***more growth, more retention, more revenue, and eventually more profit***. Because CX is about boosting revenues AND cutting costs, you need to understand how CX initiatives link to your business objectives.

Inside, you'll find a tailored guide to making CX work for you, as an ops leader.

Read on to:

- reveal the hidden and not so hidden benefits of CX
- see how CX initiatives directly link to your goals as an ops leader
- get guidance into how to collaborate with experience leaders

1.1 Challenge one: Increase revenue and grow new revenue channels

1.2 Challenge two: Reduce operational costs and improve operational efficiencies

1.3 Challenge three: Improve customer and employee experiences

1

Operational challenges and targets

As the cost-of-living crisis spreads across the globe and we continue to feel pandemic after-effects, every organization is under pressure to tighten their belts, increase revenue, reduce expenditure, and achieve better results. And ops leaders are the ones bearing the brunt.

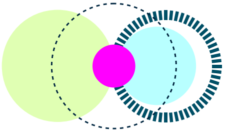
A great many ops leaders are being tasked with reducing costs by 15-20%, while also being asked to improve performance across the board in support of their P&L. But how do you know where your focus should lie?

For many ops executives, CX is far from front of mind – but by bringing together direct and indirect feedback from customer and employee sentiment, companies can gain the sort of insights that allow them to lead amongst their competitors. **You can increase revenue, grow new revenue channels, reduce operational costs and improve operational efficiencies and productivity.**

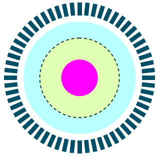
To reap the rewards of an operationalized CX program, you'll need to collect and combine multiple data types, for a holistic view across your organization of where you can make the most impact.

You'll need to gather data; both direct and indirect feedback, operatioanlal data, behavioral data and any other relevant data points. Then bring it all together to analyze it, visualize it for your stakeholders and crucially, ACT on the insights to drive impactful change.

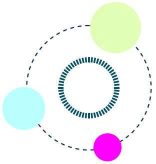
For more detail on how to gather the data you need, check out our eBook Gather: From feedback to feelings



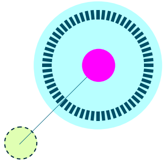
GATHER



ANALYZE



VISUALIZE



ACT

Today's turbulent marketplace means improving sales performance and increasing customer retention are the most pressing challenges. To meet that challenge, you need a consistent brand promise, a brand experience that matches your company values, and a holistic approach to the overall customer experience.

That means a consistent customer engagement or sales effectiveness model that your frontline can execute every single day, in every customer interaction. Your employees look to you to effectively coach to improve the delivery of your customer experience.

For example, greeting every single customer, asking questions to understand their needs, recommending products, or inviting the customer to join their loyalty program. In effect, a standardized approach that every frontline employee is comfortable taking.

Sales effectiveness doesn't just mean closing as many deals as possible – but ensuring that each interaction with a customer is at a minimum, satisfactory.

The three must-haves to improve sales performance and increase customer retention:

- A consistent brand promise
- A values-based brand experience that matches customer values
- A holistic customer experience strategy

And guessing only takes you so far. You need to use data to identify root causes and implement in-line remedies. Let's illustrate this by looking at three of your main challenges as an ops leader:

1. Increasing revenue and growing new revenue channels
2. Reducing operational costs and improving operational efficiencies
3. Improving customer and employee experience and loyalty

Challenge one:

Increase revenue channels

The most common challenges around revenue generation are:

- Limited product or service offerings that don't meet customer needs.
- Poor sales execution, leading to inconsistent results and sub-par performance.
- Low topline growth or declining market share.
- Reduction in customer retention rate.
- Difficulties in cross-selling and upselling due to low understanding and adoption of products and services.

Your holistic view

Unstructured data
Free form responses
Social media
Reviews and ratings

+

Structured data
Survey responses
Employee engagement feedback
Transactional data

+

Operational data
Financial metrics
Behavioral data

– Engage every customer
– Activate every challenge
– Optimize every experience
– Embrace new revenue channels

The benefits of activating all your data:

☑ You get a holistic view of customer touchpoints, preferences, behaviors and needs.

☑ It's easy to identify upsell and cross-sell opportunities and prioritize investments

☑ You can replicate high-performance behaviors and bridge the gap with lower-performing teams

Your employees are empowered to make real time decisions to improve experiences and sales

Creating memorable experiences for customers requires a cultural shift. By providing your frontline employees with the information they need to excel, your organization can execute on the goals required for success.

Key takeaways

1. Use real-time data for on-the-ball decision making, which can help identify all possible cross sell, upsell opportunitites.
2. Know your customers so that you can prioritize investments and initiatives to drive revenue and growth.
3. Empower your employees to excel, so that customer experience becomes a growth lever, at every stage.

Challenge two:

Reduce operational costs and improve operational efficiencies

The most common challenges for ops leaders when it comes to reducing operational costs and improving operational efficiencies include:

- The need to reduce costs by 10-20% while also improving performance.
- Increased labor costs.
- Unforeseen expenses.
- Rising customer and market expectations.
- Missed opportunities for innovation and growth.
- Increased customer acquisition costs and higher cost to serve.
- Continuous employee layoff cycles and/or voluntary employee turnover.
- Changes intended to drive efficiency failing to lead to the expected cost reduction.
- Disconnected initiatives and conflicting KPIs across multiple silos in an organization.
- Inability to identify and address systemic issues that impact the entire organization.
- Outdated systems and technology debt slowing down the pace of change and innovation in the organization.
- High employee turnover and workplace frustration, owing to repetitive issues and hampered internal processes.
- Inefficient employee onboarding and training processes, leading to longer ramp-up times and lower productivity.
- Poor visibility into operational performance and bottlenecks, making it difficult to prioritize improvement efforts.
- Missed opportunities for product and process innovation when data is not routed to the relevant action owners.
- Limited visibility into local operations.

Having a unified view of customer effort and sentiment in a single platform allows you to understand correlations between data – helping you to engage every customer, optimize every experience, and support every colleague in delivering the sort of CX that impacts operations, financials, and customer loyalty.

For example, combining structured data such as survey metrics, with unstructured data from call transcripts, social reviews etc., and layering these with operational data from your CR, ERP, HRIS and POS systems will allow you to pinpoint what moves the needle on customer experiences.

Utilizing real-time data insights like this enables you to prioritize high value improvements to resolve inefficient processes – leading to reduced operational costs, improved employee productivity, and both greater insights and more informed actions across your entire organization. You're also likely to see improved communication and a far greater operational efficiency.

Virgin Money saw this kind of improvement with its transformational CX program. This organization-wide initiative targeted closing the inner loop and empowered everyone to improve the customer journey – employee engagement rose by a staggering 81%, while customers responded with a 13-point increase in NPS.

While Ireland-based broadband provider Eircom saved US$2 million in operating costs by combining and consolidating activities and teams, and also added over US$600k in revenue growth.

Not to mention the US$21 million in annualized growth experienced by global health insurer BUPA after shrinking churn by 10% by using data to anticipate obstacles to renewal for its customers.

Key takeaways

1. There are challenges in every area of an organization: from systems, processes, product, and culture.
2. But a laser focus on high value improvements will ensure positive impact on operations, financial objective, and customer lifetime value.
3. Results are both financial and cultural; positive change leads to high-performing culture.

Challenge three:

Improve customer and employee experiences and loyalty

When it comes to improving the customer and employee experience and increasing loyalty, ops leaders are often faced with these common challenges:

- Decline in customer satisfaction and NPS.
- Lack of personalization and frustrated customers.
- Change friction and employee attrition.
- Silent customer attrition and poor brand perception.
- Disjointed, inconsistent customer and employee experiences.
- Employee dissatisfaction, leading to negative customer experiences.
- Insights and data not operationalized across the entire organization.
- Inability to make data-driven decisions and take timely action to improve experiences.
- Lack of insight into where to allocate spend to increase personalization that drives loyalty.
- Inefficient processes, leading to slow response times and missed deadlines, causing delays and dissatisfied customers.
- Decline in customer lifetime value.
- Customers (and/or employees) experiencing fragmented support – requiring engagement through multiple channels to solve a single problem.

Implementing data-driven decision making

1. Look for patterns in the data and ask why they are there
2. Tie every decision back to data, and if its missing, try to find it
3. Visualize to gain insights from data - ask what is the story this data is telling me?
4. Think critically and consider different interpretations
5. Test hypotheses by reviewing previous data and predicting trends

A holistic view of your brand and organization can help you to boost satisfaction and retention for both customers and employees. People require a seamless and personalized experience across all channels; as an ops leader, you need to know where to prioritize improvements and remediation for CX and employee experience (EX) – and having the right data is key.

Yesterday's methods for gathering both direct and indirect customer and employee feedback – or not gathering them at all – are causing companies to lose market share and risk extinction. Utilizing both unstructured and structured data from direct and indirect feedback on how your customers and employees view you is essential for creating loyalty, and for safeguarding your future.

Key takeaways

1. There are many challenges facing ops leaders today but all boil down into a lack of insight and action
2. Tap multiple data sources so that you don't drop the ball when it comes to easy wins
3. This holistic view wil help you deliver exceptional experiences for your customers and employees.

2.1 Step 1: Collaborate and innovate
2.2 Step 2: Design for results
2.3 Step 3: Transform for the long haul

2

The solution: Operationalizing CX

You want to deliver on your operational targets, but you're never going to get there if your customers – or your employees – are unhappy and disengaged. **A great ops executive leads the charge in going above and beyond what their customers expect** – delivering a consistent experience across all channels and at every touchpoint.

For many ops leaders, that's not the case. Instead, low topline growth and a shrinking customer retention rate are the results of a product offering that misses the mark, a sales organization with subpar performance, and shallow customer understanding.

But a transformational CX strategy will increase revenue and grow new revenue channels, as well as reducing operational costs while improving operational efficiencies and productivity.

For example, empowered frontline employees will deliver great experience and effective cross/up selling, while customer feedback reveals new revenue channels. Plus having a unified – that is, holistic – view shows you the correlations between data, so you can **engage every customer, optimize every experience, and activate every colleague.**

Data is essential for this holistic view to get a handle on how your customers currently feel about your brand, and for understanding what's making them feel that way. In other words, operational journeys and processes.

But there's a catch: not all data is created equal. Many companies get trapped in a never-ending loop of over analysis, known as analysis paralysis. Grappling with fragmented insights that make it challenging to assemble a holistic view of each individual.

With the right data, from the right platform, you can make informed decisions about what needs to change, and in what order of priority. It's not just about being data rich – **you must be action-oriented if you're going to make an impact.**

For example, you're an ops leader at a national retail chain. With a holistic view, your regional managers can plan and execute impactful store visits based on what their P&L numbers are telling them about each store location. Not to mention seeing local competitive intelligence to add a further dimension to your financial analysis of each location beyond obvious regional differences.

Or you could easily pinpoint best practices used by your top sales performers and replicate that by upskilling underperforming team members. You can see what engages employees and retains top talent that delivers by tracking engagement metrics at critical milestones.

Effective change requires three key things:

- **Execute at pace**
- **Prioritize low change friction,**
- **Fail fast where necessary.**

With these in place, you can track benefits and results against your KPIs in each category.

Key takeaways

1. Consistency is king. When you continually exceed expectations, you'll see exponential value for your organization's bottom line.
2. By identifying the current state and understanding how to modify it to produce the desired response, you'll set yourself up for impactful change.
3. Not all data is equal: make sure you're using the right data, in the right way, that gives you that holistic view on what actions you need to take. That's how real change happens.

CX is a whole company initiative – which means it's necessary to bring in stakeholders from all over the business. You need to involve your operational team in CX initiatives, and representatives from HR, sales, marketing, customer services, digital, IT, ecommerce – you name it. Because every single part of the business has a part to play in improving both the customer, and employee, experience.

This is true omnichannel.
All roads lead to operations – which delivers hundreds of great experiences across the entire customer journey.

Once you know what you're dealing with from a cross-company perspective, it's time to empower your team to really influence and drive operational change that has tangible and positive financial impact. You need to collaborate with experience leaders and enlist their help to understand the why behind the what.
As an ops leader, you might know if sales are down, your market share is dwindling, or attrition is rising – but it's your experience leaders who will be able to help you understand what's at the root of it all.

Operationalizing the CX system for insights, improvement, and performance management will ultimately result in making experience the customer strategy.

Step 1:

Collaborate and innovate

When you’re focused on boosting profits and cutting costs, it can be easy to dismiss CX as a nice-to-have, rather than an essential business strategy. However, the cost of not focusing on CX should be enough to convince you that CX is far more must-have than maybe.

Your P&L rests on business outcomes, and your business outcomes rest on your customers. It might sound simplistic, but pleasing your customers, engaging your employees, and providing consistent experiences for them both is how you meet your objectives.

By understanding the Human Experience you can push your business forward.

Closing the experience gap

When customers or employees encounter an experience gap (the unintended friction that comes when your brand promise fails to fully translate into every touchpoint on the customer or employee journey), they’re going to think less of you; buy less from you; give less to you. Your bottom line is going to suffer, and your place amongst your competitors is going to drop.

The experience gap is found in the micro-moments, and understanding how to close that gap requires listening. The voice of customer (VoC) is going to be one of the most influential tools in your operational arsenal – if you know how to wield it effectively. You need to start listening to all the conversations that are going on around your brand – from mutterings on social media and whisperings between employees, to black-and-white survey responses and direct complaints or feedback.

Increasing profit and reducing loss - quickly

Your P&L acceleration depends on how fast you can close that gap – incorporating both short-term wins and long-term transformation. With the right technology to gather and interpret data from multiple sources (to get that holistic view), you'll be able to understand the actions your organization needs to take to grow profits, meet KPIs, and even make cost efficiencies.

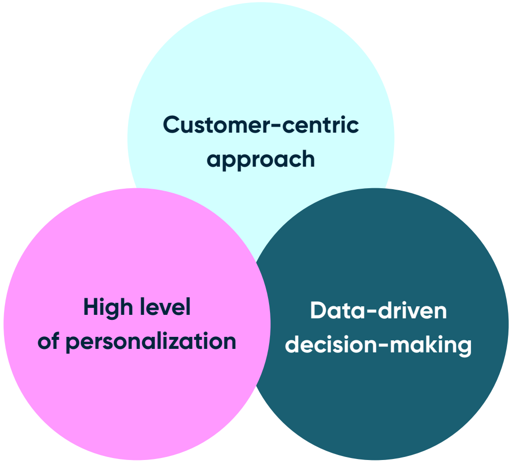
Part of your role as an ops leader is to seek out innovation and inspire action – collaborating with other stakeholders who are well placed to enact change. Without that level of collaboration, you're likely to hit blind spots, and lessen the impact of any initiative.

Key takeaways

1. CX is an essential business strategy that can put your organization ahead of competition.
2. Experience gaps- where brand promises aren't present at each customer or employee touchpoint - hurt your bottom line and your reputation.
3. Closing that gap with innovative experience programs and effective transformations will result in more profit and lower costs.

Step 2:
Design for results

A focus on CX can help you to both identify and deliver short-term wins that align with your operational objectives. With a complete channel engagement strategy – one that allows you to reach customers at any stage of their journey, regardless of channel – you can deliver a consistent, holistic experience that's free of friction and rich with value.


Customer-centric approach
High level of personalization
Data-driven decision-making

The success trifecta

For a truly successful omnichannel engagement strategy, you need a customer-centric approach, high levels of personalization, and data-driven decision-making. THIS is how you deliver on the objectives that are so critical to business operations – because CX and ops are more closely aligned than you might ever have considered.

Aligning CX initiatives with ops objectives to get results

If you're tasked with increasing revenue growth (ops objective), you need to focus on increasing customer acquisition and cross-sell/up-sell opportunities (CX initiative); if you're asked to reduce costs (ops objective), understanding and predicting customer behavior will help you to improve efficiency and product delivery (CX initiative); if you need to strengthen customer retention (ops objective), it comes down to improving customer service, personalizing customer experiences, and driving customer loyalty (CX initiative).

How to do it, step by step

At Forsta, we use a simple framework to plan out a level of execution that delivers lasting change through organizational engagement.

We're going to share a completed framework from a retail perspective, but this can apply to any industry. Just work through each of the initiatives to fill out the framework.

The first step is to define your 'North Star' – which is your reason for doing this. In the retail example below, the guiding goal is to increase online cart conversion by 1% – but your North Star could be anything from growing your share of the market, to increasing Customer Lifetime Value (CLV). It'll be up to you to set the metrics of your success but be clear on these from the outset.

Next, you need to define both your customer and your business needs and agree ownership and responsibilities. If your goal is to improve last-mile deliverability, look at your buy online/pick up in store options. Or increase average ticket size with effective product recommendations. Or reduce your new hire turnover by understanding and improving onboarding and training experiences in the first 90 days.

Strategic initiatives	How do we measure success? (KPIs)	What information do we need?	What are the info touchpoints?	Who are the stakeholders?	What actions will each team take?
Increase online cart conversion by 1%	– Cart conversion % – Cart abandon % – Abandon cart revenue	– How was the digital experience for purchasers? – Why did customers abandon their cart? – What is the size of revenue left in the cart? – Why are customers contacting the call center?	– Post cart completion digital intercept – Cart abandon behavioral intercept	– Digital eCommerce manager – Digital cart product team – Call center leaders	eCommerce leader to prioritize actions that move the needle by understanding what, why and size

Once you've decided on your strategic initiatives, defined your customer and business needs, and agreed ownership and responsibilities, it's time to implement effective change management tactics.

Key Takeaways

1. A complete channel engagement strategy can help you deliver short and long-term wins.
2. You need a customer-centric approach, authentic personalization and data-driven decision making to deliver change that has an impact.
3. Every ops objective can be supported by a CX initiative; so, pick the ones that suit your organizational strategy.

Step 3:

Transform for the long-haul

As well as a decided focus on the customer experience, investing in your employees will prove critical to the success of any CX initiative.

Without engaged employees, no CX strategy is ever going to get off the ground or return results. Your people are the ones who make it all happen, so if they're not on board, your message is never going to translate. Employees need to be adequately skilled to deliver the sort of experience that will really set your brand apart from its competitors. With a focus on their part in this journey and their place in the company, you can start to connect your employees with the transformation journey.

Empowered employees are your secret to success

To really address any barriers to exemplary service, you need to start **listening to feedback** from your employees and **pulling in operational data** for a clearer picture of what's really going on. Effective talent management – from onboarding and training, to coaching and upskilling – can dramatically improve the level of service that your customers are going to receive, no matter which team you're dealing with.

If you really want to make a long-term, lasting transformation, you can only make it happen with the **right people on your side, and the right insights** to support that delivery.

Key takeaways

1. Employees are your most important part of this approach.
2. Listen to employee feedback and combine with operational data to understand what's happening on the frontline.
3. Empower your employees to deliver the excellent experiences at each customer touchpoint.

Today, operations leaders like you stand as maestros of efficiency – you navigate the complex maze of data, processes, and harmonize teams to orchestrate success.

But you need to work smart, not just hard.

You're being asked to:

1. Increase revenue and grow new revenue channels
2. Reduce operational costs and improve operational efficiencies
3. Improve customer and employee experiences and loyalty

By understanding and leveraging CX to its full potential, you can create value and drive change. We know the experience gap can loom large. But operations leaders are perfectly positioned to bridge it.

Best-in-class CX strategies - based on real time insights that create an environment of constant improvement – support your business objectives. And result in more revenue, lower costs, and an improved customer experience that drives loyalty.

Ops leaders who execute changes swiftly, minimize friction and embrace a fail-fast mindset will put their organizations in pole position to win.

Happy operationalizing!

CX can be a complicated business, but it doesn't have to be. With Forsta's technology on your side, the whole process becomes surprisingly effortless – making your life easier, and your company more successful.

Through our specialist software, we can help you to hone in on the areas that are letting you down, prioritise which actions are going to have the most meaningful impact, and hit those all-important KPIs. We'll also make it easy to understand the employee voice, and the voice of your customers.

By tracking and interpreting data, we'll empower you to bring about real change – increasing revenue by identifying new upsell and cross-sell opportunities, improving customer lifetime value by delivering the experiences today's consumers expect to see, and speeding up the sales cycle by removing friction and pain points.

Our software also makes it easy to gather and understand employee and operational data – leading to increased employee retention and productivity, greater innovation and transparency in the workplace, decreased operational costs (by reducing the likelihood of complaints), and better business decisions informed by more accurate forecasting and planning.

As the people who can give you the why behind the what, we'll identify the small actions that you can take today for a more profitable tomorrow.

Ready to find out more?

Forsta

Growing Smarter Together

Forsta is the world's leading provider of Experience & Research Technology, working together with our clients to help them discover, understand, and share human-centered insights packed with real action potential.

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