



Research Insights

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From customer experience to enterprise experience

Six leading practices
to activate your
CX North Star

IBM Institute for
Business Value



Talking points

Great customer experiences (CX) come from great enterprise experiences.

An organization's ideal CX—its CX North Star—can become a reality when everyone across the enterprise has adopted a customer-centric mindset. From executives to employees to ecosystem partners, they all must be empowered with the technologies, tools, data insights, and processes they need.

A CX North Star is more than a vision—it's a guide for doing business.

Even if employees understand how their brand vision shapes their organization's ideal CX, this doesn't mean they are empowered to apply this vision to their day-to-day activities. This lack of authority can be especially problematic for employees who serve customers, directly or indirectly.

Empathy is the key to unlocking customer-centricity.

An organization can become authentically more customer-centric when it shifts to a corporate culture that prioritizes the needs of its customers and employees as much as its business objectives.

The digital experience is the human experience

In today's digital age, that hard line between our analog lives and our digital lives has blurred. Consider how we connect with colleagues, friends, and family. How we access information and entertainment. How we shop. How we do our jobs. As a recent *Ad Age* article puts it, "The digital experience not only informs our human experience, it is inseparable from it."¹

This means that a company going through its own digital transformation faces intense pressure to get its customer experience (CX) right. Meeting expectations for the delivery of goods and services—that's table stakes. Beyond that, today's brands need to stand for something. They need to create customer journeys that engender the affinity and trust that can lead to customer love.

Translating that aspiration into the ideal CX—an organization's "North Star"—provides the direction that can differentiate its CX from that of its competitors. This vision also serves to rally the workforce around a set of common principles and goals that help drive the organization's corporate culture.

Defining a North Star for CX is only the beginning. Activating that CX vision is something else entirely.

Francesco Lagutaine is Chief Marketing and Experience Design Officer at Manulife, a multinational insurance and financial services company headquartered in Toronto. Francesco, who is based out of Hong Kong, says Manulife's CX vision has two dimensions. "We want most interactions to be as friction-free and intuitive as possible—except for those interactions that are the key, defining moments with us. Those should be meaningful and memorable."

He describes how Manulife's design-and-build approach for CX is based on this philosophy. "It means that we need to understand which interactions we want to make almost invisible to our customers. Think of regular payments. If the money can be transferred from the customer's account to ours without inconvenience—that's the target. But for claim interactions or onboarding, those moments should create great stories that customers will tell."

Many companies see their digital transformation as an opportunity to enhance that human connection with their customers. Pulling this off requires an orchestrated

Visionaries plant their brand vision into strategies, policies, and approaches that comprise their enterprise experience:



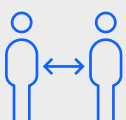
90%

of Visionaries align their brand vision to their CX strategies



81%

of Visionaries embed their brand vision into operational and employee policies



68%

of Visionaries integrate their brand vision into approaches for selecting partners and suppliers

customer-centric approach that employees throughout the enterprise can embrace, whether customer-facing or not. But it doesn't stop there. Companies are turning to their ecosystems to support their current business models and platforms—or build new ones. Partners, vendors, and suppliers increasingly are playing integral roles in the ultimate experience customers have with a brand, even if customers are unaware of the ecosystem's involvement.

Given this complexity, it's important to broaden the aperture of experience strategy to design not only the experiences of customers, but also the *enterprise experience*. The enterprise experience takes a holistic view of the organization and the many different people—from employees to partners—whose own experiences ultimately shape the company's CX.

But how do organizations communicate a North Star for CX, and is this being done effectively? To what extent is this vision integrated across the enterprise with other business strategies and priorities? What technologies do organizations employ to execute their vision? And how do companies stay focused on realizing that vision internally and across their ecosystems?

To find out, the IBM Institute for Business Value (IBV), in partnership with Oxford Economics, conducted a worldwide quantitative survey of 1,003 senior executives from multiple industries. Each of these executives is responsible for (or strongly influences) the brand vision for their organization's North Star and how it is reflected in their CX and employees' experiences (see "Study approach and demographics" on page 16).

Using classification analysis, we identified a group of organizations that are employing leading practices to help bring their CX North Star to life. Comprising a small subset of our survey sample, these Visionaries are also leaders in innovation and are winning financially.

To better understand the dynamics at play, we also conducted a series of in-depth, one-on-one qualitative interviews with other executives who are in the midst of actualizing their CX North Star across their organizations and ecosystems. We have highlighted five of these executives in this report. Their personal stories and insights about the positive approaches at their companies—along with examples from Visionaries—point to six winning practices other organizations can use to enhance their CX.

“CX needs to be a factor in all the choices we make, including our technologies and tools.”

Doug Milliken

Vice President for Digital Customer Experience and Brand Strategy
The Clorox Company

Embedding a CX focus across the enterprise

We started each interview by asking the executives to describe their companies’ vision for their ideal CX.

Doug Milliken, Vice President for Digital Customer Experience and Brand Strategy at US-based The Clorox Company, says this is tricky to answer because as a large, multibrand consumer products organization, Clorox has no single ideal CX. Instead, each brand is responsible for determining that for itself. “If you are looking for a company-wide mission statement,” he says, “it would be: Take a human-centered approach to creating integrated experiences that help people achieve their goals.”

He is quick to add, “And, I know this may sound like corporate blah blah, but importantly, this is a really different approach for us. Historically, we would have said we are a brand-centered company, but we needed to move humans to the center. When we went through a digital transformation a few years ago, the whole economy was shifting to valuing experience. You saw it first in other industries like the airlines, and we knew we had to do the same.”

His recounting of this shift reflects the findings from our IBV 2018 CEO study, where 65 percent of CEOs surveyed said the overall business landscape is moving from a product-centric focus to an experience-centric one.²

Clorox’s recognition of this evolution resulted in it putting CX at the heart of its digital transformation. The impact of this one decision has been powerful and its ripple effect far-reaching.

As Doug Milliken describes, “This meant we needed to change how we do business across our value chain. Today it means CX needs to be a factor in all the choices we make, including our technologies and tools. All of it should be oriented to enable an improved CX.”

And then he hit on the principal issue facing everyone we interviewed, as well as our survey respondents. “The big question,” he says pointedly, “is how do we then embed this approach so that all teams across our organization begin to think this way: Start first with the consumer’s point of view.”

Awareness alone won’t cut it

Doug Milliken’s appreciation for the challenge ahead echoes our survey findings. Only a third of respondents report their employees recognize their brand vision as core to their company’s DNA. Conversely, more than half say employees just “generally understand” what this vision means. That sort of tepid, shallow awareness is not nearly strong enough to prescribe how a vision should apply to the design and execution of an ideal CX, let alone motivate employees to think or behave differently. An additional 10 percent confess their employees are utterly unaware of their brand vision, and the remainder say their vision is no longer relevant (see Figure 1).

Figure 1

CX leaders have their work cut out for them—most employees don’t fully embrace how the organization’s brand vision is core to its business



Q. Select the statement that best describes the current status of your organization’s brand vision.

Visionaries reap success

Visionaries report they have performed quite well for the last three years compared to their competition. This holds true for financial performance, where 90 percent of Visionaries say they outperformed their competition in revenue growth, versus 52 percent of other companies, a delta of 38 percent. For profitability, 72 percent of Visionaries say they outperformed, compared to just 44 percent of others—a 28 percent difference.

We see a similar pattern for innovation. Eighty-five percent of Visionaries claim their organizations have been more innovative than their competitors. Just 46 percent of others report the same. And importantly, at least four out of five Visionaries (81 percent) say they have better customer satisfaction ratings than their peers. That's 28 percent more than other organizations (53 percent).

Six leading practices for the CX North Star journey

While the majority of survey respondents struggle to get their teams on board, we identified a small subset of outperformers that are further along in their journey to make their CX North Star a reality. Comprising just 14 percent of our total survey sample, the organizations we call Visionaries were selected based on three self-reported attributes distinguishing them from the other organizations in our sample.

One hundred percent of Visionaries:

- Assert their employees have embraced their brand vision as a core component of their companies' DNA (versus only 22 percent of other organizations)
- Include an explanation or visualization of their ideal CX as part of their brand vision (versus only 51 percent of other organizations)
- Maintain a governance team for their brand vision that is integrated into their organizations' overall brand governance (versus only 21 percent of other organizations).

Notably, for every single performance measure included in our survey—from financial health to customer satisfaction—far more Visionaries report outperforming their peers over the last three years than the other organizations (see sidebar, “Visionaries reap success”).

Visionaries are passionate about protecting and managing their brand vision. They are committed to manifesting that vision through their CX and making it foundational to their corporate cultures. These six leading practices are reflected in Visionaries' approaches and the successful tactics highlighted in our interviewees' stories:

1. Move from comprehension to action.

More Visionaries report their brand vision influences employees' actions across all organizational levels.

2. Align brand vision to enterprise strategies.

Visionaries are committed to ensuring their brand vision is aligned across functional strategies.

It's important to distinguish between understanding a brand vision concept and being empowered to act on it.

3. Innovate with technology as an enabler for customers and employees.

Customers are attracted to innovative companies—but only if innovation is meaningful.

4. Activate the employee experience to activate CX.

Visionaries work hard to embed their brand vision into processes and initiatives enterprisewide to help employees activate their organizations' ideal CX.

5. Bring the ecosystem into the fold.

Visionaries are very mindful of how their ecosystems contribute to the delivery of their ideal CX. While many considerations go into the decision to forge external relationships, sharing the same CX philosophy should be a priority.

6. Shift the cultural mindset by prioritizing empathy.

To adopt customer centricity across the enterprise, an organization's cultural mindset needs to shift. Instead of focusing primarily on outputs, focus too on empathy for the customer.

Leading practice #1

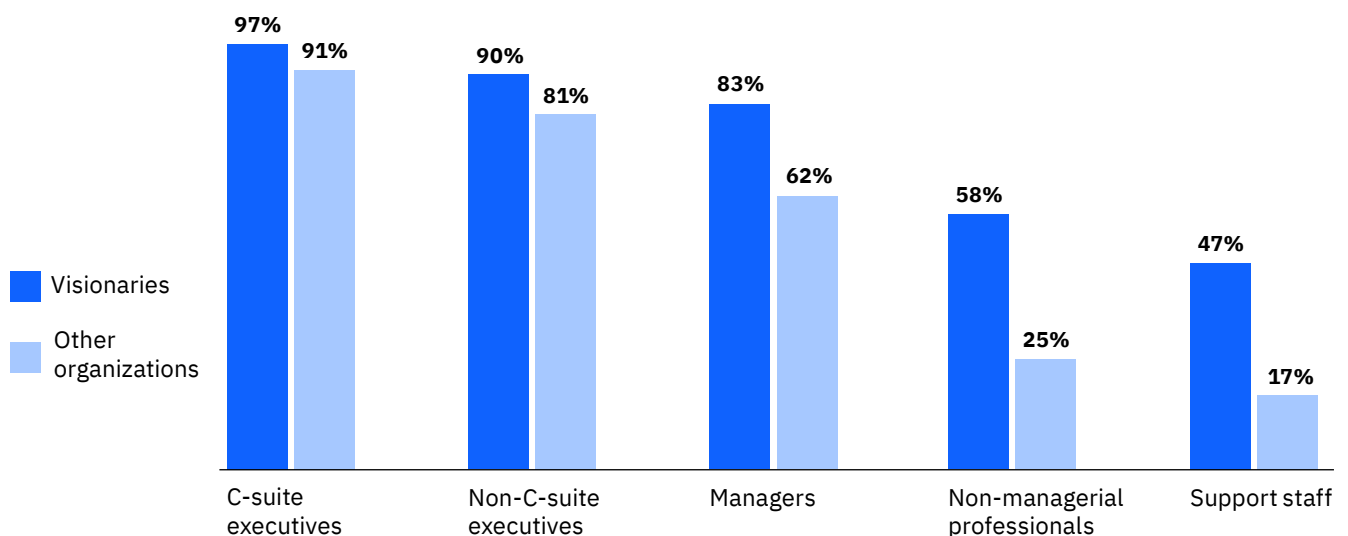
Move from comprehension to action

It's important to distinguish between understanding a concept and acting on it. We asked survey respondents to what extent their brand vision guides employee behaviors and decisions at work. For most organizations, the decline in influence below the managerial level is especially precipitous. This suggests that those with the most control have the capability and flexibility to align their actions with their brand vision.

But other employees—the ones often on the front lines with customers—do not always have the policies, processes, tools, training, insight, or frankly, the authority, to apply this vision to their day-to-day activities. While Visionaries are far more confident their people's actions are inspired by their brand vision, even they acknowledge room for improvement among the rank and file (see Figure 2).

Figure 2

An organization's brand vision has the most impact on work-related decision making and behaviors for those in executive or managerial roles



Q. To what extent do you agree that your organization's brand vision guides employees' behavior and decisions at work?

Leading practice #2

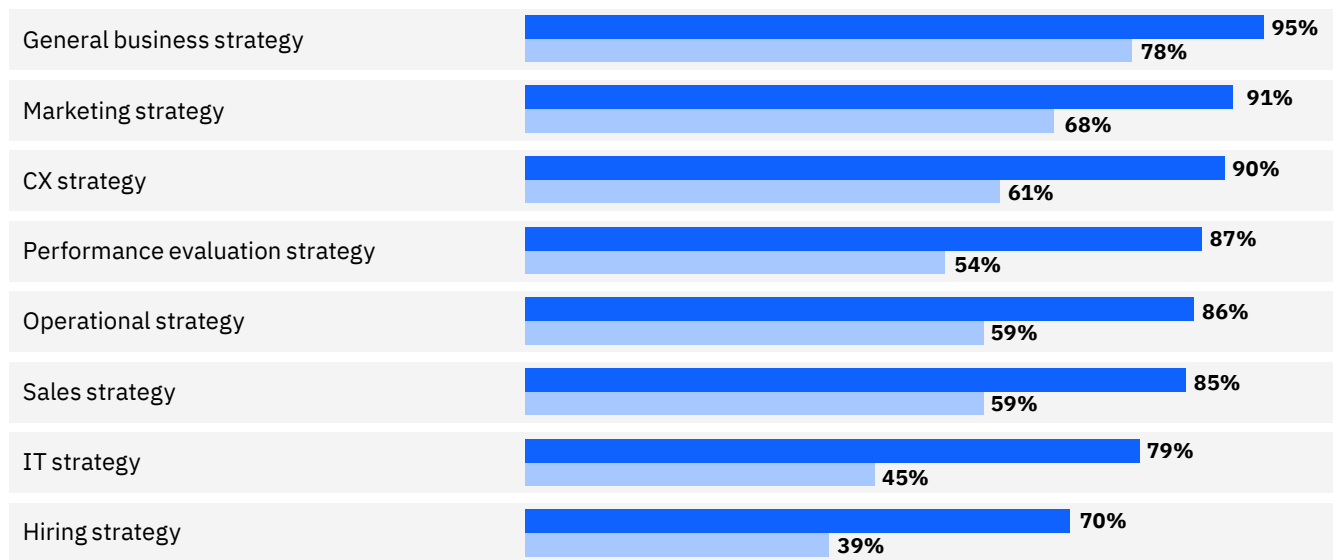
Align brand vision to enterprise strategies

If an organization's brand vision isn't aligned to the key strategies driving functions across the company, its CX North Star risks being little more than an isolated, conceptual exercise without consistent application or accountability. Alignment empowers organizations to holistically manage CX priorities, budgets, and resources with the necessary executive support and cross-functional oversight.

Far more Visionaries report their brand vision is in sync strategically—from general business strategy, to marketing, sales, and IT. Especially telling are Visionaries' efforts to align their brand vision to performance evaluations and hiring strategies (see Figure 3). Visionaries recognize the success of their CX is often based on the branded experiences customers have with their employees, whether directly or indirectly. This impacts the type of people they hire and how those people are measured.

Figure 3

Visionaries, more so than other organizations, make sure their brand vision is aligned to a variety of functional strategies across their businesses



■ Visionaries ■ Other organizations

Q. To what extent do the above strategies in your organization align with your organization's current brand vision?

More Visionaries report their brand vision is in sync strategically—from general business strategy, to marketing, sales, and IT.

Leading practice #3

Innovate with technology as an enabler for customers and employees

As we noted earlier, the vast majority of Visionaries (85 percent) report they are more innovative than their competition. That's 39 percent more than other companies claim, and it's a distinction that matters to customers.

According to a recent study by Salesforce Research, 50 percent of consumers and 66 percent of business buyers say they actively seek to buy from the more innovative companies—those that “consistently introduce new products/services based on customer needs and new technology.”³ This finding echoes an earlier IBV CX study, in which the majority of consumers say they are excited to see how companies plan to use digital technologies to enhance their experiences.⁴

Technology innovation for customers

A number of our interviewees talked about the technologies they are using to transform their current CX and their plans for continued improvement. Francesco Lagutaine says Manulife is bringing to market products designed for people who want to proactively take steps to stay healthy as a way to reduce the cost of their insurance policies. “The Internet of Things is a huge enabler,” he offers. “Increasingly, we are looking at how we operate IoT-fed devices and help customers use them.”

Doug Milliken highlights how Clorox has been experimenting with AI-driven chatbots for products such as Renew Life®, where consumers input data to find out what's the right probiotic to use, and Burt's Bees® for skincare solutions. IoT has also been on his radar.

“Makes a ton of sense,” he says. “We did an experiment using a Brita® water filter. It could automatically order a new filter on Amazon. This was a very small test, but we learned a lot. The next step is to figure out how to do this at scale.”

Technology innovation for employees

A similar approach to technology innovation is needed to empower employees to deliver their organization's ideal CX. Francesco Lagutaine points to Manulife's use of AI, predictive analytics, and deep learning in its call centers to train staff and also aid them in addressing customers' issues more effectively.

Doug Milliken describes how data and technology have helped Clorox improve its employee experiences in two key areas:

- *Insight.* “We're doing a lot to leverage social media analysis. Natural language is a big part of this. It's about building our data analytics capabilities so we can build out our knowledge.”
- *Execution.* “We use a number of technologies, including a suite of cloud-enabled, integrated marketing tools that let us create more personalized journeys for known customers. We also use website personalization engines and tools to quickly create customized videos at scale.”

“You can think of CX as a standalone thing,” he observes. “But in reality, it's the foundation that provides much of the data that drives our ability to personalize CX. My group's CX capability is only going to be as good as our digital transformation and data capability.”

As Francesco Lagutaine predicts, “The game is going to be won on data. Data analytics and data infrastructure are going to be critical.”

Leading practice #4

Activate the employee experience to activate CX

With strategic alignment and the right technologies, organizations can intentionally bake their brand vision into key processes and activities that ultimately impact the design and execution of all customer interactions. Visionaries are particularly good at doing this. They have embedded their brand vision into the elements that make up an organization’s holistic CX across the full customer value chain. Not only have they focused on the more obvious CX initiatives such as marketing campaigns—their R&D projects, employee policies, and even organizational structures reflect their brand vision as well (see Figure 4).

What many organizations appear to be missing goes far beyond internal messaging about CX. They lack the intentional design of the processes, tools, and technologies employees need to deliver the best CX

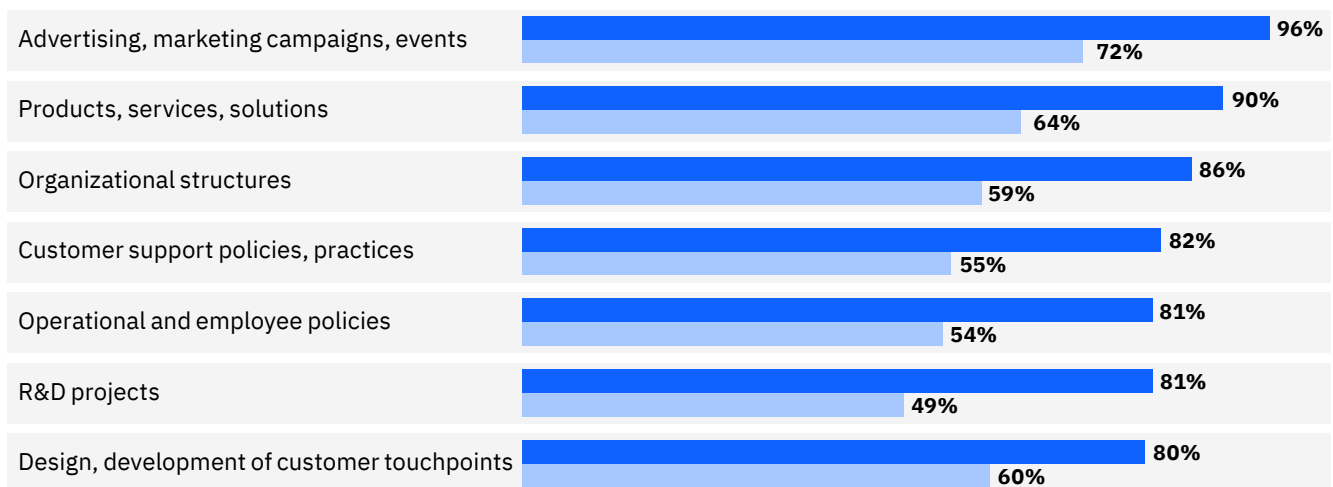
possible. These organizations are overlooking the importance of the employee experience. We asked our interviewees how their companies stay customer-centered and focused on delivering the ideal vision for their CX. Rachel Carpenter, Global Head of Insights and Design Strategy at Citi, shared some of what her company does to keep its CX front of mind, starting with the executives.

“Our quality and CX goals and metrics are set at the top level of our organization,” she describes. “The executive teams bring the customer voice and customer perspectives into meetings. Our leadership summits always have CX-related topics. Sometimes we invite customers to meet with our executives in person—which is an analog way of doing it—but it can be very effective.”

She emphasizes that executives should never lose sight of the customer’s point of view. “There is definitely an expectation that you will be curious and engage as a customer yourself so you can personally experience our CX processes.”

Figure 4

More Visionaries are committed to embedding their brand vision into the processes and activities that can help activate their ideal CX



■ Visionaries ■ Other organizations

Q. To what extent do you agree that your current brand vision is properly reflected in each of the above aspects of your organization?

Visionaries—more so than other organizations—look carefully at how their brand vision might be expressed through their ecosystems.

“We’ve really embraced design thinking,” she continues. “The workshops originally helped us train colleagues on the methodology, but now it is so much more than that. We use design thinking to unpack problems, sometimes even starting with letters or comments from customers who have left us. We take their perspective and back into solutions from there.”

Staying close to the customer is essential for the designers and developers of Citi’s customer strategies and touchpoints. As an example, Rachel Carpenter points to the teams like hers that work on mobile products.

“A core part of their job includes live testing on prototypes, social monitoring, and mining,” she says. “We go deep to find out what customers are talking about. User research is part of every sprint, and we are very focused on sharing insights so as many employees as possible can participate.”

As for the customer representatives on the front lines, she extols their ability to connect with customers. “I’ve sat with our call agents, and they amaze me with how patient, kind, and personal they are. They have quality metrics, as well as speed. Their goals—and importantly, their managers’ goals—are aligned to the type of service they need to deliver.”

Citi also makes sure noncustomer-facing employees, like those in operations, supply chain, or IT, are able to contribute to the organization’s CX success. “We host customer events and roundtables,” Rachel Carpenter says. “Employees collaborate on customer engagement. They consider potential features and vote on what is useful. They can also join our Canvas community to provide ideas and feedback. Tapping into this employee population is really valuable. Because they sit outside our design and development teams, they can offer a fresh perspective.”

In fact, Citi has extended its brand mission of enabling growth and progress internally to its employees. “We have an entire experience team focused on just the employee tech experience,” she notes. “This team does the exact

thing my CX teams do, but they do it for employees. Their solutions help reduce escalations to the service desk, improve productivity, and reduce operational costs.”

Unfortunately, many of the organizations we surveyed are not as diligent about engaging employees across functions in the effort to realize their ideal CX. More often than not, even communicating their brand vision internally is a one-way conversation conducted via email. This passive approach could be one reason why so many survey respondents say their employees don’t fully understand what their brand vision means or how to apply it.

By contrast, Citi’s example of focus and investment in employee experience empowers its people with the necessary processes and tools to provide the best CX they can. By being immersed in a corporate culture that values its CX at every level of the organization, employees aren’t just hearing about Citi’s brand vision—they’re living it.

Leading practice #5

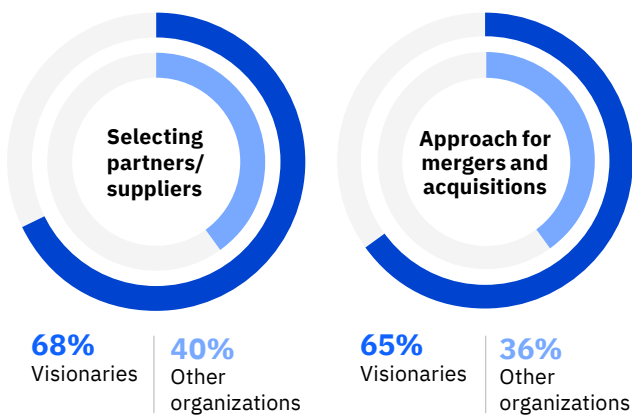
Bring the ecosystem into the fold

Given that today’s organizations often work within a complex ecosystem of external companies, they need to go beyond the internal employee experience to also consider how outside relationships contribute to their ideal CX. These external teams can play a significant role in the delivery of an organization’s CX by filling a capabilities or technology gap, augmenting skills, or working in tandem to create new offerings, business models, or platforms.

Importantly, Visionaries—more so than other organizations—look carefully at how their brand vision might be expressed through their ecosystems. Roughly two-thirds of Visionaries recognize the necessity of considering a prospect’s brand vision when determining which company they want to engage. Be it a partner, a supplier, a vendor, or even a potential merger, Visionaries seek to build relationships with those organizations that share their vision and CX philosophies (see Figure 5).

Figure 5

More Visionaries report their brand vision is reflected in their approach for selecting and working with external organizations in their ecosystems



Q. To what extent do you agree that your current brand vision is properly reflected in each of the above aspects of your organization?

To what extent is a partner’s ability to help deliver the ideal CX a prioritized component of the relationship? We posed this question to our interviewees. A number of them say they address CX head on during their due diligence phase. Once the relationship has moved past that point, the heavy lifting of alignment around CX begins. As Rachel Carpenter describes, “When we bring on a vendor-partner, we conduct immersion sessions. Since we work on common objectives, we share everything we can about customers’ behaviors and needs. We want our partners to be as smart as we are about our customers.”

Sharing customer information with partners is also important for Suyog Mody, co-founder of Drift Away Coffee, a US-based coffee subscription company. As a digital-first company, it doesn’t have the same transformation challenges as large legacy organizations.

But because it is smaller, the consistently excellent execution of its ecosystem is mission critical to its CX. Drift Away Coffee’s brand is all about a commitment to selling a premium-quality product and doing good at the

same time. It only sources beans from small farmers, who are prominently featured with each customer’s coffee shipment. This is a distinguishing design element of its CX. Because its business model is highly personalized for subscribers, Drift Away Coffee has acquired a lot of customer data and invaluable feedback via reviews and ratings, which it shares with the farmers.

“We compile a detailed report for our farmers after we have roasted their beans, shipped them to customers, and have received customer reviews,” Suyog Mody says. “This way, farmers can continually improve their product and ultimately their livelihood.” This feedback loop is one example of how a company’s CX vision is realized across its supply chain. It also helps Drift Away Coffee build strong relationships with the partners it wants to keep in its ecosystem.

For other companies, working with their ecosystems—especially around CX—means pulling partners into their organizational orbits as much as possible. Francesco Lagutaine refers to this as a “fluid network.” He says it is absolutely essential that partners share his organization’s point of view on human-centered design. And they need to work to his teams’ same rhythms.

He explains, “All our vendors, partners, suppliers, et cetera, are working to our processes, not theirs. We have to do it like this because of our iterative production mode, where we are constantly refining, bringing in the customer voice and adapting.”

This approach, he maintains, is especially important for those partners that supply capabilities such as design or DevOps. “In some cases,” he says, “we look for companies that will outsource talent to us. Other times, we understand they have to deploy a team, but they have to work together with us on our premises, to our standards, and with our processes. Why? Because one: We believe controlling the approach will help deliver the ultimate experience in a way that we can repeat it. And two: It is crucial that we learn along the way.”

He adds, “So we look for vendors that are comfortable changing the way they may work in order to align with our own learnings.”

Leading practice #6

Shift the cultural mindset by prioritizing empathy

While a willingness to change may be important for external partners, it is especially critical for employees. In fact, when trying to align their current CX to their CX North Star, our survey respondents say the top two barriers they face are:

1. The lack of a change management program, and
2. The inability of teams to work across organizational silos.

Most interviewees—particularly those from legacy organizations—agree that getting people to think, act, and feel differently is their top challenge as well. Francesco Lagutaine puts it this way: “If you don’t change the willingness to do the right thing by the customer, Agile, and human-centered design, all these things will just make what you currently do go faster. But it won’t necessarily improve the customer experience.”

He says it takes a mindset shift to tackle this challenge. “The single most important thing for an organization is to change its mindset from delivering its own outputs to empathizing with the customer. There are no processes, technologies, structures, or incentives that will deliver a successful transformation if you don’t change the underlying culture of the organization.”

How then does a company tackle a culture change? His suggestion: “Culture is created by stories. When we listen over and over, there’s comfort and reaffirmation of the values we believe in, the things we’re afraid of, and what we feel protects us. There is a tendency for organizations to say, ‘Once we’ve said it, it is done.’ But culture is built by constant reaffirmation. This is one of my key lessons learned: Never stop reminding people why we are doing what we are doing and recognizing their part in that.”

Dan Makoski is the Chief Design Officer at Lloyds Banking Group in London. He agrees that one of the biggest challenges he’s faced is shifting the employee mindset to focus on more empathy for the customer. He talks of the need to focus on CX. “It was a game changer when we stopped focusing on outputs for a given sprint,” he says. “We needed a new conversation. To think from a human point of view. Instead of outputs, think about making something that customers will love.”

“This means sometimes you don’t know what the outcome is going to be.” He acknowledges that working in the financial services industry, teams used “a predictable waterfall approach.”

He adds, “Now, our transformation to a more agile environment, with high degrees of alignment and authority, is reshaping the cultural values of our teams, as well as our executives.”

Navigating to your CX North Star

Create a culture of customer-centricity

As our interviewees attest, helping employees feel empathy for customers is the key to customer-centricity. Rather than simply asking customer-facing employees to adopt an empathetic approach, a culture shift requires *all* employees to genuinely internalize this feeling to the extent that it impacts their performance each day. Executives can promote this shift by changing how colleagues work together, modifying the way employees solve problems, and encouraging employees to proactively work toward enhancing their CX. Actions to take:

– Embrace enterprise agility.

Organizations often tout the value of transparency and collaboration. But as our findings show, their inability to work across silos continues to be a big CX barrier. CX is an enterprise affair. Not unlike an agile approach to software development, agile enterprises are all about cross-disciplinary teaming and iteration to streamline operations. It's about building trust and openness to work together toward common goals. Collaborate, create, observe, learn, and refine.

– Adopt human-centered design practices.

Design thinking is an approach that many organizations have used to develop solutions to customer challenges. But the principles of design thinking can be applied to virtually any business issue. This way of working focuses on the needs of end users, whomever they might be. It helps teams empathize with the end users' point of view. Adopting a framework for design thinking as an approach for exploration and problem-solving organizationwide can result in outstanding experiences with repeatable outcomes at scale.

– Make curiosity a cornerstone of customer-centricity.

Hand in hand with empathy should be a healthy dose of curiosity. It is this eagerness to explore new solutions to customer challenges that can propel employee empathy into action. Innovation thrives when employees feel empowered to go beyond obvious answers and feel safe experimenting with new ideas, even if there's a chance they won't work.

Enable employees with great experiences

Great CX is driven by great enterprise experiences. Modern day employee experiences (personalized, simple, and empowering) require meaningful, actionable communications from leadership; technology solutions such as cloud, AI, and IoT; and collaboration and productivity tools. Actions to take:

– Communicate authentically with relevant, tactical information.

If employees aren't getting the message about their company's ideal CX, it's because leaders haven't effectively shared this. Or communications aren't relatable to employees' day-to-day activities. Or both. Personal stories make it real. It's important that employees recognize how their specific roles contribute to their organization's CX North Star. This promotes a sense of purpose and a desire to participate in improving the company's CX.

– Prioritize digital innovation for employees.

It is unrealistic to think employees can generate their organization's CX North Star if they don't have the proper technologies. Associates need mobility solutions to address customer service on the spot. Sales teams need next-best-action dashboards with productivity and collaboration features. AI and data analytics are needed to help predict supply chain optimization and customer lifecycle strategies. Augmented reality and 5G can offer significant advances to field service, maintenance, engineering and design, training, and customer support. And hybrid multicloud platforms can give employees across the business ready access to the services and data they need.

– Help employees increase productivity and accountability.

Today's work behaviors include remote work and flexible hours. Asynchronous communications and workflow via collaboration apps are key. Provide the software platforms and design systems that employees need to improve productivity, especially for CX-related initiatives. Then, empower employees at all levels to make appropriate decisions and give them accountability for results.

Learn by doing

To sustain a culture shift toward improved customer-centricity, engage employees in the process. Instead of top-down mandates, employees excel when they understand why change is needed based on evidence and are actively involved in the reinvention effort. Actions to take:

– **Conduct a comprehensive experience audit.**

To build out an achievable CX vision, first capture a baseline of your current experience landscape. Far more than a detailed journey map, an integrated experience audit takes into account a suite of factors that make up the customer value chain. These factors include brand asset reviews, a channel review of all customer touchpoints, an analytics review, a technology audit, a voice and tone audit, an SEO audit, and a competitive assessment. Engaging teams and sharing insights from an audit of this scope can give them the perspective to help them move forward.

– **Move quickly with an immersive “garage” approach.⁵**

Legacy companies that are working to become more customer-centric may find it difficult to shift fast enough to meet customer expectations or their own internal timelines. Being able to see progress quickly, even while you are still learning, is a huge motivator for continued success. With a garage approach, an organization creates entrepreneurial teams outside its normal operations. These teams are able to unleash innovation by co-creating with talent across disciplines and applying the principles of design thinking and agile to rapidly develop minimal viable products (MVPs). This helps employees adopt new ways of working and thinking with the speed of a startup, but at the scale of an enterprise.

– **Change change management.**

One reason companies may find change management so challenging is they are still treating it as a process-driven, structured, formal method. Instead, consider focusing on data-driven insights to provide employees with the rationale and the direction for needed changes. You may find employees more receptive to a personalized rather than prescriptive approach. The more employees are engaged and feel ownership of the change, the easier it can be for them to adopt new technologies and new ways of working and thinking.

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Are you ready to activate your CX North Star?

- How can you measure if your CX North Star is driving how employees across your enterprise think and behave at work every day?
- In what ways can you engage with your ecosystem partners, vendors, and suppliers, so they fully understand your brand vision and can help you realize your CX North Star?
- What does your organization need to change to become more customer-centric?

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Study approach and demographics

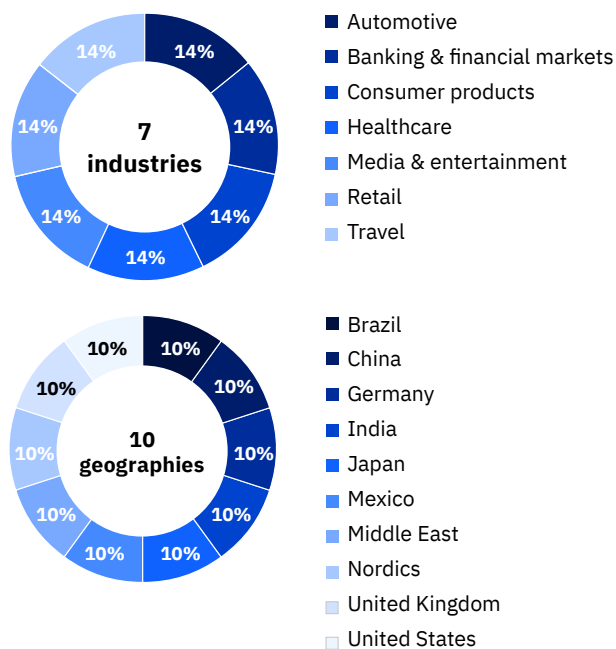
In cooperation with Oxford Economics, the IBV surveyed 1,003 executives who are responsible for—or significantly influence—the execution of their organizations’ brand vision for CX. Examples of respondents’ titles include: Chief Executive Officer, Chief Marketing Officer, Chief Operations Officer, Chief Innovation Officer, Chief Human Resources Officer, as well as other senior executives in the areas of digital transformation, CX, marketing, business development, and sales.

The seven industries represented include automotive, banking and financial markets, consumer products, healthcare, media and entertainment, retail, and travel. They each comprise 14 percent of our total sample. Ten geographies are included in the sample. They include eight countries: Brazil, China, Germany, India, Japan, Mexico, the United Kingdom, and the United States—plus the Nordics (Denmark, Norway, Sweden) and the Middle East (Egypt, Saudi Arabia, UAE) regions. Each area comprises 10 percent of our total sample.

Our goal was to explore the extent to which organizations were effectively applying their brand vision to the execution of their ideal CX. Importantly, we looked at how their brand vision was aligned to functional strategies, and the impact their vision was having on employee behavior across the enterprise. Our intention was to uncover leading practices championed by those organizations that go to great lengths to place their brand vision and delivery of their ideal CX at the center of their businesses.

We applied classification analysis, which resulted in the segmentation of the survey sample into two groups. We then performed multiple discriminant analysis to better understand the key components that differentiated these groups. The leaders, or Visionaries, make up 14 percent; all other companies surveyed comprise the second group (86 percent). All data is self-reported.

In addition to our quantitative survey, we conducted a separate series of in-depth one-on-one qualitative interviews with executives from banking, insurance, and consumer products. None of the interviewees participated in the quantitative survey.



Related reports

Seabrook, Billy, and Carolyn Heller Baird. “AI reality check for customer experience: Why CX practitioners and executives see it differently.” IBM Institute for Business Value. September 2018. <http://ibm.biz/aicxreality>

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