Turning the Tide to
TRANSFORM THE ORGANIZATION

BY LISA LOFTIS

"There is a tide in the affairs of men, which, taken at the flood leads on to fortune. Omitted, all the voyage of their life is bound in shallows and in miseries. On such a full sea are we now afloat. And we must take the current when it serves or lose our ventures."

—William Shakespeare, *Julius Caesar*

Shakespeare penned these famous words to urge Cassius to war in *Julius Caesar*, but they have a remarkable applicability to the customer experience (CX) leaders of today. These C-level executives are increasingly being asked to extend their influence, to break down silos, and to drive strategy—in effect to turn the tide within their organizations.

"War" may be too strong a term for the task at hand; however, there is little doubt that a significant change is taking place and the CX leader is at the helm. With customer experience continually touted as the primary competitive differentiator today, there is no question that CX leaders must get it right—and yet very few marketers believe their organizations can deliver hyper-personalized experiences across all channels and customer touchpoints. Companies are clearly getting it wrong.

Why is it so hard? The proliferation and sophistication of digital devices, Big Data technology platforms, and increasingly savvy customers accustomed to getting their way have combined to create the perfect storm: customers demanding excellence confronting fragmented companies struggling to provide it.

The modern CX leader has responsibility over the entire spectrum of activities attendant in developing and nurturing customer relationships. These include the traditional activities of campaign generation and sales enablement, as well as all other processes, technologies, tools, and talent that support the customer experience. Unfortunately, CX leaders rarely have authority over everything that touches a customer. A recent *Harvard Business Review* Pulse Survey, "Real-Time Analytics: The Key to Unlocking Customer Insights & Driving

the Customer Experience," found that acting on analytically driven customer insights is a significant barrier to achieving customer-centricity. Unsurprisingly, structural issues, as well as technical ones, posed the biggest challenges, with some of the challenges highlighted being:

- Siloed data and poor data quality
- Legacy systems and incomplete or misaligned technology
- Organizational silos
- Legacy business processes
- Multichannel complexities

While CX at its simplest is the ability to influence, monitor, and improve every interaction a customer has with your company, turning the tide to transform an organization to customer-centricity is much more than that. To understand what really needs to be done, consider this definition of customer relationship management (CRM). This is an oldie but goodie, coined in 2001, during the infancy of the digital evolution: "The alignment of business strategy, organization structure and culture, and customer information and technology so that all customer interactions can be conducted to the long-term satisfaction of the customer and to the benefit and profit of the organization" (*Building the Customer-Centric Enterprise*, Wiley, 2001).

What is the most critical word in this definition? It is the single word that is missing from just about every popular CX definition: alignment.

ALIGNMENT: THE HARMONIC CONVERGENCE FOR CX LEADERS

The harmonic convergence was an Aztec prophecy indicating that when the planets aligned, humans would enter a period where we could experience peace and environmental harmony. If a CX leader were making this prophecy today, the objects of alignment would be business units and technologies rather than planets, and the peace and harmony would be cultural. Unfortunately, alignment is not just absent from the CX definition; it is also missing for many CX leaders confronting organizational and technical silos, cultural resistance to change, and conflicting strategies and business objectives.

A great example of the importance of alignment is a high-end retailer readying for an onslaught of new competitors in a market it had traditionally dominated. The CMO was tasked with renewing the company's focus on cultivating strong customer relationships. Investigation revealed the need to unify sales practices across stores, improve the customer information collected and recorded by sales associates, and adopt a comprehensive communications policy to optimize customer contacts. Unfortunately, the business units affected by these activities were both diverse and resistant.

Coordinating in-store treatment required the cooperation of store operations. Changing the customer attributes collected and recorded involved not only the stores but also
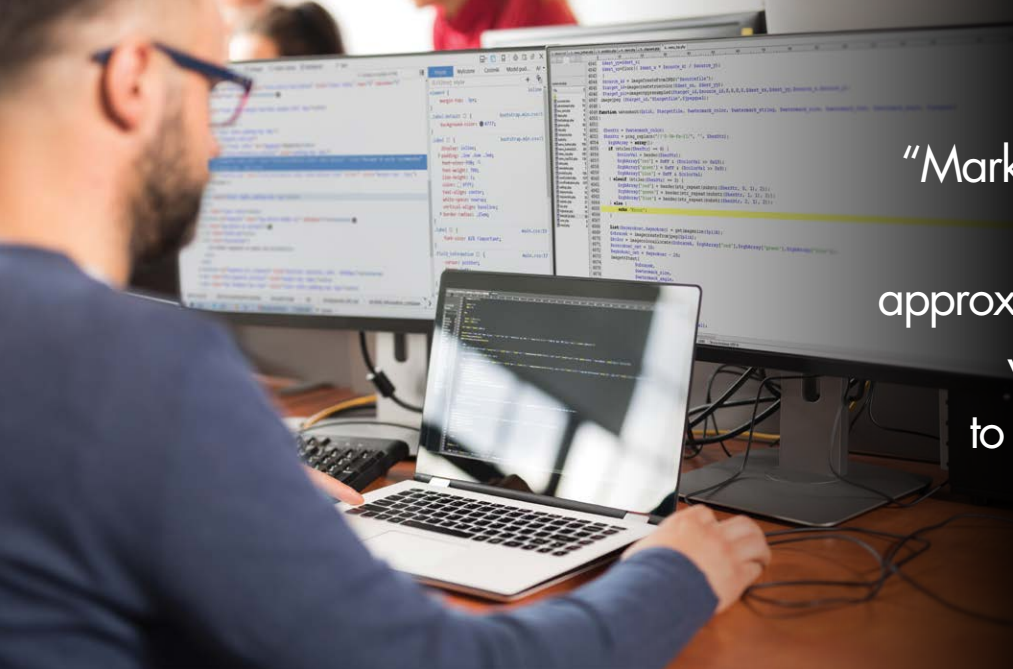
> "Marketo highlighted a Forrester study predicting that the approximately 100,000 software vendors of today will grow to 1 million hyperspecialized companies by 2027."

IT (implementing a new POS application) and merchandising (sponsoring the POS project). Developing a customer contact policy affected all business units marketing to or servicing the customer, as well as merchandising, store operations, and a new digital group. Despite gaining the additional title of chief customer officer, the CMO did not have authority to make these sweeping changes independently, and the project initially lagged.

For CX leaders, building profitable customer relationships means they must determine innovative ways to extend their influence and take on a broader and more authoritative role. Initiatives like CX and digital transformation are driving the need for an organizational makeover. Achieving this makeover requires the modern executive to become:

Transformative—forging dramatic change. Being transformative is critical because managing customer experience requires the ability to develop and implement multichannel strategies and business processes. As our retail CMO/CCO discovered, titles by themselves do not take the place of the basic investigative work needed to identify business units affected by customer transformations and develop an agreeable path forward for everyone.

Cogent—telling a clear and compelling story. Being cogent is essential because data-driven leaders must be able to use customer insights and advanced analytic techniques to present a clear and compelling story to the rest of the organization, about market direction, about customer behavior and value, and about ROI on marketing and experience management activity. Our CCO would have been well served to enlist the help of a customer analytics group to highlight the value of a clienteling strategy to the groups most affected by the new direction, namely the store operations, digital, and merchandising groups.

Cohesive—well integrated and unifying. Being cohesive

is indispensable because leaders must foster cooperation and coordination across business units to implement the sweeping change necessary for multichannel business strategies such as experience management. As our retailer discovered, the CMO or CX leader may be required to identify and drive these changes, but it will likely fall to the business units themselves to execute them. Forging solid partnerships with areas ranging from IT to HR will be imperative.

CUSTOMER INFORMATION AND TECHNOLOGY: DISMANTLING THE SILOS

It is not surprising that the top challenges to customer-centricity today include data silos and misaligned technology. The sheer number of technologies in today's martech stack, many of which create or store their own copies of customer information, is astounding. CRM and sales automation, marketing automation, campaign management and contact optimization, customer data platforms and customer decision hubs, master data management, and data lakes, data warehouses, and data marts are just a few of the more significant technologies that require or create customer data stores. Larger organizations will have many, if not all, of these applications coexisting in a single IT architecture. Add into this picture legacy transaction applications, SaaS solutions, and one-off departmental databases, and the silos multiply exponentially. Most alarming is the prognosis for the future. In its marketing trends for 2018, Marketo highlighted a Forrester study predicting that the approximately 100,000 software vendors of today will grow to 1 million hyperspecialized companies by 2027. If we are not careful, the technology alignment problem will simply continue to grow.

While there is no silver bullet for this problem, there are steps that companies can take to ensure their technology enables customer-centricity rather than disabling it.

Develop a customer technology strategy. A strategy for customer tech is critical. CX leaders should work with their IT partners to answer questions such as the following: what capabilities exist; are they being fully leveraged; where are the integration gaps; how many have their own customer data; and so forth. Once the existing data silos are understood (this includes marketing and CX technology, sales and service automation applications, web and mobile applications, and analytics), the assessment should expand to include gaps in technology, disintegrated sources of data, incomplete information, and independent applications that are not or cannot be integrated. The CX team can then use customer journey maps as prioritization tools to fill the gaps and realign the technology.

Get tough on acquisition. The vast set of shiny new tools available to the CX team can be very tempting, but if the goal is to dismantle data silos, tough decisions will have to be made. The technology strategy can help. Every potential purchase should come with a clear integration plan and budget. If the money or resources for integration are not available, the purchase should be reconsidered. Vendor solutions should be closely examined for their ability to integrate with other applications. Closed applications or black box solutions should be considered only as a last resort.

Understand that there is no virtual view. Of customers, that is. The shortcut that no CX leader can afford to take is skipping the single customer view. Identity management was a No. 1 priority for marketers in 2018 for a good reason. It is difficult to achieve, and digital channels complicate the situation significantly. The temptation to implement multiple customer profiles is quite strong today because many large technology applications come with their own customer database. Attempting to match across these applications on the fly is difficult at best and fraught with peril at worst. Picking a single customer master application and doing the block and tackle integration work as applications with customer databases are added is a critical step to tearing down customer data silos. Multiple disintegrated customer databases are never the right answer, and looking to them to solve a CX problem will add to customer-centricity challenges rather than helping to resolve them.

BE THE GLUE, NOT THE GORILLA

John Maxwell, a popular leadership coach, once said, "Leadership is not about titles, positions or flowcharts. It is about one life influencing another." When it comes to transforming a company, he is right. Fostering the organizational cohesion needed to align customer-oriented business strategy with culture and structure may well be the biggest challenge CX leaders face. Key activities needed to overcome the cultural and organizational issues include:

- Establishing a partnership with human resources to change job descriptions and incentives, to acquire appropriate talent, and to implement organizational changes

- Developing relationships with key leaders in IT, creating a partnership wherein IT provides technical knowledge and skills needed to provide high-quality integrated data and to implement and maintain the diverse set of technologies required to fuel the CX machine

- Aligning product management/development and marketing to ensure that product functionality and usage experience reflect customer-oriented objectives and feedback

- Aligning sales, service, and marketing around a consistent and embedded brand story

The high-end retailer discussed earlier in this article put these practices to good use. After a slow start, they took a step back to understand and mitigate the organizational and cultural issues that were impeding progress toward customer-centricity. They used journey maps to determine which business unit(s) owned the customer at each point in the lifecycle and worked from those to facilitate the CX goals. The CMO made several organizational changes designed to create buy-in and form partnerships. First, a center of excellence team for customer experience and analytics was created to develop CX best practices and define new business processes.

This group was spearheaded by the CMO and staffed with marketing analysts with deep experience in developing customer insights. Additional teams tasked with guiding touchpoint experiences and developing new business processes were formed as adjuncts to the center of excellence and included representatives from store operations, digital experience, IT, HR, and merchandising. The expectation for the center of excellence was that marketing would permanently lead the center while participation would taper off to an as-needed basis for the other members. A more permanent CX governance committee with key stakeholders from each of the affected business units was also formed to drive decision making around business processes. Marketing ultimately led the way, but the business units each had an active role in shaping the plan and rolling out the changes.

Forging new partnerships, adopting an analytics mindset, influencing peers in the C-suite, and becoming the de facto integrator between siloed business groups will be increasingly critical for the CX leader of the future. Start planning today for what your organization will need tomorrow. AQ

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