

Enhancing the Customer Experience

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TCC Business Development Symposium

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Agenda

- What is Customer Experience?
- Why CX?
- The 6 Principles
- Keys to success
- ROI
- Employee Experience
- Transforming CX



Dave Gardner



- **Global supply chain & manufacturing executive**
 - Operational Excellence
 - Customer Experience
 - Digital Transformation
 - Continuous Improvement
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 - Vice President North America Supply Chain & Customer Experience (2014 to 2018)
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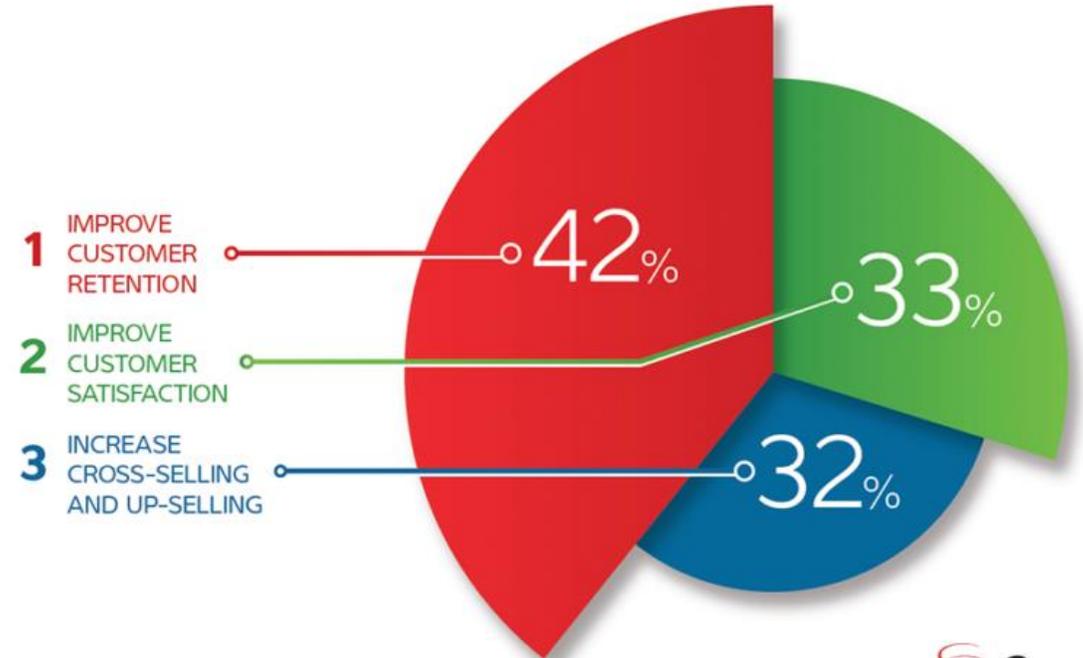
Customer Experience is putting the customer first

- Companies exist because of customers
- All employees own the customer experience....
- But not all employees are working for the customer
 - Larger organizations are siloed
 - Set internally biased objectives
- Objectives of Customer Experience
 - 1) Redesign business process to ensure that they are fully meeting the customers needs
 - 2) Create a customer centric culture where employees put themselves in their customers shoes



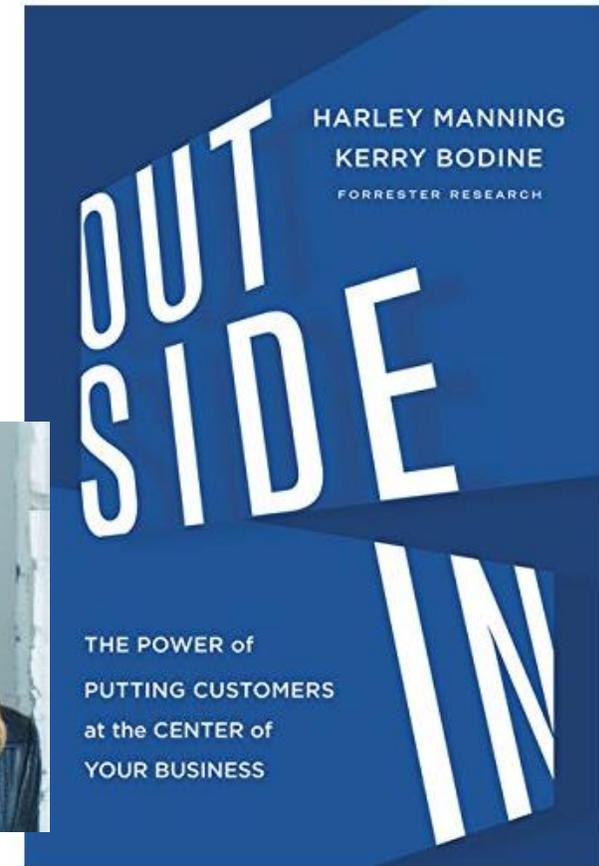
Why CX for B2B companies?

- Companies don't buy from companies, people buy from people. Its personal!
- You will repeat purchases, and in many cases pay a premium, with companies that are **easy to do business with** and **fully meet your needs**
- A positive Customer Experience will lead to:
 - Greater retention
 - Improved margins
 - Additional sales



The 6 Principles

- Strategy
- Voice of Customer
- Metrics
- Processes
- Rewards
- Governance



Source: "Outside In: The Power of Putting Customers at the Center of Your Business" by Harley Manning and Kerry Bodine (New Harvest, 2012).

It starts with a well communicated strategy

- All change is led by the Why?
- People get it – they are all buyers!
- Broad communication
 - Why is it important
 - How does the business need to change
 - What can they do



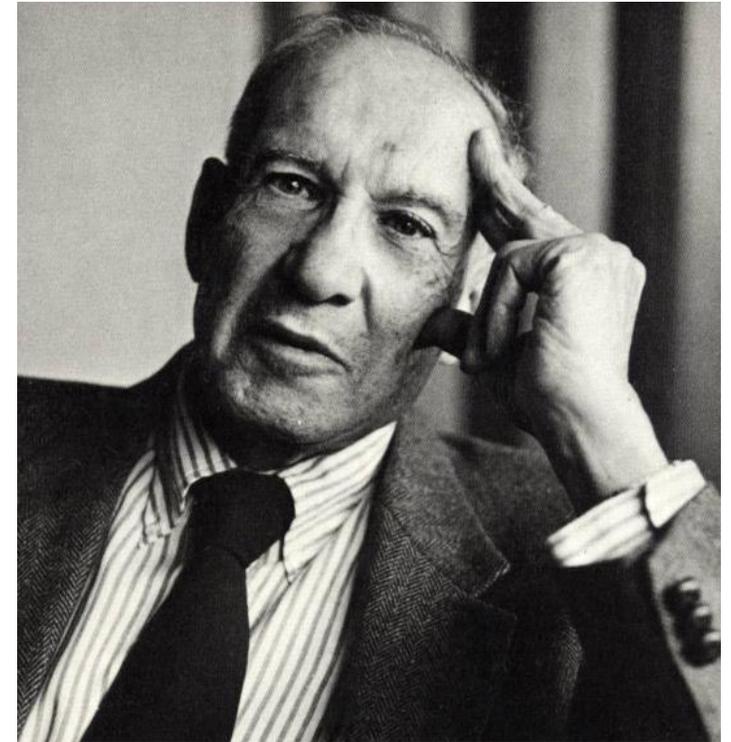
Share the voice of the customer

- Employees need to be aware of customer pain points
 - Creates empathy
 - Allows personalization
 - Develops understanding of what they need to do
- Survey types
 - Relationship, transactional
 - Pulse survey, interviews, employees
- Value
 - Measure of customer satisfaction
 - Source of insights that can drive improvements



You can't manage what you don't measure

- Every employee contributes to the Customer Experience
- 2 or 3 primary behaviors that can be measured on each function that will be an indicator of customer satisfaction
- Track & publish
- Keep it visual

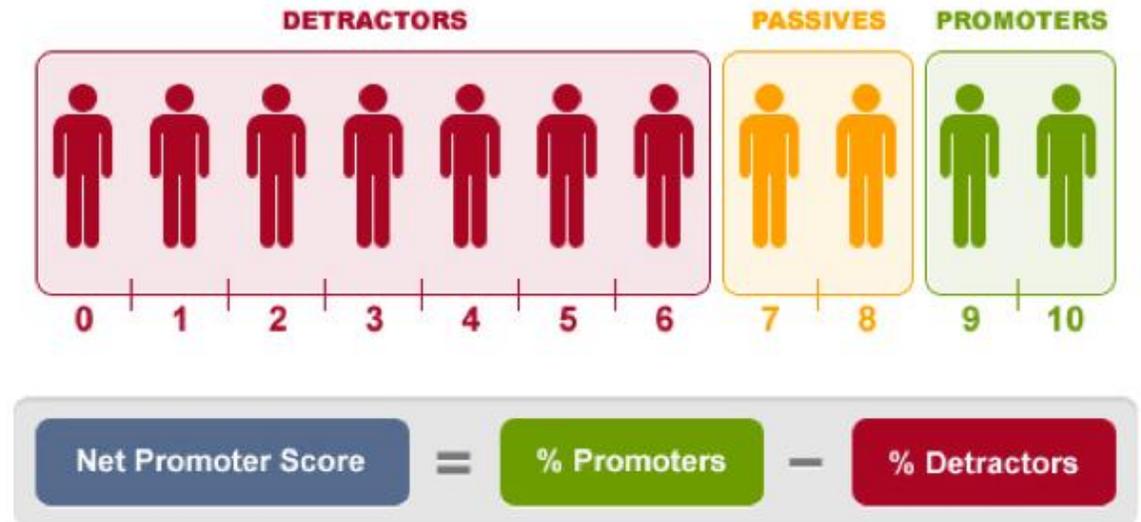


* The phrase (and variants) is often attributed to Peter Drucker although it is unclear whether he actually is the original author

Net Promoter Score

- Management tool that can be used to gauge the loyalty of a firm's customer relationships
- Has been widely adopted with more than two thirds of Fortune 1000 companies as a primary metric
- Correlated with revenue growth

“On a scale of 1 to 10, how willing are you to recommend our product/service to a friend or coworker?”

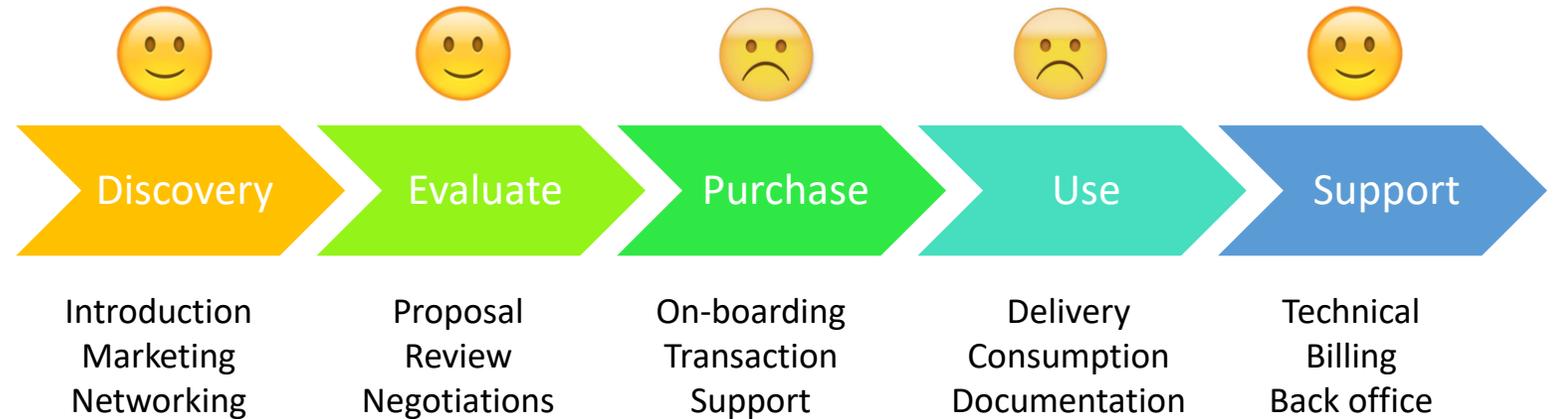


Metrics

Type	Where	Examples
Leading indicators	Process inputs Control points	Tender acceptance On time pick-up Cleanliness of truck
Lagging indicators	Process outputs	On time delivery Customer complaints NPS Score
Outcomes	Process consequences	Repeat orders Improved margins New business

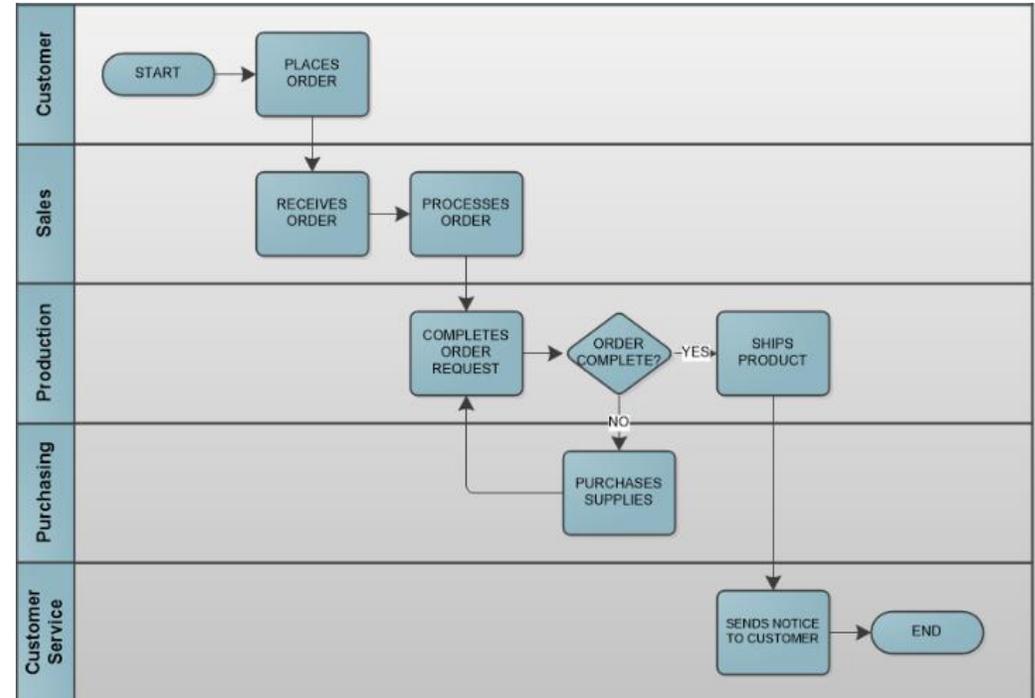
Redesign your processes

- Map the customer journey
- Identify pain points
 - Surveys
 - Customer meetings
 - Employee feedback



Redesign your processes

- Redesign processes
 - Understand the customers true needs
 - Use CI/Lean tools
 - Create cross functional teams
 - Include the customer in design and testing



Reward great performance

- Carrot vs stick
- Rewards
 - Financial rewards
 - Recognition
 - Annual celebrations
- Performance management
 - Tie portion of compensation to the CX



Making it stick

- Governance team
 - Broad representation
 - Ambassadors
- Training
- Marketing
- Embedding & reinforcing the right behaviors



Keys to success

1. Values aligned with the customer
 - Caring and Respect
2. Leadership from the top
3. CX Champion
4. Broad ownership
5. Operational excellence
6. Continuous improvement



CX ROI

- Several studies published correlating CX with financial performance
- Top line
 - Retention
 - Margin
 - Growth
- Bottom line
 - Productivity
 - Cost reduction

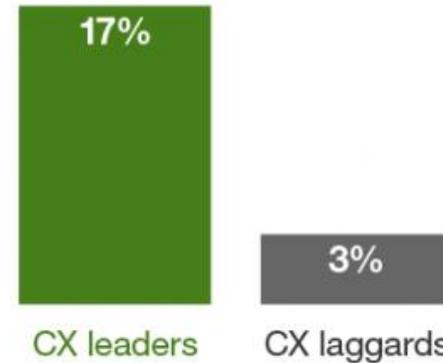


Source: Maritz CX "2018 CX Evolution Study of CX Stakeholders"

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Compound average revenue growth, 2010 to 2015



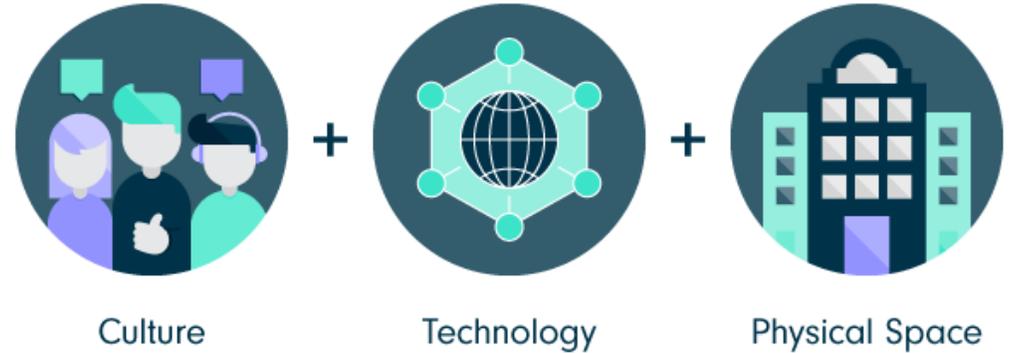
**7x growth in revenue
over 5 years**

CX leaders
grow revenue
faster than
CX laggards.

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The employee experience

- CX principles are transferable
- How do you make your company **easy to work in** and fully **meeting the employees needs**
- How
 - Hiring
 - Employee development
 - Performance management
 - Technology
 - Physical space
 - Wellness



EX mirrors CX

Customer Experience	Employee Experience
Easy to do business with	Easy to work for
Meets customers needs	Meets employee needs
Enjoyable	Engagement
Less churn	Less turn-over
Improved margins	Improved productivity
Sales growth	Employee development

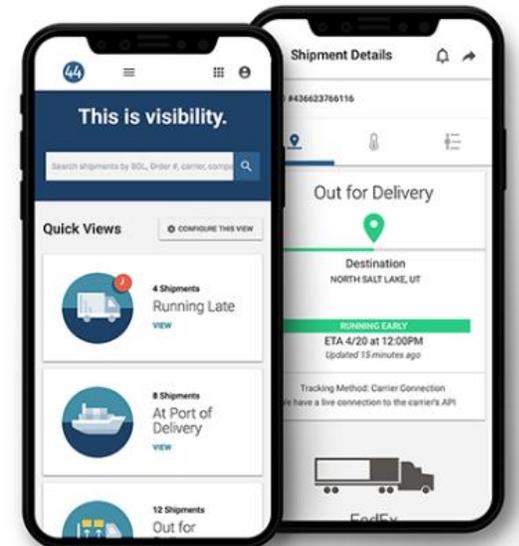
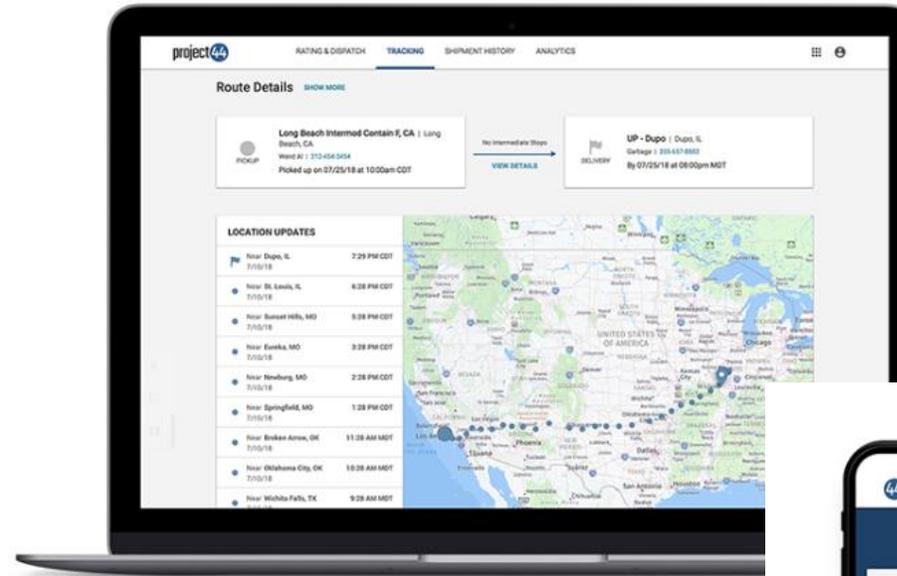
EX mirrors CX

Customer Experience	====>	Employee Experience
Easy to do business with		Easy to work for
Meets customers needs		Meets employee needs
Enjoyable		Engagement
Less churn		Less staff turn-over
Improved margins		Improved productivity
Sales growth		Employee development

Companies that create a positive employee experience deliver an improved customer experience

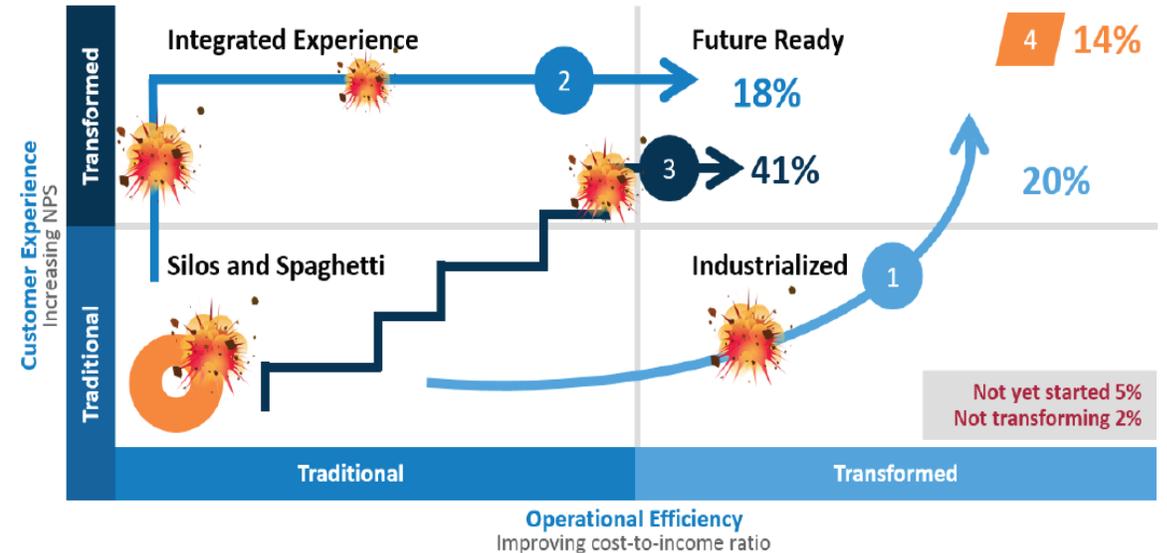
Digital transformation of the customer experience

- Why?
 - Embed and systematize processes
 - Enhance visibility
 - Improve responsiveness
 - Free up resources
 - Increased ROI
 - CX benefit
 - Operational efficiencies



Digital transformation of the customer experience

- MIT study on digital disruption surveyed over 400 companies
- All companies that completed a digital transformation saw a positive ROI
- Companies that focused on OE did not initially see an uplift in CX
- Companies that focused on CX first but did not have robust processes saw higher costs and a more disruptive change
- 41% of companies improved Operational Excellence and Customer Experience simultaneously, and saw the largest ROI

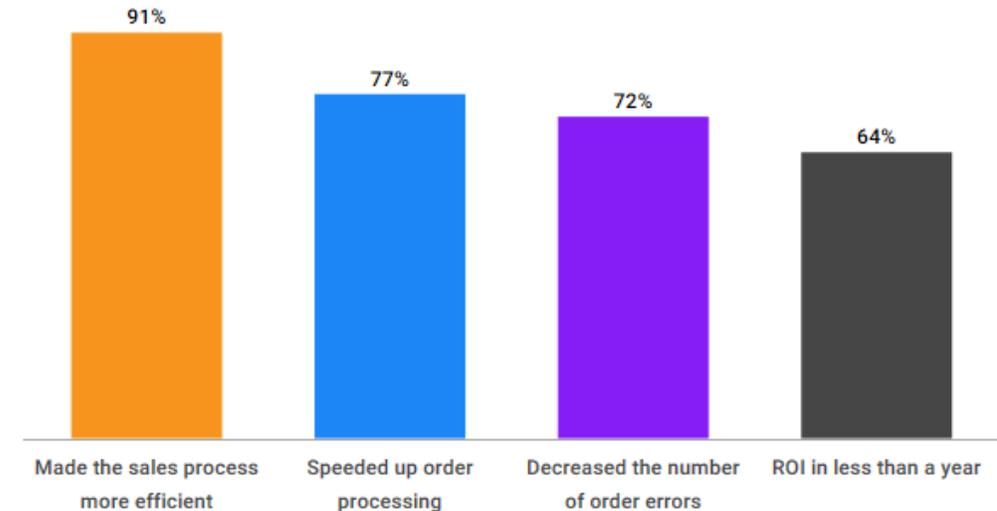


Source: P. Weill and S.L. Woerner, "Future Ready? Pick Your Pathway For Digital Business Transformation", MIT Sloan CISR Research Briefing, Volume XVII, #9, September 2017."

Digital transformation of the customer experience

- Companies that are selling online report more sales at lower costs
- Simplifies processes
 - Become easier to do business with
 - Lowers cost to deliver

***If you do not have a digital strategy
you are falling behind***



Key messages

- Every employee owns and shapes the Customer Experience
- Improving the Customer Experience requires:
 - Redesigning how you work with your customer
 - Reinforcing a customer centric culture
- Enhancing the Customer Experience will lead to
 - Greater customer retention
 - Improved margins
 - Growth and additional revenue



CX organizations

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Thank you!