

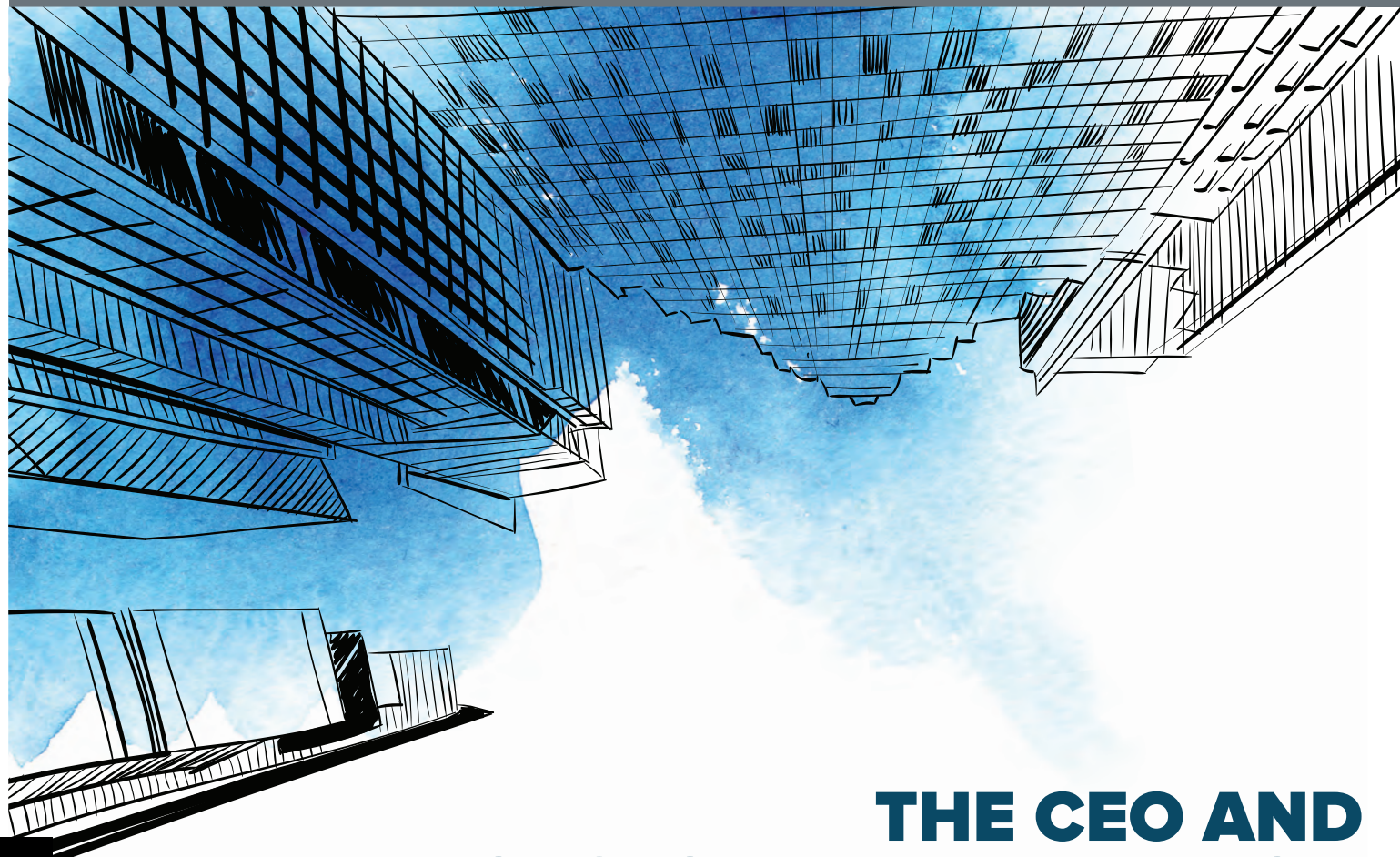


# THE CUSTOMER- FOCUSED CEO

Seven characteristics that lead to  
a sustainable advantage



WALKER



# THE CEO AND CUSTOMER EXPERIENCE: THE LEADER'S ROLE IN DRIVING COMPETITIVE ADVANTAGE

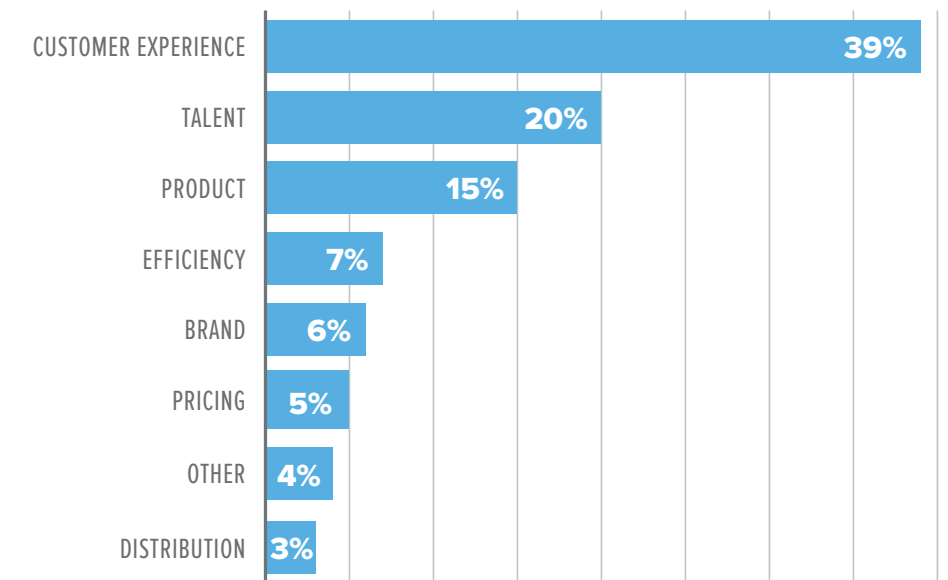
Rapid change and the warp speed of innovation make it increasingly difficult for companies to create a competitive advantage. As product and price fail to provide a reliable edge and with informed customers expecting more, CEOs are turning to customer experience to build the kind of sustainable advantage that leads to business outcomes and long-term success.

**IDEA IN BRIEF:**

THE QUESTION	THE ANSWER	RECOMMENDATIONS
If the customer experience creates a sustainable competitive advantage, what behaviors must CEOs exhibit on the job every day in order to realize this advantage?	Chief executives play a unique and vital leadership role in creating competitive advantage through customer experience. There are seven customer-focused behaviors that are more common in high growth companies.	For any company in any industry, competing on customer experience isn't a matter of "if," it's a matter of "when," or even perhaps, "how soon." While some companies continue debating the pros and cons, enlightened CEOs recognize the benefits of a sound customer strategy that prioritizes the experience. While there are many types of customer-focused CEOs, there are seven characteristics that stand out. CEOs who are looking to create a sustainable advantage through the customer experience must ask themselves how they stack up on each of the characteristics.

## What is your most effective method for creating a competitive advantage?

CEOs see the customer experience as a comprehensive approach, creating a greater differentiation than focusing on individual components such as product, branding, and pricing.



## Creating a Sustainable Advantage

In partnership with *Chief Executive Magazine*, Walker conducted groundbreaking research to more fully understand CEO perspectives of competitive advantage. This research revealed, among other key insights, that customer-focused CEOs view customer experience as a clear differentiator and a sound method for creating a competitive advantage.

Expanding on these findings, this report addresses the unique and vital leadership role chief executives play in creating competitive advantage through the customer experience. For nearly every business, it's an approach requiring a fundamental, enterprise-wide shift in strategy, talent, and culture. And, with steady dedication, competing on the experience that customers have with products, people, processes, and technologies is impermeable, able to withstand the turbulence caused by competition, market pressures, and other factors.








With the guiding principles and insights outlined in this report, today's customer-focused CEOs can leverage customer experience to drive the advantage necessary to win and maintain market leadership.

# LEADING THE CHARGE: THE SEVEN KEY BEHAVIORS OF A CUSTOMER-FOCUSED CEO

If the customer experience creates a sustainable competitive advantage, what behaviors must CEOs exhibit on the job every day in order to realize this advantage? Through our research, we identified companies that recently experienced double-digit growth and compared them to those with little or no growth. This analysis revealed seven key customer-focused behaviors that are more common in CEOs who lead higher-growth firms.

If the customer experience creates a sustainable competitive advantage, what behaviors must CEOs exhibit on the job every day in order to realize this advantage? After talking with over 550 CEOs, we've identified seven customer-focused characteristics that stand out.

# 7 CHARACTERISTICS OF A CUSTOMER-FOCUSED CEO

- 
**1 USES INSIGHTS STRATEGICALLY**  
 more than a program, it's a holistic strategy
- 
**2 SETS ASIDE SHORT-TERM FINANCIAL GAIN**  
 these leaders resist the urge to change midstream
- 
**3 SEEKS THE BROADER CUSTOMER STORY**  
 they know the full story is rarely anecdotal
- 
**4 COORDINATES ACROSS SILOS**  
 creates an environment where employees are responsive to each other
- 
**5 ENCOURAGES EMPATHY FOR CUSTOMERS**  
 helps employees "see" the customer
- 
**6 REQUESTS INFORMATION, ADVICE**  
 a relentless pursuit of understanding customers
- 
**7 MAKES THE CALL ON RESOURCES**  
 ensures adequate resources are dedicated to customers





## 1 USES INSIGHTS STRATEGICALLY

Customer-focused CEOs view customer experience as a holistic strategy, not a program. It's rarely about scores; instead, it's about using customer insights to drive decision-making at key foundational levels—informing organizational structure, business model innovation, go-to-market strategy, and where and how the company innovates and invests.

The right customer intelligence also provides the fuel for clearly defining a customer experience strategy that delivers desired business outcomes and creates sustainable advantage. Defining the company's strategy means using customer intelligence to ask and answer key questions to understand what the customer experience looks like today and how the company will leverage the experience to differentiate in the future. While execution of the strategy is a company-wide responsibility fully endorsed by the CEO, the chief executive plays a lead role in defining the strategy.



## 2 SETS ASIDE SHORT-TERM FINANCIAL GAIN

More often than not, CEOs who are focused on customers are willing to set aside short-term financial gain for the longer-term benefit to customers. While there's benefit to staying the course, today's volatile business environment and intense competition make it hard for CEOs to look beyond the quick wins that boost quarterly earnings. This is especially true for publicly traded companies facing accountability to investors and pressure from Wall Street.

Knowing that positive, sustainable results won't happen overnight, these leaders resist the urge to change course midstream. With patience and persistence, they establish long-term relationships with investors, sharing the company's business purpose and customer-focused strategy in an effort to establish mutual trust and respect, and protect against short-term market pressures.



## 3 SEEKS THE BROADER CUSTOMER STORY

A desire to understand broader customer needs is a key characteristic of the customer-focused CEO. While CEOs are most likely to interact with a handful of top customers, these leaders know the full, true story is rarely anecdotal. Consequently, with objectivity, an open mind, and a wealth of customer intelligence, they engage across the customer base, digging deeper to identify common issues, trends, and needs. While individual customer pain points should never be discounted, customer-focused CEOs are committed to driving improvements that affect the broader customer base.

Additionally, CEOs who prioritize customer needs begin to look at metrics in a more informed way. While scorecards are valuable tools, numbers won't shed light on needs and expectations, which ultimately determine the changes necessary to create competitive advantage. Too often, companies become fixated on Net Promoter Scores and other metrics that rarely contribute to meaningful strategic discussions about understanding the broader customer story and improving the experience.

The chief executive's internal and external communications also align with their understanding of the customer story. Company-wide communications include the company's commitment to improving the customer experience. Repeated emphasis on the importance of customers creates a culture that subscribes to and supports the broader customer-centric initiatives. By talking about key aspects of the company's customer experience strategy and sharing success stories, the CEO lets employees and other stakeholders know how the company aims to enhance the experience to achieve business outcomes.



## 4 COORDINATES ACROSS SILOS

CEOs play the ultimate role in creating and sustaining an environment in which collaboration among functional areas is encouraged—and even expected. It takes real effort to circumvent the organizational silos so prevalent in businesses today. Yet, improving the customer experience can't occur unless people and departments are accountable to each other and work together to get the job done.

CEOs can foster teamwork behind the scenes by supporting initiatives like collaborative workspaces and standing behind reward programs that incentivize activities that are less about hitting numbers and more about serving customers. Cross-functional customer experience teams with governance and executive sponsorship are also ways that customer-focused CEOs facilitate coordination and cooperation across silos.

It's also important to remember that effective company-wide coordination encompasses more than people and resources. Customer-focused CEOs are advocates of open-source environments that encourage the sharing of data, insights, technologies, improvement initiatives, and other tools to ensure the organization works together to deliver customer value.



## 5 ENCOURAGES EMPATHY FOR CUSTOMERS

The customer-focused CEO changes the way employees throughout the organization “see” the customer. CEOs set the tone and define the culture for today's companies. When they are focused on customers, chief executives work to establish a culture that prioritizes the customer experience and puts customer needs first.

By communicating the value of customers and “walking the talk,” CEOs cultivate empathy for customers among employees, which in turn motivates associates to be customer centric. This results in a deep, pervasive understanding of how

**“In a highly competitive and increasingly commoditized business environment, CEOs are focused on ways to generate a sustainable advantage by creating exceptional experiences for their customers. To be rewarded with a sustainable advantage, CEOs must demonstrate a strong commitment to customers and the experiences they provide.”**

- Steve Walker, CEO of Walker Information

employees' individual roles relate to and impact the customer. Developing this line of sight begins with the CEO – how he or she talks about the customer and particularly the questions asked, formally in meetings or work groups and informally in the hallway or over lunch.

For this to be most effective, customer-focused CEOs engage their top management. Business unit and functional leaders are in prime positions to influence employees and drive improvement initiatives, making their participation and buy-in extremely important. Chief executives who are focused on customers ensure customer strategies are on leadership meeting agendas and discussed often and openly with executive team members in one-one-one meetings and group settings. Introducing new customer experience metrics and measurements and observing how customers interact with the company are a few ways CEOs motivate leaders to more fully explore how their departments impact customers.



## 6 REQUESTS INFORMATION, ADVICE

CEOs truly value customer insights. Those who are the most customer focused proactively seek them out. Whether in conversations with customers or in meetings with their executive leadership team, these CEOs are regularly requesting information, asking questions or seeking advice about how to improve customer relationships. While these CEOs see the value in accessing customer insights, they'll likely want intelligence that's forward-looking and relevant to business goals. Their interest runs deeper than scores, metrics or charts; customer-focused CEOs want to know how to strategically gain or elevate competitive advantage using customer insights.



## 7 MAKES THE CALL ON RESOURCES

If CEOs value the customer and can see how customer experience strategies have business impact, they'll commit the resources to see it through. For these CEOs, customer experience is an essential investment. However, it's incumbent that CEOs are kept informed of the program's worth by showing how it meets business objectives and helps the company achieve financial success.

Defining the strategy and communicating intentions only go so far. In order for customer experience to create business impact and drive advantage, funding and resources must be committed to execute the strategy and funneled toward key focus areas of the experience. One way customer-focused CEOs demonstrate this commitment is by assigning care of the customer to a trusted and well-respected company leader.

## Definition

**The customer experience is the way in which customers interact and do business. It includes the people, products, processes, and technologies that companies create to serve their customers.**

Even when the customer-focused chief executive knows the answer, he or she will call on those most knowledgeable and informed to share insights, demonstrating support for his or her colleagues and the initiatives being discussed. This behavior elevates the status and ensures both management and employees see that the CEO values and endorses the initiatives.

## A dedicated commitment to customers

Operations, sales and support, finance, marketing, innovation, customer strategy. In essence, chief executive officers oversee it all. If the view from the top is anything, it's far reaching and global, requiring strategic, big-picture thinking. With so many different priorities and responsibilities, some customer-focused CEOs are appointing an executive to oversee the strategy, execution, and outcomes. This position is a visible demonstration of a company's commitment to customers and its dedication to improving the customer experience. With CEOs identifying the experience as the most effective method for creating competitive advantage, dedicating an executive who by definition owns the experience and advocates for customers adds real value.

What's clear from Walker's experience, the role isn't one-size-fits-all, but there are some key points for CEOs to keep in mind:

### Make ownership clear.

Because nearly all functional areas impact the customer, activities commonly assigned to a CCO may already be in progress across the organization, creating potential confusion and conflict about who is really responsible for customer-focused activities. From wording in the job description to how the CEO communicates and characterizes the CCO's charge, everyone must understand the position's scope of responsibility, accountability measures, and to whom the CCO will provide direction.

### Stay focused on strategy.

While the CCO will likely have responsibility for customer listening and related metrics, he or she needs to be empowered to direct strategic customer initiatives across the organization. High-level strategic thinking is more likely to lead to long-term, impactful change.

### Look for cross-functional experience.

The qualities companies will look for when hiring or appointing a CCO will vary widely depending on needs and culture. While CEOs and companies will naturally look for someone to motivate and influence, it's essential to appoint a CCO with proven ability to work across the organization and build the cross-functional relationships necessary to drive action and implement improvements.

### Consider current organizational structure.

If your company has a competitive intelligence team, a change management organization, or if transformation initiatives are underway, responsibilities typically assigned to a CCO may overlap with these functions. Integrating the CCO within an existing organization or structure tasked with similar duties may be appropriate.

# DRIVING COMPETITIVE ADVANTAGE THROUGH CUSTOMER EXPERIENCE: WHERE TO GO FROM HERE?

For any company in any industry, competing on customer experience isn't a matter of "if," it's a matter of "when," or even perhaps, "how soon." In the business-to-consumer world, the stories of companies like Apple, Amazon, Uber, Netflix, and conversely Compaq, Blockbuster, and Borders, provide real-life examples of what happens when customer experience is either elevated or marginalized.

While some companies continue debating the pros and cons, enlightened CEOs recognize the benefits of a sound customer strategy that prioritizes the experience. While there are many types of customer-focused CEOs, these seven characteristics show up more often in CEOs of higher growth companies. To create a sustainable advantage through the customer experience, CEOs must first ask themselves how they stack up on each of these behaviors.

To assess your performance, visit <https://www.walkerinfo.com/CEO/> and take our online assessment.

It's a free assessment with no strings attached. All responses are kept anonymous and we will not contact you unless you request contact.

**WALKER**  
The Customer-Focused Leader Self-Assessment

More and more business leaders are turning to the customer experience strategies to build a sustainable competitive advantage and positive business outcomes.

According to your assessment your customer-focus is Exceptional. Very few business leaders fall into this category. You consistently demonstrate customer-focused behaviors.

Being customer-focused is a journey and you are doing well, but there is always work to do. Here are a few tips to inspire your efforts.

What to do now? There are many different behaviors that business leaders can exhibit to encourage a more customer-focused workforce. Here is our Top Ten List to get you started:

1. Ask questions. During every employee meeting, ask at least one question about customers.
2. Encourage empathy. Implement journey mapping and other techniques to help employees understand what it's like to be one of your customers.
3. Empower your employees. Seek opportunities to create an environment that empowers employees to make decisions in the best interest of your customers.
4. Break down barriers. Corporate silos can hinder customer-focused activities. Remove these barriers to ensure collaboration across the company.
5. Make an emotional connection. Explore information sources such as text analytics, which will help you understand how customers feel about working with your company.
6. Make customer information easy to access. Make sure that you (and other leaders) have the right customer intelligence to ensure the customer perspective is featured into all decisions.
7. Build customer intelligent scorecards. For top accounts build scorecards with metrics related to the depth and breadth of products, customer sentiment, customer engagement, competitive status, and other relevant measures.
8. Put someone in charge. Appoint a chief customer officer or similar executive position to act as the champion for customers and to oversee the customer strategy, execution, and outcomes.
9. Engage your CX (customer experience) team. Support their work and make sure they have the resources to implement customer-focused initiatives.
10. Inspire customer-focused innovation. Direct the creation of programs to build a more innovative experience for customers.

[Contact Walker](#)

This evaluation is brought to you by Walker, a customer experience consulting firm offering a wide range of services to assess, plan, execute, and optimize your CX strategies. Find out more at [walkerinfo.com](http://walkerinfo.com)

## About the Study

The insights and recommendations included in this report stem from a comprehensive study of CEOs. The study, conducted by Walker, explores CEO perspectives of customer experience and its power to drive competitive advantage. Walker interviewed dozens of CEOs to capture their thoughts and perspectives on customer experience. Following this qualitative approach, Walker partnered with *Chief Executive Magazine* to collect relevant feedback from over 550 CEOs. We enhanced the research with an in-depth survey that was completed by over 90 CEOs from companies with annual revenues greater than \$50 million, representing primarily business-to-business industries. The initial findings were distributed and discussed among 14 CEOs in a CEO roundtable at the CEO of the Year Awards Ceremony, sponsored by Chief Executive Magazine.

# ABOUT WALKER

Walker is a customer experience consulting firm. We specialize in helping today's business-to-business companies build and maintain a competitive advantage by delivering an exceptional customer experience. Our team of senior consultants averages more than 20 years of experience and they deliver a wide range of services to meet and exceed our clients' objectives.

And it works – Walker clients outperform the market by more than six to one!

## Walker's Solutions and Services

No two companies are alike, so we collaborate with each client to understand their business, focus on their objectives and deliver the right combination of services to accelerate their success. No consulting firm can match Walker's focus on customer experience and the broad range of solutions and services we deliver, which includes:

- Customer experience assessment programs, which result in execution-ready strategic roadmaps.
- Journey mapping services to document the customer touchpoints and focus on "moments of truth."
- Design of customer "ideal experiences," targeting problem areas and identifying opportunities for breakthroughs.
- Collection of customer insights, leveraging a wide range of methods to understand the perspective of the customer.
- Advanced analytics services to interpret customer intelligence and improve decision-making.
- A full range of technology services to manage customer data and integrate with clients' existing systems.
- Action planning and change management services to prompt transformation across the organization.
- Education and training services to engage employees and foster a customer-focused culture.

Learn more about Walker at [Walkerinfo.com](http://Walkerinfo.com).

# WALKER REPORTS

The Customer-Focused CEO is the latest special report published by Walker to provide thought-provoking insights and groundbreaking research to customer-focused executives. Please visit Walker's Knowledge Center at [walkerinfo.com/knowledge-center](http://walkerinfo.com/knowledge-center) to order other reports (highlighted below) and to explore our extensive library of resources.



When it comes to customer-focused strategy, what is the view from the top?

The CEO perspective – knowing what's important to chief executives – is valuable intelligence to help customer-focused managers align their work with the strategies employed by the C-suite. The insights shared in The CEO View of CX helps those directing customer experience initiatives to elevate their role by having an even greater impact on the bottom line.



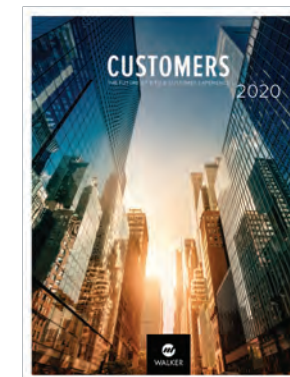
When people think of "competitive advantage," they most often think of product features and functions. And yet, customer experience can be the most valuable strategy.

CX Advantage provides a clear picture of the opportunity that is available for B-to-B organizations: the opportunity to leverage the experience to achieve business results. In this report Walker reviews the customer experience payoff, the reality B-to-B companies face today, and what customer experience professionals must do to realize the opportunity.



Eighty percent of companies say their organization is focused on improving ease of doing business. However, only 57 percent say they are effective at actually making it happen.

The Value of Making It Easy explores a top business priority of executives and manager today: "ease of doing business." A driver of customer loyalty for most B-to-B companies, this report guides customer-focused leaders to be the catalyst for change in streamlining procedures and simplifying processes.



Who wins in the year 2020? Arguably, it's the most forward-thinking companies – those that consciously and deliberately work at anticipating future needs and create an experience that customers value.

Customers 2020 is an insightful, thought-provoking study designed to better understand customers of the future. The report reflects Walker's view based on input from nearly 300 customer-focused leaders and discusses how B-to-B companies must adapt and evolve their customer experience strategies to meet the soaring expectations of customers.



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