

# CX ADVANTAGE

The opportunity for B-to-B is now



WALKER





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# Why This Study?

## WITHOUT CLEAR CONCEPTION OF HOW THE CUSTOMER EXPERIENCE CAN CREATE A

competitive advantage, today's B-to-B firms are leaving a lot on the table. There are significant opportunities for those who embrace customer experience as a competitive differentiation strategy.

While the world of business-to-business is constantly changing, we find in our work that some things remain the same. Although B-to-B firms understand to a degree the need to focus on customers, they are too often distracted by short-term financial gains and stagnated in product-centric cultures.

In the intensely competitive B-to-B marketplace, there is a growing need for a study like this. When people think of "competitive advantage," they most often think of product features and functions. Very little research exists characterizing the competitive advantage of customer experience. Most of what we learn is anecdotal. Hard evidence is scarce, likely because the competitive advantage of customer experience is inherently hard to prove for B-to-B. What role does customer experience really play? This study seeks to shed light on the importance of customer experience for today's B-to-B firms.

Walker collaborated with CustomerThink and Lightspeed GMI to conduct a robust study focused on ways B-to-B companies can create a competitive advantage by elevating the attention given to the customer experience. The study included in-depth interviews and quantitative feedback from customer experience leaders. To represent the buyer perspective, a quantitative survey was used to collect input from B-to-B decision makers and influencers. Walker collected and synthesized input from more than 400 individuals, representing multinational B-to-B organizations from a range of industries.

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.





## *Executive Summary*

**CUSTOMER EXPERIENCE CAN BE A REAL ADVANTAGE FOR TODAY'S B-to-B companies.** Not only do firms offering effective customer experience have an advantage in their industries, the business impact extends to higher growth and more favorable customer perceptions. The time is now for B-to-B companies to commit to making customer experience a priority and an essential part of their business strategy.

The key to getting started is understanding the new reality:

- Companies can no longer compete solely on products. Speed of innovation and easy replication make competing on product alone risky.
- The product and experience are interwoven. There's little distinction between the product and the experience in the minds of customers. They are virtually one in the same.
- The experience starts before any interaction. From the moment of awareness, well-informed, savvy customers challenge B-to-B companies to show their value and prove their worth.

In highly competitive markets, there is no safe zone for B-to-B companies. Buyers are continually reviewing alternatives, forcing B-to-B companies to differentiate. To create and maintain an advantage, B-to-B companies must:

- **Establish active leadership.** Leadership, all the way to the top, focused on creating exceptional customer experiences – and holding the enterprise accountable – is a minimum requirement.
- **Eliminate the degrees of separation.** Closing the gap between employees and customers creates a customer-focused culture that lends itself to continually improving the customer experience.
- **Embrace the power of “and.”** Companies must address existing issues AND predict unknown customer needs by capitalizing on new opportunities and areas of customer focus.



# THE CX REWARD



## **B-to-B companies that are effective at customer experience can count on real advantages both now and in the future.**

Doing business by putting the customer first has tangible benefits for today's business-to-business companies. Firms that place the customer at the center of their business are more likely to:

- Have an advantage in their industry
- Achieve higher growth rates
- Receive favorable perceptions from customers and prospective customers

# The Customer Experience Delivers Impact and Value. Here's How We Know.

## **INTUITIVELY, WE KNOW THAT CUSTOMER EXPERIENCE HAS POSITIVE OUTCOMES FOR TODAY'S B-TO-B FIRMS.**

However, very little evidence exists in B-to-B to support the advantage of customer experience, suggesting that it's hard to prove. In contrast, many of today's business-to-consumer firms have successfully shown how customer experience creates value, and as a result, B-to-C companies go to great lengths to leverage the experience to create an advantage.

The same can and should happen for B-to-B now that we've uncovered proof that customer experience does make a real difference for B-to-B as well. Now is the time for B-to-B firms to act, and here's why.

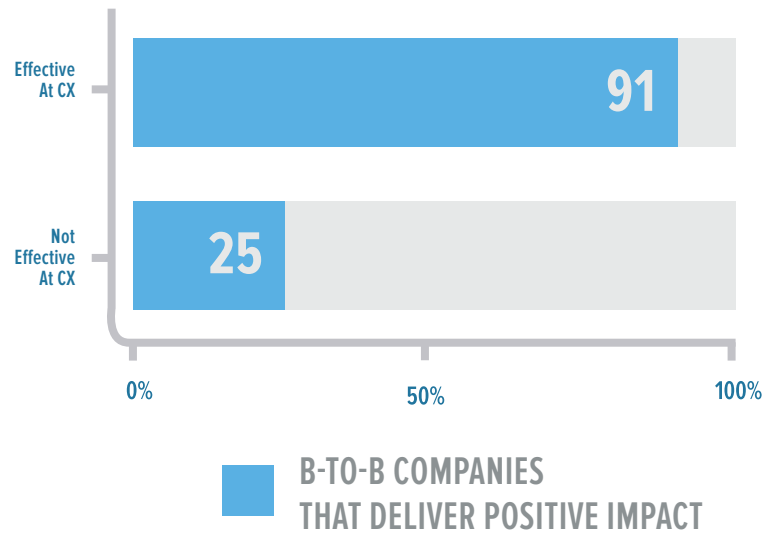
## ***UNCOVERING THE ADVANTAGE***

Walker collected feedback from 200 B-to-B customer experience professionals in a variety of industries. We asked them to rate the effectiveness of their companies in terms of leveraging the customer experience to gain an advantage in the industry. To determine the impact of customer experience, we looked at those who are effective and those who aren't, analyzing three types of impact: market position, growth and perception. Not surprisingly, the findings matched our intuition, but what stands out is the degree of impact for B-to-B.

**When asked to think about the work customer experience professionals do and to describe the impact their customer experience strategy has on their business, it's clear. Those who are more effective demonstrate higher levels of impact.**



## EFFECTIVE CX TRANSLATES TO BUSINESS IMPACT



### THE BUSINESS IMPACT OF CX

- Those that are effective in leveraging the experience are creating a positive impact for their business.
- Conversely, those that are not effective at the customer experience deny an impact on their business.
- While being somewhat effective delivers some impact, it's clear. Those that are more effective receive the payoff.

“ We’ve had approximately \$90 million dollars in savings that our customer experience strategy has delivered. ”

*A comment from a Vice President of Customer Experience at a high-tech company*



*COMPANIES THAT ARE EFFECTIVE  
AT CX HAVE A COMPETITIVE ADVANTAGE*



**“EASE OF DOING BUSINESS” PAYS OFF.**

As a market leader, one large technology firm has to constantly look for opportunities to protect its share and they have their eye on the experience as one method of defense. The company’s investment in customer, partner, and employee improvements focused on making it easier for customers to do business with them. The result yielded impressive business impact; with more than 80 percent of tech support issues resolved online, the improvements avoided 356,000 cases each month, resulting in a cost savings of more than \$300 million annually.

***TAKING A CLOSER LOOK –  
THREE TYPES OF IMPACT***

**MARKET POSITION**

Companies that are effective at leveraging the customer experience are significantly more likely to have an advantage in their market. We asked customer experience professionals to describe their companies’ current business performance compared to their competitors’. Are they a leader, better than average, average, worse than average or struggling to make it?

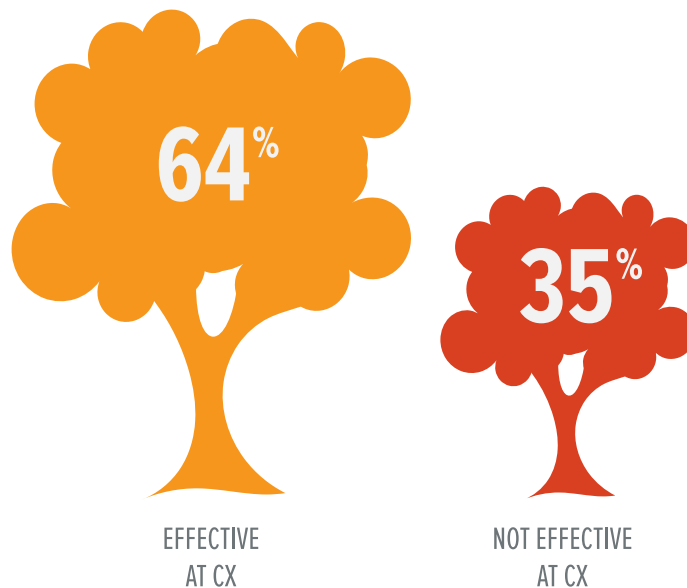
The response is overwhelmingly positive for those companies that are effective at customer experience.

Ninety-one percent of companies that are effective at leveraging the experience have an advantage in their market.





2014 DOUBLE-DIGIT GROWTH



2015 FORECASTED DOUBLE-DIGIT REVENUE GROWTH

## GROWTH

Embracing a customer experience strategy that creates a competitive advantage also contributes to growth. Companies that are more effective at leveraging the experience achieve greater growth and are forecasted to grow more than those that aren't effective.

We asked customer experience professionals to estimate their companies' business performance in 2014 and forecasted performance for 2015. The results are telling.

Fifty percent of companies that are effective (even those that are "somewhat effective") achieved double-digit growth in 2014, compared to just 5 percent of companies that are not effective.

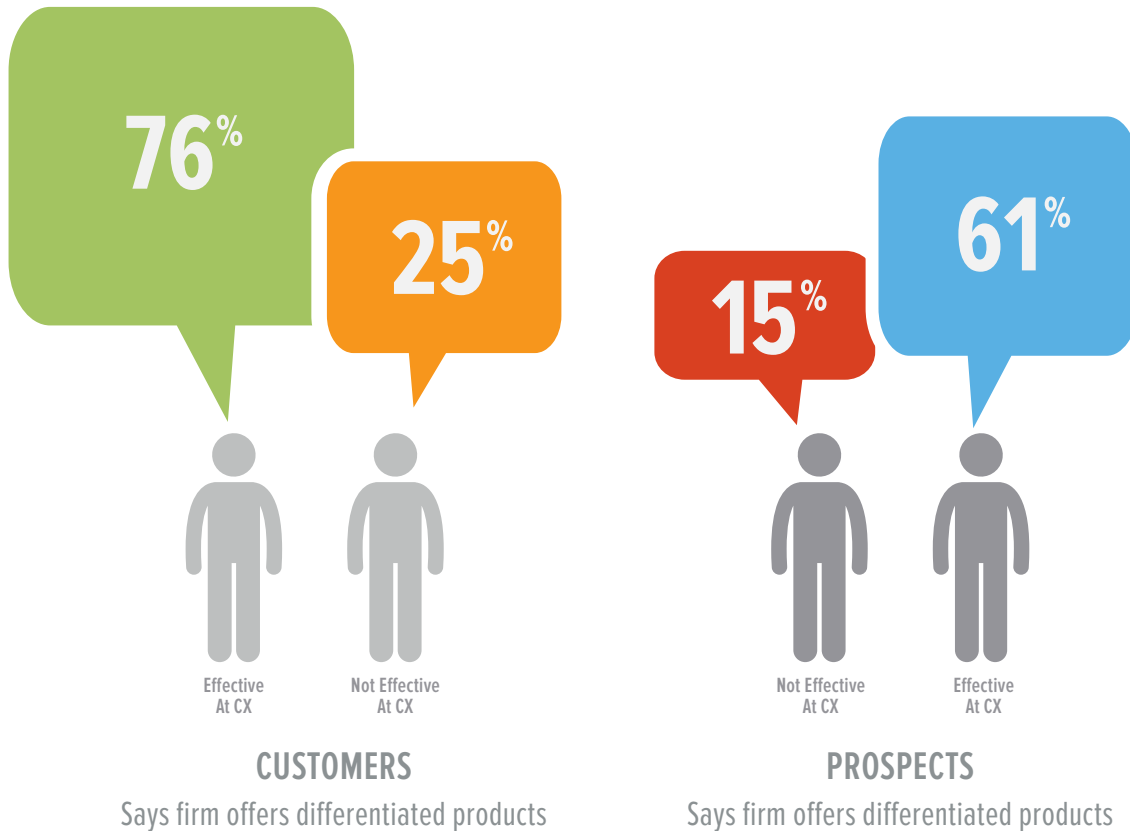
One particular note is the difference between those that are "very effective" compared to companies that are "somewhat effective." Firms that are very effective at customer experience are twice as likely to grow by 20 percent or more.

Forecasted growth shows a similar picture. All firms forecasted higher growth compared to 2014, but those B-to-B companies that are effective at differentiating through the experience anticipate higher levels of growth.

## LOYAL CUSTOMERS EQUAL GREATER BOOKINGS AND MORE GROWTH.

One large technology firm epitomizes what it means to create an exceptional customer experience. The company recently revealed that when a customer becomes loyal, there is an 82 percent increase in bookings. Conversely, when a customer becomes high risk, bookings decreased by 23 percent. The firm's strategy of leveraging the experience to create loyal customers is paying off.

**WHEN EFFECTIVE AT CX, CUSTOMERS & PROSPECTS ARE LIKELY TO  
SAY THE FIRM OFFERS DIFFERENTIATED PRODUCTS**



**THE STOCK MARKET IS A GOOD  
INDICATOR OF PERCEPTION.**

The Walker Index is a stock index comprised of Walker clients. Companies that are attracted to Walker are generally those that use the customer perspective and experience as an important management lever. The Walker Index has outperformed the broad market indices by 6 to 1. In addition, the customer-focused culture within companies comprising the Walker Index has allowed them to develop less risky, more stable business models.

**PERCEPTION**

Companies with a strong focus on the customer report that effective customer experience has a substantial impact on their business. While this benefit seems logical for customers, the payoff extends beyond the customer. Focusing on the customer experience impacts perceptions of prospective customers too. Prospects are more likely to perceive firms with effective customer experience as offering differentiated products.

We asked customer experience professionals how likely it would be for customers and prospective customers to say their company offers differentiated products.

Over 75% of companies that are effective said their customers would say they offer differentiated products and 61% said their prospects would say this too.

Contrast this to the companies that aren't effective, and it's easy to see how the experience can help during the sales process.



# So, What Does It Mean To Be Effective at Customer Experience?

**TAKING A CLOSER LOOK AT THE ADVANTAGES CUSTOMER EXPERIENCE CREATES BEGS THE QUESTION – WHO ARE** the customer experience achievers? Companies that set the bar for creating effective customer experiences share many characteristics. In addition to placing the customer at the forefront of their business, CX achievers:

- Create a customer-centric experience that surrounds their products, services, and processes
- Develop and protect a culture that places high value on the customer
- Design products and services to meet the customer's current and future needs
- Establish customer-focused processes that promote the ease of doing business
- Know their customers intimately and can personalize the experience across the buying cycle from awareness to installation, product usage, and support
- Do what it takes to serve customers—even at the expense of short-term gain

“We’re driving financial outcomes by identifying customers at risk and salvaging relationships.”

*Comment from an Executive Director at  
a global technology and industrial company*



# **THE NEW REALITY IN A RAPIDLY CHANGING B-TO-B ENVIRONMENT**



## Increased competitive intensity is at the forefront of changing B-to-B customer relationships, making it necessary for companies to capitalize on waves of opportunity.

For today's B-to-B firms, there is a need to identify the next wave of opportunity and ride that wave for as long as possible, knowing the necessity to discover new opportunities is continual. Doing business in highly competitive markets, B-to-B companies are faced with a new reality.

- **Companies can no longer compete solely on their products.** While product is critically important and contributes to a competitive advantage, it can't be the only factor. Speed of innovation and ease of replication make competing solely on products a risky proposition for B-to-B.
- **The product and experience are interwoven.** Customers don't distinguish between the product and the experience. In their mind, the two are interlaced making it increasingly more important

for business leaders to understand the strategic value that the experience delivers, and balance the attention directed toward each.

- **The experience starts before any interaction.** B-to-B companies are dealing with a well-informed, savvy customer, and must demonstrate their commitment to customers through a proven track record, and by making and keeping tangible promises to prospective and existing customers.

# Companies Can No Longer Compete Solely on Products

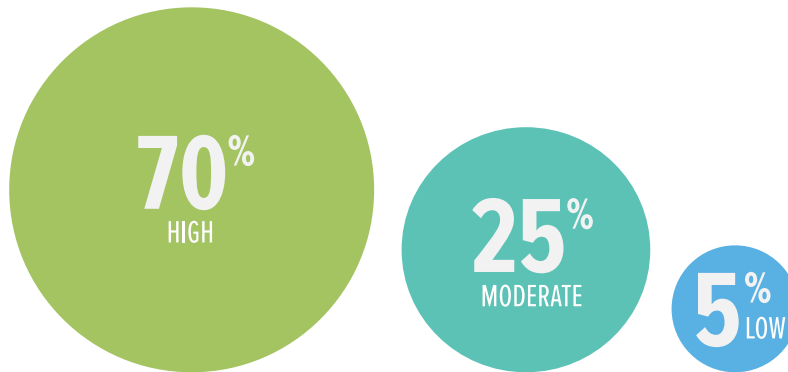
## **TODAY'S SPEED OF INNOVATION MEANS B-TO-B COMPANIES CAN NO LONGER COMPETE**

solely on products. With competitive intensity at new heights, companies must identify better, more reliable ways to create advantages.

It's no secret. The breakneck speed and pace of innovation have profound impact on B-to-B. As product lifecycles dwindle from years to months in some cases, companies have a tendency to respond by thrusting product design and development to the forefront in an effort to stay ahead of the pack, or at least not fall behind. Features and functions crowd the conversation, setting up product as the focal point of competitive positioning.

While there's no doubt product is a critical part of the package, it's important to understand that any competitive advantage – whether it's tied to product or not – is more transient than durable. Offerings, features, and functions are easy to replicate, and competitors can and do level the playing field quickly, making innovation a continuing priority for B-to-B firms. Perhaps of more concern is that it's becoming commonplace for competitors to emerge from outside core industries. Think of the classic B-to-C example of recorded music. Who would have thought competition for the compact disc would arise from a computer company in the form of digital audio files, ultimately slashing the market for manufactured CDs? Continuing the trend, today Apple's market share is being challenged by streaming audio.

These are some compelling reasons why product alone is a risky differentiator. While a solid product is necessary to building reliable competitive advantages, leveraging only the product puts B-to-B companies in a race that's increasingly difficult to win – and at what price? It's possible for a company to capitalize on a new product advancement, but the pace of innovation and the ease of replication ensure the opportunity will be short lived.



### COMPETITIVE INTENSITY IN THEIR B-TO-B MARKET

THE **COMPETITIVE INTENSITY** among B-to-B companies is high making it extremely difficult and risky to create a competitive differentiation strategy that is narrowly focused. Companies must change their strategic approach to capitalize on “waves of opportunity” – building the skills and expertise to move nimbly from one opportunity to another, riding them for as long possible, but understanding they aren’t sustainable.

## *The new reality – what B-to-B companies must do*

### **DIFFERENTIATE ON THE CUSTOMER EXPERIENCE.**

Today’s firms must focus more intently on developing a customer experience that sets them apart from others in the marketplace. The experience must help customers solve problems and meet objectives. In other words, there are lots of ways to create a different customer experience, but if the difference doesn’t matter to customers, it’s just a difference – not a competitive advantage.

### **PROMOTE A CUSTOMER EXPERIENCE CULTURE.**

Associates in every corner of the company must understand that everything they do, whether directly or indirectly, has an impact on customer experience. Companies must resist reserving these beliefs for just customer-facing associates.

### **FOCUS ON HELPING CUSTOMERS SUCCEED.**

Too often companies are focused on pushing the products and service they want to sell. Customer-focused companies continually deliver the solutions their customers need to succeed.

“Creating differentiation is about the ability to change the status quo within the industry. It’s about being nimble and flexible to innovate and being able to quickly market and deliver on customer expectations.”

*A comment from a Senior Consultant at a Management Consulting firm*



# The Product and The Experience Are Interwoven

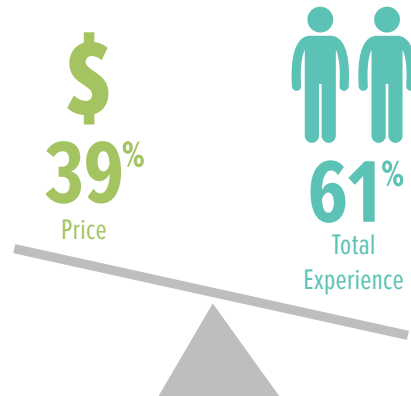
## IT'S NOT ENOUGH TO BE JUST A "PRODUCT COMPANY" OR A "SERVICE COMPANY."

Customers today seek advisors and collaborative partners to provide a total experience. B-to-B firms must respond by creating exceptional customer experiences that encompass products, services, and support.

Years ago, answers to the question "What kind of company are you?" might have included "product-focused," "operational efficiency" or "customer-centered." In the 1995 business book, *"The Discipline of Market Leaders"*, authors Michael Treacy and Fred Wiersema suggest, "Leaders will not pursue a diffused business strategy, but must continually focus on running a tight ship where their business practices enhance the one special value that they can provide better than anyone else." Today, however, as business models evolve, it's not so simple. B-to-B companies no longer have the luxury of choosing one area of focus. The lines that clearly divided business models of the past have blurred, forcing companies to compete on multiple fronts with the customer always top of mind.

The evolution in B-to-B business strategy has been one of focusing first on the product, then businesses added the services and product bundles to sell a solution. Now, customers value a "total experience," which encompasses not only the product, but all the experiences that surround it – from purchase and installation to use, support and service. The reason? Widespread access to information through the Internet and heightened customer expectations have shifted the balance of power to the customer. The result is an arena in which the product and the customer experience are interwoven, placing new emphasis on the ability for B-to-B firms to meet customer needs. Customers expect an orchestrated experience in which every stage of the journey is grounded in meeting their needs. In most cases, that means some level of personalization or customization that ensures customers aren't buying off the shelf, but selecting options tailored to specific needs and objectives.

## IF PRODUCTS ARE IDENTICAL, WHICH IS MOST IMPORTANT TO BUYERS



**DURING THE PURCHASE PROCESS**, buyers will place more emphasis on the total experience when comparing two similar products. They seek suppliers that act as trusted advisors and collaborating partners to their business.

## *The new reality – what B-to-B companies must do*

**REINFORCE THE IDEA OF A “TOTAL EXPERIENCE.”** It’s time to identify what more can be delivered in terms of additional features, services, and the experiences that surround the product. Companies must design a total experience tailored to address particular customer needs. This includes fine-tuning processes to improve variables like speed and ensuring the right talent and expertise are assembled to fulfill the role of partner and advisor.

**DEMONSTRATE VALUE AT EACH STEP OF THE JOURNEY.** B-to-B firms must take a critical look at their capabilities at every stage of the customer journey to determine their value proposition. Customers need and will

expect value to be demonstrated before the purchase and at every step along the way. And, companies can only optimize their value proposition when they know what customers value.

**EMBRACE A BROAD DEFINITION OF THE “VOICE OF CUSTOMER.”** Companies must stay close to the customer, exercising all avenues to gain more insight into customer needs and expectations. They must leverage all sources of customer intelligence to consider how knowledge about the customer can inform process improvements, offer more opportunities for personalization, and make it easier for customers to do business

“ I’ve found that people in CX don’t understand the whole process in which decisions are made and they want to trump it by stating that companies must prioritize the experience over the product. I don’t think the B-to-B world has a good formula for how to balance the strategic focus on product development and innovation, and the customer experiences. ”

# The Experience Starts Before Any Interaction

## **BUYERS HAVE MORE OPTIONS TODAY THAN EVER BEFORE, AND THEY ARE MORE INFORMED.**

They stay up-to-date on alternatives in the market and know exactly what they are looking for in the sales process. As a result, the customer experience begins at the moment of awareness.

Today's B-to-B buyers know what they want. And given the ease with which they can obtain information online and from other sources, it's likely they will know which companies have the best chance of meeting their needs before ever making a call or inquiry. Extensive research of multiple vendors is accomplished before engagement actually begins. Referrals, internet searches, websites – even attending industry events – ensure buyers have access to information about choices in the marketplace. Put simply, peers and information are readily available, making it easier than ever before to learn about ways B-to-B firms are delivering – or ways they aren't.

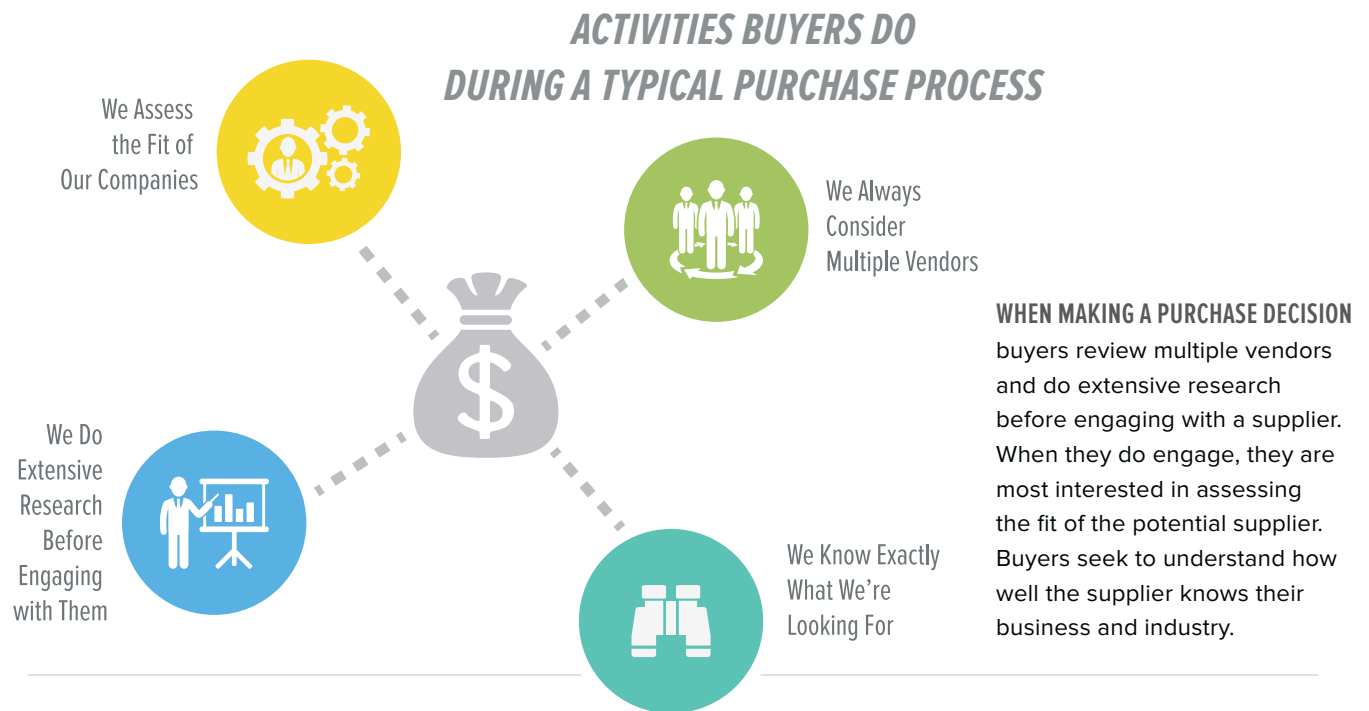
In addition to gathering information before any interaction, buyers look specifically for suppliers who know the industry well and understand their unique needs. They scour websites for evidence that a B-to-B company has the capability and willingness to cater to customer needs – and has a track record of success in solving problems and bringing value.

B-to-B companies should avoid downplaying the role networking and peer connections play in attracting prospective customers. Buyers can and will talk to peers about their experiences with B-to-B firms. That's why exceeding customer expectations is so important. Nobody knows the value of a B-to-B company better than its customers, and customers won't refer a company that they don't think is worthy. The brand becomes a reflection of the experiences that customers have with suppliers.

“ [What we look for during the purchasing experience is a partner that] is very easy to work with, meets deadlines, and has flexibility on cost. They consistently strive to anticipate our needs and offer products/solutions to address those future items. ”

*Insight from an Information Systems Buyer at a Financial Services firm*





## *The new reality – what B-to-B companies must do*

### **FOCUS ON CUSTOMER MOMENTS OF TRUTH.**

Companies must identify the interactions that bring the most value to customers – the moments that make or break a relationship. They must effectively communicate the moments that are strengths and work diligently to improve those that are weaknesses. Knowing that customers want knowledgeable partners who understand not only the industry, but their unique needs, companies must show evidence that the value offered is a fit and can help customers solve problems and prepare for the future.

### **CREATE VISIBILITY ABOUT THE EXPERIENCE.**

Once the moments of truth are identified, B-to-B companies must provide visibility of these valuable interactions. Awareness of the customer experience, especially those interactions that differentiate, must be established and maintained. Use of marketing and branding in building awareness of the customer experience can help educate prospective customers about the value companies provide.

### **EASY ACCESS TO TANGIBLE EVIDENCE.**

B-to-B companies are performers before they ever get on stage. To increase the chance of getting invited into the proposal process, it's important to make clear upfront that the value offered is both real and relevant. Case studies calculating ROI, leveraging recommendations and referrals, and showing interactive demos are all ways to provide tangible evidence of capabilities.



# THERE IS NO SAFE ZONE

Options and alternatives are plentiful for today's B-to-B customers, and they are well informed about the competition. B-to-B companies must stay focused on the customer experience and be agile to sustain an advantage.





# THE RECOMMENDATIONS

Even when there's a contract and even when things are going well, B-to-B customers are constantly reviewing alternatives. They are considering new solutions, sizing up competitors and re-thinking expectations. It's the nature of today's competitive business climate and the reality in an age when buyers are inundated with information from numerous sources. There is no safe zone for B-to-B.

B-to-B customers, as individuals, are also consumers. They shop at Amazon and spend time with user-friendly personal devices. They also overwhelmingly say that the consumer experience impacts their experience buying products and services for their business. Unfortunately, B-to-B companies often take a more narrow view and see their customers only through the B-to-B lens, assuming different standards apply.

Although there is no safe zone, there are strategies and new ways of thinking. They start with staying focused on the customer and embracing these essentials:

- **Leadership is a minimum requirement.** By far the most important ingredient is to have active leadership focused on creating exceptional customer experiences. Without it, customer experience strategies will fail.
- **Eliminate the degrees of separation between customers and employees.** Companies become stagnant when parts of the organization become insulated from one another and from the customer. Companies must create an "outside-in" culture where every role has visibility to customer needs and is seen as supporting the customer.
- **The Power of "And" – Being reactive isn't enough.** Companies must create an agile customer experience that both predicts customer needs AND moves quickly to react to issues and opportunities.



# Leadership Is A Minimum Requirement

## B-TO-B FIRMS MUST BUILD AND MAINTAIN A CUSTOMER-FOCUSED CULTURE TO ACHIEVE

goals and objectives. Leadership in customer experience is crucial and helps ensure the customer perspective drives decision making in all phases of the customer journey.

Whether customer experience resides in corporate strategy, the quality department, customer service or marketing, elevating the customer experience to achieve success won't be effective without committed leadership. Effective leadership should exist in two forms – an executive charged with leading customer experience efforts and support from the company's CEO and/or senior executives.

Leadership of these two forms can be accomplished in a number of ways. However, when considering key priorities the focus should be 1) active leadership; 2) maintaining an appropriate balance between short- and long-term goals; and 3) achieving organizational alignment.

### FINDING THE RIGHT BALANCE

There is no arguing the importance of delivering in the short term. There's often enterprise-wide struggle and pressure to hit quarterly targets. Companies depend on staying close to projections to ensure viability in competitive markets. And while there's little respite in the race to increase sales and profit in today's world, the customer experience leader must champion a balance between short-term goals and long-term needs. Insight from the Strategic Account Management Association warns of the danger in ignoring longer-term customer issues. In the *2014 Report on Current Trends & Practices in Strategy Account Management*, strategic account managers report that conflict between internal silos and gaining internal support for long-term customer needs are their top two challenges.

Creating balance between the short term and long term has obvious implications for factors such as staffing, innovation, and technology. But to ensure visible commitment to customers, it's important for companies to take the lead in making longer-term investments – even when benefits might not be realized for several years. For customer experience leaders, that means having the grit to execute and hold people accountable for long-term improvements that benefit customers.

### ACTIVE LEADERSHIP

It's important for leaders of B-to-B companies to show active support for the customer experience. And while it's not necessary to go as far

## SHORT TERM VS. LONG TERM – ARE YOU ON TARGET?

One way to tell whether you're appropriately balancing the short and long term is to look at your company's metrics. After all, what gets measured, gets managed. Is there a good balance between short-term and longer-term measures? In addition to quarterly sales and revenue, are there metrics tied to things like longer-term improvement initiatives, product development, and innovation? Are metrics focused both internally and externally? For example, if your business tracks on-time delivery of products or services, does the metric represent the customer perception of delivery or your definition of delivery?



as naming a chief customer officer, customer experience leadership should be firmly established, and clear expectations should be set. An executive – ideally someone with enterprise-wide credibility – should be designated to assume responsibility and should receive support from other senior executives who understand how the experience contributes to business impact. Without active leadership, companies will fail to realize the benefits customer experience delivers.

It goes without saying that customer experience leadership must actively set the standard, not only showing visible support for the customer perspective, but leading by example and pushing for investments to improve the experience. Leaders who walk the talk contribute significantly to a successful customer experience strategy.

Equally important is the customer experience leader's role in holding people across the enterprise accountable for improving the customer experience. Gone are the days of sharing scores and hoping they improve. Customer experience leaders must have the leverage to mobilize resources and the authority to hold teams accountable..

## CREATING ORGANIZATIONAL ALIGNMENT

Good things happen when the stars align, and the same holds true when B-to-B firms focus on organizational alignment to meet customer needs. Even the word “alignment” has a positive connotation. Organizational alignment means both alignment among functional areas and the company's alignment with stated objectives to improve the experience. In both cases, alignment is achieved through cross-functional coordination.

To promote alignment, customer experience leaders must have the power and influence to foster teamwork across silos and enable employees to do their part in impacting the experience. Those charged with advocating for customers must cultivate enterprise-wide understanding of the customer journey, which will help create an empathetic organization conducive to cross-functional coordination.

Additionally, customer experience leaders must ensure employees are able to impact the experience. This means making it easy for them to gain access to relevant customer intelligence so it can be used to improve the experience at every stage of the journey.

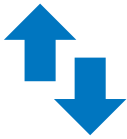
## CROSS-FUNCTIONAL COORDINATION – ARE YOU ON TARGET?

Particularly in large organizations, it can be difficult to determine if a company fosters cross-functional coordination. For clues, examine your customer experience reports. Are they segmented by profit centers, stack-ordered geographically or by function? While creating a spirit of competition can help motivate employees, it might be at the customers' expense. It's important to ensure that any competition you encourage is healthy and doesn't put customers at risk. Fostering an environment where cross-functional coordination thrives is far more beneficial to customers in the long run.

# Eliminate the Degrees of Separation

## ASSOCIATES IN EVERY CORNER OF THE ENTERPRISE SHOULD UNDERSTAND HOW THEIR ROLE

ultimately affects the customer. Eliminating the degrees of separation between associates and the customer personifies the customer focus, makes it real, and paves the way for perpetual improvement in customer experiences.



Creating a culture of customer awareness across the organization is crucial to maintaining customer experience as a top priority. With a supportive culture, closing the gaps between the customer and executives, senior leadership, marketing/sales, product development, and service and support is how cross-functional coordination – and ultimately, organizational alignment – is achieved.

### ELIMINATING THE SEPARATION: WHAT'S REQUIRED

Customer-facing associates – and the methods they use and the customer information they possess – must have cultural influence enterprise wide. For associates who don't directly interact with customers, it's critical to connect their roles and functions to the customer. In other words, customer experience professionals should look for tie-ins and ways to help associates understand how their work impacts the customer, so they can appreciate how they also create and contribute to customer success. There is no shortage of ways this can be accomplished.

- ★ **Customer intelligence on-demand:** Companies are swimming in information about customers, yet information access is a clear challenge for customer experience professionals. In order to create insights, customer experience professionals must have access to all relevant data so they can equip the organization with the intelligence they need, when they need it.
- ★ **Journey Maps:** Help employees understand what customers truly want – the real moments of truth and the ways in which customers go about achieving their objectives. Journey maps provide a complete picture of the customer experience from end-to-end. It helps people working in different areas of the company understand how the customer experience flows across organizational silos.





- **Customer Advisory Boards or Councils:** These forums bring clients, partners, and employees together to advise the business on strategy, product direction, and experience design. They are a great venue for those who do not interact with customers regularly to listen to customer needs and challenges.
- **Ride-alongs:** This approach involves having employees “ride-along,” or shadow customers through their experience in using the product or service. It’s a great approach for seeing and feeling how the customer interacts with the product during specific stages of their journey.
- ★ **Customer profiles:** Not all customers are the same, and no one understands this better than the people who interact with customers regularly. Customer profiles are an approach to creating descriptive categories that employees can use to understand the different customer needs and align their individual responsibilities to serve those needs.
- **Sit-in on customer service/support calls:** If employees need to hear the customer issues first-hand, have them spend an hour monitoring customer service calls. This approach has become popular because it’s an effective way of empathizing with customers. Customer experience professionals often use recorded calls during presentations to tell the customer story.
- ★ **Make competitive intelligence visible:** B-to-B companies today have some dedicated resources focused on the competitive landscape. Yet, often the insights they glean are stored under lock and key. At a minimum, customer experience professionals need access to this intelligence, but many other functions within the company can benefit too.
- **Formal rotation program:** To get fully immersed in the customer experience, try spending a month shadowing reps. Not only will employees get a better sense of customer needs, they are likely to witness the internal challenges that account managers face in serving customers.
- **Customer immersion rooms:** Want employees to get fully immersed? Some companies are creating a physical space where employees can stand in the shoes of customers. These physical spaces help employees understand if the experience being delivered matches the commitments that B-to-B companies make to customers.
- ★ **Voice of the Customer through the Employee:**

Without a doubt, employees are one of the most valuable tools B-to-B companies have in managing the customer experience. Companies must look for opportunities to capture this knowledge and leverage it to guide improvements and take advantage of opportunities.
- **Customer comments:** Verbatims and comments from customers are powerful tools for customer experience professionals. Employees enjoy reading what customers say about the business and benefit from doing so. Some companies are leveraging these comments to help eliminate the degrees of separation by showing them in public forums, such as scrolling comments on an intranet site.
- **CX Day:** The Customer Experience Professionals Association (CXPA) has declared the first Tuesday in October as CX Day. It’s a global celebration of companies and people that create great experiences for customers. Many companies use this as an opportunity to educate employees and celebrate customers.
- ★ **Communications:** Companies use a variety of communication vehicles to illuminate the customer experience. Some of the most effective include branding customer experience initiatives to gain attention, hosting a blog dedicated to the customer experience, and creating posters, videos, and lunch and learns.

★ *Recommended for all customer experience initiatives*

# The Power of “AND”

**HERE’S A CONCEPT THAT’S BEEN AROUND A WHILE. IT WAS HIGHLIGHTED IN THE POPULAR** business book *Built to Last* by Jim Collins and Jerry Porras. The concept is about the power of “and,” or as Collins and Porras put it “the Genius of AND prevailing over the Tyranny of OR.” It’s time for CX to embrace this concept. Customer experience strategies can’t afford to simply react to customer needs. Customer experience professionals must create strategies that enable them to reactively solve problems AND proactively address customer needs.

## MEET SHORT-TERM CUSTOMER COMMITMENTS

Customers expect immediate gratification. Companies must enable their front-line resources, web sites, and online portals to enable customers to achieve immediate gratification.

← -- AND -- →

## IMPROVE FOR THE LONG-TERM

Some customers might put more emphasis on short-term savings, but customer-focused companies realize that preparation for tomorrow starts today. In order to meet customer demands in the future, they must anticipate their future needs now.

## MOBILIZE RESOURCES FOR ACTION

The customer experience is dynamic. It’s received in the moment and let’s face it, no company is perfect. When a customer has a negative experience, B-to-B companies must be agile, mobilizing the right resources to turn a bad situation into a positive one.

← -- AND -- →

## ANTICIPATE WHAT RESOURCES ARE NEEDED

When it comes to creating a customer-centric culture, every employee serves the customer. They are all responsible (directly or indirectly) for shaping the experiences customers receive. To create this culture, companies need to anticipate and enable the right resources, systems, and processes.

## MANAGE EACH INTERACTION WITH SPECIFIC DATA

Customer experiences are shaped throughout their journey. Whether customers are learning about the products you sell, making a purchase, using the product, or trying to resolve an issue, B-to-B companies must have sufficient data sources to effectively serve the customer in-the-moment and exceed their expectations.

← -- AND -- →

## INTEGRATE DATA ACROSS THE JOURNEY

While managing disparate data sources to serve customer needs along the journey makes sense, B-to-B companies must also have the ability to integrate information across the customer journey. This ensures the right hand knows what the left hand is doing.

## DESCRIBE THE PAST THROUGH ANALYTICS

Analytics are leveraged throughout the business to help inform business decisions. There are a wealth of approaches to analyze prior behaviors and perceptions.

← -- AND -- →

## PREDICT AND PRESCRIBE THROUGH ANALYTICS

Customer experience professionals must also synthesize what customer intelligence means in a broader context and for more specific purposes. This includes using customer data to predict unknown behaviors and perceptions, and informing product development and innovation.

## EMBED ALERTS BASED ON CUSTOMER BEHAVIOR

It is common for customer experience professionals to establish triggers to alert individuals of any customer issue or opportunity. For example, an e-mail might be sent when a customer provides a low score, or shares a negative comment. These reactive alerts are essential and depending on how the company responds, the customer often feels like the company is being proactive.

← -- AND -- →

## ISSUE PROACTIVE ALERTS BASED ON HOW A CUSTOMER IS LIKELY TO BEHAVE

Reactive alerts are essential, but these are a minimum requirement. In today's customer age, companies must leverage the knowledge they've gathered and use that intelligence to alert individuals of potential issues or opportunities for all customers, not just those responding to a survey.

## SHOW TRENDS ON DASHBOARDS

In the metrics-driven B-to-B environment, dashboards, Excel files, and PowerPoint documents are chock full of data. Often, the data is shown over time with stat testing and conditional formatting. Using these methods to monitor the business performance is essential.

← -- AND -- →

## FORECAST A RANGE OF LIKELY SCENARIOS

In addition to showing data from an historical perspective, companies must also seek ways to forecast future trends. But, don't just forecast one scenario. The best companies show a range of possible scenarios and track performance against those forecasts.

## CREATE A SCIENCE PROJECT TO "SEE WHAT EMERGES"

Many Voice of Customer programs today can be categorized as a science project. Business leaders and customer experience professionals gather a list of questions they want to ask customers and then wait to see what emerges. While this is inevitable and can be valuable, it often feels like the business is searching for a needle in a haystack.

← -- AND -- →

## INITIATE HYPOTHESIS-DRIVEN DATA EXPLORATION

Prior to asking customers to share their feedback, customer experience professionals must formalize a set of hypotheses and design their research efforts around proving or disproving those hypotheses. This enables more specific insights to inform strategic initiatives.

## DEVELOP CUSTOMER COMMUNICATIONS FOR, "YOU SAID THIS...."

Closing the loop with customers is essential to establishing trust and earning customer loyalty. When customers share concerns or thoughts, business-to-business companies must demonstrate that they are listening by thanking customers, and sharing what they heard.

← -- AND -- →

## "WE'RE CHECKING IN ON THIS..."

This type of approach is effective when leveraging predictive analytics. For example, some companies predict customer satisfaction for customers who don't respond to a survey. If they find that a certain customer is likely to be dissatisfied, they don't want to call the customer and say, "are you unhappy?" Instead, they call and "check in" on the relationship.

## BUILD ACCOUNT PLANS TO GROW CUSTOMER RELATIONSHIPS

Account planning is a beneficial process that is unique to B-to-B. Creating and documenting the strategy to grow, cross-sell, or fix a relationship issue for individual customers fosters alignment and holds teams accountable for specific actions.

← -- AND -- →

## COLLABORATE ON A SHARED CUSTOMER PLAN

In addition to account plans, which tend to focus on internal objectives, B-to-B companies must also work collaboratively with the customer to create a plan that shows customer success and the progress being made on longer-term customer initiatives.









# About this Study

**THE CX ADVANTAGE STUDY** was conducted by Walker with the intent of exploring the opportunities for B-to-B companies to create a competitive advantage by embracing the ways in which customers interact and experience the business. Walker holds sole responsibility for the research and the recommendations set forth. Walker executed the information gathering activities, conducted the analysis, and wrote the report.

In December 2014 and January 2015, Walker conducted in-depth interviews with customer experience leaders from eight market-leading companies. Their views reflect large, global B-to-B companies from a range of industries. The input from these interviews was used to design a quantitative research plan, which is reflective of two key perspectives:

- **Customer Experience Professionals:** Online surveys were completed with customer experience professionals in February 2015. Participants provided perspectives on how well their companies leverage the customer experience to create a competitive advantage, information about their companies' financial performance, and insight into what customers and prospective customers would say about their companies.
- **Decision Makers and Influencers:** Online surveys were also completed with individuals who are responsible for purchase decisions. Only those who are responsible for moderate or substantial purchases, and from large companies (excluding Government) were included. The data includes a range of job responsibilities, but does not include feedback from individuals in procurement. Participants provided input on the criteria they use to evaluate a prospective supplier/vendor and their decision factors preceding and during the renewal cycles.

*The research team included Sean Clayton, Brad Linville, Jeff Marr, Sonya McAllister, Leslie Pagel, and Laura Spice. The lead author of the report is Leslie Pagel and Jill Jansen served as the editor. Aisha Borel is responsible for the design and layout.*

Our sincere thanks go to CustomerThink, Lightspeed GMI, and all of the individuals who shared their time and thoughts.





**CustomerThink** is a global online community of business leaders striving to create profitable customer-centric enterprises. The site serves 80,000+ visitors per month from 200 countries. Main areas of coverage include Customer Relationship Management, Customer Experience Management and Social Business. This is the place to learn about every facet of customer-centric business management. For more information about CustomerThink, visit [www.customerthink.com](http://www.customerthink.com).



**Lightspeed GMI** makes research easy with a full suite of data collection and research services. Focusing on local market knowledge, Lightspeed GMI's proprietary panels deliver access to more than four million online research respondents with unparalleled quality, capacity and targeting. Their comprehensive product suite offers the tools and services needed to generate dependable research results across the consumer, B2B, financial and healthcare business segments. For more information about Lightspeed GMI, visit [www.lightspeedgmi.com](http://www.lightspeedgmi.com).



# 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 [www.walkerinfo.com](http://www.walkerinfo.com).**

# Walker Resources

## **WALKER B-TO-B CX SUMMIT**

The industry's only conference focused on the latest and best customer experience strategies for B-to-B companies. We feature powerful keynote presentations, engaging workshops, and valuable networking all aimed at sharing best practices to improve the way companies drive business success. Learn more at [www.walkercxsummit.com](http://www.walkercxsummit.com).

## **WALKER WEBCASTS**

We produce a popular series of monthly 30-minute webcasts on a variety of customer experience topics. Each webcast is hosted by Walker's thought leaders. Learn more at [www.walkerinfo.com/knowledge-center/webcasts.asp](http://www.walkerinfo.com/knowledge-center/webcasts.asp).

## **KEYNOTE PRESENTATIONS**

Walker's thought leaders deliver excellent keynote presentations on a wide range of customer experience topics. Consider bringing a Walker executive to your next big event.

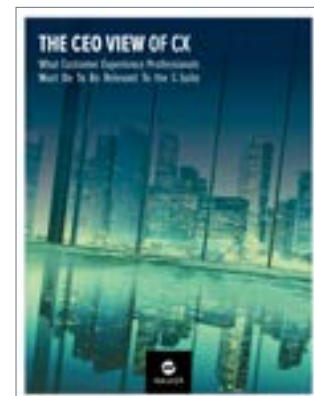
## **CUSTOMER WORKSHOPS**

Walker conducts dozens of workshops for leading companies. Whether you're considering a session of two hours or two days, consider hiring the experts at Walker to help plan and execute your next customer experience workshop.

## **WALKER KNOWLEDGE CENTER**

Walker's Knowledge Center is an outstanding resource for customer experience leaders. You have access to informative webcasts, thought-provoking white papers, powerful case studies, eBooks, and more. Learn more at [www.walkerinfo.com/knowledge-center](http://www.walkerinfo.com/knowledge-center).

## **OTHER SPECIAL REPORTS AVAILABLE FROM WALKER**





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