

DATA RICH INSIGHT POOR

THE ART OF TRANSFORMING DATA INTO CUSTOMER INTELLIGENCE



WALKER



WALKER

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BIG
DATA
IS STILL A
BIG
DEAL

Data Rich, Insight Poor – The Art of Transforming Data into Customer Intelligence provides a framework for leveraging multiple sources of data to improve customer interactions with B-to-B companies. It's a tool for creating value from customer intelligence. And, it's a guide for accelerating insight delivery.

There are pieces of customer information lurking in every area of today's companies. Without a collective view and purpose, professionals gather information based on their own individual needs. This volume of data is difficult to harness, and in many cases, companies don't have a complete accounting of all the information assets that are available. Additionally, many companies are overloaded with static data incapable of offering predictive value for the future.

As the tsunami of data grows, companies are asking themselves, "How do we use this data to create meaningful insights that give us a competitive advantage?"

Data Rich, Insight Poor – The Art of Transforming Data into Customer Intelligence seeks to help customer experience professionals answer this question.

WHAT IS AN INSIGHT?

For purposes of this report an insight is considered the interpretation or understanding of data (structured or unstructured) that provides new meaning to the business.

- To be considered an insight it must:
- Not be something that has been previously understood, accepted, or proven
 - Be believable and actionable
 - Have the potential for impact
 - Have the ability to be reproduced

STOP IGNORING THE REAL PROBLEM

The “Big Data” conversation tends to revolve around technology. While technology is essential to taking advantage of the vast data available, it’s time companies start to address the real issue – cultural barriers.

Culture is the primary reason many customer analytic projects fail to deliver insights to the business. There are four common barriers that customer experience professionals must avoid.

- **THERE IS NO “EASY BUTTON”** – Many have been disillusioned into thinking they can collect a lot of information, hire a team of data scientists, and “poof!,” out comes a new insight. This just doesn’t happen (or at least doesn’t happen very often). Instead, insights are discovered when there is a clear business objective. Without this, the relevance and interpretation of the data is perplexing, often leading to false conclusions or misdirection. Additionally, companies waste precious time and resources searching for the needle in the haystack.
- **DATA ON LOCK-DOWN** – Information access is a clear challenge for customer experience professionals. In order to create insights, customer experience professionals need access to all relevant data. They can no longer solely rely on customer survey data to drive meaningful insights to the business. And, if the relevant information isn’t available, they need the authority to create it.
- **A WEB OF KNOTS** – If you have seen an episode of the reality game Survivor, chances are you’ve seen a challenge where an individual has to untangle a series of knots. Like this Survivor challenge, customer experience professionals will be faced with disparate data sources and differing naming conventions they must untangle. A data governance strategy and analytic capabilities are effective detanglers.
- **IMMOBILITY** – Customer intelligence initiatives must have an intent to act before the insight discovery phase, and companies must actually do something once the insight is discovered. It’s human nature to avoid change – we resist it. But, if the organization is seeking to answer a business question without any consideration as to what might change, insights are likely to go unnoticed. Further, in order to recognize the value of an insight, the organization must do something with it. It must act – period.

To help customer experience professionals overcome these barriers and create insights from big data, Walker developed a six phase framework, which is detailed in the next section of this report.

INFORMATION SOURCES

CORPORATE

- Financial
- Employee Productivity
- Competitive

OPERATIONAL

- Purchase
- Delivery/Installation
- Repair/Maintenance
- Product Usage
- Customer Support

MARKETING/BUSINESS DEVELOPMENT

- Lead Generation
- Business Development
- Channel
- Web Site

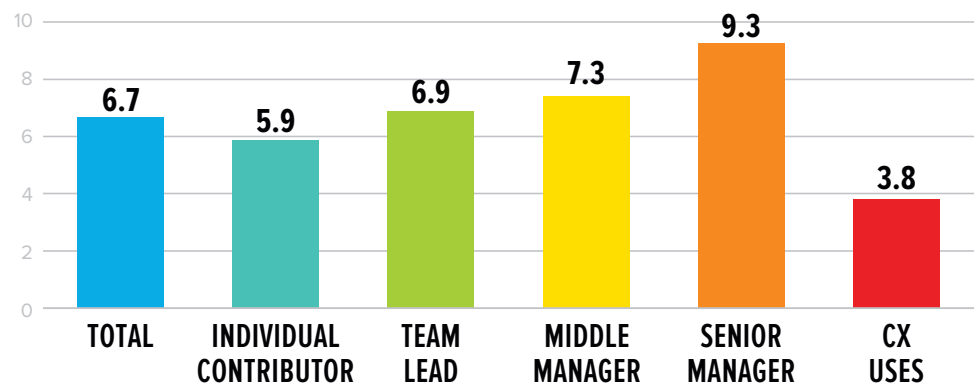
FEEDBACK/SENTIMENT

- Frontline Employees
- Customer or Partner Surveys
- Employee Surveys
- Customer or Partner Events
- Customer Roundtables
- Social Media

OTHER

- Account Plans
- Customer Success
- Secondary Information

AVERAGE SOURCES RECEIVED REGULARLY



WHAT WE HEARD

We asked business-to-business professionals what type of information they receive regularly. They were given a list of 21 different types of information sources. On average, business professionals receive data from about seven sources of information regularly. And, as you'd expect, the average number of sources increases with seniority. But, when looking at the number of sources customer experience professionals use to deliver insights to the business, the number drops to less than four.

WALKER'S TAKE

Customer experience professionals struggle to gain access to relevant information that can easily be integrated. To create the insights that the business demands and elevate the relevance of the customer experience role, customer experience professionals recognize they must define customer intelligence in broader terms than customer perception and survey data. They must be given similar or greater access than senior managers. After all, they are the ones looking after the company's most important asset.



MONEYBALLING

CUSTOMER EXPERIENCE



IT'S TIME TO THINK BROADER ABOUT CUSTOMER DATA AND ANALYTICS. IT'S TIME TO MONEYBALL CUSTOMER EXPERIENCE.

The term “Moneyball” comes from a popular book and film about the Oakland Athletics baseball team and its general manager Billy Beane. It highlights how the team used data and analytics to assemble a competitive team, despite financial challenges. Billy Beane’s unconventional approach to baseball statistics proved effective, with the Oakland Athletics breaking a record that season for most consecutive wins.

Like Billy Beane, customer experience professionals seek to create a competitive advantage. Those who will be successful, will think about customer data broader than merely customer sentiment and perception. They will explore unconventional approaches to leverage the increasing amount of data that is available and create a holistic understanding of the customer. And, they will use predictive and prescriptive analytics to create an experience that customers recognize, value, and reward.

This section of the report contains the solution to the problem. It has the steps customer experience professionals must use to Moneyball customer experience.

NOW IS THE TIME

The Internet is littered with case studies of how data and analytics are being used in sports, the criminal justice system, healthcare, the music industry, retail, and governments – to name a few. As customer expectations grow, it’s time for customer experience professionals to think broader about the customer data they use to guide the business strategy and customer-focused initiatives.

CREATING INSIGHTS



START AT THE END

Avoid searching for a needle in the haystack by starting with the overarching objectives. Having clear and specific objectives will guide the data gathering and analysis, and ensure the initiative is meaningful to the business.



CALL IN THE GEEKS

Different skills are essential for leveraging big data to create meaningful insights. Whether one person wears multiple hats or a couple people are involved, the geeks represent the roles that are inherently involved.



MAKE FRIENDS

Information access is a common barrier for customer experience professionals. Making friends is about identifying what information is necessary and seeking out the relationships that can help unlock access to the relevant and meaningful information.

FROM BIG DATA



SEEK PERSPICACITY

Perspicacity is the understanding and discernment of the customer wants and needs. This stage is about understanding, synthesizing, and prioritizing.



LAUNCH A CAMPAIGN

In order to recognize the value of an insight, the organization must take action. And, the first step to action is gaining support. This phase is about getting others onboard and mobilizing resources.



CREATE A LEGACY

To optimize the value, B-to-B organizations must look for opportunities to embed insights into the systems that are used to make decisions and support the customer experience.



START AT THE END

“If you don’t know where you are going, you might wind up someplace else.” —Yogi Berra

The first step is to establish the destination by determining the true question you seek to answer. The title for this phase is “Start at the end,” and should be taken literally. The end of this framework is about creating a legacy, which is where customer experience professionals should start. Where can customer experience professionals have the greatest impact on the customer? What systems and processes can they influence to improve the experience? What challenges are being encountered by the business? What issues are on the collective mind of the C-suite?

WHAT WORKS

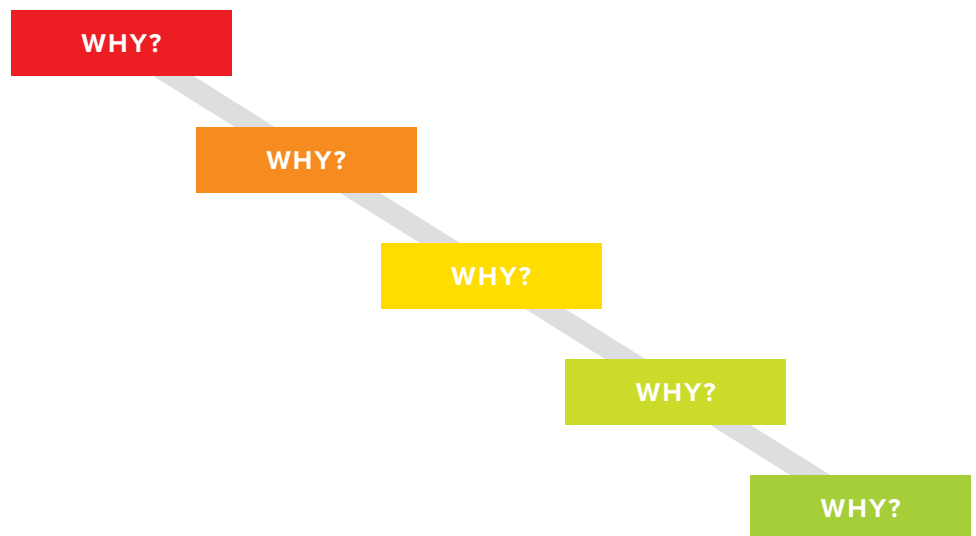
- Start with a clear understanding of what customers are trying to accomplish, and the barriers and gaps in how the organization is setup to support customer needs. Journey mapping or touchpoint maps are an effective tool for this.
- Determine the business objective. Make sure you answer the right question by asking a series of “why?” questions. Continue to challenge it until it is clear what you are seeking to learn and why.
- Be specific. If you have a financial objective, state the type of financial measure you are focused on and the desired outcome. If you have an experiential objective, state the customer experience area and what you are trying to accomplish.
- Once you have a specific business objective, determine the value of the potential outcome. What’s the benefit to the business?
- Get the right people involved. Do you need an executive sponsor and if so, do you have one? Is there someone engaged who knows the business function intimately? Who will be the person who creates order out of chaos and makes things happen? Marketing guru, Seth Godin refers to this person as the “linchpin.”
- Ensure there is intent to act by answering the question, “How will we use this information?” What systems can we enhance to help our associates and customers? Do we have the right people and resources to make changes? Will we make changes?
- Brainstorm possible answers to the question and put them into categories, such as solutions, people, execution, cost, etc.
- Discuss hazards and create a plan for addressing them head-on.

THE CUSTOMER EXPERIENCE OBJECTIVE

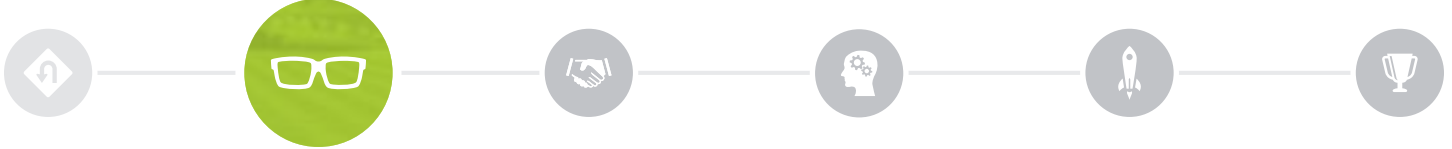
The role of a customer experience professional is to accelerate growth and profitability. To facilitate this goal, customer experience professionals engage in initiatives such as:

- Identifying which customers are most likely to purchase new products
- Predicting customers who are at risk of leaving
- Reducing the amount of time it takes to resolve a customer issue
- Identifying customers who had a bad support experience

THE POWER OF “WHY?”



The five “Whys” is a technique used to explore a particular problem. The goal is to determine the root cause of a particular situation or problem by asking a series of “Why” questions. This is a powerful tool often used during this stage.



CALL IN THE GEEKS

In October 2012 Thomas H. Davenport and D.J. Patil published an article in the *Harvard Business Review* titled, “Data Scientist: The Sexiest Job of the 21st Century.” The article hit the nail on the head. In the article, Davenport and Patil define the role of the data scientist as, “a high ranking professional with the training and curiosity to make discoveries in the world of big data.”

During this stage of insight discovery, various roles are called upon to clean and map the data, apply analytical techniques to identify patterns or anomalies, and listen to and interpret what the data are saying.

WHAT WORKS

ROLE CLARITY

While the data scientist is important to the overall success of the initiative, it isn't the only necessary role. While one person will wear multiple hats, we see the following roles essential to insight discovery:

SOLUTION SEEKER: This is the champion or person who is seeking an answer to a specific business question. They align the appropriate resources to the project.

LIAISON: This person has an intimate understanding of how the work gets done. They know what information is needed and can influence how the business uses new insights. Typically this person is the solutions seeker or resides in the same department as the as the solution seeker.

CUSTOMER REPRESENTATIVE: Generally this is the customer experience professional who understands the customer perspective and can represent their voice in the insight discovery process.

TASK TRACKER: Depending on the scope of the initiative, this role might be small with a couple of to-do items or significant with a 12 month project plan. Regardless, someone needs to keep the project on track and push the team towards completion of action items.

DATA DETANGLER: This role supports the alignment of disparate data sources and enables the integration of insights into decision support systems.

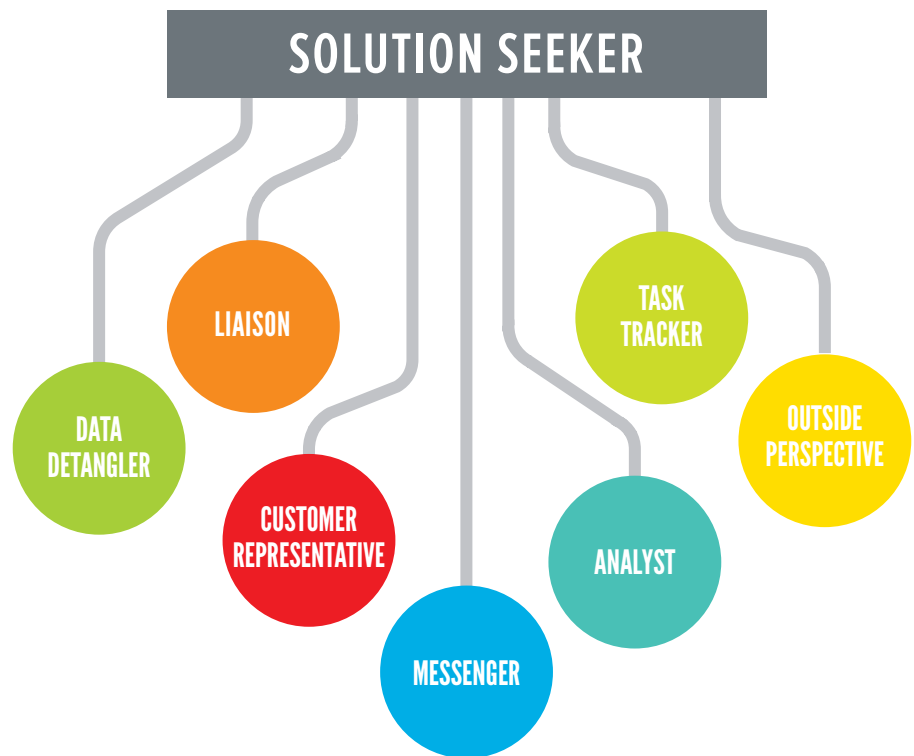
HOW TO GET STARTED

- Don't be fooled, there is a shortage gap of talent for specialists, such as the data architect and data scientist. Companies must be prepared to either pay a premium or to develop the skills in-house.
- Don't try to boil the ocean. Start with a small project, find a few people who can wear multiple hats, and build momentum from there.
- Align to customer needs and make it relevant to the business. If the business sees a need, it will find the funding.

ANALYST: Whether the initiative requires basic or sophisticated analysis, someone will need to explore, synthesize, and prioritize the data.

MESSENGER: Communication is important. This task is focused on cutting through the clutter to ensure others understand the insight and are equipped to take the appropriate actions.

OUTSIDE PERSPECTIVE: The objective here is to bring new ideas and challenge the cultural barriers.



This diagram depicts the roles involved in leveraging big data to create meaningful insights. It starts with the solution seeker who receives support from experts who accelerate insight discovery and deliver more value to the business.



MAKE FRIENDS

The popular movie, *Miracle on Ice*, is about the United States men’s hockey team, led by head coach Herb Brooks that won the gold medal in the 1980 Winter Olympics.

One of the defining moments in the movie is when a player yells, “I play for the United States of America.” Up until this point, the team was divided. Up until this point, each player played for their college team and let old rivalries drive them.

Access to relevant data is necessary. And, to get access, you need to know what you’re looking for, where it might exist, and who can help you get it. Like the United States’ hockey team, customer experience professionals must work as a unified team with the higher purpose, an exceptional customer experience in mind. Customer experience professionals must know what data they want and work with others to gain access. While top-down support can help get the job done, lack of executive support shouldn’t be a show-stopper. Many successful insights have been created through grassroots initiatives.

WHAT WORKS

DATA INTEGRATION

Creating meaningful insights is possible when companies seek, evaluate, and integrate disparate sources of customer information. Individual pieces won’t provide the complete story. In fact, relying on just one or two information sources can be dangerous.

While technology enables data integration, relationships facilitate data access. Customer experience professionals need to build a broad network of relationships. To do this, they must be prepared to clarify their objectives and share what they need in order to deliver an experience that customers reward.

DATA GOVERNANCE

Data Governance or Master Data Management is a continuous organizational process that establishes guidelines for managing corporate data and improving data quality. It includes collaboration between technology, business analysts, and customer experience stakeholders to identify and maximize data sources for insight discovery.

But, what does data governance have to do with customer experience? The answer is a lot. Customer experience professionals should influence data governance activities in the following ways:

- Defining what constitutes a customer
- Ensuring the customer is at the center of the data structure
- Developing the system or process that can effectively deliver customer intelligence to meet the diverse and unique needs of the enterprise

STEPS FOR ENGAGING IN DATA GOVERNANCE:

- Start by learning if you have a data governance strategy
- If so, reach out to the influencers – share your objectives, needs, and intentions
- Work with them to assess the feasibility of data access and integration
- Develop a plan for data integration
- If there is no governance strategy, work with the individual owners of the data to see how they can help

FINDING FRIENDS

The table below can help you get started. It contains the common information sources and, in general, where they can be found. It is a template that customer experience professionals can use to determine what data might be needed to answer the business question.

At the end of the day, IT is managing most if not all of these systems. Don't forget to make friends with your IT people like the CIO, CTO, and DBAs.

| | INFORMATION SOURCES | LIST THE SPECIFIC DATA THAT WILL HELP ANSWER THE QUESTION HERE ARE SOME EXAMPLES | THE DATA TENDS TO RESIDE IN THESE AREAS. SEEK FRIENDS IN THESE AREAS |
|---------------------------------------|--------------------------|---|--|
| CORPORATE | Financial | Sales, Revenue | Finance |
| | Employee Productivity | Revenue per labor dollar | Finance |
| | Competitive | Market share | Finance |
| OPERATIONAL | Purchase | Product purchased | Sales Ops |
| | Delivery/Installation | Time to install | Sales Ops |
| | Repair/Maintenance | Downtime | Product Quality |
| | Product Usage | Frequency | Product Quality |
| | Customer Support | First contact resolution | Service and Support |
| | Supply Chain | Rate of return | Channel Management |
| MARKETING/ BUSINESS DEVELOPMENT | Lead Generation | Number of leads | Marketing |
| | Business Development | Number of active opportunities | Marketing |
| | Channel | Channel growth | Channel Management |
| | Web Site | Page hits/views | Marketing |
| FEEDBACK/ SENTIMENT | Frontline Employees | Customer complaints | Sales/Customer Care |
| | Customer Surveys | Customer loyalty | Customer Experience |
| | Partner Surveys | Partner loyalty | Channel Management |
| | Employee Surveys | Employee engagement | HR |
| | Events | Involvement | Marketing |
| | Roundtables | Top issue | Customer Experience |
| | Social Media | Number of mentions | Marketing |
| OTHER | Account Plans | Execution of plans | Sales |
| | Customer Success Metrics | ROI for the customer | Sales |
| | Secondary Information | The customer's Form 10 K | Various |
| | Macro Economic | GDP growth | Various |



SEEK PERSPICACITY

At the 2013 B-to-B Customer Experience Summit in San Diego, California, former astronaut, David Wolf shared his stories from space. He said, “When NASA selects people for the space program, they are looking for many traits, but the main trait they look for is perspicacity.”

According to a NASA recruiting brochure, perspicacity is being able to “quickly pick out, from among thousands of things [an astronaut] sees, those that are significant, and to synthesize observations and develop and test working hypotheses.” David Wolf described sitting in the seat of the space shuttle getting ready to take off, and using all kinds of available data, he would quickly assess the situation, determine which data were important, and know in an instant how to react.

For customer experience professionals, perspicacity is about prioritizing. It’s knowing what the business must do to create an experience that customer’s recognize, value, and reward. There are all kinds of data available, much of which goes unnoticed, or at least unanalyzed. It is up to the customer experience professional to prioritize the development of systems and processes that enable the organization to filter through customer intelligence, prioritize it, and determine what to do with it ...quickly.

PER·SPI·CAC·I·TY

[pur-spi-kas-i-tee]

Noun

1. keenness of mental perception and understanding; discernment; penetration.

Synonyms

shrewdness, acuity, astuteness, insight, acumen. See perspicuity.

WHAT WORKS

VISUALIZATION

The way in which data is visualized can help avoid big data paralysis and accelerates insight discovery by helping us see things that might otherwise go unnoticed. Take a map, for example, if we had all of the data that was used to create a map, we will easily be overwhelmed and we still wouldn’t be able to see the map the same way we can see it when it is drawn out, visually.

We often think about visualization as an outcome - a way of sharing insights. Approaches like infographics and dashboards are really good examples of this. But, visualization is more than an outcome, it’s a process that helps us “feel” and interact with the data to illuminate insights.

Customer experience professionals must embrace dynamic applications and newer visualization techniques. Gone are the days of flat files, tables, and pie charts. As data becomes more complex, more sophisticated visualization techniques will be needed to create perspicacity.

COLLABORATION

Writer, Steven Johnson's 2010 Ted Talk titled, "Where good ideas come from," shared his studies of many different environments in which ideas were formed. His advice is to give up the, "conventional language and metaphors that steer us toward certain concepts of idea creation." Things like, epiphany and eureka moments suggest that an idea or insight is a single thing, but based on Johnson's research, ideas are created through, what he calls, "liquid networks" – the coffee houses, water coolers, and break rooms. Insights aren't created in isolation, but instead, they are created when people come together to share their hunches, thoughts, and ideas.

Collaboration is essential to the synthesis that enables customer experience professionals to practice the art of perspicacity.



DAVID WOLF

David Wolf is an American astronaut, medical doctor, and electrical engineer. Wolf has been to space four times totaling 168 days. Three of his spaceflights were typical-duration Space Shuttle missions, the first of which was Spacelab mission, and two International Space Station construction missions, most recently in 2009. Wolf also took part in a long-duration mission aboard the Russian space station Mir which lasted 128 days. In total Wolf has logged more than 4,040 hours in space. He is also a veteran of 7 spacewalks totaling 41hrs 17min in both Russian and American spacesuits.

Wolf has received numerous awards and honors including 16 patents in the emerging field of tissue engineering. He is a recipient of the NASA Exceptional Engineering Achievement Medal in 1990 and NASA Inventor of the Year in 1992.



LAUNCH A CAMPAIGN

After the data has been gathered, analyzed, and visualized and a potential insight(s) has been discovered, the next step is to share it. There are three objectives:

1. Assess the believability of the insight. If people don't believe it, they won't embrace it.
2. Gain support.
3. Mobilize resources for action.

WHAT WORKS

Let's face it, in reality, few insights actually drive a new action. Initiatives might already be underway or other activities could take priority. Customer experience professionals don't have control over all of it, but implementing these tips will maximize the likelihood of change.

- **TRAINING:** Use more engaging training methods, such as practice or discussion groups to increase learning retention.
- **PLAN:** A clearly defined communication plan that progressively builds through three stages of Awareness, Understanding, and Belief is more likely to result in action.
- **STAND OUT:** Seek help from communication specialists to guide the development of messages that will help cut through the clutter
- **AUDIENCE:** To develop tailored messages, take time to understand the audience and what they need to know, when they need to know it.
- **REPETITION:** One time communication isn't enough. Communications should be ongoing and continuous.

THE INSIGHT EVANGELIST

Insights with these five characteristics simplify the role of the evangelist:

1. The insight provides a clear advantage over the status quo
2. The insight is compatible with current needs and practices
3. The insight is simple, easy to understand, and act upon
4. The insight doesn't require user to make a lifetime commitment.
5. The impact of the insight is observable

WALKER'S HIERARCHY OF ENGAGEMENT



At Walker, we use a simple image as a framework for getting people onboard when a new insight is discovered and the business agrees it must act. It's called the hierarchy of engagement and as the graphic illustrates, in order for action to take place, individuals must first be aware that the insight exists. Next, they need to understand the insight, how it effects them (or their customers), and the role they play. Finally, they must believe that the insight is credible and action is worthwhile.

All three of these elements must be in place before action occurs. Only then will you be able to realize the results you are trying to achieve.



CREATE A LEGACY

In an HBR interview with Charles Duhigg, author of *The Power of Habit: Why We Do What We Do in Life and Business*, Duhigg explains the importance of habits for business. He says, “We’ve learned that a huge amount of whether a company succeeds or fails is based not on the big strategy decisions that people make, but on the habits that emerge within the organization.”

When seeking to turn an insight into a legacy, customer experience professionals must change habits. One effective approach is to embed the insight into the decision support systems, such as CRM systems, incentive plans, and dashboards.

WHAT WORKS

EMBEDDING INSIGHTS

Embedding insights involves having a technology infrastructure, analytic talent, and organizational commitment to implement or adapt systems or processes that people use to make decisions. Companies that are successful will leverage the following characteristics.

- **ANALYTICS:** Focus on analytics as a core organizational capability
- **CLARITY:** Have a clear idea of how customers interact and the organizational processes that support/lead to this interactions – Journey map and decision audits are helpful here
- **GOVERNANCE:** Make good data governance a continuous priority
- **EXPERIMENTATION:** Create a culture of experimentation – focus on optimization and prescription, not just description or prediction

BILLY BEANE’S LEGACY

Billy Beane’s unconventional approach to the study and analysis of baseball statistics has been embedded throughout the sport and has challenged the way other sports leverage and use analytics to gain a competitive advantage. Not only has the term “Moneyball” become a part of baseball’s dictionary, it’s changed the way many major league front offices do business.

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.

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.

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.

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.

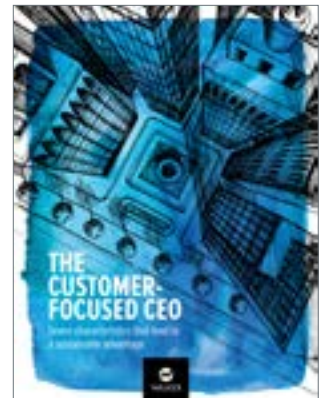
CUSTOM WORKSHOPS

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.

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