

Customer Experience Friendly Process Design

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Process mapping and design developed out of the basic need to make operations more efficient and there are well defined guidelines to do this. While efficiency can be interpreted as good for the customer, in its usual guise it really means cost managed process. Granted, most practitioners of traditional process design would suggest that customers ultimately benefit as a result of the streamlined process because it means they get what they want when they want it. As business come to the realisation that the next competitive battle ground is the realm of the customer experience, they are forced to deal with the fact that half of the customer experience is emotional. Unfortunately, traditional process design deals with only half of the customer experience, the rational side. We have known for some time that even when customers report being satisfied, they are often disloyal. The obvious implication is that if the thrust of your processes are too heavily focused on the rational engagement then you are leaving your business unprotected from the competitive threat posed by businesses which have begun to understand the need to address a customer's emotional expectations. Process designers have attempted to move beyond traditional business process redesign (BPR) confines and move towards more holistic customer centric design via the development of end-to-end processing and journey mapping.



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Rational vs. Emotional Customer Experience

It is now recognised that customer experiences are driven by the emotional as well as rational engagement. The rational engagement encompasses all of the traditional components business have tended to place a great deal of emphasis on to get right. These rational components are along the lines of Philip Kotler's 4Ps (product, price, place and promotion)¹. A major strength of optimising an experience along processes that deliver the rational experience is the ability to quantify the benefits and subsequently align those to the bottom line. One could argue that the whole field of operations research paired with managerial accounting achieves this.

The emotional engagement is more difficult to gauge at this point because it is at an earlier stage of development as a field of study. It is the current cutting edge of customer experience development for business. What is required is robust research which measures the emotional engagement and links it to accepted quantifiable benefits (e.g., revenue and customer satisfaction). This is an area currently under development but I can report that Beyond Philosophy has completed groundbreaking research in this area and are currently piloting an emotional engagement monitor in several large corporations now. While too detailed to go into here, the results are insightful and objectively demonstrate that it is the emotional engagement drives loyal customers and subsequent spend².

So in general businesses have done well in attempting to optimise the rational engagement. It is a safe bet to say that large professionally run businesses will understand their customers' rational expectations and in large part have acted on this knowledge with great effect. It is also safe to say that very few of these businesses will understand what their customer's emotional expectations are. There is a distinct relationship between competitive advantage (in the form of loyal customers and the security of longer term spend they generate) and customer expectations. Figure 1 provides a framework to understand this.³ It is clear that if a business does not meet either expectation, they are in the Dead Zone and headed towards bankruptcy. Most medium and large businesses will find themselves somewhere around the Commoditisation Zone. In general they have done an excellent

¹ Philip Kotler et al, Principles of Marketing, Prentice Hall, Editions 1 – 11.

² The results and case studies are currently being written up by Beyond Philosophy for a book "The DNA of the Customer Experience" to be published by Palgrave Macmillan in mid 2007.

³ Adapted from Beyond Philosophy

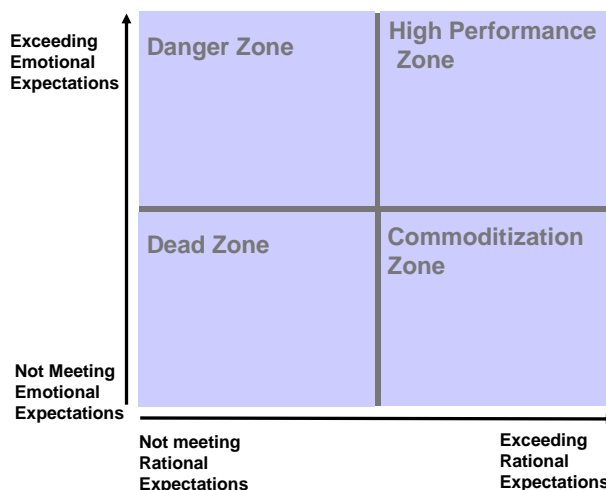
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job in acting on their understanding their customer's rational expectations to optimise the rational engagement. However, they lack an approach to understand their customer's emotional engagement. . Hence the emotional engagement is necessarily neglected. It would also be rare to find a healthy business in the Danger Zone. Here they would have, for whatever reason, placed more emphasis on the emotional engagement than they do with the rational engagement. Taken to its extreme (the upper left corner), this could represent the scam artist. They make you feel great buying but that quickly disappears when you find out you have bought nothing but thin air. It is worth making it clear then that I am not for a minute suggesting that a business neglect the rational engagement in favour of the emotional. I am suggesting a balanced approach. This will generally mean that in order to get to the High Performance Zone a business will have to place extra effort on making emotional engagement as consistent and deliberate as the rational engagement.

The obvious implication is that if the thrust of your processes are too heavily focused on the rational engagement then you are leaving your business unprotected from the competitive threat posed by businesses which have begun to understand the need to address a customer's emotional expectations. Process designers have attempted to move beyond traditional business process redesign (BPR) confines and move towards more holistic customer centric design via the development of end-to-end processing and journey mapping.

Figure 1

The relationship between expectations and competitive advantage



- **End-to-End Process**

The development of end-to-end thinking into process design is a huge step forward although it developed as a way of reducing transfer costs – the costs generated when there is handover between internal processes. Essentially this handover causes friction. The solution was to think of what needs to happen to create a more efficient operation from the moment the organisation initiates action to the moment the actions are officially closed. This will of course cut across a variety of departments and silos. One implication of this is that process ownership needed to be come matrixed or moved up a level or two. Most businesses will have a fairly clear understanding of how to develop their end-to-end processes. As businesses perfect their ability to design end-to-end processes they have begun to see the need for a more outside-in approach.

- **Journey Mapping**

The natural next progression in process design innovation is the journey map. As a business moves towards this outside-in perspective, an obvious question to ask is how the customer sees this and what is it that they really expect. The journey map is the attempt to map the end-to-end process from the customer's point of view. Whereas the end-to-end process map uses internal language to

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describe what is going on, the journey map uses the language that customers would appreciate. An interesting revelation that comes out of journey mapping is deciding where the journey starts and ends. As stated previously, with end-to-end process design the start and end are generally decided upon from an inside-out point of view. That is the process starts when the organisation begins to incur cost and it ends when the organisation ceases to incur cost. In journey mapping, the start and end of the experience may be very different. In other words, the customer may believe the experience starts before the organisation says it does. Such a difference would obviously have major negative consequences on a company's ability to meet a customer's emotional expectations. Perhaps the biggest shift in the use of journey mapping is the focus on the experience customer's face rather than the experience the business faces. This is the shift from inside-out thinking towards outside-in thinking.

Figure 2

Process Design Views

	Traditional Process Design	End-to-End Design	Journey Mapping
Perspective	Internal and Intra silo	Inside-out cross silo	Outside-in customer centric
Objective	Intra silo efficiency	Organisational efficiency (reduction of handover costs)	Experience optimisation
Need to involve customers	Little or none	Some	Required

Next wave: customer designed experience

As has happened with traditional process design and end-to-end design, journey mapping has a logical next step: customer designed experiences. It will result when businesses begin to see certain segments of their customers as part of the business. That is to say when there is less "us and them" and more "we" when speaking of customers. This is a bit farfetched for most businesses today but the signs are that businesses that have taken significant strides in using journey maps are beginning to understand (1) how customer designed experiences can work within their organisations and (2) the benefits doing so.

The concept of customer design is less alien when thinking product design. There are a number of articles out there that describe how to have customers intimately involved at all stages of product design. Most of us see this as a way to reduce cost in that the finished product will be what the target audience wants. Thus there is less room for mistakenly producing something that is not attractive to the target audience. Perhaps it should be reiterated here that the product design is a key part of the rational experience. Well, if it makes sense to have customers help us design what experiences we offer it makes sense to have them help us design how we offer those experiences. The question is not whether it will happen for successful companies but rather how soon it will happen.

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To get an indication of how well your company is prepared to enhance its processes to deliver a consistent and deliberate full customer experience answer the readiness test questions (see Figure 3).

Figure 3

Customer Experience Oriented Process Design Readiness Test

	A	B	C
1. Where is process ownership within the business?	Department	Matrixed middle manager	Senior executive
2. Which customer expectations does the business currently act on?	Emotional	Rational	Both
3. Would a customer be able to follow one of your high level end-to-end process maps?	Yes	No	Maybe
4. Does the business understand that both back and front offices play equal roles in making the customer experience consistent and deliberate?	Yes	No	Maybe
5. Would the business understand that customers can help improve some back office processes?	Yes	No	Maybe
6. Would there be executive support for customer designed processes?	Yes	No	Maybe
7. Which is more important for your organization: customer acquisition or retention?	Acquisition	Retention	Can't say
8. What characterizes your market best: expanding, stable or shrinking?	Expanding	Stable	Shrinking

Use the key at the end (see Figure 5) to score your answers.

- If you scored 0-20 points your company is Naïve⁴ in its approach to the full customer experience. You have little organizational capacity (or desire) to focus on the full (i.e., rational and emotional) customer experience. The business likely finds itself on the lower half of the Commoditization zone (refer to Figure 1). You'll recognize the problems of handing off between processes. Your first priority has to be to get cross-functional ownership and responsibility of processes.
- If you scored 21-38 points your company is Transactional in its approach to the customer experience. The business likely finds itself on the upper half of the Commoditization Zone (refer to Figure 1). You have convinced yourself of the notion that what your customers really want is a fast efficient service. Your customer satisfaction surveys will prove this point to you. You will not have a clue about how emotionally engaging your customer experience is. You should consider developing your ability to use Journey Maps. An initial successful strategy that works is to use your journey mapping as a means of prioritizing your end-to-end processes. That is to say you can identify which processes are more important/ noticeable to your customers and focus your evolving customer centric process design efforts on these. This will manage or reduce the overall cost of the program and generate the greatest gains.

⁴ Naïve, Transactional, Enlightened and Natural are characterisations of a business' capacity to deliver a consistent and deliberate customer experience. Naïve is least evolved and Natural is most evolved. A detailed discussion of the "Naïve to Natural" structure can be found in the book "Revolutionise Your Customer Experience", C. Shaw, Palgrave Macmillan, 2005.

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- If you scored above 38 points your company is Enlightened in its approach to the customer experience and likely finds itself in the lower half of the High Performance Zone (refer to Figure 1). You are close to the cutting edge in process design. You may want to make sure that your understanding of your customers' emotional expectation is systematic (i.e., not a one off, ad hoc exercise). If your colleagues in the business are comfortable with actively using journey maps, you may want to gradually develop the businesses appreciation of customer designed processes.
- If you answered "A" to question 7; and "B" or "C" to question 8, your company is headed towards Dead Zone territory. In this case, the first priority has to be a refocusing on customer retention. A continued emphasis on acquisition in a non-expanding market generally leads to skyrocketing costs, especially if the competition has started to address the emotional engagement. That is, you need to shore up your processes for the existing customers' experience.
- Figure 4 shows typical answer patterns for Naïve, Transactional and Enlightened companies.

Figure 4

Typical Answer Patterns for Naïve, Transactional and Enlightened Companies

	Naive	Transactional	Enlightened
1. Where is process ownership within the business?	Department	Matrixed middle manager	Senior executive
2. Which customer expectations does the business currently act on?	Rational	Rational	Both
3. Would a customer be able to follow one of your high level end-to-end process maps?	No	Maybe	Yes
4. Does the business understand that both back and front offices play equal roles in making the customer experience consistent and deliberate?	No	Maybe	Yes
5. Would the business understand that customers can help improve some back office processes?	No	No	Yes
6. Would there be executive support for customer designed processes?	No	No	Maybe
7. Which is more important for your organization: customer acquisition or retention?	Acquisition	Acquisition	Retention
8. What characterizes your market best: expanding, stable or shrinking?	Expanding	Stable	Shrinking
Resultant Score	16	26	46

Key Learning

- Processes need to account for the emotional expectations of customers as well as the rational.
- There is a natural progression to do so as a company evolves its process design viewpoint from (1) traditional BPR to (2) end-to-end design to (3) journey mapping and finally on to (4) customer designed experiences.
- Most businesses find themselves in the Commoditisation Zone. As a result they find that creating and using journey maps to help optimise their operations is a stretch but the effort is well worth it.
- The company that successfully accounts for the rational and emotional customer experience in a given non-expanding market will literally cause the competition to dissipate.

Figure 5

CE Process Readiness Test Key

Question	A	B	C
1	2	4	6
2	2	2	6
3	6	2	4
4	6	2	4
5	6	2	4
6	6	2	4
7	2	6	4
8	2	4	6