

# The Executive's CXM Strategy Guide

## Cut through the CXM noise

Customer Experience Management (CXM) is a strategy and practice for delivering online and offline customer experiences to acquire and retain customers, and turn those customers into satisfied, loyal brand advocates. *As an executive, you own this strategy.* Despite what vendors promise, they cannot deliver your CXM strategy for you. With all the noise around CXM, determining what should be in your forward looking strategy - and what should be out - can be a highly unproductive debate.

SDL advocates fresh thinking for creating and optimizing your Customer Experience Management strategy. This Strategy Guide seeks to cut through the noise and concentrate on opportunities to elevate your organization's approach to CXM by focusing on strategy, measurement and governance across three pillars of Customer Experience Management: Insights, Orchestration and Contextual Experiences.

Each section includes an Executive Checklist to ensure your current and go-forward strategy addresses core requirements for success.

## Strategy, Measurement and Governance

In mature organizations that excel in customer experience, three key disciplines their executive leaders focus on include Strategy, Measurement and Governance.

### Strategy

The set of practices required to define a clear vision of the type of experience the company seeks to deliver, linking that vision to the company's brand and applying it to guide the activities and resources of the organization.

### Measurement

The set of practices required to measure customer experience quality on an ongoing basis across the entire enterprise and the use of that data to drive continuous improvement.

### Governance

The set of practices required to monitor and manage customer experience quality in a proactive way as part of the overall corporate governance system.

*(Forrester Consulting, August 2012)*

# 1

## Insights

### Understand customer behavior and motivations

Your customers are acutely aware of how central they are to your success. In this customer-driven era, gaining insights into their motivations to buy and engage post-sale is vital to the success of your CXM strategy.

Chances are, investments you have previously made to understand customer behavior didn't produce the level of results hoped for – likely because the data was historical in nature. To know what customers really think and what they really want, you must account for the data in every interaction. Gathering and analyzing this level of customer data to understand behaviors and motivations accelerates the actionable insights you need to maintain a competitive advantage.

#### Strategy: Expand your scope

Modernizing your strategy for customer insights starts with scope. If you are only looking at available data inside the enterprise, your teams have blinders on. To reduce the gap between what you know and what you don't, your insights strategy needs to encompass as much data from as many sources as possible - both inside and outside the company's firewall. Many companies, for example, conduct customer surveys to gather information. However, it is one thing to ask for and receive a response, and another to observe what is going on in the market and in areas your customers flock. For example, the data from hundreds of thousands of comments about your company and products in an online forum is going to be more revealing than responses to a carefully crafted survey.

By considering new data sources in your strategy to gain customer insights, you can achieve deeper knowledge about your customers so your company can deliver better products and experiences and build your brand where it matters.

#### Measurement: Prioritize prediction

Measurements are more actionable when they are predictive. Looking at historical data can only help you understand the past and where your customers have been. When you expand the scope for gathering customer data and feedback, you can determine where your customers are going and establish predictive metrics to drive your business forward. This data will allow teams to deliver content, experiences, products and services with an eye on the future and customer feedback. To stay on top of trends, these metrics need to be built on new models for measurement and incorporate market feedback checkpoints that support a real-time pace.

#### Governance: Promote discipline

When your CXM strategy has insights into customer data and behavior as a central pillar, you create a foundation and commitment to measure ongoing quality and verify it with market feedback. When adding customer insight priorities to your current business environments, make it part of the governance process. Every department needs to have the discipline to gather, review and act on insight data, and they need to do it frequently so that issues can be escalated and addressed, and successes can be celebrated and replicated. This requires that every department is enabled with the right tools and technology to do this in real time and teams are incentivized accordingly.

## 1

## Insights

## Executive checklist

## Strategy

- Our strategy is built on feedback from the environment in which our customers are operating
- Our customer insights strategy includes social and external data
- Our customer insights strategy includes data from internal repositories

## Measurement

- Our measurements are proven to be predictive of business outcomes
- Our measurements help us predict customer behavior
- Our pace for reporting is near-real time

## Governance

- Customer insights are part of our governance process
- Every department has the discipline to review and act on insight data
- Tools and technology are used by every department to predict business outcomes

## 2 Orchestration

### Align your organization

Your customers interact with many faces of your company - from marketing, sales and support to finance. Your forward thinking CXM strategy needs to focus on delivering one face to the customer and one consistent experience. "Orchestration" therefore, is another foundational pillar for CXM success. In a siloed organization, your executive oversight is critical to drive the orchestration of information and communications so that your decisive customers receive engaging, compelling and consistent experiences at every touch point along the buying cycle.

Aligning the organization by unifying content, people, processes and technology will enable you to orchestrate communication from your teams to customers across channels, markets and languages.

#### Strategy: Shift your perspective

To start, it is time to pivot on what you are orchestrating. Like in most companies, your teams are probably focused on what they are delivering to customers to move them through a buying cycle. Customers, however, don't care where they are in your sales funnel. They care about the experience they have with your product and brand. Shift the perspective away from orchestrating what each department is delivering and zero in on delivering and enhancing the experiences your customers receive.

#### Measurement: Track experience metrics

If you haven't yet shifted your perspective to focus on your customers' experiences, your measures are likely skewed to focus on volume and efficiencies. Measuring experiences means balancing volume and efficiency measures with less traditional measures like churn and velocity, which are telling of the type of experience customers are receiving and the related business impact. Velocity, for example, is an interesting indicator of experiences, targeting and customer understanding. The faster customers opt in, convert or opt out provides important data on the delivered experience and appropriateness of the message and offer. If customers opt out quickly, be sure to make proactive changes and use insights to drive better targeting and understanding. By balancing the measurements, you can build a better strategy around customer experience, not solely around optimizing efficiencies. Your narrowing sales funnel will be a signal of better measures, better understanding of customers, better targeting and better experiences.

#### Governance: Drive for consistency

Your customer experience initiatives will start with the best intentions, but can fail quickly if you don't align the company on your message and strategy, and support that effort with the right investments in people, processes and technology. Successfully tackling the Orchestration pillar is dependent on every employee understanding what the message is, establishing your standards for the type of experience the company should create and having the tools and technology to empower teams to deliver.

# 2

## Orchestration

### Executive checklist

#### Strategy

- The company's brand is portrayed consistently by every piece of content and interaction across every silo or department
- Our strategy for orchestration prioritizes delivery of consistent experiences
- Departments are incentivized to work together

#### Measurement

- Our CXM strategy measures customer experience, not only volume and efficiencies
- Hand-offs of customers from one department to the next introduce very low churn
- We measure customer experiences across departments

#### Governance

- Every employee knows and understands our CXM strategy
- Our organization invests in people, process and technology to equip teams to deliver on the CXM strategy
- Our organization knows when we are off message and quickly corrects to enable departments to collaborate effectively

## 3

## Contextual Experiences

Make it relevant

Customers have expanded the ways they engage with your company. If customer experience management is a priority for your company, it is your responsibility to provide compelling, personalized experiences that are right for every customer on every device and channel. If you do business globally, add language and culture to the list. It is what your customers have come to expect. When global, omni-channel delivery is a reality, you create an environment that supports great experiences with your brand and builds trust, loyalty, acquisition and retention at every turn.

### Strategy: Be where your customers are

Your customers expect to interact with your brand on many channels and expect to find the information they want wherever they look. Your CXM strategy must consider where your customers are in their journey and what information they need in every situation as they bounce between channels and devices. Leveraging the data available from your investment in customer insights, you can predict what channels and information will drive loyalty, revenue and retention.

Want an example? An upset passenger on a plane gets on the Wifi and Tweets his disgust with the in-flight service. Within minutes, someone from the airline responds via Twitter and a flight attendant comes to resolve the situation at 35,000 feet. This airline could do this because it paid attention to the channels its customers use, how they engage and mapped it to the type of experience they want to deliver as a company. Or imagine searching for a car dealership on your mobile phone and then receiving an invitation to test drive the latest vehicle model that has just arrived in the showroom. Enabling these contextual experiences with the right people, processes and technology is critical to a competitive CXM strategy.

### Measurement: Pay attention to engagement

Content may be king, but the right information, in the right place, at the right time will drive engagement. Too many create content or outline what a good customer experience looks like and then hope for the best. To optimize the experience customers have with your company, every department must measure uptake and/or customer engagement to determine how content and communications are being utilized, how customers perceive their experiences and what drives sharing behaviors. Measuring engagement aspects across the organization will also provide data and feedback on different channels so they can be improved or removed.

### Governance: Eliminate poor performers

It is the age of the customer and adaptability is crucial. Just because a particular initiative or communication channel worked last year doesn't mean it will perform the same way again. When every experience and every interaction around the world matters, you need policies and processes to force a refresh to the strategy based on uptake, engagement, and contribution to revenue. Knowing what channels and experiences are right for your customers and updating based on performance allows you to adjust investments accordingly and adapt for changing customer consumption preferences.

# 3 Contextual Experiences

## Executive checklist

### Strategy

- Our strategy includes every relevant communication channel
- Where and how we engage with customers is based on customer insights
- The people, process and technology investments we make support omni-channel delivery of content

### Measurement

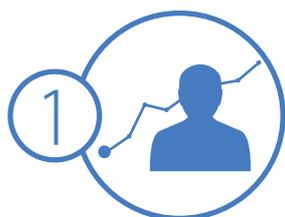
- We measure engagement to decide on future content and communication investments
- Our investment in a customer experience management strategy contributes to revenue
- The experiences we deliver to customers surpass the competition

### Governance

- Low performing content and channels are revamped or eliminated
- We deliver localized end-to-end experiences in every country we do business in
- The experiences we deliver to customers surpass the competition

# Conclusion

It's time to cut through the CXM noise. Take a step back and focus your CXM efforts on the strategy, measurement and governance disciplines across three pillars of Customer Experience Management: Insights, Orchestration and Contextual Experiences. As you address the items in each checklist in this guide, you will be ensuring that your current and go-forward strategy addresses critical and core requirements for future success.



1

Gather insights  
to understand customer  
behaviors and motivations



2

Align your organization  
across channels, markets,  
language and teams



3

Create relevant experiences  
for your customers,  
regardless of channel

Want to put this guide  
into action?

- Contact SDL at **[cxm@sdl.com](mailto:cxm@sdl.com)** to schedule a CXM Discovery Engagement
- Read what CXM thought leaders have to say: **[www.insidecxm.com](http://www.insidecxm.com)**



For more information, visit [www.sdl.com](http://www.sdl.com)

SDL (LSE: SDL) allows companies to optimize their customers' experience across the entire buyer journey. Through its web content management, analytics, social intelligence, campaign management and translation services, SDL helps organizations leverage data-driven insights to understand what their customers want, orchestrate relevant content and communications, and deliver engaging and contextual experiences across languages, cultures, channels and devices.

SDL has over 1,500 enterprise customers, over 400 partners and a global infrastructure of 70 offices in 38 countries. We also work with 72 of the top 100 global brands.