How to grow your business by adopting a truly customer-centric approach

Beyond NPS - The Future of B2B Customer Engagement and Loyalty
With technology fuelling changes in customer demand, outdated legacy systems holding back innovation and a growing regulatory burden to contend with, Chief Marketing Officers (CMOs) face many challenges.

Managing the customer experience is central, particularly in an age where the customer’s experience of your brand – and how they communicate that to others – will define your organisation’s success.

This paper explores the landscape of the B2B customer experience and the pain points and challenges businesses like your own are facing. It explores best practice in connecting with and engaging customers and measuring and tracking customer health. It also examines the changing role of the CMO, looking at how you can truly drive customer-centricity across all functions of a company, as well as how you can adopt a new approach to tackling the issue of long term customer health.
Specifically, the paper explores the importance of creating:

- **A unified customer experience across the business** – breaking down operational and functional silos that make it difficult to engage with customers in a holistic way.

- **A systematic customer engagement programme** – one that goes far beyond a simple customer reference or advocacy programme, with clear KPIs in place to track performance.

- **A consistent approach to measuring customer health** – this should be a companywide, cross-functional, real-time measurement system that monitors and measures customer engagement levels. Old loyalty measurement systems such as NPS are no longer fit for purpose.

- **A clear understanding of who should lead customer engagement companywide** – looking at the new role of the CMO in driving the right behaviours across the business.

- **Clear ownership in undertaking corrective actions** – if a company is failing to drive customer loyalty, companies must be clear about who is in charge of leading the corrective actions that need to be taken.

In summary, customer engagement and measuring customer health is no longer an option. It is a strategic imperative and differentiator for your business. This paper shares a structured framework for creating customer-first strategies based on customer-centric frameworks that can help your business go from strength to strength.
The customer is your organisation’s most valuable asset and must be treated as such. To achieve this, you must place the customer at the centre of your operations, with every aspect of the business focused on better serving their needs and delivering an improved experience. Truly customer-centric companies will be those that thrive in the future.

Unsurprisingly, given the immediacy of the relationship with customers, improving the customer experience has been an area in which B2C organisations have led the way, beginning their journey to customer-centricity long before the B2B sector took any notice. Doing so not only ensures that they are serving the customer well at point of sale, but building rich after-sales services and extended experiences around their brands to create deeper relationships and, ultimately, repeat revenue.

In contrast, the B2B sector has generally continued its product-led focus and customer satisfaction has found itself struggling as a consequence of functional silos and a distinct lack of any holistic view of the customer. Even if particular areas of a business try to provide a better service, a fragmented structure can only deliver a fragmented experience.

Of course, customer relationships in B2B are different. They exist within a more complex, multi-tiered environment involving multiple stakeholders – each with different needs and expectations. Every individual customer within the same client organisation will require their own, potentially unique, customer experience. What’s more, this needs to be delivered as part of a consistent, all-encompassing, high quality experience – from the very first interaction a prospect has with your organisation through to the client on-boarding process and beyond.

But the B2B sector has been slow to recognise how consumer habits have adapted as new technology has changed the game. Consumer technology has transformed every industry. Just look at how revolutionary the smartphone has been for banking, retail, even transport. In these sectors and others, the boundaries between digital and physical worlds have been blurred. Today’s omni-channel landscape has changed customers’ expectations. They’re after a better, faster, digital experience – which ultimately should also be expected in a B2B context.
In the B2B enterprise software sector, this is further compounded – with vendors often being heavily focused on annual maintenance revenues received from their customer base. These relationships, often built over several years or decades, may suffer from minimal engagement by the vendor due to no immediate sales opportunity being identified. Because of this, vendors get lazy, doing the minimum amount of work to ensure annual maintenance revenues.

2.1 Delivering a unified customer experience across the business

The industry is waking up. The power of the customer’s voice is gaining appreciation, and trust is becoming a prized currency. Trust can’t be built if businesses are purely transactional in their relationships with customers, and so customer-centricity becomes a priority. In this way, a B2B customer-first strategy must go beyond simply providing a ‘good-enough’ service. It demands a core connection, linking customers to your brand at every interaction. You must appeal to customers’ emotions to make them feel important and to make them believe that their voice is being heard.

Creating customers for life has to be the ultimate aim. During the evolution from product-led to customer-led, an organisation has to start fostering a more meaningful relationship with the customer. This means learning the core aims of each customer, so that they feel they are working with a company that fully understands them and is a partner in achieving their own goals.

By improving client engagement and working hard to drive a more integrated customer experience, businesses can move from a product-led culture to one that’s customer-led. If your customers are delighted with the experience they receive, they will buy more.

It’s an evolution in the B2B customer relationship model. And it’s a necessity. To meet the demands of a new generation of customers – those brought up on seamless technologies and B2C marketing approaches – businesses need to overhaul their legacy structures and interconnect all functions. They must also change every employee’s approach to customer service. It’s no simple task and, as is the case for any organisational transformation, it needs to be driven from the top.
Senior leadership must demonstrate commitment to a customer-first strategy and explain the implications of failing to the wider organisation. Once buy-in from the board has been confirmed, and the needs of the customer enshrined in the core strategy, objectives and KPIs of the business, the revolution must then be driven by the whole workforce. This approach forces cross-functional involvement, breaking down silos as it attempts to create a unified and interconnected company – one that is ready to provide a unified customer experience. This is an optimal approach because it also makes measuring customer satisfaction easier and more reliable.

### 2.2 Building a systematic customer engagement programme

To start building a customer-centric environment, it’s essential first to understand the interplay between key factors: customer demands and data.

When it comes to customer demands, it’s clear that enterprise customers want more from your business than ever before. Firstly, there’s a higher expectation of core products and services, and secondly, on how you serve and support them. Fundamentally, customers want their products and services to support their business needs. This has to hold true right across the customer journey, including brand awareness, a software trial or demo, engaging with partners, contractual negotiations and beyond implementation.

They also want personalised content, accessible across multiple channels. They have a desire to trust the companies they work with and, above all, they need to feel valued. It’s an environment defined by greater expectations at a greater pace than ever before, accelerated by digital technology and driven by their experiences in the B2C market. It’s time for B2B businesses that want to remain competitive to respond – recognising and meeting these demands as quickly and effectively as possible.

Step forward big data. It’s been present for a long time, but its potential to deliver real business benefits is becoming more apparent. With effective management and analysis, customer data – being collected at greater speed and on a wider scale than ever before – can provide insight into the behaviour of your customers. This knowledge, together with a commitment to implement a comprehensive customer engagement programme that acts on the data, can be used to create a more seamless customer experience and to optimise operations. The results of moving to a genuine customer-centric model in this way are too great to ignore.
Monitoring and measuring customer health throughout their journey enables businesses to respond strategically, operationally and tactically to customer needs and behaviour.

But given the transformation in customer expectations and the complexity of customer relationships, it’s essential to ask whether current default methods of measuring customer satisfaction and loyalty are still fit for purpose or are actually hindering success. We’re entering a new era where, to compete effectively and meet rapidly changing customer demand, businesses need better insight and actionable, full-picture analytics. Only then can you build deeper customer relationships and create customers for life.

3.1 Time to move on from legacy customer loyalty models

The default industry standard for customer loyalty has been the Net Promoter Score (NPS). Now over 14 years old, it’s a measurement tool which relies on just one question: “How likely is it that you would recommend our organisation to a friend or colleague?” It provided a good benchmark of customer satisfaction in the past, but its validity to measure complex and dynamic customer relationships today is in question. A one-question, one-dimensional view of customer satisfaction that only analyses the last interaction, rather than discovering more about the entire life cycle experience, simply doesn’t cut it in a 24/7 multi-channel world.

Models such as Net Promoter Score (NPS), Customer Satisfaction Score (CSAT) and Customer Effort Score (CES) are reactive, but today’s world rewards proactivity. Their scope now feels too narrow, not taking into account the continual journey of a customer, his or her intentions and interactions through multiple touchpoints. In short, these lagging models don’t use enough information for a company to build a clear profile of each customer. These old measures aren’t tapping into the full potential of the data.

Today, organisations are sitting on a wealth of customer data. But legacy models like NPS are unable to exploit this and no longer provide a sustainable framework to support the growing demands of B2B organisations. An alternative, or successor, to NPS must combine data management, integration and analysis to build a 360-degree view and the clearest picture yet of the health of a customer relationship.
3.2. A consistent approach to measuring customer health

Measuring the overall customer experience in a more sophisticated way is vital. Modern businesses need an equally modern tool to better predict their customers’ needs, allowing them to be proactive with customer interaction and foster greater satisfaction and brand engagement. You need the specificity to drill down into each of the functions and customer interactions of your business, and to see quickly how your business is doing at a top level.

The Customer Health Index (CHI) framework

To meet the challenge of gaining a full view of customer health across our own business, Misys developed a measurement framework which is called the Customer Health Index (CHI). Our approach is not designed to be commercialised, but is simply a new way to put into practice the customer-centricity mentality that so many B2B organisations need to embrace – giving a much more granular, real-time view of the client relationship than was previously possible using NPS and other models.

The CHI framework identifies the key functions from across the business that engage directly with customers along a 10-stage customer life cycle. Each function and their engagement level is scored based on three KPIs to get a 360-degree view of the client relationship and the overall customer health.

On drilling down further into how this method works, you can see each business function in the 10-stage journey measured against three customer-centric KPIs. These three raw KPIs are normalised on a scale between 0 and 100 and the average of the three KPIs is built to give each function/stage a final score. Finally, all stages can be weighted and the average is built across all stages. The final score will be between 0 and 100. The higher the score, the higher the probability that you have a healthy customer relationship.
The steps to build a CHI score:

- The customer journey is broken down and mapped into 10 stages;
- Each stage has three relevant raw KPIs to the customer (so a total of 30 customer-centric data points);
- These three raw KPIs are normalised to a range of 0 to 100;
- Each stage then displays one normalised score (an aggregate average of the normalised KPIs);
- Each stage is weighted – some are stronger than others: e.g. implementation and support, over awareness and consideration;
- The final CHI score is a value between 0 to 100, derived from the average of the weighted stage scores;
- The higher the score, the healthier the customer relationship.

These steps can be looked at from an individual perspective, allowing you to see the score of a particular business function, or aggregated to create an overall ‘health’ score for the customer. This in turn can help organisations to work more effectively across functions, according to the stage of the customer journey, and to measure cross-functional performance as a whole.

Essentially, it means that each customer has a score based upon 30 separate KPIs, which have in turn been derived from even more granular data points. Data can be aggregated and normalised across core platforms in real time, including but not limited to CRM, ERP, support, marketing automation and digital channels. For impact, each score can be colour coded – red, yellow or green – to represent areas to improve or showcase. Using a traffic light system is simple, but also effective for internal communication and education.
Once the framework is in place, it’s extremely simple to drill down for further information. The scoring system automatically unifies businesses across every function behind a single, corporate-wide customer satisfaction score. By breaking down organisational silos and allowing the business to join its efforts cross-functionally, cross-regionally and across product or solution areas, a more joined-up and integrated customer experience can be delivered. Real-time analysis means the power of the index can be converted into actionable data immediately, enabling field teams to check and fix issues instantly.

The CHI takes an innovative approach to data usage across the business, the core systems and the infrastructure that supports it – looking beyond individual sales cycles and increasing interaction with the customer across all functions of the business. This is key, as the reality is that the more you engage with your customers, the less likely they are to speak to your competitors.

"Martin and his team have created a CHI process that finally gives management the ability to make customer-centricity a reality. Everyone from the C-suite down will know how healthy the firm’s customer relationships really are—based on customer input—and they'll know which of the various departments delivering the Total Customer Experience need to improve, and how, to increase customer health. It's a superb innovation."

Bill Lee – Founder, Center for Customer Engagement
The future of customer experience has changed. In this new landscape, understanding what a successful customer-centric business looks like is a must in order to stay ahead. But relying solely on customer satisfaction and engagement tools is no longer an option. They must be implemented as part of a wider customer engagement programme.

How your business executes this is entirely down to what it sees as success, but a few aspects should always remain the same. A successful programme should promote a 360-degree view of the customer and a two-way dialogue – whilst ensuring the business learns and grows from all interactions.

Transparency is also vital. By agreeing on a set of KPIs that’s beneficial to both your business and your customer, success will become a mutual goal. Most importantly, knowing your customer’s needs and addressing them in an efficient manner can boost satisfaction dramatically, and give them an increased respect for your business.

4.1 Tips for building a successful engagement programme
A successful programme should represent a continuous cycle: engaging and connecting with customers, measuring and inspecting interaction and collecting data to correct and improve services.

Putting the customer at the heart of everything

- Engage & Connect
- Measure & Inspect
- Collect & Correct
These tools come together to create a powerful arsenal. Many companies will already have one or more of these programmes in place:

- **Engage and connect with customers**: consider a suite of complimentary value-added initiatives for customers to promote engagement e.g. client advisory boards, ROI assessments and business and technology blueprints (see diagram below);

- **Measure and track customer health**: an objective, normalised measure of customer health across global client bases, like the CHI;

- **Collect data via a customer survey**: a simple set of customer-oriented feedback questions aligned around the customer health index stages, rather than based on one question around satisfaction.

If the feedback or data gathered at any stage of the programme indicates customer dissatisfaction or ambivalence, then it’s incumbent on the CMO to lead the corrective actions to put that customer relationship back on track.

Collectively, the three elements above – and the behaviour they promote at each stage – are essential in enabling businesses to create customers for life.
4.2 Example delivery timeline
The complete rollout and adoption of a programme like this shouldn’t be underestimated and could take over 24 months to perfect, but it is worth it. It is essential to gain C-level support in order to embed the mentality and methodology into the DNA of the company.

Below is a timeline of activities describing the key steps to roll out a strong customer engagement programme and the Customer Health Index:

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>Activity Description</th>
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<tbody>
<tr>
<td>0-1 months</td>
<td>Quantify the business impact and value of bad client engagement to the C-suite</td>
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<tr>
<td>2-4 months</td>
<td>Identify the challenges across the business that block customer-centric thinking</td>
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<tr>
<td>5-6 months</td>
<td>Create a client-centric vision and strategy</td>
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<tr>
<td>7-9 months</td>
<td>Walk in the footsteps of the customer and define the critical steps along the life cycle</td>
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<tr>
<td>10-24 months</td>
<td>Engage &amp; Connect with your customers across each step of the life cycle</td>
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<tr>
<td>25-30 months</td>
<td>Measure &amp; Inspect through the Customer Health Index</td>
</tr>
<tr>
<td>31-33 months</td>
<td>Collect &amp; Correct with an intelligent customer feedback loop</td>
</tr>
<tr>
<td>34 months onwards</td>
<td>Drive the cultural change</td>
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This approach can support the pursuit of driving an improved customer experience, boosting customer references and supporting pipeline. It all comes back to putting the customer at the heart of the organisation.
Customer-centricity cannot be built overnight. The full backing of senior leadership and their buy-in to customer frameworks and tools is essential for success. This must be coupled with a review of the business structure to ensure any silos are removed, operations unified and the entire workforce brought together using the same approach.

Once your business buys into the promise of becoming customer-led, the next step is to agree who will champion the needs of the customer inside the organisation – pushing through the customer focus, making sure the commitment to the customer life cycle never wavers, and ensuring that programmes such as the Customer Health Index or others are used throughout the business.

In many organisations, this role falls naturally to the Chief Marketing Officer (CMO). Others have created the role of a Chief Customer Officer (CCO). Either way, it’s essential that the most important stakeholder – the customer – is brought to the table when discussing business strategy. This is a critical step in becoming a customer-led business.

The customer champion must possess the skills which bring the customer’s needs, desires and pain points to life. They need to be a storyteller. No marketing technique is more powerful than a story and, with a narrative grounded in data, the CCO can give customer insights to the boardroom and workforce in creative and unexpected ways.

CCOs must also be digitally literate. Video and immersive experiences are better than traditional methods of communication, making use of the power of omni-channel experiences and personalised resources to share the needs of the customer across the organisation. CCOs can ensure the company is designing, testing, refining, delivering and marketing experiences their clients actually want to have. They are the voice of the customer. In an increasingly customer-centric B2B world, they are fast becoming the most important member of a business.

CMOs need to move more and more into the role of a CCO – a modern CMO needs to design Go-To-Market Strategy and all marketing related activities with an Outside-In perspective – starting with the customer’s point of view.
A convergence of factors has caused a massive change at the heart of the enterprise. Evolving customer demands, innovation in data management and analysis, and a hardening regulatory environment are all forcing businesses to reassess customer-centricity.

Legacy customer loyalty scores can't cover the full customer journey in all its complexity. But this is essential in creating customers for life. The CHI framework, as part of a comprehensive customer engagement programme, is enabling Misys to optimise each customer’s life cycle, continually creating more valuable conversations and nurturing genuinely positive relationships which promote growth and competitive advantage.

Our vision is to build a community of business leaders who are passionate about the idea of creating customers for life. I’m a firm believer that CMOs need to drive this change, and I hope that this paper will create some food for thought on how to get there.
About Martin Häring, CMO, Misys

As Chief Marketing Officer, Martin is responsible for the Misys global marketing organisation.

Martin joined Misys in October 2013 and brings more than 20 years’ technology marketing and executive leadership experience with global market players to the company. Martin came to Misys from Akamai Technologies Inc. where he was the Vice President Marketing and Channels responsible for all marketing functions and channel sales divisions across EMEA.

Prior to this he was the worldwide Marketing Vice President for Oracle’s Hardware Line of Business and the EMEA Vice President Marketing and part of the EMEA Executive Board for Sun Microsystems.
About Misys

We provide the broadest, deepest portfolio of financial services software on the market. Our solutions cover retail and corporate banking, lending, treasury, capital markets, investment management and risk management. With more than 2,000 customers across 125 countries our team of domain experts and partners has an unparalleled ability to address industry requirements at both a global and local level. We deliver market leading solutions by putting customer needs at the centre of everything we do. We offer a unique componentised, open architecture to enable our clients to innovate, connect and expand their existing services and increase value faster. To learn more about how our Fusion software portfolio can deliver a holistic view of your operations, and help you to solve your most complex challenges, please visit www.misys.com and follow @MisysFS on Twitter. For the latest news, interviews, videos and features from the financial technology industry visit www.fusionwire.net.

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