



ROI on CX Programmes

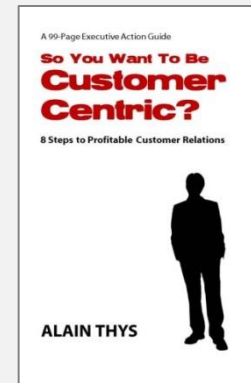
A framework and practical tips



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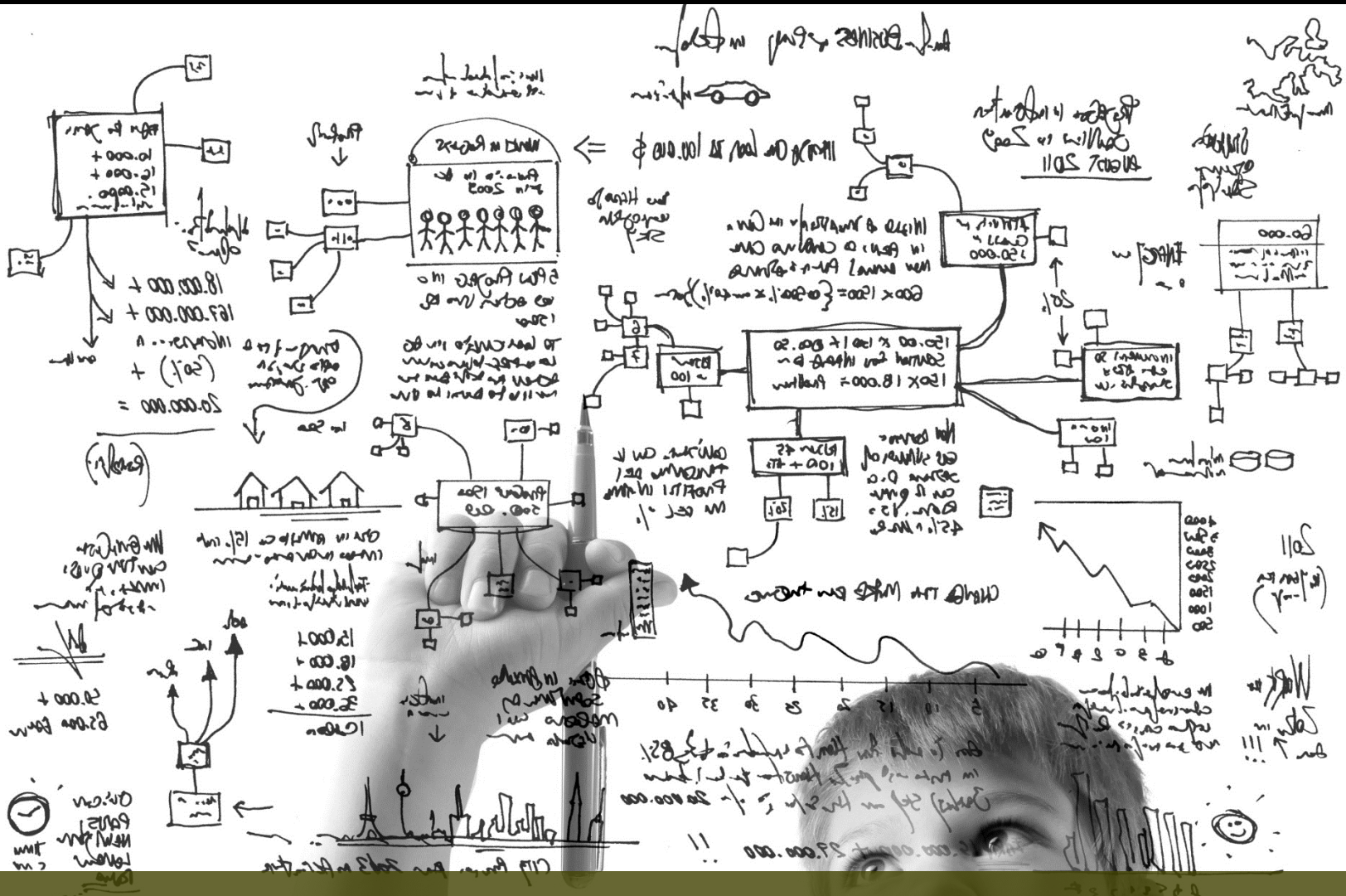


Welcome

Allow me to introduce myself

Our activities





We know that CX brings value – and that VoC drives CX

Why are we here?

Calculating the value of an (un)happy customer

Customers who recommend you are more profitable

Customers that are **so happy they are likely to recommend a company**

- spend more
- negotiate less
- stay longer as customers
- are more open to upselling
- are easier to service
- upgrade quicker
- increase staff morale
- generate new business
- ...



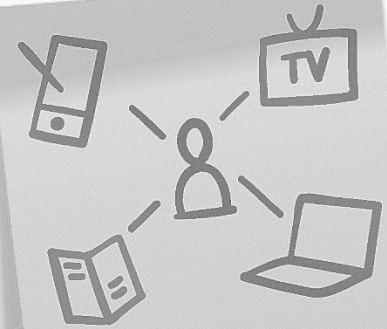
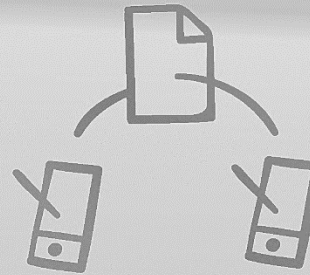
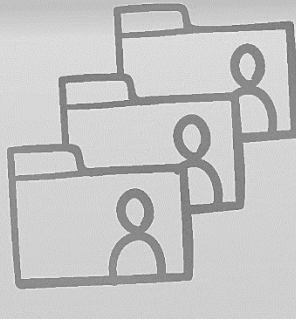
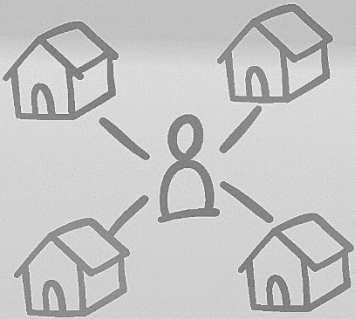
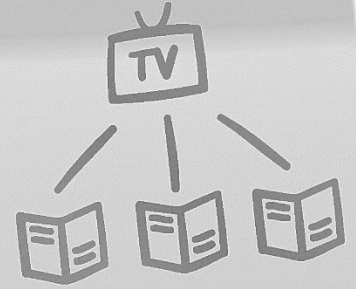
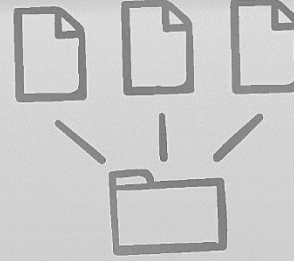
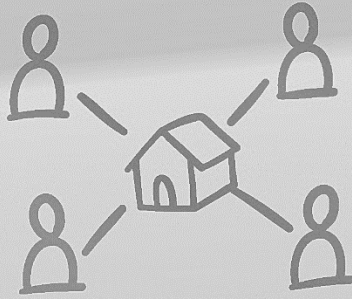
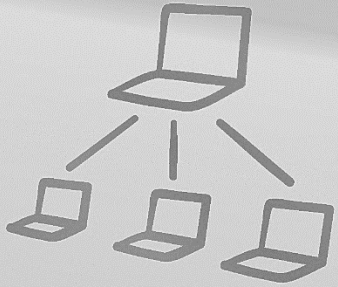
So we all believe in the value of CX

But...

- Setting up the CX (or VoC) programme correctly
- Getting buy-in from the rest of the organisation
- Driving action
- Getting ROI
- Existence management

What we learned – also from your questions

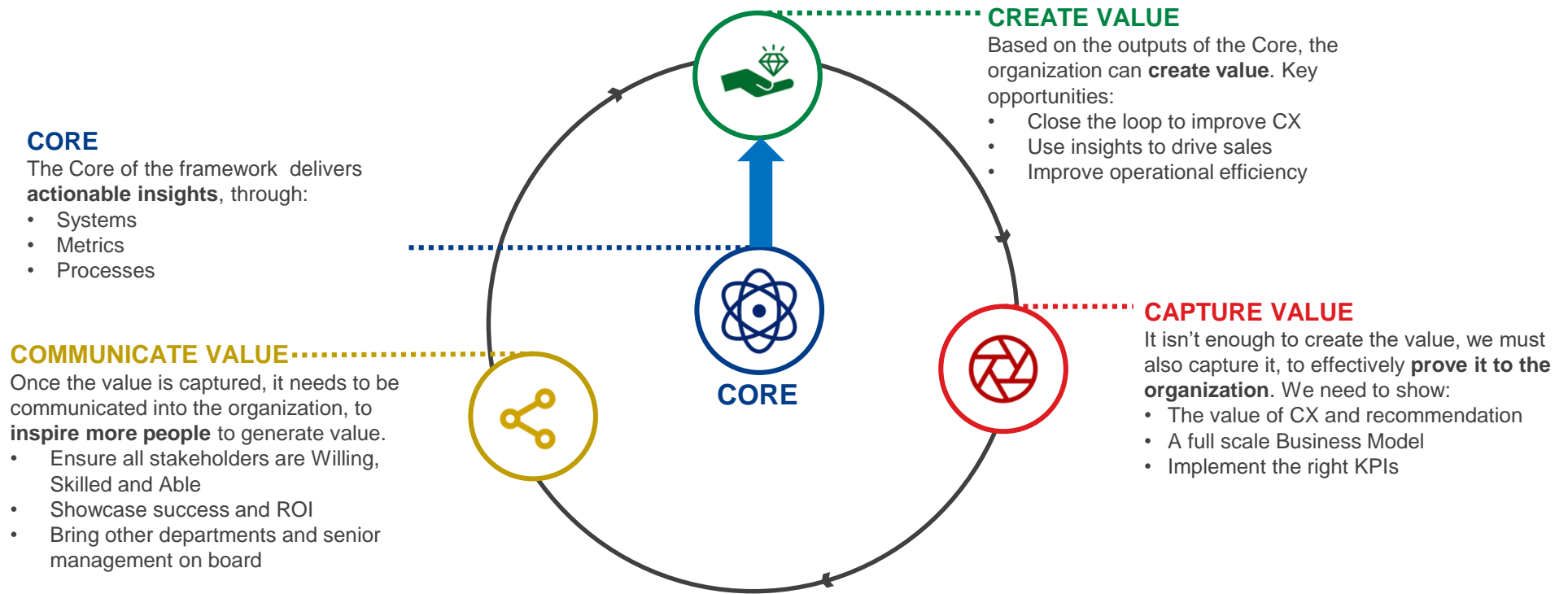
Typical pain points



How to get the full value out of your programme

We have developed a framework

CCC Framework

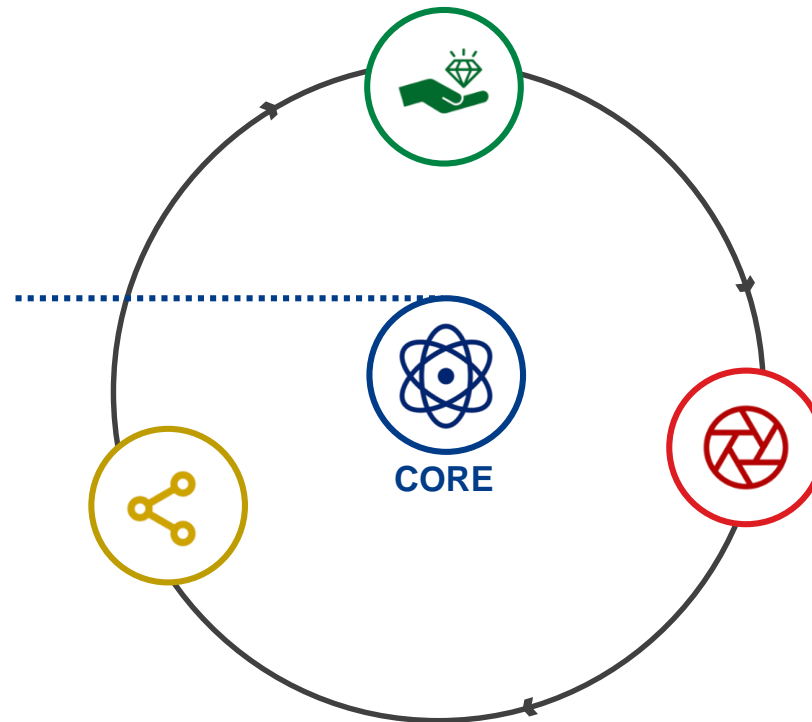


CCC Framework

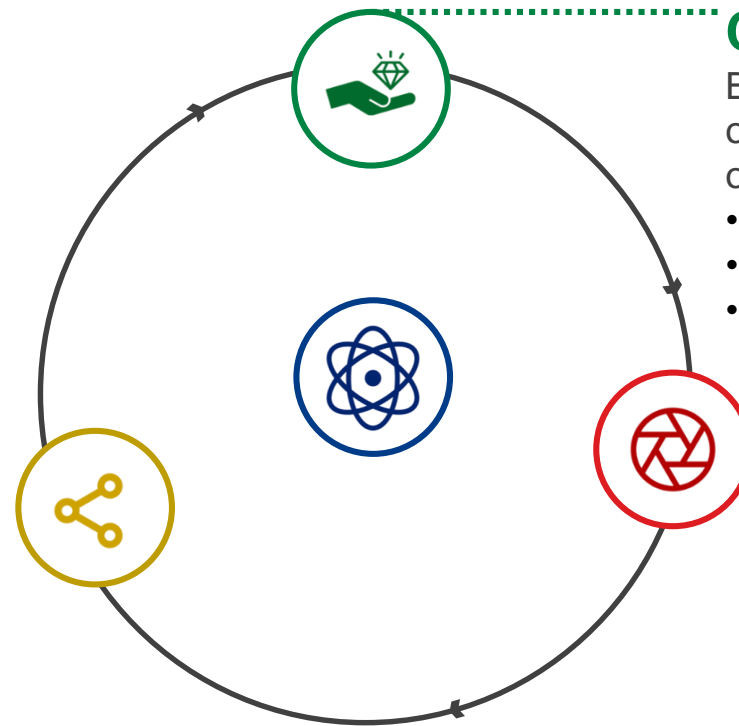
CORE

The Core of the framework delivers actionable insights, through:

- **Systems**
- **Metrics**
- **Processes**



CCC Framework

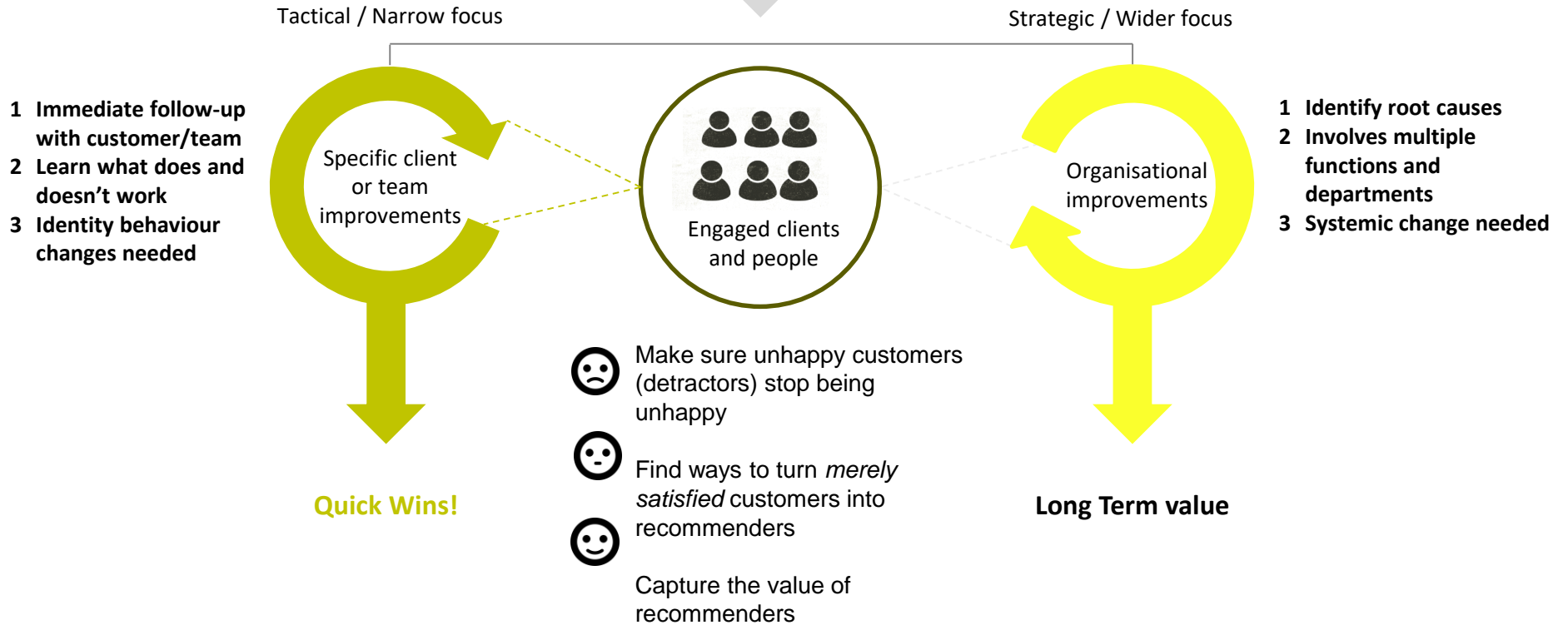


CREATE VALUE

Based on the outputs of the Core, the organization can create value. Key opportunities:

- **Close the loop** to improve CX
- Use insights to **drive sales**
- Improve **operational efficiency**

Feedback from customers (but also employees & vendors)

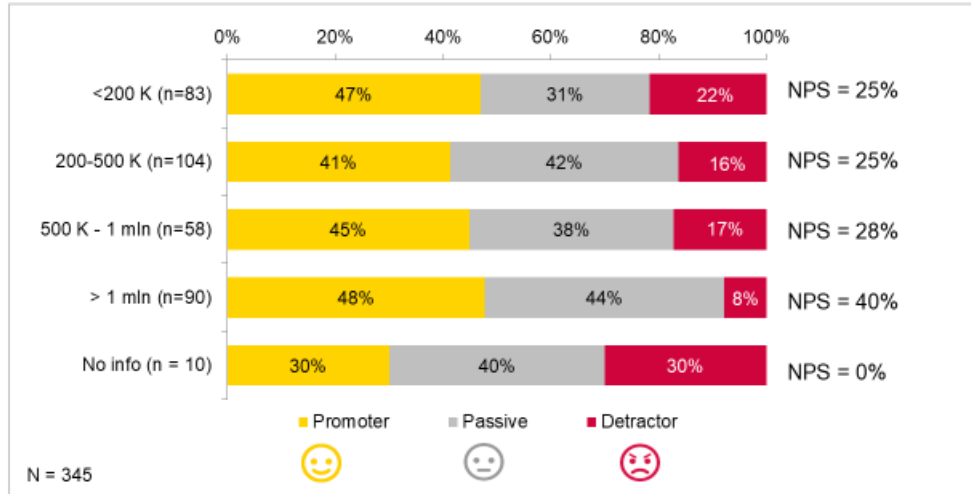


Source: Bain & Company

VoC magic: customer verbatims lead to

Instant ROI and structural impact through closed loop

NPS by Margin group



Q: Based on your overall relationship with METINVEST, how likely are you to recommend us to a colleague or anyone who would be interested? (0: Extremely unlikely - 10: Extremely likely)

32

Great NPS on the key accounts.....or is it?

Look at it differently - 7 accounts of more than 1MM Margin are at risk!

Account recovery = Nr 1 ROI Driver!

Its the individuals that count

Driving Action in B2B



My favourite case

How to Learn from Verbatims

Would I recommend you? Ha, I already sold 3 grills for you. Why? Because the meat tastes so much better!



My favourite case

How to Learn from Verbatims

Die Preise senken ;) (9)

na ja, die Preise sind schon "saftig,, (10)

Hmmm, vielleicht etwas günstiger werden?(9)

Preise sind sehr hoch. (10)

Leider sind Ihre Preise doch recht hoch. Kann man über eine günstigere Serie anbieten? Meine Freunde scheuen die hohen Preise. Ich bin mit meinem Performer super zufrieden! (10)

*Preis/Leistung
Preis hoch,
Leistung auch gut...
schönes Design (9)*

Den Preis :-) (10)

My favourite example

How to learn from verbatims the easy way



Some Lessons & quick wins achieved:

- Adapt your marketing to the customers ' perception -> *double sales in 3 years*
- Figure out that ' price' is just a default answer by comparing the verbatims in the different categories: -> *keep margins*
- 80% of all customer unhappiness is in the end due to communication shortcomings -> *the ultimate quick and cheap wins*

My favourite example

How to learn from verbatims the easy way

- Check share of wallet
- Just pick up the phone
- “Thanks for the great score...”



sonepar

My favourite (B2B) example

Make sales your friend....

BETTER

- > Get increased customer satisfaction (CSS) due to case ownership and ability to prioritise
- > Reduced wastage in the system and irritation to the customer due to boomerang cases
- > Personalised engagement for customers

FASTER

- > They may handle fewer cases a day than average, but get a higher OVERALL case completion rate
- > May also handle *fewer cases concurrently* but will have faster overall completion rate (run-through time)
- > As an organisation we may save time on the Total Case Handling Time, when taking a holistic view of all time spent

HAPPIER

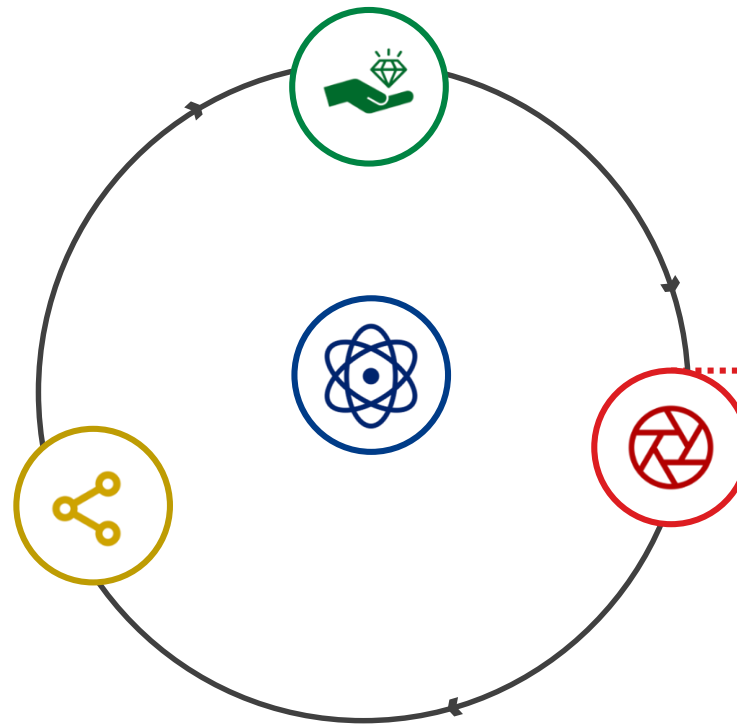
- > Get greater job satisfaction
- > Increase employee engagement
- > Reduce shrinkage due to breaks and illnesses

CHEAPER

Case: Empowering Contact Center Agents

Operational Efficiencies

CCC Framework



CAPTURE VALUE

It isn't enough to create the value, we must also capture it, to effectively **prove it to the organization**. We need to show:

- The value of CX and recommendation
- A full scale Business Model
- Implement the right KPIs

Let's calculate for real

Which are the main customer value drivers in automotive?



Let's calculate

- Car margin € 1.000
- Average life: 5 years
- Avg. service visit margin: € 50

	Detractor 0-1-2-3-4-5-6	Passive 7-8	Promoter 9-10
# Purchases over life time	_____	_____	_____
Purchase margin of car	_____	_____	_____
Value service visits over life time	_____	_____	_____
Customer Value	_____	_____	_____
Word-of-mouth effect (+/-)	_____	_____	_____
Total Customer Value	_____	_____	_____

Let's calculate

- Car margin € 1.000
- Average life: 5 years
- Avg. service visit margin: € 50

	Detractor 0-1-2-3-4-5-6	Passive 7-8	Promoter 9-10
# Purchases over life time	<u>1</u>	<u>2</u>	<u>4</u>
Purchase margin of car	<u>€ 1.000</u>	<u>€ 2.000</u>	<u>€ 4.000</u>
Value service visits over life time	<u>€ 200</u>	<u>€ 500</u>	<u>€ 1.000</u>
Customer Value	<u>€ 1.200</u>	<u>€ 2.500</u>	<u>€ 5.000</u>
Word-of-mouth effect (+/-)	_____	_____	_____
Total Customer Value	_____	_____	_____

Word of Mouth Impact at a **Global Luxury Car Brand**



How many customers
did you stop from
choosing us?

1



How many customers
did you bring us?

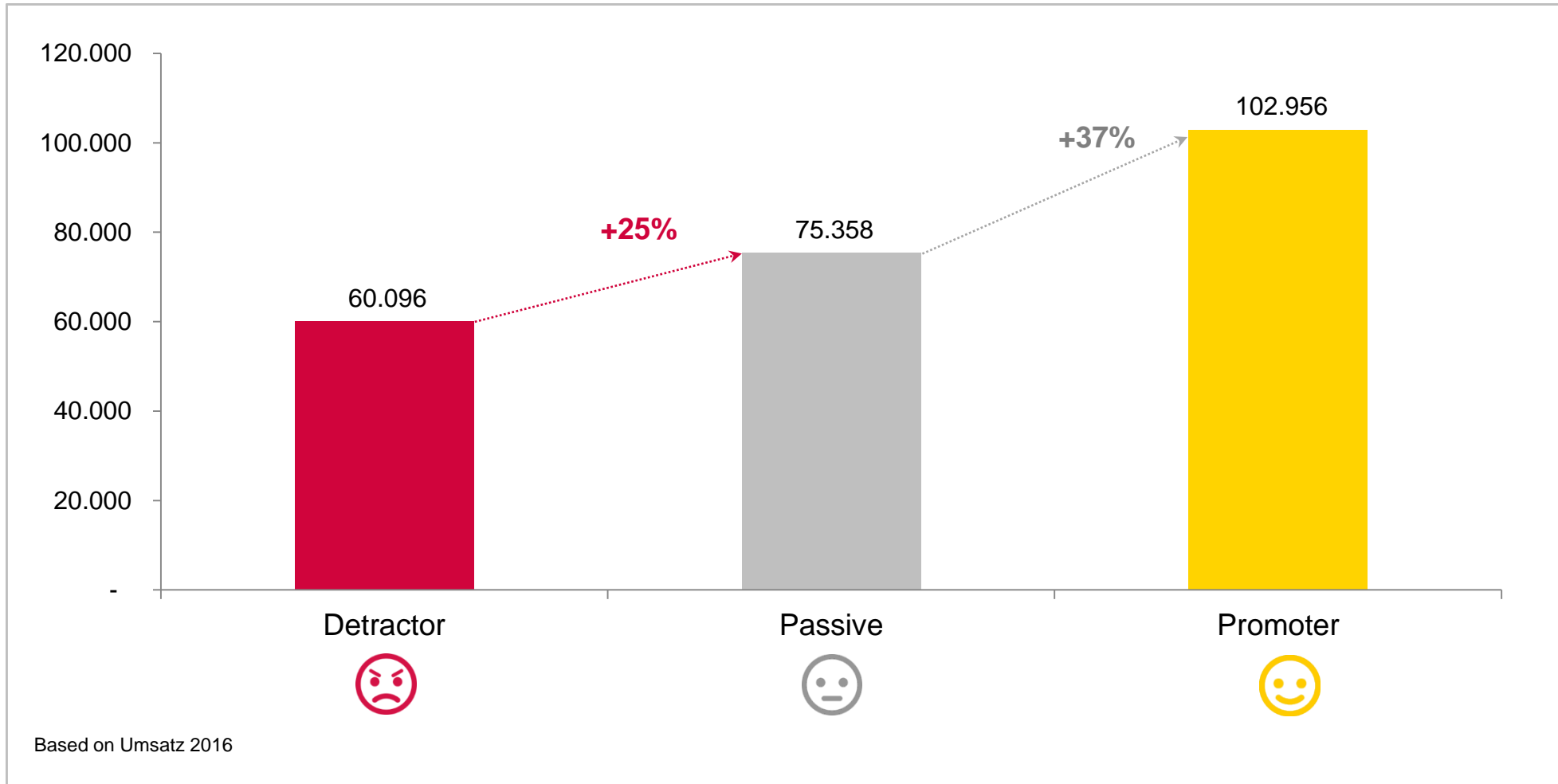
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Let's calculate

- Car margin € 1.000
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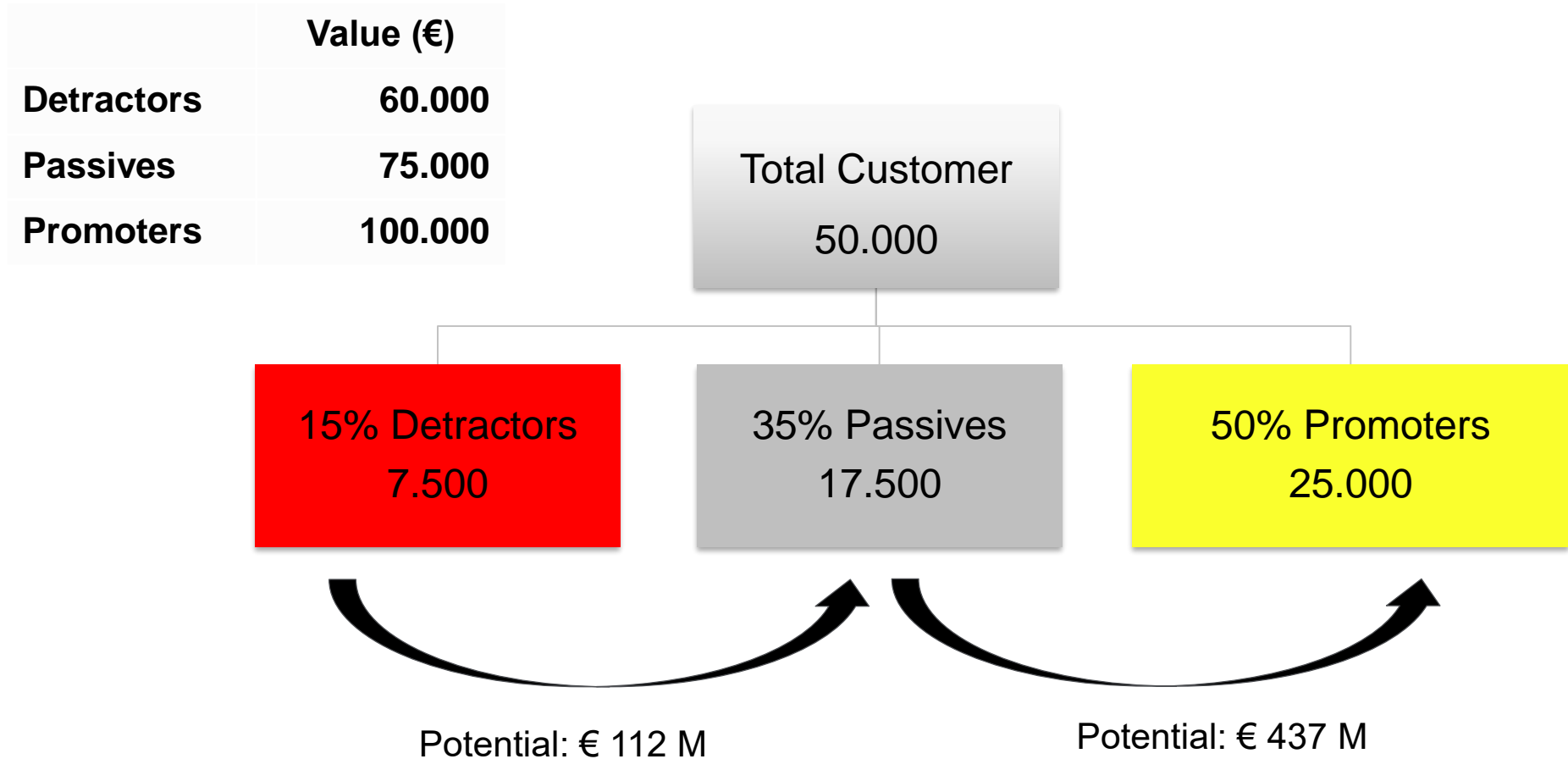
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Value service visits over life time	<u>€ 200</u>	<u>€ 500</u>	<u>€ 1.000</u>
Customer Value	<u>€ 1.200</u>	<u>€ 2.500</u>	<u>€ 5.000</u>
Word-of-mouth effect (+/-)	<u>€ -2.500</u>	<u>€ 0</u>	<u>€ 10.000</u>
Total Customer Value	<u>€ -1.300</u>	<u>€ 2.500</u>	<u>€ 15.000</u>

B2B Business Case, simple version



Q.: Wie wahrscheinlich ist es, dass Sie XXX einem Freund, einem Familienmitglied oder einem befreundeten Unternehmer empfehlen würden?

B2B Business Case, simple version



Grant Thornton outcomes, examples

The Net Revenue from saving just 1 or 2 'valued clients' pays for the annual cost of ClientVoice

Grant Thornton

Grant Thornton

Highly satisfied clients produce greater fee revenue growth and higher realization

Research from long-term ClientVoice firms (US, Canada)	Net Fee Growth vs. average client	Realisation vs. average client
Promoters / 'Raving Fans' (9s & 10s)	+7% to 10%	58.4% to 85%
Firm averages (non-Raving Fans)	negative 7% to +2%	55.8% to 78%
Net Improvement:	8% to 14% additional revenue growth	Realisation = 2.6 to 7.0 percentage points higher

Fact: The discovery of at least one unhappy client occurs within two weeks of launching ClientVoice.

from: Harvard Business Review, *Zero Defections: Quality Comes to Service*

Fact: "It's common for a service business to lose 15%-20% of its clients annually."

\$31,150

median revenue of one Valued Client* potentially lost

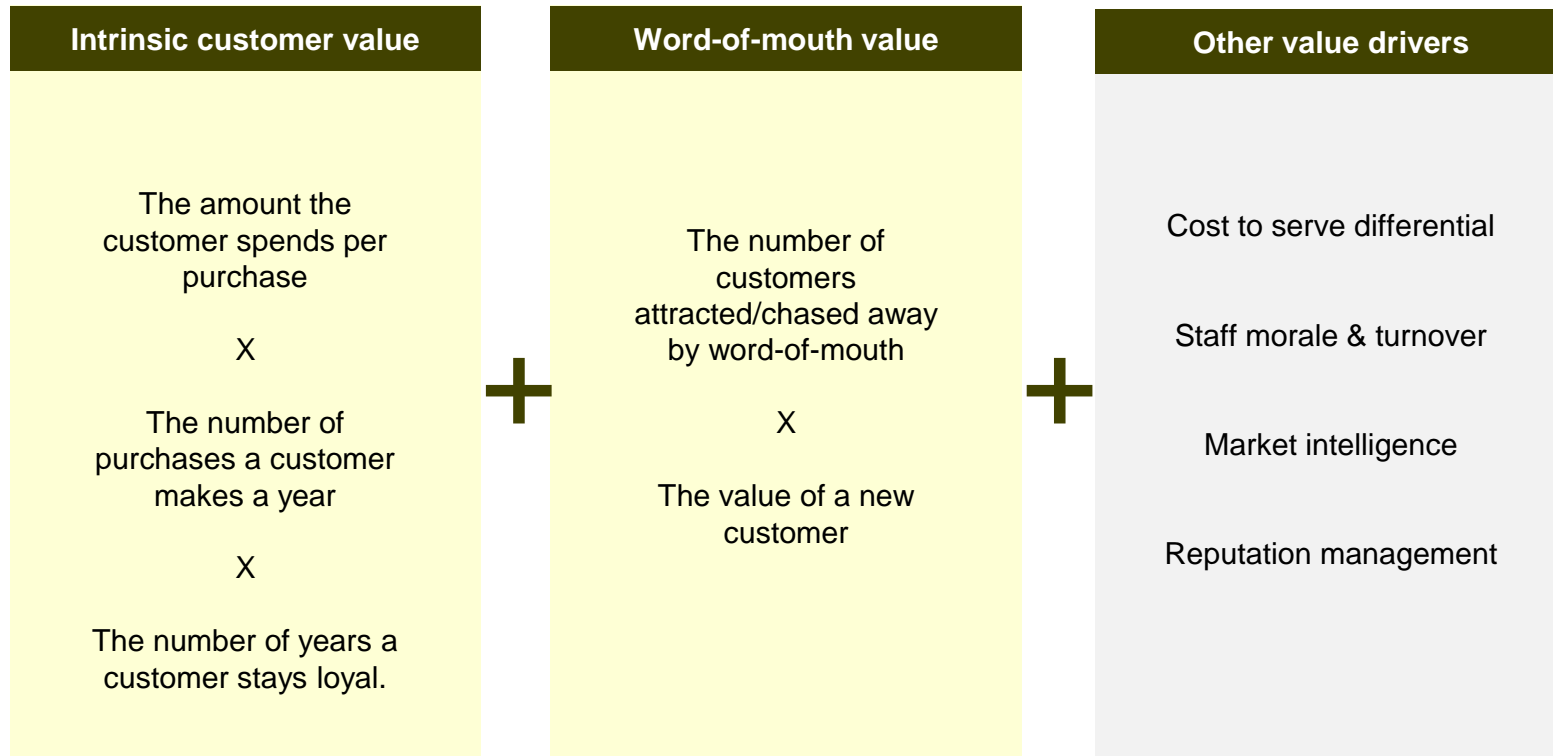
\$16,500

ClientVoice Basic Service

* 'Valued clients' are clients that together represent 75% of a firm's revenue.



Customer Value Calculation: Example (NPS Style)



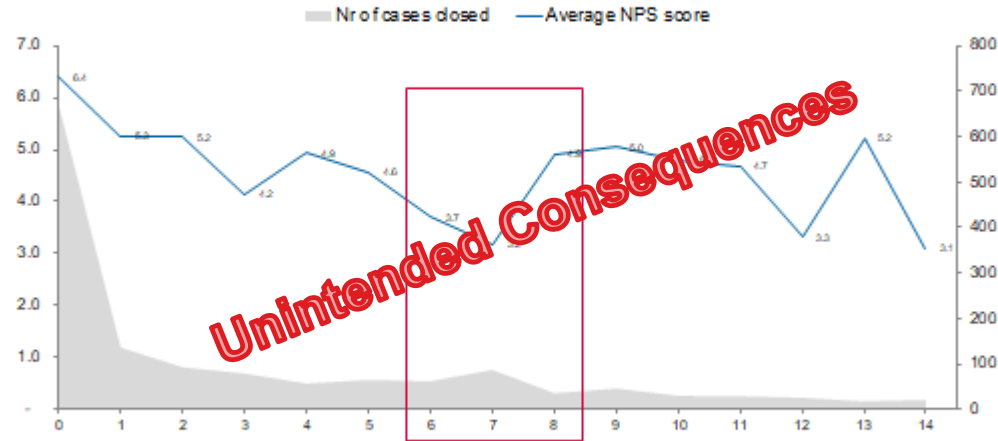
Start building from there – pragmatic and practical



Goodhart's law: "When a measure becomes a target, it ceases to be a good measure."

FUTURELABRESEARCH. Insights into actions.

Overall: average NPS score vs. days of case closure



The spike in closures before day 8 actually results in lower NPS score

2/10/2017

21.

What is the problem with many KPIs?

Challenge all KPIs

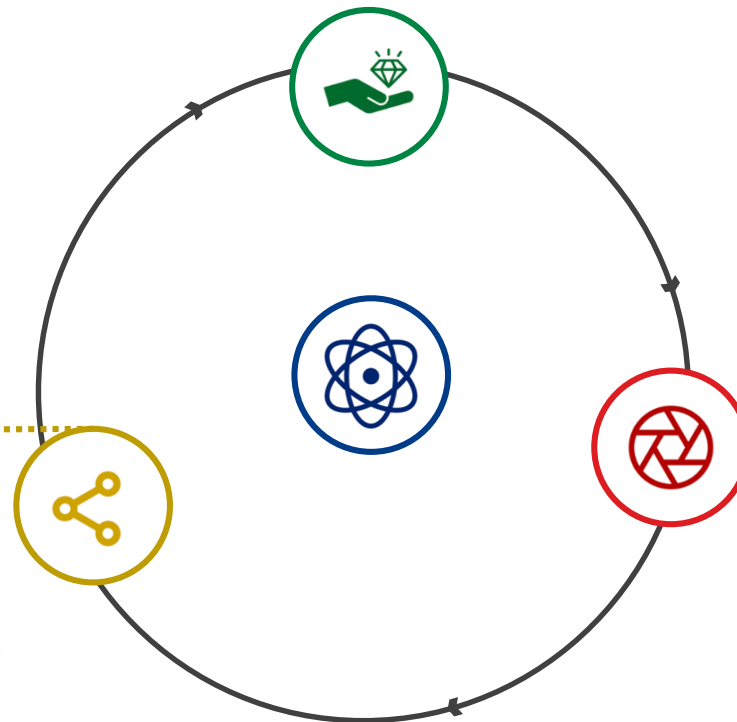


Mercedes-Benz
Customer Assistance Center Maastricht

Best example

Kill the KPIs

CCC Framework



COMMUNICATE VALUE

Once the value is captured, it needs to be communicated into the organization, to **inspire more people** to generate value.

- Ensure all stakeholders are Willing, Skilled and Able
- Showcase success and ROI
- Bring other departments and senior management on board



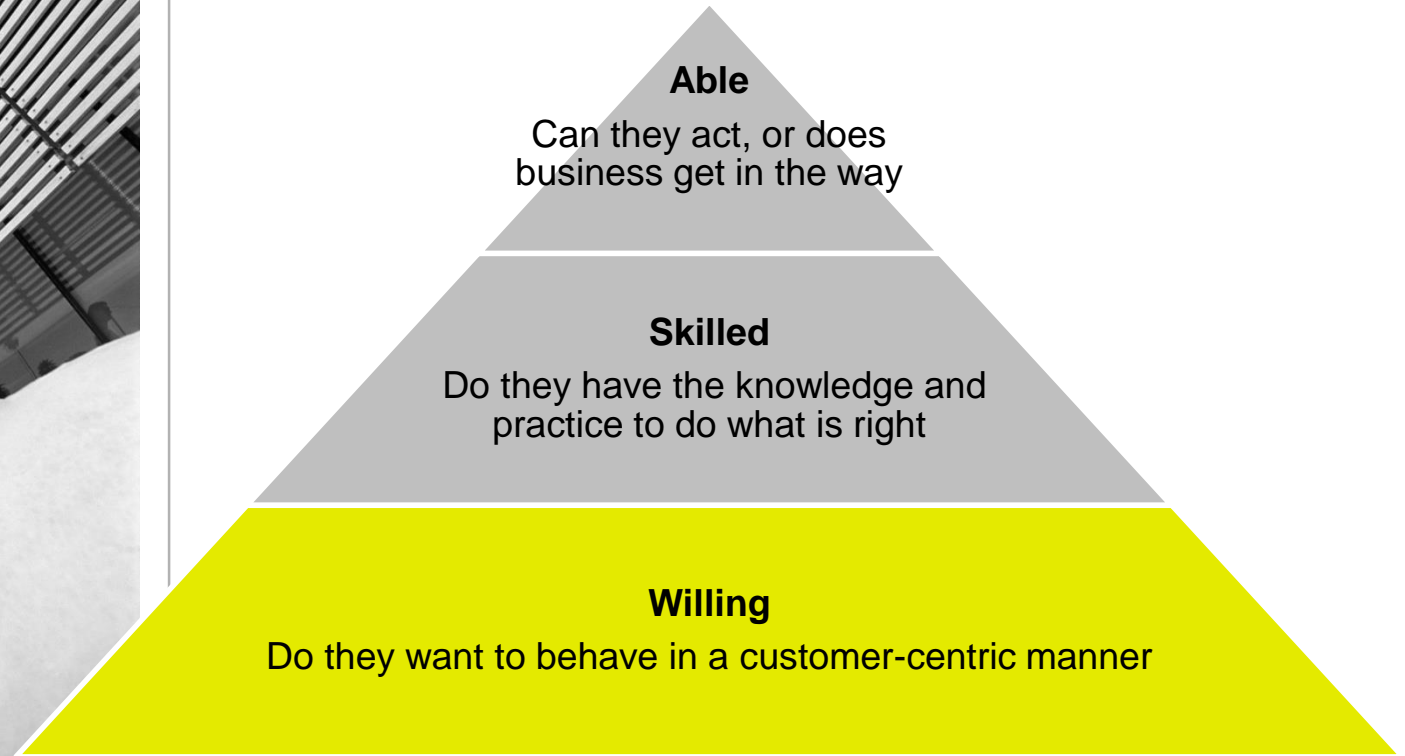
TELL ME WHY?

Internal & External = Closing the Loop!

Once you actioned it – tell it



Getting to action requires more than good intentions



The bottom line

People need to “want” to be customer-centric



To start a customer movement

1. Unite your ambassadors into a community



To start a customer movement

2. Do what you can to help them be successful



To start a customer movement

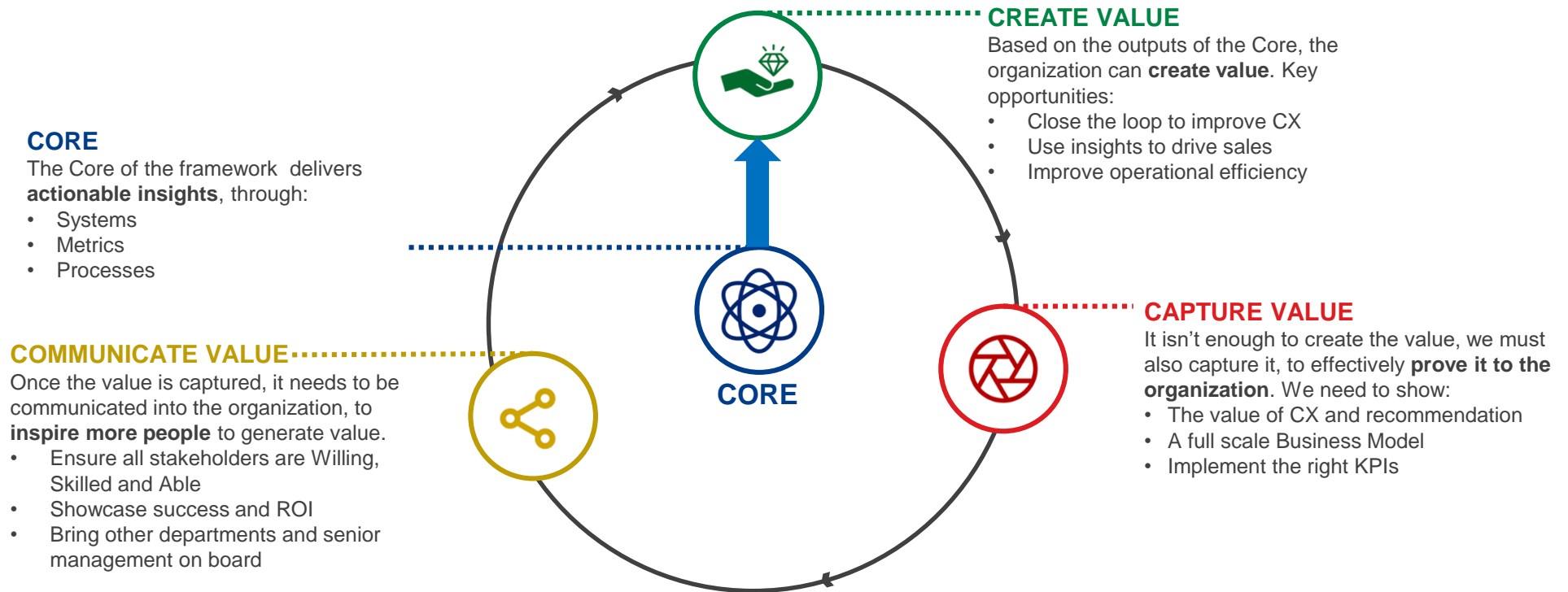
3. Switch on the spotlights (ignoring others)



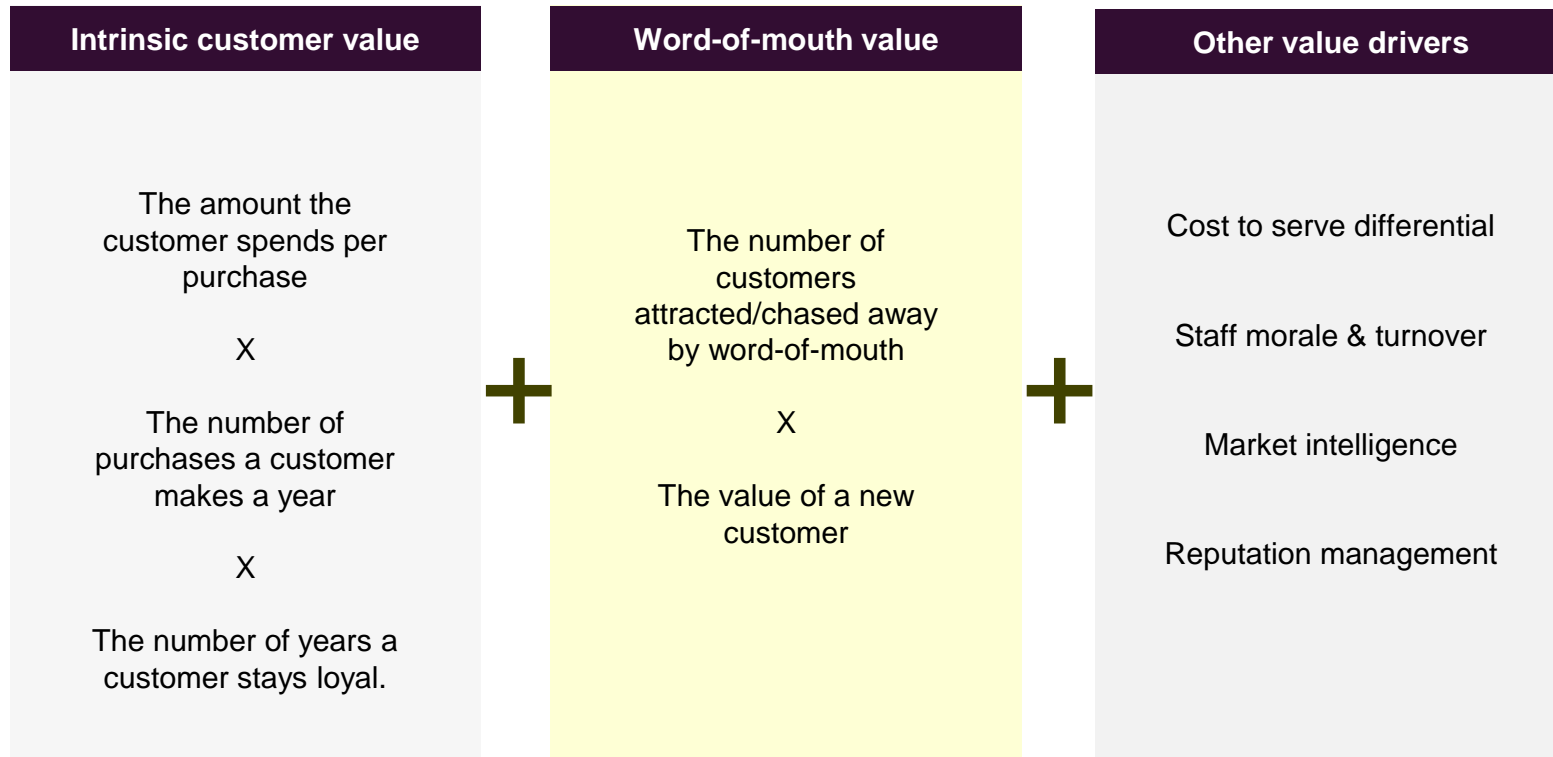
Conclusions

Almost done 😊

CCC Framework



Customer Value Calculation: Example (NPS Style)



ROI Models Should Be Useful, Not Perfect

CX transformation leaders should not strive to create a model based on assumptions that are exactly right but on ones that reasonable people will say are not wrong. Leaders should track success metrics to evolve their assumptions over time.

Right now: Voc Calibrate Assessment | Dimensions

www.futurelabresearch.com/calibrate

CXMA: Maturity Assessment

4 key domains assessed

Clear results output

Differentiated Next steps

Aligned Roadmap

Key Topics:

- Gain customer insights
- Develop a customer strategy
- Define the desired CX
- Customer Driven Processes
- Align IT & Data Management
- International vs. local vision
- Sr. Leadership Focus
- Employee Encouragement
- Customer skills & mindset
- Listen to VoCustomer
- Follow up on VoCustomer
- Translate CX into money

service-futurelab.net/cxma/

FUTURELABRESEARCH: Insights into actions

How to choose the right metric for your Voice of Customer program

Futurelab: Research self-help guide

8 Ways in which NPS can add value to your business

1. Improve account management & sales effectiveness
2. Prioritise customer issues
3. Improve customer portfolio management
4. Improve distribution experience
5. Align organisational siloes around the customer
6. Make customer "happiness" a hard metric
7. Improve your competitive position
8. Measurably connect and drive people engagement

https://www.slideshare.net/Futurelab/8-ways-in-which-nps-can-add-value-to-your-business

Book a call: calendly.com/sko

Ask for a private webinar

Send an email: sko@futurelab.net

For resources, brainstorming or sparring

Talk to us

