



Heart of the  
Customer

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# AIMING FOR THE HEARTS OF THEIR CUSTOMERS

11 Interviews with Customer Experience  
Leaders

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## About the Author

With a lifelong passion for customer experience, Jim founded Heart of the Customer to help companies of all sizes increase customer engagement. Before launching the company, Jim led customer engagement initiatives at Best Buy, Gallup and UnitedHealth Group. In the process, he became an expert in using Voice of the Customer research to identify unmet needs, develop new products and improve customer service. His Heart of the Customer Journey Maps™ are a powerful tool designed with one simple goal: customer loyalty. Customers ranging from start-ups to Fortune 500 companies use his processes to improve customer-focused results.



His fascination with customer experience led him to test himself by becoming a Certified Customer Experience Professional, only the second in the world to earn such a designation. He is also an active member of the Customer Experience Professionals Association (CXPA), serving as one of their CX Experts, providing advice to members worldwide.

## About the Interviews

I've conducted these interviews over the course of the past three and a half years with a wide range of executives, all of whom have a specific focus in customer experience. Originally posted on my CX blog at the Heart of the Customer website ([www.heartofthecustomer.com](http://www.heartofthecustomer.com)), they're gathered here to provide an overview of the many and various uses of customer experience that are being implemented across a wide variety of fields in the business world today.



# Great Clips: Driving Organic Growth through Customer Focus

## Customer Immersion – Not-So-Undercover Boss

Great Clips' hunger to understand their customers goes beyond analytics. According to CEO Olsen, "The biggest risk we have right now in running a customer-focused organization is getting buried in data. It is easier to review analytics than to leave the office to work directly with stylists and customers."



Great Clips keeps current with the state of their customer experience by immersing their executive team in their customers and their 3,000 nationwide salons. When I asked Olsen if she ever considered an "Undercover Boss" approach she laughed, saying "I can't cut hair!" She overcomes this limitation by visiting 500 of her franchise locations every year. "Each time I am in a market for a local meeting or conference I make it a point to stop by 8-10 salons while I'm there. It is so easy to get buried in this fun and exciting stuff [at the corporate office], but we need to get out there."

Her approach is straightforward. She walks in as a typical customer and waits for the greeting. She gets a haircut if she's due; otherwise, she tells them she's "from corporate" (they often think she's in accounting), and talks to the stylists and the customers about their experience. If business is slow she'll sit in the back room with a few stylists to listen to their ideas and feedback. Olsen encourages her executive team to do the same, and salon visits are central to her executive development program. "Our executive staff should know how to run a salon. They should spend enough time out there that they understand what a franchise has to go through to get that salon to do what we need."

Great Clips combines their salon visits with their focus group results and franchise teams to develop numerous customer-inspired changes. Olsen rattled off a number of these, from new products to wait screens at the entrance. Wait screens are computer monitors that display the current queue of customers. "The wait screens are a great example. They came directly from our customer [requests], and fit under our Freedom brand standard. Customers want to know how long they have to wait, and this gives them the comfort of knowing where they are in line."

## Strong Testing Process

Great Clips tests any product or experience change before it goes live. Olsen articulated a very deliberate process of testing through franchisees. Every concept begins with customer feedback, and is brought before franchisees to determine whether it belongs in the limited product or service portfolio. Bed Head hair spray and Ladibugs were two examples Olsen referenced. In each case, stylists recommended these products based on customer requests. The need for Ladibugs lice treatment served a particularly thorny issue. Rather than referring an impacted customer to a pharmacy, stylists can now offer an at-home product for purchase in the salon. Adding the Ladibugs lice treatment, removal and prevention products provides an immediate solution with minimal customer embarrassment.



Great Clips follows a customer-focused testing process. A Product Task Force made up of customer-facing franchisee employees and corporate representatives conducts and reviews each test. As Great Clips offers a relatively narrow set of products, significant customer demand has to exist for the product to move forward. Most products are removed before ever entering the full test process; Olsen estimates that another 30 percent are removed in this final phase. By making product testing a franchisee-based process, Great Clips ensures products have real customer demand.

Great Clips tests all concepts, from lobby chairs to their online check-in system. In this example, the company introduced the process in a handful of locations early in its development, holding regular calls with each franchise to verify the customer experience was right before expanding it to the next stage. They stayed with their original yearlong testing plan despite strong pressure from franchisees to accelerate the process. The company knew they had only one shot to make the correct experience, and took the time to get it right.

While their testing process is good, it is probably their weakest link in the four categories. While all introductions go through testing, a more deliberate introduction would help ensure that all customer needs are making it into the process. Olsen acknowledges that the original demand is often lost in the process, making it impossible to close the loop. Efforts to improve onboarding would complete this otherwise-impressive approach.

## My Take

Great Clips takes a very broad approach towards understanding customers – offering a more comprehensive review than many companies twice their size.

While their market research and analytics programs are thorough, it is their Customer Immersion approach that is particularly impressive. Olsen acknowledges that it is a constant effort for her team to keep in front of customers – it is too easy to review data and focus on day-to-day pressures. In fact, this was her final advice on creating a customer-focused culture: “Don’t get buried in the data, but stay in front of the customer. The temptation is so great to believe that the data and technology can give you good enough information that you don’t need to be out on the front lines.”

It is hard to argue with success. Great Clips continues to grow while their competitors shrink, and their customer focus is central to this achievement. As a result of their efforts, last year the company experienced their largest same-salon sales increase ever – incredibly difficult to do after five years of uninterrupted growth. Great Clips, led by customer-focused CEO Rhoda Olsen, has hit on a winning formula for customer engagement.



# Great Clips: Customer Experience Drives 37 Consecutive Quarters of Same-Salon Growth

I originally interviewed Rhoda Olsen to learn more about her customer experience efforts in 2011. (You can read that interview above.) At that point Great Clips had experienced 30 consecutive quarters of same-salon growth. That record has now been extended to 37, and the company has grown to over \$1 billion in revenue.

## Defining Customer Experience

Unlike some franchisors, Great Clips defines their customer as the end consumer, not the franchisee. CEO Rhoda Olsen explains, “We believe that if we don’t stay focused on that customer in the salon, the franchisee will not be successful. We define the customer experience from the time they check into the online app or walk in the door to the time they leave. Everything that happens in the wait time and what happens when they leave is part of the customer experience. The interaction with the stylist is their primary brand driver, but if somebody waited 45 minutes and been treated poorly, the stylist has to dig herself out of a hole.”

Great Clips does not have a specific customer experience group. “The entire organization is responsible for helping to drive a consistent customer experience.” Rhoda showed a Brand Delivery Document that defines their customer experience. “Every one of our executives – marketing, operations, education, even real estate, will always have this with them. Great Clips, the franchisee, down to the individual in the salon, all need to have a commitment to customer experience that defines the brand in meaningful ways for the customer. You can look at the rational items, like price and location, but really what connects customers is the emotional feelings they get in the salon throughout the customer experience. This is really focused on the feelings of comfort, freedom and connection,” Great Clips’ three brand pillars.

## Measuring Customer Experience

The company does not rely on surveys. Instead, Great Clips’ Brand Delivery Document includes a scorecard with customer-focused measurements that tell them if they’re accomplishing their goals. “We define the customer experience emotionally and confirm it rationally,” Rhoda explains.

There are very few businesses where you physically touch your customers, which is what makes the emotional link even more important than in some other businesses. “Our customers want to look better and feel better without spending too much time or money.” Their metrics – items like wait time and repeat customers – helps the company understand how their franchises are delivering against those goals.

## Bringing the Customer to Life for the Corporate Employees

In my previous interview I outlined Rhoda’s incredible salon visit schedule, going to 500 salons in one year. In that interview she reflected on the challenge of getting the rest of her senior staff out of the office and into the field. In reaction, her business services team creating Salon Immersion Days. “All



of our staff go into the field and fully immerse themselves in a salon for a couple of days. They act as the receptionist. They're on the floor. That's a key part of the business that we really need to understand."

They have also broadened their focus groups participation to get as many as possible to observe. As Rhoda explains, "That's a way that people can listen to customers, get a sense of them. It's almost a more intimate way of learning than being in the salon, because you're hearing their preferences, their experience, those kinds of things."

## Creating a Customer-Focused Culture

"We don't go into any meeting anywhere without viewing this information," Rhoda explains, showing the Brand Delivery Document and customer scorecard. "All our manager and franchisee recognition is focused around this information, which tells us if we're treating the customer well. We have great data to let us know whether the customer is coming back, how long they waited, whether or not we're staffed appropriately."

"The way you create a customer-focused culture is to make sure you're treating your stylist right." In the old days of overhead projectors, Rhoda used to begin meetings with a 3-line slide:

- Treat your employees well
- Treat your customers well
- Then count your money

And do it in that order. "There is no way we have a franchisee who is successful without creating an incredible connection with their staff."

## Planning for 2014

Rhoda was able to share three 2014 initiatives related to the customer experience. One is to build a global customer database. When one of your value propositions is to get a great haircut no matter which location you visit, having ready information on a customer and their preferences is critical.

The second initiative is to deploy additional iPads into salons to assist with checking customers in and out, and the third was to better integrate promotions into their social media channels and their app. This will allow them to react to local conditions. For example, if it's a rainy day and business is slow, they will be able to identify customers who are due for their haircut and offer a promotion.



# Tekserve: A Blueprint for a Great B2B Customer-Inspired Experience

“Our job is to make our customers look good to their bosses.”

That’s the philosophy of Tekserve, an Apple retailer and IT services provider in New York City, as articulated by Director of Marketing Jazmin Hupp.

Imagine that you are a long-time Apple retailer and supplier, and then Apple builds their flagship store just two miles from you, then four more just as close. Some might find it time to close up shop. Instead, Tekserve used the challenge as an opportunity to refocus on their customers. Their reward? Consistent growth, being featured in the *Crain’s New York Business* Fast 50 and the *Computer Reseller News’* 2012 Solution Provider 500 list, which ranks the top technology integrators in North America.

Tekserve doubled-down on the service surrounding Apple’s products, particularly for businesses. Almost 2/3 of their revenue comes from B2B relationships, where they are far nimbler than Apple. Much of their work involves integrating Apple products into existing networks, including wholesale conversions from PCs to Macs.

Tekserve credits their growth to three main areas of focus:

- Comprehensive customer immersion
- Engaging employees in the Tekserve culture
- Creating a great B2B customer experience

## Comprehensive Customer Immersion

Tekserve has a thorough program to stay close to their customers, including surveys, analytics, and customer visits.

### Surveys

Tekserve uses a variety of surveys, most based on the question “Based on this experience, how likely are you to recommend Tekserve to a friend or colleague?” from the Net Promoter Score (NPS) approach. The goal of these surveys is to gather feedback about the customer experience and likelihood of recommending Tekserve to others.

One activity that differentiates Tekserve is that their survey is not restricted to paying customers, as they also survey prospects pre-purchase. This is a crucial step, as Bruce Temkin recently argued, saying “An overwhelming majority of companies have no idea about the experiences that cause people to not become customers... I call these your non-customers. This can be a serious blind spot.” Tekserve avoids this problem by sending a survey request to prospects after they receive a quote. This helps them find barriers in their sales process that can be missed by typical customer-only surveys.

Their surveys are sent by email and are tied to the respondent to enable them to follow up. The surveys also include five to seven optional questions that, while not specific to the transaction, give





Tekserve more information about their customers' and their practices in an area of interest. They offer a drawing for those who participate in the additional questions.

A common problem with using verbatim responses is the tendency to overreact to individual comments. To create process that would allow Tekserve to evaluate the highs and lows of their customers as a whole, the company centralized the responsibility for survey info-gathering with the marketing team. Each week departmental managers receive the best and worst survey comments to follow-up on. Having both in the same report encourages staff to keep the negative comments in perspective with the overwhelmingly positive. Each supervisor contacts customers that left negative feedback as well as customers who left positive feedback to thank them. The process also incorporates Facebook comments and Tweets, to give a better overview of customer sentiment and target resolutions appropriately. This focus has resulted in NPS scores that are consistently in the 70s.

### **Analytics**

Tekserve does not have quite the analytics focus of Great Clips, with their constantly-updated data from all salons, but nevertheless focuses on those areas that are most critical to their business.

Having found a direct correlation between higher phone call answer rates and increased revenue, incoming calls are tracked with a goal of 93% answered. They also track email response rates by department, with a goal to respond within four business hours. They try to act quickly, as they find that a slow response in one medium causes customers to move to a second like calling or tweeting. Not only does a slow response impact the customer relationship, it ties up additional resources – a double hit.

### **Customer Visits**

The surveys and analytics are both very good, but their customer visit strategy really impresses me. I regularly talk to companies who acknowledge the importance of visiting clients, but just can't find the time to make it happen. I even worked with one company that felt that visiting clients was an unnecessary expense! Not so at Tekserve, which features customer visits by their CEO and VP of Sales as central to their Customer Experience strategy.

Tekserve unexpectedly lost a valuable client. This caused them to step back and reassess how they maintain their customer relationships. The answer was to elevate the level of the relationship through leader-to-leader meetings.

Whereas Tekserve typically works with an IT Director or purchasing contact, these client meetings are with a CIO, CTO, or Vice President and begin with an account review, including the work done in the last year. They discuss any big wins, and review the operational impact of Tekserve's work.

Then they move to the future, asking the client where they see their business going and how Tekserve can help them prepare. Typical follow-up questions include:

- What challenges do you see coming to your business in the next six months?
- What do you want to learn more about?
- What can we do to help you prepare for it?



These future-focused questions transform the visit from tactical to strategic. While the primary focus of the visit is to reinforce the client relationship, there are times when they uncover new partnership opportunities. Jazmin recounted a visit with a medical provider who was purchasing specialty charger stations. The visit uncovered a partnership opportunity, resulting in \$500,000 in new revenue.

Jazmin recommends that your visits focus on deepening relationships, rather than letting them become sales calls. Focusing on your client's business can allow great opportunities to develop organically.

## Engaging Employees in the Tekserve Culture

Tekserve's customer focus is reinforced through how they engage their employees. Since techs spend the majority of time at customers' sites, Tekserve constantly reinforces their company's values.

Tekserve typically finds their best recruits from independent techs who may have used Tekserve for hardware repairs while doing integration work. These technicians already have a relationship with Tekserve, making for an easier hiring process.

Their focus continues on onboarding. They know that their newest, greenest tech is still their face to the customer. As Jazmin explains, "everybody knows the guy who bags their groceries, but nobody knows the store manager. And the guy in front of the customer is often the lowest-paid person on the team."

Orientations focus on the company's principles and history, including their philosophy: "We live in a world where things are broken, and we won't always be able to meet expectations. So please lean on the people around you to create a better experience, particularly when you know you're getting into trouble."

The first three months of an employees' tenure sets the tone for their experience at the company. To reinforce the culture and make sure the experience is positive, Tekserve conducts reviews at 30, 60, and 90 days after a new hire comes onboard.

Technicians are also trained to understand that facts don't matter – a difficult message for a technician to internalize! They train them to begin by acknowledging the problem and aligning themselves with the customer before they begin troubleshooting. While this does not always come naturally, technicians find that doing this sets expectations more effectively, and reduces the blame shifting that can occur in these situations.

## Creating a Great B2B Customer Experience

While the customer immersion and company culture lay the groundwork, Tekserve also designs the experience to maximize the potential for success.

They are open seven days a week and focus on providing the fastest response time possible. This has led to many opportunities, including a relationship with MusicMix Mobile. The company was preparing for a concert at Central Park, when they realized they were missing a key plug-in for their Mac. They sent out requests for various companies in New York, and Tekserve responded with the



missing software in less than 20 minutes. This led to a long-term relationship, and MusicMix Mobile even gave credit to Tekserve when they won an Emmy!

When on a job, the company knows that the beginning and ending of the service is most critical, and builds processes to make sure the experience starts and finishes on a strong note.

Before scheduling a visit, they ask a series of questions to prepare their technician for success. They make sure the technician arrives early, which can be a real challenge in New York City, and start the transaction by setting expectations for the visit, including how long they expect to take. They deliberately estimate high, preferring to overestimate the time needed at this client and finish early, rather than the technician having to leave before the job is done.

They end the experience by providing great documentation about the work that has been done, following up to confirm that expectations were met and if there are any other needs and thank them for their business. This provides confirmation for the work they have done, but also helps future technicians that may be involved at the site.

### **Advice for Others**

I asked Jazmin her advice for companies that want to create the same great customer-focused approach as Tekserve. Her answers surprised me, as they were not “Do as we Do,” but instead “Learn as we Learn.”

Her first recommendation was to hire a combination of internal and external managers. They have found that hiring from the outside brings ideas that may not have come internally. But you need to balance these hires with internal promotions, which provide consistency and reinforce the culture.

Jazmin built much of her strategy through networking with peers, particularly at conferences. She especially recommends the annual Net Promoter conference, where she learned many of the practices she now uses. She also presents at and attends Apple-specific conferences. By bringing in external talent and networking with peers, the company has continued to learn and build an adaptational approach to staying close to their customers.

### **My Take**

Tekserve has a great story to tell for any business, but particularly for those with a B2B focus. It all starts off with their Customer Immersion program. Tekserve implements best practices, and also establishes a few of their own. More importantly, they have the diligence to execute them consistently. I particularly like their customer visits – it is here that you can truly learn how well you are serving your customers, and occasionally be rewarded with new business.

Earlier in my career I introduced a similar program to a company, and we learned a tremendous amount through these visits. Not only did we receive feedback on our product development, but this helped us completely change our marketing approach through a better understanding of how our customers were communicating about our product.

It is also very challenging to build a consistent culture when so much of your workforce is out and about all day long. The 30, 60, and 90-day reviews are a great way to make certain that the customer focus is reinforced, and to battle the tendency for a new employee to try to do everything him- or herself.



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Lastly, how many times have you experienced a poor start to a customer experience? A bad start taints the entire visit. By creating a solid process for technicians to begin and end effectively, they prevent avoidable issues by creating a repeatable customer-inspired experience.

Tekserve is a great example to any B2B company. By creating a comprehensive customer immersion program, engaging the employees around the customer, and creating the process for a great customer experience, Tekserve continues to grow, delighting even more customers each year.



# A Case Study in Loyalty: The Cabela's CLUB

How do you create a world-class customer loyalty program? Focus less on providing best-in-class benefits and more on creating a great customer experience. That's the advice of Sean Baker, the incoming CEO of Cabela's World's Foremost Bank and leader of the Cabela's CLUB program.

I interviewed Sean to learn more about Cabela's CLUB and its critical role in driving their customer experience. The lessons certainly apply to retailers as a class, but also have something to teach anybody wanting to create better relationships with customers.

## CLUB Components

First, a quick background on the program. The Cabela's CLUB is a loyalty program paired with a Visa card. It began as a partnership with a small regional bank as a way to give their best customers free gear, but in 2001 Cabela's brought the program in-house. They are now one of only two retailers who entirely own their own bank to run their loyalty program (Nordstrom's is the other).

Similar to most retail loyalty programs, members receive points for Visa purchases, whether at Cabela's or other retailers, that can be used for future Cabela's purchases. There is also a lesser-used Rewards card version for those who do not qualify for the Visa credit card. What differentiates this program is how it transcends typical points-based loyalty programs to include:

- Private in-store CLUB events
- Family Outdoors Days where trained staff teach youth and their entire families about outdoor sports
- Exclusive trips to high-end experiences

Sean discussed how Cabela's differentiates their program through removing friction, leveraging the in-store experience, and creating a great customer experience. He also shared the results of the program, which show the true value of creating a customer-inspired experience.

## Removing Friction

With most retail loyalty programs, a customer makes a large purchase and applies to the program while in the store. A week later the card shows up in a pile of mail, which may sit around for a few days. By the time they put it in their wallet, two to four weeks may have gone by since the initial purchase. Now, it's just another card. They probably use it when visiting that retailer, but are unlikely to use it for other purchases. Across the sector, approximately two-thirds of all purchases made with a retail credit card are with that retailer. The industry as a whole has had a difficult time getting consumers to use loyalty cards elsewhere.

Cabela's has built a great customer experience by tearing down traditional barriers to make it effortless to become a Cabela's CLUB member. Like most retailers, Cabela's can respond to a credit application within ten minutes. But while most retailers give customers a temporary paper card, Cabela's prints the permanent card in the store, allowing customers to use the card immediately.



The first month is critical to determine a customer's ongoing engagement. Cabela's clearly understands that changing behaviors requires immediate reinforcement. They encourage usage by giving extra points for purchases within the first 30 days of CLUB membership. By pairing immediate cards with bonuses for the first month of usage, Cabela's gets the customer accustomed to using the card, resulting in ongoing engagement.

Gas and grocery purchases are the holy grail of retail loyalty credit cards. When customers use the card at other businesses it brings additional revenue to the card issuer. The industry average is for 30-40% of all card purchases are made outside of the retailer. Cabela's strong program results in 95% of card purchases being made outside of their store. This is a win for both the consumer and the company – the customer gets more free gear, and Cabela's receives additional revenue.

## Leveraging the In-Store Experience

The CLUB booth is typically found close to the store entrance. To avoid bombarding customers with offers, their process is for the greeter to ask customers if they are CLUB members. The messaging is that you can save money today through the program. If interested, customers are directed to the CLUB booth to apply. But the booth provides more than just credit card applications. Dedicated CLUB employees service the booth, helping customers on all card services without calling the CLUB's home office.

Contrast this to the services provided at Target. I enjoy the programs' 5% discount, so suggested to my wife that she sign up. She applied, but was told that she couldn't have a card because mine was already linked to our checking account. We visited customer service only to be told they couldn't help us, and we needed to call the bank. So we gave up. By staffing dedicated CLUB employees in their stores, Cabela's provides a seamless, high-touch customer experience to avoid this type of frustration.

The linchpin to store engagement is the store employees, called Outfitters. Cabela's encourages Outfitters to talk about the card benefits but not oversell it. As Sean explained, "It's an art. The people who are successful are those who can connect with customers. They really understand it inside-and-out, and can explain it in a positive way without being pushy. The reason they're able to be successful is because it's genuine. They really understand how the program benefits customers."

## Creating a Great Customer Experience

A Visa program, even with points, is not a great customer experience by itself. Cabela's goes beyond traditional loyalty programs by focusing on the CLUB member experience first and the points second.

CLUB membership features three added programs targeted at the Cabela's value proposition – increased access to the outdoors. While many retailers offer exclusive sales to loyalty CLUB members, Cabela's CLUB events add a personal touch. In addition to bonus points and discounts, events may offer something special – giveaways for members, free bottles of water, personal shoppers, or CLUB lounges where you can kick back, relax, and learn more about a specific topic of interest.

CLUB members also receive exclusive access to Family Outdoor Days. Originally offered twice a year, they plan to host eight in 2013. Members bring in their family to learn more about the outdoors. Trained staff teach them about sports in a safe, supervised environment, whether their



sports is archery, skeet shooting or fly fishing. The Family Outdoor Days are inexpensive, resulting in very positive feedback. Participants include not only parents but grandparents who want to teach their children and grandchildren to appreciate the outdoors.

The CLUB is an enabler, but it's not really about the points or the Visa card – it's about the engagement with the customer. As Sean says, "It's all about trust. Family members trust that if they bring their children to the event and the Cabela's staff is teaching them how to use a bow and arrow or firearm, Cabela's will make it a safe environment for them to learn."

The third exclusive offering is Cabela's Signature Outdoor Adventure trips. The origination for this program came from a famous quote from Dick Cabela: "We're in the business of selling fun." As Sean says, "We don't sell things you need – we're selling fun. We'll sell you the product, the clothing and the gear. We've also extended that to a network of outfitters, hunting and fishing lodges, and so on. Places where you can access the experience. As simple as pheasant hunting in South Dakota to as exotic as African safaris or fishing in Costa Rica." These exclusive programs are kept small, so if customers have never experienced the sport there will be someone there to help them with it. For many members, this becomes a bucket list item. As Sean says, "It's amazing the positive feedback we get – it's not just about the trip, but also about the connection with the brand, the people, and the experience."

The CLUB also keeps corporate staff connected and engaged with customers. Corporate Outfitters attend CLUB Days and trips to interact directly with the customers.

## The Secret to Success

I asked Sean what separates stores that successfully connect customers with the CLUB from the rest. He replied, "It isn't magic. We've proven that the answer isn't any of the easy excuses – competition, market saturation, etc. The secret is finding the right store leadership who can connect with all of our Outfitters to embrace the CLUB as part of The Big Green Roof and as a benefit to consumers. We're not just peddling a credit card – that's not what it's about. If you get them to believe in the power of the CLUB and how it opens up doors to our customers, the locations will do better, and our customers will benefit."

Sean explained how it has definitely helped to own their own bank. "When we initially offered the program through a partner, it started as a very banking-focused transaction. But when we brought it in-house it moved away from being a credit card to being a way to build relationships with our customers. The one thing we can never forget is that we're not here to run a bank. We're here to find any way possible to give our best customers the opportunity to earn rewards to access the outdoors with free gear and come back to us more often." That change in attitude has made it much easier to work with other parts of the company. "We're not focused on doing what's best for the bank. Instead, we're working directly with our partners in retail, internet, and merchandising to do what's best for the customer."

Sean then discussed the future to the CLUB program. "Our challenge is scaling the experience. If we reach a thousand customers a year with our family events and our outdoor adventures, that's only a small percent of the CLUB membership. And while those thousand members love the experience, how do we find different ways to touch all of our members and give them a great experience, whether through education, helping them, or outfitting them? Our job is not just to get Cabela's gear in your hands, but to get you outdoors doing what you love, and helping you to share that with your



children and growing your outdoor lifestyle. If we can do that, we'll be fine, because we'll grow with you."

## Great Customer Experience = Great Results

Focusing on a great CLUB member customer experience has also provided strong returns to the company. Spending per CLUB Visa card holder is well above average for issuers, as many of Cabela's customers use it as their primary card. In addition, Cabela's is in the Top 10 for Visa issuers by charge volume and the Top 20 in outstanding credit. They benchmark their program regularly. At a time where the competition for cardholders is the highest it's ever been, and credit lines are shrinking, they continue to see more engagement around their card. Even though some cards can beat them on credit lines or interest rates, they continue to grow at a very healthy rate of more than 10 percent.

More important than the Visa data is the loyalty the CLUB brings. As Sean explains, "Our cardholders are our best customers. Their average spend is higher, their return visits are higher, their number of transactions are higher. I don't know for certain if our best customers sign up for the card, or our cardholders become our best customers. But my gut is that our most loyal customers are signing up for our program because they love Cabela's, and the CLUB enables them to go to a whole new level of engagement. The program enables them to share their passions and get outdoors even more."

What could be better than that? I concluded our interview by asking Sean what advice he has to companies trying to build great loyalty programs:

"You need to focus around the customer experience. Anybody can offer points or rewards. That's easy. Everybody does it. What is going to differentiate you and give your customer a reason to increase their brand affinity with you? The only way to do that is to build common experiences and values.

"Don't get me wrong – you need to have benefits. You need to have the hook. But at the same time, you don't need best-in-class rewards. If you resonate and give something that improves the customer experience by having an impact that makes them feel like they want to be a part of something that will draw in customers and create that loyalty.

"What's really fun is when you go to a conference and mention you work for Cabela's, at least one person in the group will have their eyes light up and say, 'I love your store.' They pull out their wallet and say, 'Look, here's my Cabela's card.' Which is pretty amazing for a company that started out around a kitchen table in Chappell, Nebraska."





# Western National Insurance: Creating a Customer Experience Capability



The Western National Insurance Group is a 500-person private company that offers property and casualty insurance. Mara is the company's Chief Experience Officer, a role she began mid-year.

Mara came to Customer Experience through an unusual route, having previously served as their Controller. She has hit the ground running, however, working with teams from throughout the company to create a Customer Experience framework, and launching programs to help further improve an experience that already has many strengths.

## Defining Customer Experience

"We have three customer segments. First are our independent agencies. We recognize that many key policyholder touch points are controlled by our agents. By optimizing our agents' experience with us, we are positively impacting the service they provide our ultimate customer. Next is our ultimate policyholder, which can be either an individual or a business. Finally, we have our employees as customers." The employee was unique. While most customer experience programs recognize the employee as a key stakeholder, it is unusual to include them as actual customers.

Mara explained how this is a reflection of the Western National way to involve everyone. "In a customer-centric culture, we believe it should be the job of those who rarely touch the external customer (IT, HR, finance) to support those who do."

Mara defines customer experience as "addressing every touch point with the brand," including both direct and indirect interactions. She distinguishes it from customer service, which she defines as a "person-to-person interaction."

Mara coordinates the customer experience working group representing leaders from across the company. These leaders are ambassadors, setting the customer experience strategy and sharing it with the greater company. As is common with many Chief Experience Officers, Mara does not have a big team ("I used to have an intern"), but instead works with the greater organization to accomplish their customer experience goals. Attached is Western National Insurance's customer experience charter, created by this team.

"My role is to influence and organize. I pull together teams from across the company to work on key initiatives. While I have no direct reports, you could say I have a team of 500."

## Measuring Customer Experience

"We are early in our measurement journey. We use the Net Promoter Score for our agents, and we measure claim satisfaction rates. As we formalize our customer experience program, our fourth



initiative is ‘Measure and communicate through effective metrics.’ Defining those metrics is a critical part of our 2014 efforts.”

Regarding their three key audiences

- Agents: “While we have the Net Promoter Scores for agents, it’s not actionable enough. In 2014 we will identify additional metrics that are actionable at the segment-level”
- Policyholders: “We have a number of different measures being used by our business units. In 2014 we will survey the landscape to create a consistent scorecard across the organization.”
- Employee: “We just completed our first employee engagement survey. We’re currently analyzing those scores to build change.”

## Bringing their Customers to Life

Bringing your customers to life is a critical need for customer experience programs – one that is often overlooked. I was pleased to see that Western National Insurance came up with a unique way to help put their employees in their customers’ shoes – literally!

“We have a campaign called “Put Yourself in their Shoes” to bring the policyholder to life. A central hallway space has been reserved to display policyholder shoes. Graphical elements will be added to figuratively identify the customer and detail Western National’s impact on their home or business.” The company is adding color by a separate program of recording 3-5 minute videos of claimants to show their story and reinforce positive customer experiences.

## Planning for 2014

2013 was primarily about establishing the customer experience framework and introducing it to employees. The Customer Experience team has identified four priorities for 2014:

1. Rallying employees and focusing culture
2. Deepening agent relationships and building customer-centric processes
3. Enhance technology-enabled solutions
4. Measure and communicate through effective metrics

Some specific action steps already identified:

- Creating management forums to improve employee engagement
- Further developing their large-account planning and service processes, including journey mapping to identify gaps
- Implementing a CRM system to better monitor agent relationships
- Improved use of metrics in monitoring and reporting of the customer experience

## Customer Experience Advice

Mara’s advice: “Gather support – you can’t go it alone. If you want to change behavior, you need to get people on your team, and perhaps more importantly, be a valuable contributor to THEIR team. At Western National, I report directly to our CEO. While highlighting the importance of the customer to our organization, it also provides the ability to draw the cross-functional teams that are critical to our success. Surround yourself with people who know and have done it before, as well as people who



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are currently going through the same process. There is a wealth of material and resources out there (the CXPA, blogs, etc.) You really just need to step into the river of information.”



# UCare: Serving Diverse Customers

Imagine leading a customer experience program serving a very diverse population that speaks dozens of languages, has many members new to this country, and many on medical assistance, struggling to raise a family without a stable home. And you're doing this as a non-profit. That's the challenge UCare faced when they began formalizing their customer experience program in 2013.



UCare is a health plan primarily serving members through government programs, such as Medicare, Medicaid and other government assistance programs. Ghita Worcester is the Senior Vice President of Public Affairs and Marketing at UCare, one of two executive sponsors of their customer experience program.

Ghita explains UCare's customer experience strategy: "We focus on the whole continuum – not just how members feel when they work with our customer service teams, but how they feel when they work with us operationally, from our clinical services, all the way through to whether they felt they were treated fairly when they went to a provider or a hospital. And the provider's experience with the plan includes how the member comes to them."

## Serving a Diverse Population

Ghita explained how their varied population impacted their customer experience work. "Close to 100,000 members [of UCare's 300,000+ population] are in Medicare Advantage and are over 65 years old. They have different needs – They are used to high-touch interactions. They want to be on the phone longer, some are hard of hearing. Then you have members on our Medicaid program, including many families with children, who may not have a regular phone number. They might call you from a neighbor's house or somebody else's phone number. So when they call, we need to make the conversation as comprehensive as possible."

"We also work with an incredible number of languages. We've learned that a larger part of the experience comes from members' cultural beliefs and how they were treated in their previous country's healthcare system. For example, when our Hmong membership grew significantly, we realized the critical role culture has on how this population interacts with us and the health care system. We partnered with Stratis Health to develop Culture Care Connection, a website with information on the different beliefs and backgrounds of key populations in Minnesota. This site helps our providers learn more about our diverse membership. At UCare we believe that to deliver the experience we want to provide, we need to understand where our members and providers are at better than anyone else.

## Bringing the Member to Life

I asked Ghita how they bring these varied populations to life for their over 700 employees. "We do a lot of training, as you would expect, including corporate events that feature the providers and agencies that directly serve members from various backgrounds and ethnicities. Staff in our customer and clinical services teams receives additional cultural competency training, and the Chief



Medical Officer and I co-chair the Diversity and Cultural Competence Committee where we really look into the difference in outcomes by populations. For example, we examine if populations are experiencing high or low birth rates? Why or why not? This helps us to target our efforts where they are most needed.”

In late 2013, Ghita led efforts to launch an internal website called “We are UCare” which highlights the day-to-day life or work of a member, a provider and a small team of UCare staff. Each profile includes a picture and summary of what each audience enjoys about life/work and the challenges they face. Ghita noted, “We are UCare provides an opportunity for all of UCare to connect with the people we come to work to serve each day. For staff that have limited to no direct contact with members and providers, this is a very important platform. By putting real names with faces and their stories, it creates a stronger connection to our mission and our goal to provide the best experience in our market.”

### **Planning for 2014**

UCare will move into the commercial marketplace as part of MNsure. Ghita notes, “Working with this new membership will be a learning experience for us.”

In addition, they are continuing to learn about the best way to communicate with members. “We do a lot of outbound phone calls to members, and we’re trying to determine whether these are the best ways to reach members. We just did a pilot using text messaging with pregnant women about their post-partum visits, and we’re just starting to get those results back. The best way to communicate varies widely for the different segments of our membership. We’re always learning something new.”

“We’re expecting to grow to over 400,000 members in the next year. As we do that, we will keep our eye on our member experience to ensure it continues to be engaging for all of our members.”



# Allianz Life: Creating a great customer experience for agents AND consumers

Allianz Life Insurance Company of North America (Allianz Life) helps Americans achieve their retirement income and protection goals with a variety of annuities and life insurance products sold through independent financial professionals. As a leading provider of fixed index annuities, Allianz Life is part of Allianz SE, a global leader in the financial services industry.



## Defining Customer Experience

“Our brand is the essence of our customer experience – everything grows out of our vision and mission. In my role I focus on how we bring our brand to life for our financial professionals and policy holders.”

A challenge for many B2B2C companies is defining the “customer” in the experience. As Lisa says, “We have a long history of thinking of the financial professional as our customer. We haven’t been as good at recognizing and focusing on the policyholder experience and the impact on Allianz Life and the financial professional. We’ve gone through a journey to define who our customer is, and ultimately realized that it is an ‘and’ not an ‘or’. As we build our customer experience we need to keep in mind both the financial professional and the end customer.

“Part of our customer experience journey is identifying the moments that matter for both the financial professional and the customer. What are the moments for the financial professional that drive that customer experience, and vice versa, and what can we improve?”

## Starting with Employee Engagement

“We have strong employee engagement – one of the ‘Best Places to Work’ from Fortune, one of the Twin Cities Best Places to Work, one of the Healthiest Places to Work, and Allianz Life was just named one of the ‘Top 10 Coolest Places to Work’. This is a great foundation for our customer experience strategy. We are really lucky to have that kind of engagement to build on.”

## Bringing Customers to Life

“Our Corporate Communications team has been critical to this. Customer stories have been an ongoing focus, whether it’s interviews or videos with financial professionals, customers, or a recent story about one of our service representatives sharing how she helped a customer who was in a really difficult situation. The story showed how she went above and beyond. It showed how employee engagement leads to a better customer experience. It was very touching. It helped everybody understand how each person delivers on the promise of our brand.

## 2013 Successes



“We tackled some really complex enhancements to customer materials, such as annual account statements. It took a lot of cross organizational collaboration. Since we’re such a highly-regulated industry, a lot of thinking went into this, and what are the impacts of each change. We’re also building out the framework for our digital experience. We can’t call it a success yet, because it will come to life in 2014, but I’m very excited about the future enhancements it will enable.”

## 2014 Focus

“In 2014 there are two major focus areas: Quality and Culture. We’re making significant investments in improved quality, including technology investments and process improvements. Quality is a key part of our customer experience, and our teams really get that.

“The other focus is continued culture change. We’re creating two customer advocate teams. One team will be housed within our Enterprise Operations department. There is strong commitment to improving the customer experience among the Enterprise Operations leadership and team. The other area is Marketing. We want to continue to innovate, understanding what products consumers need, and how we can help financial professionals not only bring those products to their customers, but continue to provide valuable service throughout the life of the products. We’re increasing our focus on developing insights that will help us build and distribute consumer-inspired products.

“Part of the culture change is to get more out of our voice of customer and voice of distribution capabilities. We’ve built listening posts in the business to bring in information, but we need a stronger framework to apply that information, make decisions and act. So we’re building a repeatable process for sharing what we gather, especially with the advocacy groups.

“The customer experience management is responsible for managing all of this, keeping the strategy fresh, facilitating the advocacy groups, feeding information and decisions up to our senior leadership steering committee.

“We want to understand even more about the moments that matter for our policy holders. What are the things Allianz Life is doing well, and what are the gaps that financial professionals and customers care about, where fixing them makes them more loyal to us?

“Our goal is to be the most producer- and customer-centric life insurance company in the U.S. That’s a big goal, but our leadership is signed up for it. We won’t be there in 2014, but we’re on that journey, and I’m confident we’ll get there by building on our strengths.”



# Thomson Reuters: Customer Experience is a Partnership

Thomson Reuters is a global B2B information, software and news company, with customer experience roles within each of their professional business units. Robin's role, in the Global Brand Marketing Group is to focus on customer experience and insight that includes content creation, guidelines and integration efforts. She has specific responsibilities for customer insight in the financial and risk business.

Robin's role was created two years ago to build consistency across the organization. Much of her effort is leading efforts, saying, "If we are to be a customer-first organization, what does that look like, and how do we bring that to life for our 60,000+ employees?" The role is deeply rooted in customer satisfaction, loyalty and retention.

## Starting Quickly

To jumpstart this effort she put together their first annual customer experience workshop with 90+ employees across all divisions. The workshop included not just those with customer experience in their title, but also marketing and brand, sales, help desk and services. They spent the day discussing goals and objectives, governance, best practices, and system enablement.

As she says, "We spent a lot of time talking about how you take customer experience and make it end-to-end. Our customer experience is closely attached to our brand. What do we want to stand for? What is our mission, vision and purpose? And how do we live that every day within our employee base and our customers? The bigger question becomes; are we delighting our customers at every touch point?"

"From my standpoint, it's not only the touch points, but it's building the bridges between them in all the ways our employees interact with our customers. Even the people who feel they aren't connected to the customer are."

## 2013 Successes

Robin shared three major accomplishments in 2013. The first was the workshop, but also the ongoing sharing of best practices that came out of it. "The ability for all parts of the business to meet monthly and share challenges and best practices – given our time constraints and the natural tendency for each unit to focus on their own business, that's not always the easy thing to do."

A second success was to create a shared approach to customer satisfaction. Historically, each division had their own approach. While this worked well for each division, it made it difficult to compare results – particularly when businesses are customers of multiple divisions. Robin led the effort to create a consistent method of measuring and reporting customer insights, including a common customer relationship score.

A third focus was to insure customer driven decisions and driving actions that would have the most value to our business and our customers. "Getting the commitment to sending so many people to the workshop and agreement to the central loyalty and satisfaction reporting could never have been





done without executive commitment to customer experience. They've created roles where people are actually responsible for delivering against customer experience." In some cases separate CE boards have been established in the business units.

## Planning for 2014

Looking to 2014, Robin told me, "We want to understand our professional customer better than anybody else. We did a study in 2012 of 4500 professionals in 7 countries in all the industries we serve. We'll talk about part 2 – how do we continue to understand the professionals we serve better than anybody else? What motivates them? What innovation will have the most value? It's all tied into the experience that creates true partnerships."

"The second thing we're going to do is to talk about the connections. I call them bridges, but they're the connections between touch points. We need to identify across the organization where we need to repair those bridges and/or build new ones. This includes employee engagement and clarity of purpose."

## Customer Experience Advice

Robin had the following advice to anybody new to a customer experience leadership role: "This is a listening and a partnership role with a sincere commitment to understanding and living within the customer's world. You need to be passionate about your customer and your brand. If you're not, it's probably not a good role. And if you think that you will ever be finished or stay the same, be prepared for a surprise. Being flexible and driving for real behavioral change is essential.

"I also believe that when you focus efforts on each touch point and internally between touch points the experience we want our customers to have will come to life. It is the consistency and commitment that matters. Don't sit in your office. Visit your customers, get out with your business partners."

Her final advice was to remember why customer experience matters. "When you're in a business, there are times when you're insulated within that business, and to remain curious and customer-focused you need people who are committed to bringing that voice of the customer into your organization. Building the bridges between departments, business units and divisions, that is truly connected to your brand and revenue goals. Without that you can become very myopic and very product-focused. It matters now more than ever to think about that and how you're going to be a part of your customer's life and work."



# Prime Therapeutics: Driving a Customer Experience Culture Change



Prime Therapeutics (Prime) manages pharmacy benefits for health plans, employers, and government programs including Medicare and Medicaid. Prime is collectively owned by 13 Blue Cross and Blue Shield Plans, subsidiaries or affiliates of those plans, and Ingrid is the chief customer experience officer, a role she took in 2012 after serving as the customer experience officer at CIGNA.

## Defining Customer Experience

“Customer experience is the sum of all interactions a company has with its customers. From who you are as a firm, to your mission, value and purpose, all the way through to how you price your products. It’s about what you bring to the market, and how you talk about yourself, whether in the public relations world or how you answer the phone. It’s the sum of everything you do.”

## Differentiating Customer Service from Customer Experience

“Customer service is about 5-6 percent of the customer experience. The only time service really matters regarding the long-term loyalty of a customer is when it goes wrong. I’ve studied this in a number of industries, and the de minimis impact of service has remained the same – until something goes wrong. Financial services, employee benefits, payroll and health care, these are all referred to as negative service industries. You don’t want to have a relationship with these companies – you just hire them for when something goes wrong. The only time you call your payroll company is when you don’t get paid.”

I asked Ingrid whether Prime’s efforts are to reduce the call or welcome it. “In this industry more than any other, the preferred communication channel is still paper and phone. It’s paper for trust and phone for conversation. When I got into health care, I thought it was all about ‘educate, educate, educate.’ But because it’s thought of as a negative service industry, people have no desire to learn about this. So, we encourage the use of phone. My goal is that when people call Prime, we can actually have an educational conversation instead of just solving the problem.”

## Measurement

Ingrid has a strong opinion about the ideal measurement. “I’m a follower of the original Forrester methodology. We don’t measure enjoyability, but we do measure ease of use and helpfulness of information. We know that those two pieces are the biggest drivers of loyalty in health care and pharmacy benefit services.”

“Ease of use is critical. When we make it harder for people to get the medicine they need, I know they’re going to be upset. That’s just such a one-to-one correlation. I’m not a fan of over-complicating – the simple answer is always the best answer and drives the best results.”



## Driving Cultural Change

“I need to be able to insert customer experience designers who live, breathe, and understand our customers into every design process for every product and process we have. I bring the voice of the customer into all of a company’s processes using that team. Our customer experience designers sit at every table, whether it’s a new product launch, a new line of business launch, or a process redesign. They are the ones who represent the customer in that process, and have, in a lot of cases, the final vote on whether we do something.”

“I’m really proud of our mission statement. It’s one of the first things we did when I got here. ‘To help people get the medicine they need to feel better and live well.’ That’s the question my designers ask at each juncture, and it’s how we make decisions. It begins every customer experience conversation.”

“It all starts with your purpose and having a strong advocate in the CEO. Unless you have a CEO who has a vision to make customer experience be a differentiator, you’re never going to get anywhere. That culture starts at the top. I’m lucky as all get-out that I have a CEO who is on a level I’ve never seen before, because he understands how important customer experience is to how we show up in the marketplace.”

“I’m a huge believer in tying customer experience to compensation. Every single employee at Prime has 25 percent of their annual incentive program tied to our ease of use and helpfulness of information metrics. That’s how you change culture.”

Her advice to others? “Get your CEO on board, or just stop. Because if you don’t have your CEO on board, you’ll never get anywhere. You might get little tiny wins, but that will never get you where you need to go.”



# Milestone AV: Customer Experience is a Team Sport



A new digital experience can make or break success for a manufacturer. But what do you do when you discover that many of your customers' pain points are analog?

That's the situation that Laurie Englert was in. And the way she answered it was by creating an environment where customer experience is everybody's job.

Laurie is the VP of Marketing at Milestone AV, a leading manufacturer of audiovisual mounting and display solutions. She is part of the commercial team whose primary customers are the independent dealers and distributors who sell and/or install their products into schools, corporations, hotels, stadiums and basically any other commercial application.

## Building a cross-functional customer experience team

Milestone's customer experience journey began as a web project. Two years ago they began building their digital experience, and Laurie co-created a customer experience team with her VP of IT.

"Marketing is all about possibilities and divergent thinking, so partnering with IT took my brain places I didn't usually go! Keith Hogue, our VP of IT, understands all the facets of the organization, from supply chain to finance, so he can really dive into those nitty-gritty details that move a project along very quickly. So together we have the right and the left brain working magically together.

"We kicked this project off to give our customers a better digital experience. But we quickly learned that a better digital experience required us to think about the whole experience, and that meant we also had to fix a lot of internal processes. Through journey mapping, we discovered what we lovingly call 'Ripples & Cliffs'. Cliffs happen when we lose sight of the customer's needs. Ripples are the churn that the cliffs create throughout the organization as a result.

"Luckily, we found that we could make things better through our broad customer experience team. It's not one department that leads customer experience – we all own it. We're trying to make sure that our dealer and distributor customers have the best experience possible, whether they come in through a phone call to customer care, an online chat, a web experience or directly through the sales team. The customers should always be greeted knowing we have all his information and are ready to help.

The customer experience team has representatives throughout the company, from sales to finance. As Laurie explains, "You need champions, and we've identified 17 passionate people who then represent customer experience in their departments.

"Although we have 17 leaders, it's really 17+, because the team cascades needs to others in their departments. We have built an amazing foundation of trust across this team and we are fixing things very quickly that used to seem impossible!

"For example, when reviewing the expedite process (how we get product out quickly when it shows up in the system as taking longer than a standard 1-2 lead time), we had somebody in procurement



who was passionate about fixing it. At the end of a discovery meeting all he said was, 'I got this.' So even though he wasn't on the core CX team, he took the lead and was able to cut the number of expedited orders from 90 a day to 50, almost a 50% improvement. Now our planners can spend more time on the orders that really need research and helps our care team, and the customer can feel confident orders aren't getting held up."

### **Personas guide the experience**

"Through journey mapping, we developed personas to understand how our dealers are different, and to show their unique pain points. We can't create the industry's best experience by treating everybody the same. We now have framed the goals, needs, tasks and pain points of our dealers' engineers, managers, sales people, purchasing folks and installers.

"Now, our personas are becoming part of our everyday business. We're even recreating our customer database based on these customer personas. Then we'll not only use that to market to them, but also to open up conversations. And to keep it top of mind internally, we've built an area for others around the company to absorb the information and to keep reminding us that we need to update it annually.

"This cross-functional team is helping us to roll out the personas. By involving a wide variety people in their development, they can be used throughout the company – everybody has a stake."

### **Advice**

What advice does Laurie offer? "First and foremost, realize it takes time to get the team to connect and trust. Don't expect results overnight. Let the relationships grow naturally. And make sure to have cross-functional teams with every department represented. You don't need to have all department heads, but involve really passionate people from each area. Many people thought 17 was too many on a team, but I really needed subject matter experts from every area so for this team it was perfect.

"Then hand off control. If you try to fix everything yourself, you'll never make progress. You have to be able to give people autonomy and purpose. Let them own it and report back to the team, rather than trying to lead everything. Let go, and let it run. And it becomes a beautiful thing."

# How Wolters Kluwer Financial Services builds a great B2B customer experience



Imagine a former accountant leading an organization that helps banks manage regulatory compliance. You might picture a reliance on financial facts and figures making it unlikely for a customer experience program to take root. If so, then you clearly haven't spent any time with Wolters Kluwer Financial Services.

Pete Koehn is interim president of Wolters Kluwer Financial Services' Risk, Originations and Compliance business unit. Prior to this position, he served in both finance and operations. But both led him to appreciate the role of engaged customers and employees, and of their dual role in driving results.

Wolters Kluwer Financial Services has been growing rapidly, with some of that growth through acquisition. Shortly after Pete stepped into his current role, his Senior Director of Professional Services Darin Byrne approached him about how customer experience practices could help alleviate any customer service disruptions, while paving the way for even greater growth. His initial response? "My immediate question was, 'Is this a real discipline?'"

Darin, a CXPA member, assured him it was, sharing maturity models and best practices, and Pete quickly bought in. Since that time, "We've used customer experience as a mantra – let's understand the voice of the customer. With customer experience in mind, we've made changes that have really helped us with this overarching idea of getting our business to act as one."

Three of those key changes they've made are in the area of structure, governance, and culture.

## Structure

The first big change was to their sales organization. "We have three business units each with a separate set of products. But sometimes those products overlapped in a market, and our reps were approaching the same customers with different solutions.

"So we made a big change. All of our sales reps are now able to sell all of our products together. That is a major change culturally, aligning the whole organization behind this customer focus. We can talk to customers about all of our capabilities at once."

## Governance

Wolters Kluwer Financial Services' customer-focused effort is driven from the top. "Silos can be impediments and can create inefficient organizations. To help manage our silos we focused on governance. First, we have one person who oversees our customer experience. You can't make



headway without somebody who can provide the day-to-day focus on your customer experience, and so we now have that.

“But one person alone can’t do it. So we have cross-functional governance to make sure we have impact across the organization. Having everybody at the table in monthly discussions about the customer experience, working through our maturity model, is where we can break down those silos.

“Our governance team is at the highest levels – the people who report to me. These people meet monthly, mapping processes and experiences, and sharing the results. So, it’s more than just a touchy-feely thing. It’s a program, and we run it as a corporate program.”

## Culture

You might not picture banking compliance as an emotional issue, but Pete would strongly disagree. “They’re nothing more emotional for most people than their family and their finances. That’s a big deal. And we help ensure their banks and credit unions are compliant and solvent.

“We view our banks’ customers – our customers’ customers – are part of our value proposition. We want to ensure that their customers are taken care of. And that’s emotional – it’s peoples’ livelihoods that we’re helping to protect.”

Story-telling is critical to culture-building. “Facts and figures are great – I’m a financial guy at heart. But even when reporting the numbers, it’s all about the story behind them. People are people, and they have a need to connect.

“We capture quotes that people say about us, and put them on the walls. And we have a red London phone booths where employees can pick up a phone and listen to customer conversations, and hear what they’re saying. I also love photos of customers – using our systems, wearing out t-shirts. It humanizes the customer experience and makes it real.”

## Advice

“First, what I didn’t realize is that this is a discipline. It’s not just words and fluff. There’s training behind it, there’s processes that can be implemented. There’s journey mapping on how you view the customer. There’s a lot more to it than just talking about it, and it can align your teams to think about that experience from the lens of the customer, and can help you break down your silos. It’s really helped us think through that.

“To start, I would look for a well-regarded internal champion with an interest in improving the business from the lens of the customer. Tap them on the shoulder and equip them with executive leadership and support, and that will get things started in the right direction.”

Why is doing this so important? “We really see customer experience as an opportunity for differentiating ourselves. By improving our customer experience, not only will our customers be more loyal, but we’ll also be able to have greater impact on their business.”

# DST Health Solutions: Creating a Multi-Layered Customer Advisory Board Approach



Customer Advisory Boards (CABs) are a terrific way to get consistent customer feedback, and are particularly popular with B2B firms. An effective CAB strategy allows you to stay in tune with what your customers need, and also gives you a forum for bouncing off ideas before they get too far down the road, providing an early warning before investment into a misaligned idea is too high.

One challenge to a CAB is its make-up. Does your CAB include senior leaders or day-to-day contacts? Do you focus on strategic advice or instead measure how you're doing? DST Health Solutions looks at these options and says "Yes" to all of them, by building a multi-layered approach to CABs.

Lisa Crymes is DST Health Solution's first Chief Experience Officer. In our interview she walked through DST's advisory groups and explained how their multi-faceted approach gives them access to both strategic advice on their direction and tactical suggestions to improve their products and customer experience.

DST has three levels of advisory groups, with each providing distinct types of feedback: their Healthcare User's Group (HUG), their advisory board, and their client executive forum.

## HUGging Customers

DST has a very active HealthCare User's Group, called the HUG. While it's an independent organization founded by DST customers, Lisa is a board member, and DST contributes funds. In addition, DST offers logistical assistance to the group, which meets twice a year.

"The HUG is a terrific way to hear directly from the teams implementing our products," Lisa explains. "We get very good operations-level feedback on what it's like to work with us."

Her board seat also helps Lisa keep in touch with her customer base. "At a recent call, they encouraged me to use them as a sounding board to help build our customer experience strategy."

## Advisory Board

Whereas the HUG provides broad feedback from those implementing and using their products, DST's Advisory Board is much more targeted on strategic advice. The Board includes top executives, including those who are not DST customers. It also includes an investment banker and a former CMS Director, providing a very strategic level of advice.

The Board meets twice a year, and attendance is mandatory. The approach is very collaborative: "We have members with various backgrounds and very deep knowledge of the industry," Lisa says.





“It’s also helpful that not all of them are customers, so they can give us an external perspective that’s really critical.”

## Collaborating with Client Executives

The third group is their Client Executive Forum, made up exclusively of DST clients. Importantly, members are CEOs and their direct reports, ensuring that the advice is very strategic. The Forum refines and communicates DST’s strategy. If the Advisory Board focuses on what to do, then the Forum helps DST determine how to do it.

## Keeping up the Momentum

Keeping on top of all three groups can be tough. But, as Lisa explains, “Having different levels of feedback is tremendously helpful. We can vet out ideas at various levels, and make sure we’re on the right track.”

As she’s developed her CCO role, Lisa explained how she’s modifying DST’s historical approach. “While we’ve always worked collaboratively with the Advisory Board and the Client Executive Forum, we’re now bringing that attitude to HUG. We’re spending less time talking, and more time listening.”

For example, at her last HUG conference she introduced journey mapping workshops [full disclosure: Heart of the Customer conducted these workshops]. Participants walked through their experience working with DST on support calls, enhancement requests, and similar types of interactions, and customers walked through their high and low points of the journey. Each session was facilitated by a DST employee, who was instructed that they could not use statements, only questions.

“It was the most popular session of the conference,” Lisa shared. “But our clients were very clear. It’s only a good session if we do something with the feedback. So we built a video sharing their experience, and are using that as a way to introduce our clients’ needs to our executive teams.... Now that we’re getting this rich feedback, our next step is to share back with our clients what we’re doing as a result. Because it’s not enough to bring back the voice of our customers. If we don’t show them that their voice is being heard, they won’t keep sharing it.”

## Offering Advice

I asked Lisa what advice she’d have to those thinking about implementing a Customer Advisory Board strategy. “Jim, you know what I’m going to say! Start by asking your customers what they want. Based on that, you can start understanding who you need to attract. Who are your influencers? Ensure they’re a part of your strategy.

“It’s also important to have different tracks. The executives will give you different feedback than will the implementers. Our HUG members want to know our strategy, but they also want industry updates. Our executive clients, on the other hand, want to ensure that time is reserved for peer-to-peer networking.”

“And, after the event, you need a structure to follow up. Be prepared to respond to clients with what you’ll do with their feedback. Of course, we can’t say yes to every request. But make sure they know that you listened, and are prepared to act on the feedback.”