

Customer centric  
transformation  
is a journey, not  
a destination



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# The myths of CX success stories



*“Who can really tell a good story?  
What does a success story look like?”*

Service Designer for Digital Transformation, Government, Italy

These questions were the starting point for our research and this report.

We often encounter CX practitioners eager to hear about a success story from start to finish. They want to hear about someone who’s “made it”; an organisation that decided to invest in customer experience and fundamentally transformed – for the better. They ask about best practices – a magical recipe for transformation.

*“Just tell us how to do it,”* is typically followed by, *“How long will it take?”*

We’ve always struggled to identify one perfect success case. We often point to a few stories from different organisations who’ve managed to achieve aspects of what it can be considered success. And we’ve often resisted offering best practices because those stories are incredibly contextual and can’t be ‘copy-

and-pasted’ from organisation to organisation with the same results. A customer-centric transformation is years in the making. Some of the organisations we work with have been on this journey for several years. It can feel like a never-ending journey that’s not moving fast enough. Progress is slow and outcomes take time to surface. Yet progress is happening. There’s a lot to learn from the way different organisations are going about their transformation.

*“My team needs to be reassured. They need to know they are on the right track.”*

**Head of Customer Experience Strategy, Retail, UK**

We engaged CX practitioners – leading customer centricity in large organisations – with our qualitative and quantitative studies\*. We wanted to know whether that ultimate

\*Qualitative study= semi-structured interviews (n=13).

Quantitative study= survey 'Customer Experience Practices' (n=314). Unless otherwise indicated, the data shown in this report is drawn from this research study.

success story exists, whether anyone has "made it".

Turns out, there's a lot of good work and several good stories, but no single organisation has reached nirvana. Our data shows little contrast between organisations (regardless of country, industry or size). They all, in different ways, emerged as good at certain aspects of the transformation journey and less good at others.

60% of participants rated their organisation's ability to improve

customer experience as higher than 8 out of 10 (Figure 1).

But conversations often unveiled sentiment like: "We're miles away from where we need to be."

All the organisations in this study are on a journey towards higher standards of customer experience.

There is no perfect success story; there is a trajectory in how organisations tend to transform around their customers.

"On a scale from 1 to 10, how would you rate your organisation's ability to improve Customer Experience?"



Figure 1: Distributions of organisations' ability to improve the Customer Experience according to respondents' scores

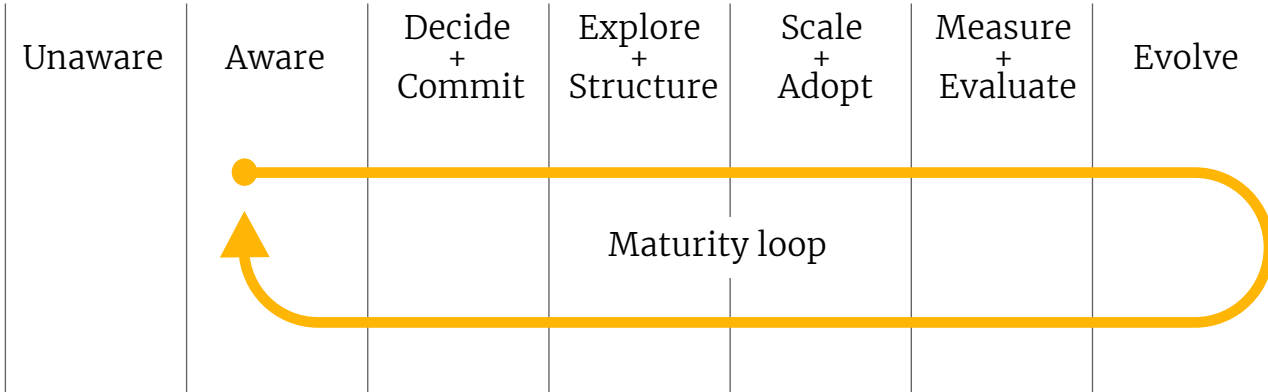


Figure 2: Transformation lifecycle

## Transformation lifecycle and journeys

We identified a lifecycle (Figure 2) that anchors the customer-centric transformation efforts explored in our research. The lifecycle moves (from a stage of unawareness of the need to transform) through the stages of awareness, commitment, creating structure, scaling up and adopting, measuring and assessing outcomes, and improving and evolving. It's a continuous cycle of improvement in both CX and customer-centric capabilities that moves through higher and higher levels of maturity.

Piles of research portray the transformation process as a ladder with a destination at the

top. We haven't found a ladder or a destination. But we have found organisations achieving increasingly sophisticated loops of maturity and at different stages of awareness in their transformation cycle. The customer context is in constant evolution. Customer expectations evolve over time and organisations must anticipate and evolve with them.

In this report, we have used this lifecycle to map three key journeys (Figure 3). This doesn't mean these are the only possible journeys, but they've emerged as the most common in our sample. They represent a pattern of actions CX leaders take. Each journey is defined by stages and portrays one or more pivotal moments. These moments recur in almost all the stories we've heard;

moments when the game suddenly changes. They're tangible evidence that something has clicked and the organisation is moving forward in their transformation process.

In the next few chapters we'll unpack these three journeys and bring those stories to life.

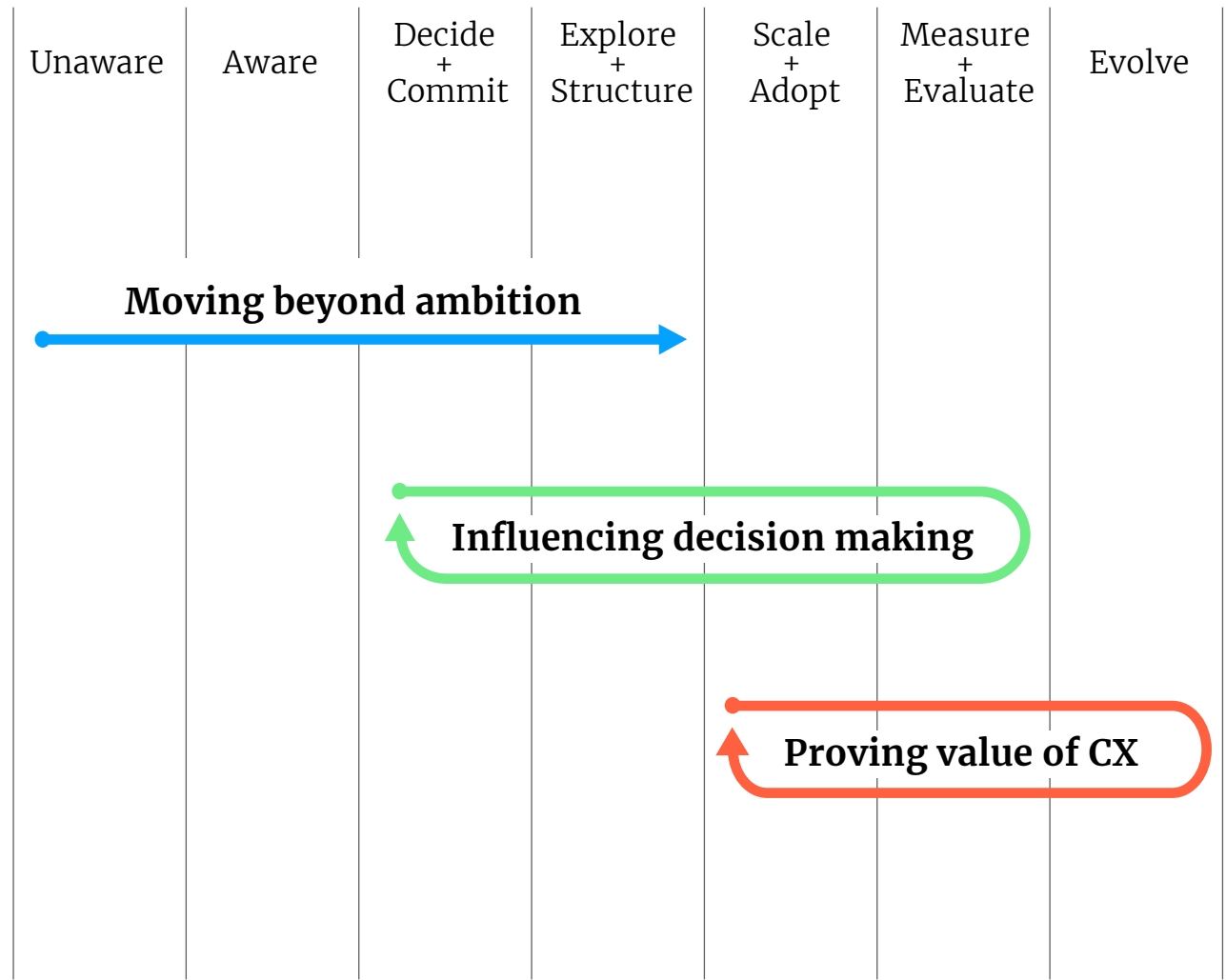


Figure 3: Three journeys in the transformation lifecycle

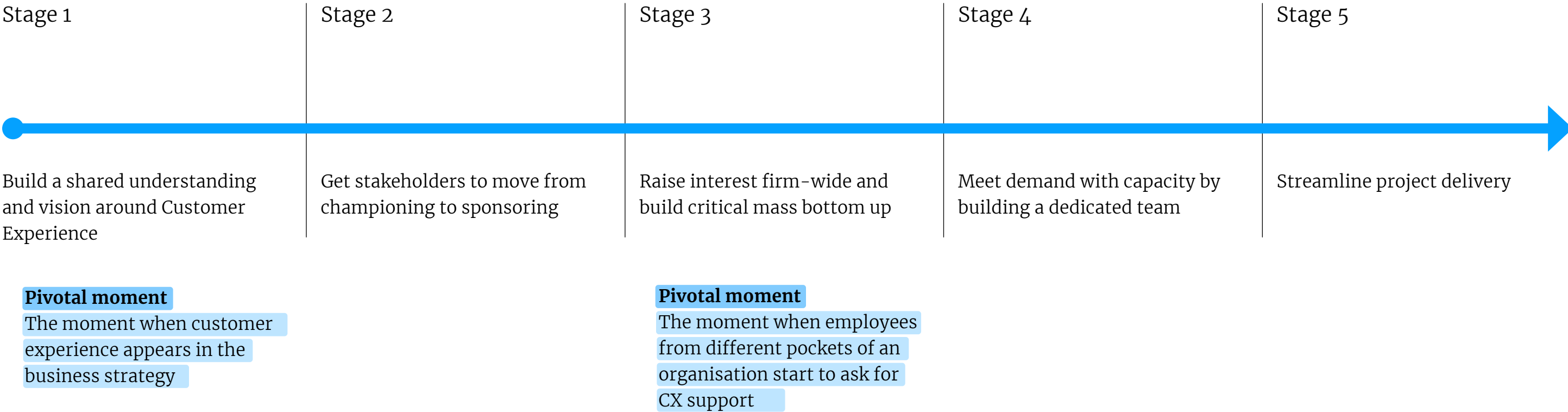
*“This is an organisation that looks like a Shakespearian play – with drama, comedy and love.”*

Head of Customer Experience Strategy, Retail, UK

# Journey 1

## Moving beyond ambition

This first journey covers the first four phases of a customer-centric transformation. It takes organisations from early-stage awareness of the importance of customer experience, all the way to committing to it and laying the foundations of an organisational structure to support it. Our data suggests five key stages in this journey and two key pivotal moments experienced during these stages.



# Stage 1

## Customer experience becomes a strategic priority

*“I believe that customer experience is rooted in the nature of each business (whether it’s awful or excellent). So it’s important for my team to recognise that it’s not the first time. It’s been here for ages. What is new is that we look after the whole end-to-end experience and we design what it looks and feels like, given the portfolio of our business.”*

Head of Customer Experience Strategy, Retail, UK

Almost all companies in our sample recognise the importance of focusing on customers for their business to compete and stay relevant. The first pivotal moment for many organisations starting a customer centricity journey is clearly stating the customer focus in their business strategy. Some call it ‘consumer obsession’, others call it ‘putting clients first’ or being ‘number one for customer service’. Whatever the label, they recognise a focus on the customer as a key strategic imperative.

Despite the widespread emergence of business strategies emphasising the customer experience, it’s difficult to find clear plans that translate vision into action. Leaders struggle to land

the message that real investment requires more than words. It requires a clear plan, budget, and organisational infrastructure to support the journey. It also requires clarity on what should drive customer experience work. Most interviewees recognise design (e.g., design thinking, service design or strategic design) as a powerful force to drive CX work. It’s naturally human-centred, collaborative, and iterative. In our qualitative study, however, only 16% of organisations have employed design to identify and drive their CX initiatives. More than half of the respondents identify technology or process improvement as current main drivers of CX initiatives.



"How do you primarily go about improving Customer Experience in your organisation?"

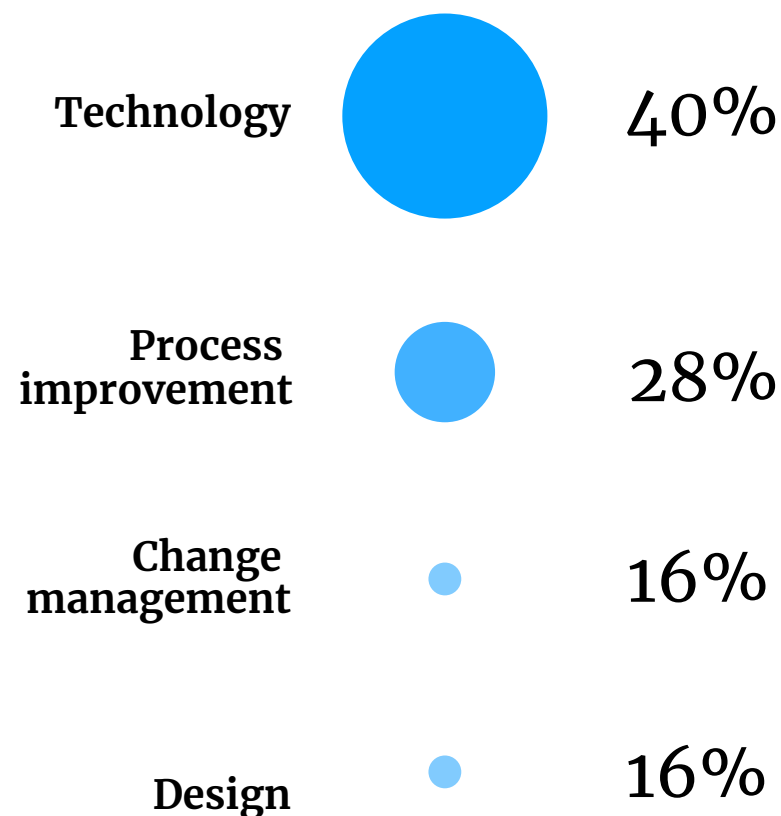


Figure 4: Approaches to improve Customer Experience

*"In my organisation, customer experience means process optimisation. For me, it's design. I'm here to fight and win this battle – it's the reason I'm here."*

**Head of Customer Experience Strategy, Retail, UK**

Especially at the beginning of this transformation process, CX initiatives tend to make their way into an organisation by piggybacking on other priorities like digitalisation, optimisation of processes and operational efficiency.

Anchoring CX initiatives with the energy of the organisation is critical to building interest and getting traction. Much of the work done by CX practitioners at this stage is scouting for the best opportunity to prove the value of a customer focus. They look for the right project, the right team and the right challenge – where a customer lens can offer a new perspective. Hopefully with a senior leader who understands and supports it.

*"I think we started six years ago. We had this very strong goal to digitise the company... People were talking about customer journeys, but it was only in*

*certain pockets within the organisation – primarily marketing."*

**Head of Customer Experience, Insurance, the Netherlands**

At this stage of the journey, CX practitioners tend to invest heavily in building relationships with key stakeholders across the business. They learn about those stakeholders' objectives, targets, dependencies and challenges. It is fundamental to draw a picture of all potential collaboration opportunities for CX initiatives. They start raising awareness, within different pockets of the organisation, about the importance of a CX focus. With this knowledge collected, it's important to start drafting dedicated engagement models tailored to different audiences. The objective is to create stories that push the right buttons, speak the right language, excite and stimulate engagement.



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*“There are feelings and emotions involved. You’ve got to be careful about people who’ve always done things in the same way. You come in and want to do it very differently. You have to make them feel like they haven’t always done it wrong in the past.”*

Customer Experience Manager, Energy, Germany/UK

Stage 1

## Reflection points

- **Find the right angle that resonates within the organisation**  
Where is the energy of your organisation focused? How can CX contribute, or benefit, from that energy (and budget)?
- **Build relationships with diverse stakeholders**  
Who are the people (think above and below you as well as peers) you need to build relationships with?
- **Have a clear engagement plan**  
How will you approach these different internal audiences? What’s the story you want to tell and how will you tailor it for different stakeholder groups?

# Stage 2

## Initial theoretical championing

Customer centricity is not a one-off exercise. It's a way of running and evolving the business. Crafting a vision, delivering on it and articulating the benefits is what CX leaders do daily. Senior championing and support are fundamental in this process to create a fertile ground for the groundwork to happen.

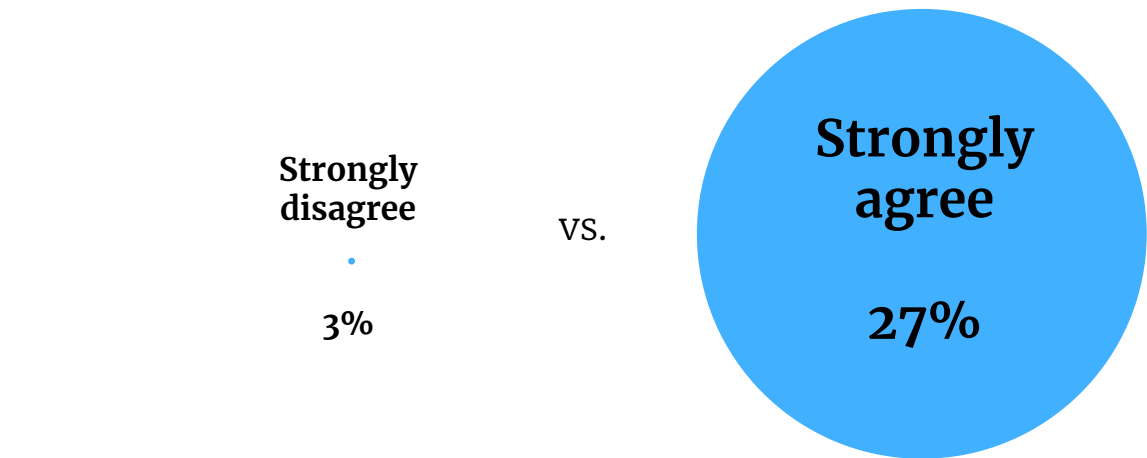
*"You need to have a leader who is good at creating a vision and getting*

*people to follow them. Talk in a way that everybody across the business understands, so that you can help people understand how what they do every day delivers on that vision. Most importantly, [they] need to have been given the tools to articulate it and translate it down to the business."*

**Head of Consumer Marketing & Customer Experience, Telecommunications, UK**

Several CX leaders shared that

"Our senior leaders advocate that Customer Experience is critical to our success."



- Other entries from the sample:
- 6% disagree
  - 19% neither agree/disagree
  - 45% agree

Figure 5: Championing from senior sponsors

championing doesn't often translate into action. There's a lack of understanding of the effort needed for customer-centric transformation (and unrealistic time expectations to deliver tangible results). Support is often merely theoretical and doesn't translate into clear investments or capability building.

*"They very much talk the talk about being close to our users, but they don't tend to know how to enable this beyond the messages. Often they think the messages are enough."*

Customer Experience Manager, Energy, Germany & UK

This is usually the moment when CX practitioners are asked to make up a business case to justify investments and their resources (often during annual planning). This is hard to do with any degree of accuracy at this stage, especially while having to compete with other mandates such as tech investment, compliance or the launch of new propositions. It's a significant early hurdle.

*"Demonstrating the value of customer experience, making sure we get the*

*budgets we need to drive the right projects and programmes. It is really really difficult. There is no guaranteed robust way of drawing a direct line between a NPS score improvement and a pound note improvement. It's just notoriously tricky. There are some ways of doing it. You [really] have to work with people who believe. You either believe or you don't."*

Customer Experience Manager, Energy, Germany & UK

Stage 2

## Reflection points

- **Identify and start to engage sponsors**  
Who, among the senior leaders, understands the need to transform and can release budget to support it?
- **Leverage the theoretical sponsorship**  
How can you build on existing theoretical sponsorship to start paving a meaningful customer-centric transformation journey?

# Stage 3

## Creating awareness through training

At the beginning of a customer-centric transformation journey, senior leaders sponsoring the initiative typically push for the design and roll out of a CX training programme aimed at upskilling a large portion of the existing workforce. The belief is that, through training, employees will gain the necessary skills to deliver CX initiatives and feed the transformation needed. Training is often seen as the most immediate answer to build CX capability and deliver CX initiatives at scale.

*“Training someone to do something is very different from [them] being able to go and do it in their day-to-day consistently – to understand [and] cope with all the variances and different scenarios and challenges.”*

**Customer Experience Manager, Energy, Germany & UK**

Unfortunately, this expectation doesn't match with reality. You can't train your way out of a customer-centric transformation. There's a lot more work needed – in terms of enabling organisational infrastructure and culture – to successfully embark on a fruitful journey.

*“We trained over 1500 people. But in terms of how many do that (and do that well) the numbers are probably quite small.”*

**Customer Experience Manager, Energy, Germany & UK**

Training alone is not enough for a transformation to happen. It is, however, incredibly beneficial to create momentum, foster understanding and awareness, and establish a common language. These are the first steps for meaningful adoption. Training creates alignment around what 'good' CX looks like. If done well, it establishes the fundamental roles everyone plays in it – independent from where they sit in the organisation.

A pivotal moment, recognised by many, is when employees who attended training (or have seen CX project outcomes) start to recognise the need for CX expertise in their projects and reach out for help. This is a signal that the initial message has landed. It creates opportunities for CX practitioners to get involved in a wider range of projects and in different pockets of the organisation. It signals a shift – from the need to push these ideas to create interest

to a pull from the organisation that wants to engage. These opportunities bring the next hurdle – capacity. This is when requests start flooding in and the CX team starts to struggle to respond. At this stage, the team can no longer say yes to all requests and need to develop prioritisation mechanisms that help the team focus on the work that matters the most.

*“[Training is about] democratising in terms of knowledge – the importance of being customer-centric, listening to customers, researching, collecting, analysing and creating the mindset. People who attend the training then ask to know more, or they become internal customers of existing local customer experience teams.”*

**Customer Experience Lead,  
Telecommunications, UK**

Stage 3

## Reflection points

- **Invest in a CX training programme to raise awareness and understanding**  
Who are the training participants?  
How can you tailor the training to different audiences?
- **Set the right expectations about the expected outcomes of training**  
What can you realistically achieve with this training programme? What specific outcomes do you want to achieve for each role trained?

# Stage 4

## Activating the right proof projects

Proving the value of a CX focus is a fundamental early step to get buy-in and traction. The selection of the first proof project is a delicate matter. Most CX practitioners shared that they opted for what they considered a quick win. They focused on part of a service experience in clear need of improvement (recognised as such by many) but small enough to be able to deliver in a short cycle.

*“We developed a CX strategy from a customer point of view. Then we decided to go and deliver on that, prioritising what we felt was the highest value opportunity across the business areas (looking at the end-to-end experience).”*

**Head of Customer Experience Strategy, Retail, UK**

When setting up a proof project, there are a couple of things to keep in mind. The first regards the complexity of the service. A winning strategy starts with a less complex service or experience, making it easier to deliver and see value more quickly. It is also better to avoid starting with a service that necessarily involves stakeholders who are sceptical, requiring significant effort to elicit their contribution.

Select a service that involves stakeholders who are willing to experiment and learn.

Finally, it is important to articulate the outcomes the team is trying to achieve and to identify metrics that prove value in the short term. The articulation of those outcomes and the set-up of those metrics should be done at an early stage, as results will be crucial to prove impact and gain traction for further work and investments.



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*“We set up parameters, trackers [and] identifiers to track through specific touchpoints (web form, call forms...). Then we told the leadership team to give us 12 weeks to progress (half a million pounds). It was a quick win. The service already existed. What we did was [work on] content and strategy and delivered ‘the right product at the right time in the right place’. Twelve weeks later we were on target.”*

Head of Customer Experience Strategy, Retail, UK

Stage 4

## Reflection points

- **Start identifying proof projects**  
Which projects can help you to show benefits quickly? How can you activate them?
- **Be clear on what outcomes the team is trying to achieve**  
What outcomes do you want to achieve? How can you connect those to metrics?



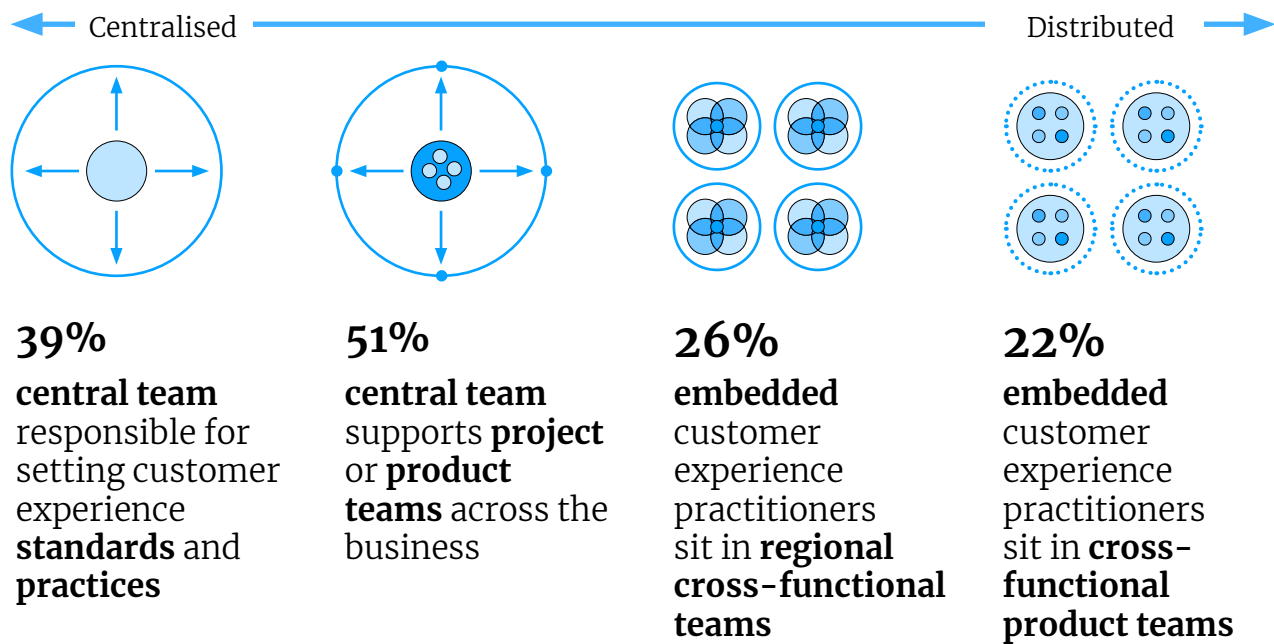
# Stage 5

## Growing a dedicated CX team

One of the key shifts that signals an increasing commitment to customer experience is investment in a dedicated team of skilled and experienced CX practitioners. This is usually the result of work to raise awareness (through training), the increase in demand for CX support (the shift from push to pull) and early value delivered through proof projects.

Our data shows the most common approach at this stage is to have a centralised CX team supporting projects across the business. It allows consistency and control over outcomes. It also allows CX practitioners to learn about the organisation (what works and what doesn't) and compare notes with different projects and teams. And as a result, they grow faster together.

"Where do people designing the Customer Experience sit in your organisation?"



[3% none of the above]

Figure 6: Level of centralisation of CX teams

“You can see CX maturity through the number of people in the team, because that means the company invested in it. And you can start to see changes.”

Customer Experience Lead,  
Telecommunications, UK

CX teams will encounter many challenges at this stage. Conflicting priorities is a common one. For example, when working with digital or tech teams (especially in an agile environment) speed is paramount. Finding space to run customer research might be seen as an unnecessarily lengthy activity – a roadblock for the plan. Several interviewees commented specifically on difficult relationships with IT teams.

“My experience of working with IT and technical people is very much about just making it work. And it’s about the path of least resistance (the least amount of effort to get the minimum requirements delivered). And, as you know, CX is not about that. CX is about making it work for the end user. And that often requires a lot more effort. It’s about changing that mindset.”

Customer Experience Manager, Energy,  
Germany & UK

Another common challenge at this stage is deciding where to position the CX team in the organisational structure. Different departments will offer different challenges and opportunities. We found that CX teams positioned in marketing or operations have the least opportunity to stimulate and deliver a customer-centric transformation (Figure 7). When the CX team reports directly to the C-suite, the organisational ability to transform around the customer is the highest. This data suggests that a customer-centric transformation needs to be driven at the highest level in the organisational structure.

Despite this evidence, only 17% of our respondents expressed that their CX leader reports directly to the C-suite. Most still report to technology, marketing or operations (Figure 8).

"Who does the most senior person responsible for Customer Experience report to?"

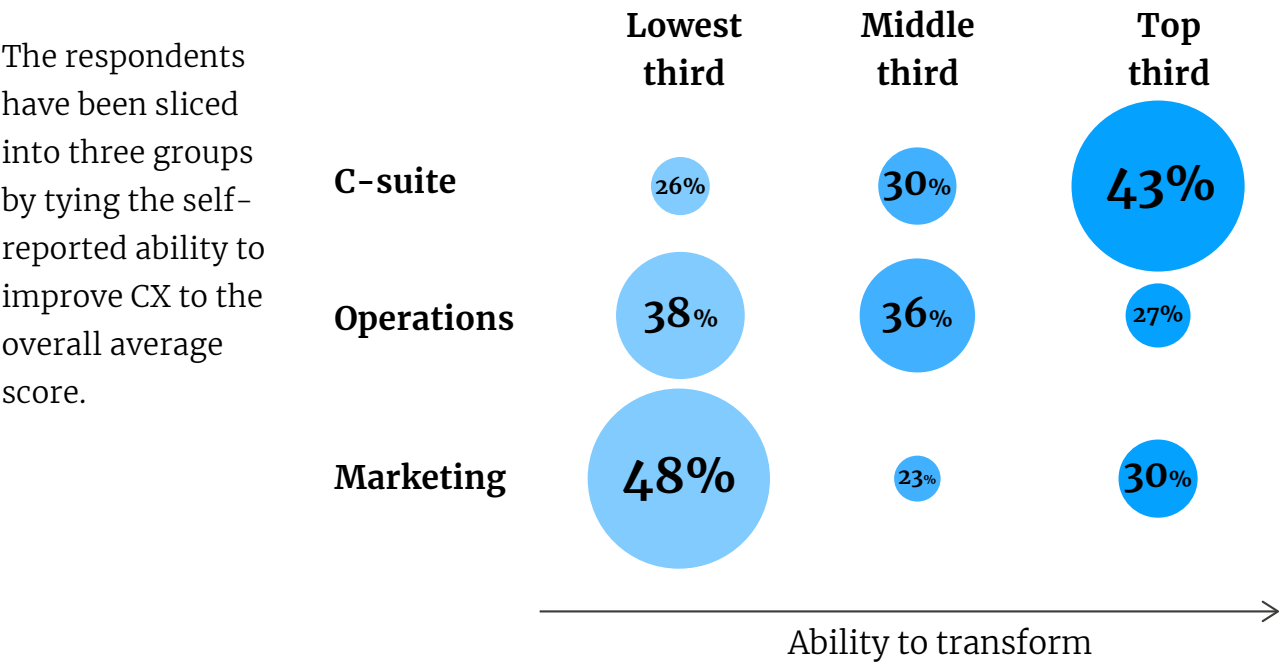


Figure 7: Different reporting structure according to organisations' ability to transform levels

"Who does the most senior person responsible for Customer Experience report to?"

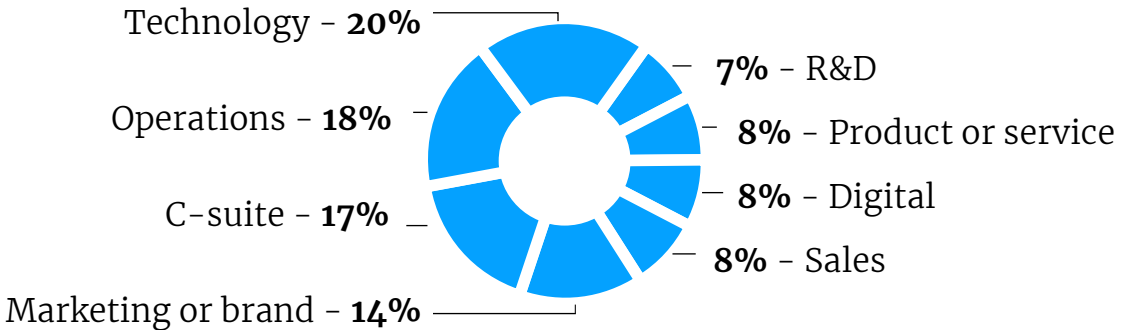


Figure 8: Reporting structure

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*“We need to permeate the organisation globally but also put the customer experience at a higher level in the organisational structure.”*

Customer Experience Manager, Energy, Germany/UK

Stage 5

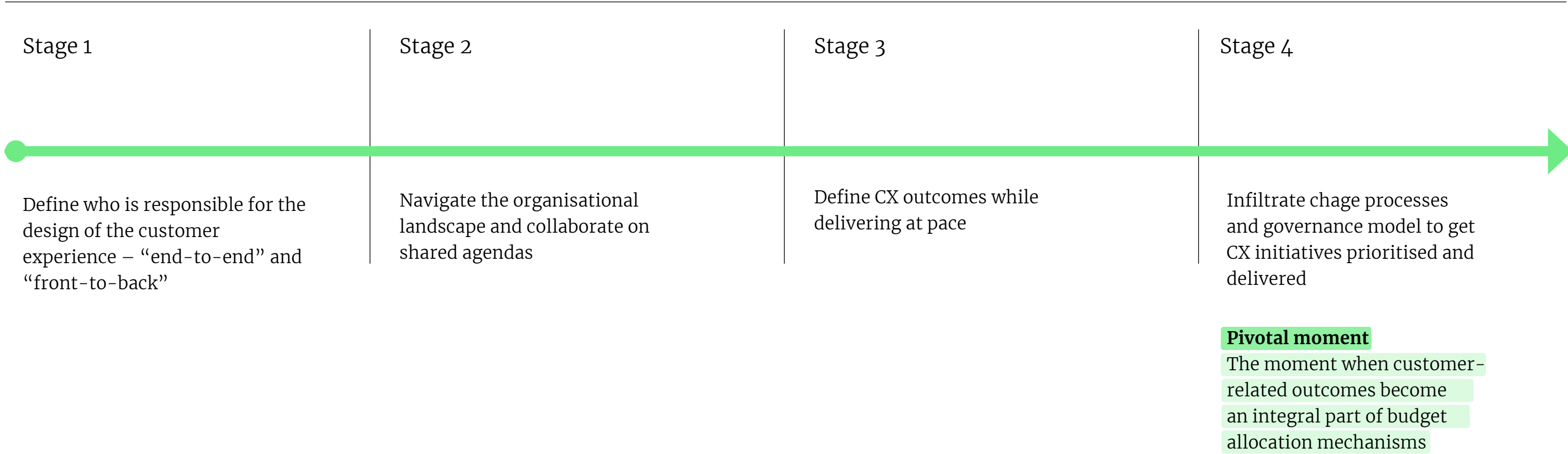
## Reflection points

- **Be aware of conflicting priorities directly impacting your work**  
What other logics and ways of working dictate actions around you? How can you work around them?
- **Influencing where the CX team is allocated**  
How can you influence the positioning of your CX team?

# Journey 2

## Influencing decision-making

The second journey – spanning commitment, structure and scale – takes us further into the transformation lifecycle. This journey describes the stages needed to establish new ways of making increasingly customer-centric decisions. This is the journey where the real foundations for scale are laid. It encompasses four stages. Our data also suggests one pivotal moment across those four stages.



# Stage 1

## Building the appropriate operating model

*“It seems so difficult to get access to data and make decisions based on it.”*

Customer Experience Manager, Energy, Germany/UK

A loosely defined operating model works if the team is nimble, CX demand is low and CX professionals are primarily focused on raising awareness. As demand for CX support rises, the CX team starts permeating the organisation – collaborating with more people across the business. At this stage, a lack of clear accountabilities and processes for teams to work together can become a source of friction and conflict.

A recurring example in our interviews revolved around accountability relating to research practices. Many of the CX practitioners we interviewed rely on qualitative research to understand the customer experience, root causes for customer dissatisfaction and signals of shifting expectations. Most organisations have established market research teams who rely on different research practices, often with a strong focus on quantitative research. Agreeing on

who has authority over these matters is one of the most common sources of friction (demonstrating a lack of clarity on accountability).

*“There’s a separate Consumer Market Insights team. Sometimes we clash on different methodologies. It’s the CX team that pushes for the design method.”*

Customer Experience & Innovation Manager, Retail, Switzerland

*“Research is disconnected from customer experience teams – they sit in different functions. It makes it difficult for teams to deploy data and insights.”*

Customer Experience Lead, Telecommunications, UK

As CX initiatives roll into implementation, the number of different functions the team collaborates with grow so too do the opportunities for conflict. Another common example is the

handover between CX and digital teams for implementation of service improvements. The translation between design and technical requirements is rarely smooth. Key elements of the design get lost in translation or deprioritised, due to unclear requirements for handovers between teams.

*“The biggest challenge I faced since I started here at [large global retailer] is the handover with implementing teams.”*

**Head of Customer Experience Strategy, Retail, UK**

*“We need to be better at the translation of design to technical requirements. All too often, our CX team in the past has stopped at design and handed over. And that’s never the way to get it done.”*

**Customer Experience Manager, Energy, Germany & UK**

An effective operating model is critical to define the remit and scope of responsibilities of CX practitioners in relation to other functions. It explains who is responsible for the end-to-end and front-to-back experience the organisation provides. It articulates the delicate process of handing over work. A good operating

model simplifies collaboration and reduces sources of friction. It supports the CX team to set and manage expectations, to establish and uphold customer experience standards, to deliver at speed, to streamline the efforts, and to ensure consistency.

*“When you don’t have that and you think everyone owns customer experience, then you end up with a shitshow. Everyone is doing it their own way. In an ideal world I think everyone should own it. But there is a level of recognition of where you are at in the business and what you need to have in place in order for that to work.”*

**Head of Consumer Marketing & Customer Experience, Telecommunications, UK**

Stage 1

## Reflection points

- **Investing in smooth cross-functional work**

Which are the most immediate teams your CX team will work with? Where are the most likely sources of conflict?

- **Designing handover points**

When does the CX team’s work end? Who should you hand over the work to? What’s the best way to do it?



# Stage 2

## Identifying who is driving change

At this stage in the transformation journey, a sharp focus on customer experience is recognised by the organisation as a path to business success. But the journey doesn't get any easier.

The top five challenges faced by CX leaders at this stage are:

- Lack of skilled people to drive CX initiatives at scale
- Cross-department work
- Change congestion
- Inadequate technology to support CX work
- Unrealistic pace of change

Some of these elements, such as appropriate technology and resources, are structural. They show the need for the organisational infrastructure to step up to support the new customer-centric ways of working. Others, such as change congestion and unrealistic pace, relate to the ability of CX leaders to navigate the change chaos and set the right pace for their situation. All interviewees regarded these last two elements as fundamental at this stage in the process. Knowing where change happens, being

aware of conflicting demands and resolving those conflicts is critical for progression.

*“Attempts to look from an outside-in perspective were being affected by discussions that were led by IT, and by other parts of the organisation, that had different prioritisation criteria.”*

**Customer Experience Lead, Insurance, the Netherlands**

Interviewees agreed on the importance of recognising who owns the biggest change budgets and finding fruitful ways to collaborate. Connecting the dots between different initiatives is instrumental for speed and scale at this stage.

*“One of the biggest issues we had was change management. There was no holistic view. You could have the best-ever customer experience ambition and a clear roadmap, [but] you would always get blindsided by this project. There is no one view of all the change projects and where they are in the business and where the resources are being spent.”*

**Head of Consumer Marketing & Customer Experience, Telecommunications, UK**



Unleashing the real value of customer centricity requires plugging into the rest of the organisation: Understanding the priorities of different teams and their ways of thinking, aligning with the shared ambition to scale the desired change, and articulating the value of co-existing and collaborating. At this stage, CX practitioners should invest time in mapping the landscape of change in their organisation, clarifying who owns the budget for what outcomes and finding ways to connect with those priorities.

"What are the biggest challenges that you face when improving Customer Experience?"

(Up to four options)

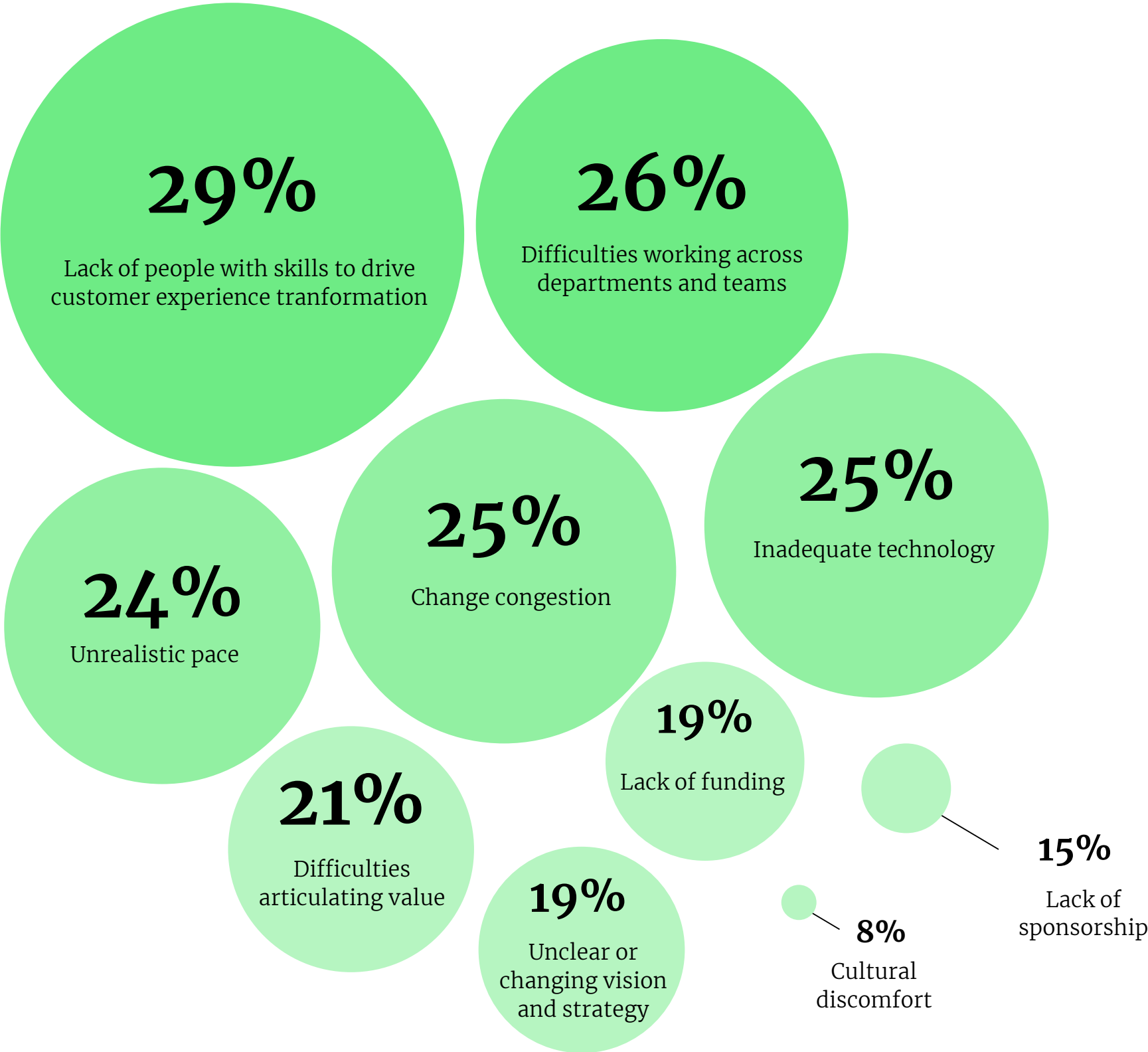


Figure 9: Challenges when improving Customer Experience

*“To put a governance structure in place that really put customer journeys at the heart of our decision-making was not really happening. You could see that attempts to look from [an] outside-in perspective, were being halted by discussions that were led by IT, or by other parts of the organisation that had different prioritisation criteria.”*

Head of Customer Experience, Insurance, the Netherlands

Stage 2

## Reflection points

- **Mapping who's driving change and to what end**  
Who owns the largest change budgets?  
What are their priorities?
- **Creating strategies for collaboration on shared agendas**  
How can a focus on the customer support those priorities?

# Stage 3

## Holding true to the CX strategic objectives

The transition described in the first journey, from push to pull, has the advantage of exposing the CX team to other teams and projects that benefit from a CX angle. The downside, however, is that if it isn't closely managed it will spread the team too thinly.

Projects start popping up from different corners and it becomes difficult to connect the dots between these different initiatives to articulate the impact the team is creating. Being clear on the outcomes the team is pursuing is crucial to prioritise projects that can support those strategic objectives. If done well at this stage, the team starts laying the foundations for a compelling articulation of value.

Those outcomes must be connected to the overarching business strategy and to the current focus of the organisation. Some organisations start connecting customer experience to improved efficiency (e.g., starting to focus on what matters and avoiding duplication by creating an outside-in view that can anchor current initiatives). Others connect CX to brand awareness.

At this stage, some CX leaders invest in more articulated journey maps (e.g. journey architecture) that help them compare different journeys and prioritise what matters across journeys for the customer, the business and operations. Such maps provide an early-stage anchor for meaningful decision-making (for the CX team at least).

*“Those end-to-end journey maps...I don't know how you transform without them. How are you going to know what you're changing and where the pain points are? Where are the customer-related numbers? Am I fixing a problem?”*

**Customer Insight Manager, Insurance, UK**

Yet, CX teams find themselves stretched between project delivery and connecting their outputs to their strategic outcomes. One of our interviewees explained the feeling as, “trying to dismantle and reassemble the plane while in flight.” Nailing the right balance – between delivering at pace to meet sponsors' expectations and being strategic in the choice of projects to prove value – remains a challenge for many.

*“When we started, we had this very strong digitising goal. Then we moved to the idea that we needed to shift the company towards customer intimacy. The relational NPS became a very important driver for the board and that has started the whole thinking about what we needed to focus on. We wanted to make a difference with our brand to increase loyalty.”*

Customer Experience Lead, Insurance, the Netherlands

Stage 3

## Reflection points

- **Defining clear outcomes**  
What outcomes can CX achieve? How do they connect with the strategic mission of the organisation?
- **Balancing strategy and execution**  
How can you deliver at pace without losing track of your strategic objectives?

# Stage 4

## Prioritising CX initiatives

*“Here the most pressing customer needs are ‘screaming needs’. I think we are missing the opportunity to invest in the most important customer needs.”*

Head of Design, Banking, Spain

At this stage in the transformation journey, it’s vital to move beyond tactical projects and get CX initiatives prioritised and funded for higher customer impact. Our research suggests this is the stage where CX leaders struggle the most.

Traditional business cases are the most common way to get funding and usually they don’t include value to customers. The usual short-term revenue and cost reduction (as well as delivery capacity and time before upfront investment is paid back) tend to remain leading indicators for prioritisation. The customer perspective struggles to drive (or contribute to) decision-making around what initiatives matter the most for the business.

*“Those decisions are heavily weighted on the financial implications. Many of the executives have a background in finance and accounting. So we, as an*

*organisation, have a tendency to lean towards that way. We do a great job of prioritising what’s important for [the] business. We do a really bad job at prioritising what’s important to our customers.”*

Head of Customer Experience Strategy, Retail, UK

*“You need to prioritise based on how much it is going to cost and what it is going to deliver back to the business. If you put those in a bucket and weigh them, the biggest thing is the business case and cost. Then resources and manpower. Quite often what we find is that our biggest bottleneck is IT. It’s their ability to resource these things. Then it’s strategic direction, you would assume it would come first but often it comes last.”*

Head of Consumer Marketing & Customer Experience, Telecommunications, UK

IT capacity emerges as a bottleneck for all organisations in our study.

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*“You have to make sure that your project is at the top of the IT roadmap so they can give you the resources. Requirements that IT takes into consideration don’t include customer outcomes. Including the customer impact helps but it’s not required.”*

**Customer Experience & Innovation Manager, Retail, Switzerland**

One of the common strategies CX leaders use at this stage is to start influencing investment proposal templates to incorporate customer-related parameters. Some managed to influence the business case by forcing teams to state what customer pain point that specific project aims to resolve. This stimulates teams to connect their work with customer insights and North Star experience and allows customer-centric work to be more easily prioritised. This is a *pivotal moment* for many CX leaders: the moment when customer-related outcomes become an integral part of investment proposals and budget allocation mechanisms.

Despite being a pivotal moment, real change still requires more than adjusting a template. The CX section can, for example, be easily bypassed by the regulatory requirement tick

box. The real work needed, to ensure CX initiatives are prioritised, is to infiltrate change portfolio selection forums. CX leaders need to gain a seat at the leadership tables where budget holders plan and react.

*“We've established a multidisciplinary steering committee that includes what we call journey owners. Those who have the business authority are brought together to discuss cross-journey what the priorities are, what the business case of the different journeys should be, and to secure funding for the CX initiatives. So they act basically as [the] final decision-making unit authority for CX initiatives.”*

**Head of Customer Experience, Insurance, the Netherlands**

*“We do a great job of prioritising what’s important for the business, and a really bad job of prioritising what’s important for our customers.”*

**Head of Customer Experience Strategy, Retail, UK**

*“Strategy lacks continuity.  
How is it possible that something  
important in Q2 is not important  
in the following Q3?”*

Head of Design, Banking, Spain

Stage 4


## Reflection points

- **Pilot new prioritisation processes**  
What templates are used to request funding for initiatives? How can you influence them by inserting customer-related parameters? Can you pilot a new process in a pocket of the organisation?
- **Infiltrating change portfolio selection forums**  
What forums are there? Who attends? How can you start infiltrating them?



# Journey 3

## Articulating the value of CX



Our last journey spans across three stages of the lifecycle – from scaling to reassessing. It represents the most sophisticated and open-ended journey. Our research suggests two stages in this journey. We’ve chosen to add a third stage to speculate about the future of value articulation.



# Stage 1

## Building up non-financial evidence

*“It is very painful to look on a transformation. It costs you millions of pounds. Yet it hasn’t necessarily done what you wanted to.”*

Head of Consumer Marketing & Customer Experience, Telecommunications, UK

Proving financial value has been perceived, for a long time, as the holy grail of CX. Historically, it has been challenging for organisations to gather the right proof points that correlate CX specifically to financial impact. A few reasons why emerged in our interviews:

- Metrics are often not associated to clear outcomes
- Many organisations have limited analytical capabilities
- Many elements impact financial performance and it’s hard to isolate a direct relation to CX
- Implementation of CX solutions takes time. And the resulting effect of changes take further time to show up on financial dashboards.

As financial justifications are hard to obtain, CX practitioners have started experimenting with alternative ways to articulate value. These leverage non-financial benefits (often qualitative data). The early

elements collected to articulate non-financial value usually relate to knowledge and organisational culture. A common example of a non-financial value is a better shared understanding of the customer. Another example is better alignment among stakeholders around what really matters for customers. Better alignment often leads to better decision-making on critical issues, better culture and happier employees. Employee satisfaction improves and becomes a very powerful value creation argument. This is especially true in sectors where staff retention is low. Interestingly, when asked what CX transformation primarily helped the organisation, 54% of the CX leaders in our sample mentioned higher employee satisfaction as a key outcome.

As the CX team starts engaging with service and product improvement (or innovation projects), these offer valuable opportunities to show

outcomes that reduce costs. Common examples include reduced complaints and decreased time to serve.

As CX initiatives start being implemented across the full customer lifecycle, the CX team can start collecting indicators of outcomes that can lead to increased revenue. Common examples are improved service quality, improved brand perception, higher customer engagement, upsell and cross-sell, and faster adoption. This is when

we start seeing the first meaningful quantitative indicators.

*“We do have some evidence in some places [...] In our team I was trying to build a library of examples of these proof points of where there is actually a link between a CX improvement and a value. We’re actually pretty terrible at benefits tracking as a company.”*

**Customer Experience Manager, Energy, Germany & UK**

"What did you and your organisation already primarily achieve through CX transformation?"

## The higher the organisation’s ability to transform, the wider the CX achievements

The respondents have been sliced into three groups by tying the self-reported ability to improve CX to the overall average score.

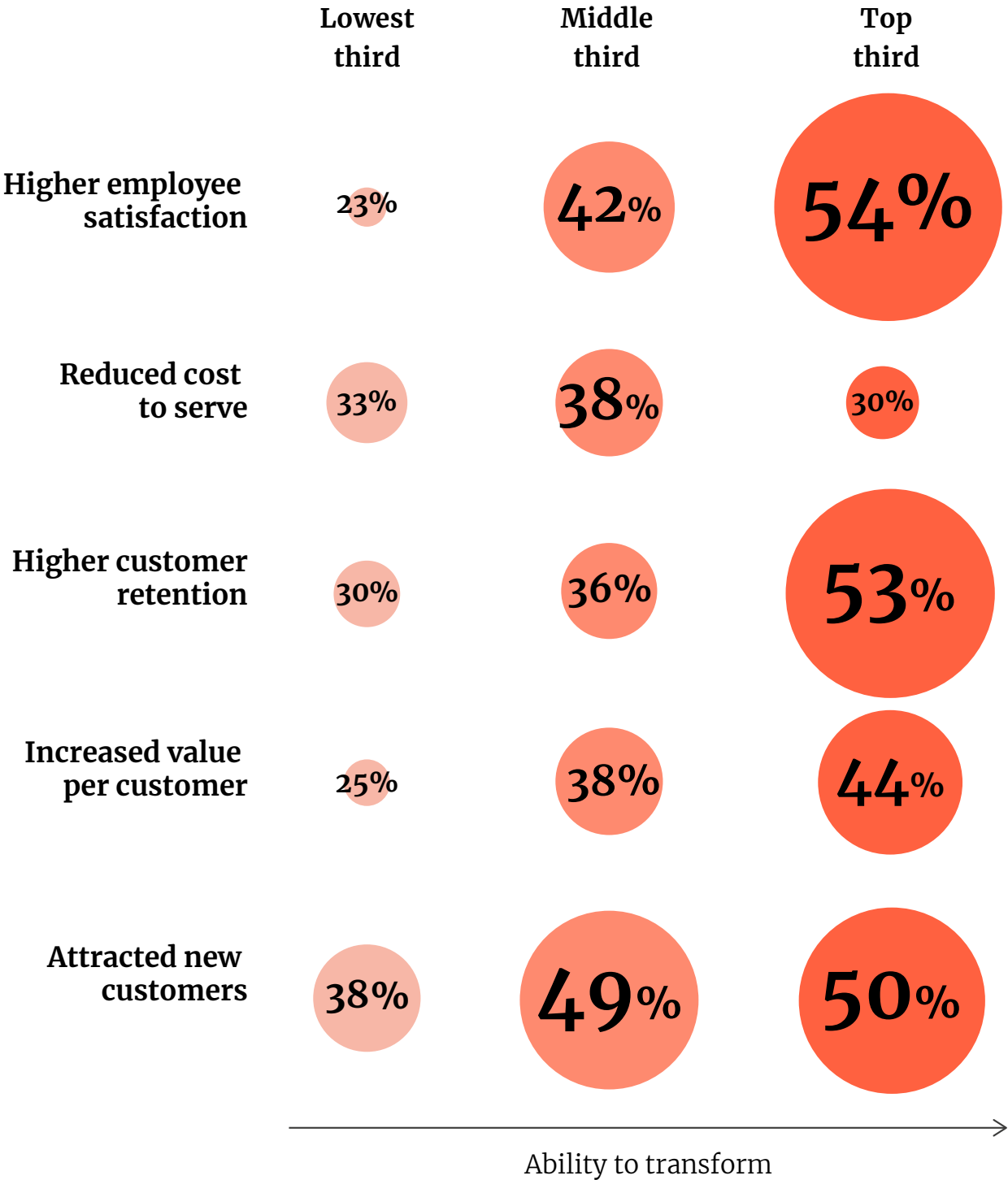


Figure 10: Self-reported CX ability

*“Yet technology doesn't have to prove with data the benefits of being technologically advanced”*

Head of Design, Banking, Spain

Stage 1

Reflection points

- **Gather evidence of the value of CX from the early stages**  
Where can you find evidence of value creation? Can you mix qualitative and quantitative data in your analysis? Consider internal and external outcomes.
- **Reflect on which indicators can lead to increased revenue or reduced cost**  
Which elements help you draw a line to financial benefits?

# Stage 2

## Establishing foundations to measure customer outcomes

Measuring impact in organisations is usually a messy business. There's often no cohesive perspective on how to measure impact (with different silos establishing different priority measures). This lack of cohesion means teams pull in different, often competing, directions. This leads to duplication of effort, diminishing overall value, suboptimal decisions and frustrated employees.

*"We have different areas of the business with different objectives competing against each other or cancelling each other out. There should be less selfish plays. It's detrimental to the overall business."*

**Customer Experience Manager, Energy, Germany & UK**

Too often organisations set and monitor metrics that are not connected to the outcomes the organisation wants to achieve. Those vanity metrics fail to signal whether the organisation is achieving its strategic goal. Especially when dealing with customer experience, the outcomes an organisation is striving to achieve for its customers are rarely clear and shared with stakeholders.

There is a fundamental need for metrics that align the business with shared and connected outcomes. CX leaders also report organisations using a huge number of (often meaningless) metrics where a few, well-selected and well-connected metrics would tell them more. Prioritisation as well as alignment becomes key.

*"Spreading the consistency and getting the business pushing in one direction would be the rationale for moving beyond the siloed approach."*

**Customer Insight Manager, Insurance, UK**

Aligning the organisation with clear customer outcomes immediately offers an outside-in perspective of what the organisation is there to do. But they're not enough to provide a full picture. Because of this, some CX leaders have started to show customer outcomes alongside outcomes the organisation wants to see for business, operations and sustainability. This framing offers a holistic view of the key outcomes the organisation is pursuing – as well as a few selected metrics to monitor whether the business is on track to meet them.

Providing these different perspectives in one unified view prevents business indicators overpowering customer ones. Instead, it enables a balanced view that facilitates informed and meaningful decision-making.

Connecting customer outcomes to business, operational and sustainability indicators is an important step. However, as CX initiatives take time to start impacting business metrics, many CX practitioners shared how important it is to also have a short-term strategy. The delay between the initiation of CX initiatives and tangible business results often creates impatience in organisations that work on very short cycles and demand immediate results. Initiatives often get deprioritised before they have a real chance to deliver value.

*“CX initiatives mostly have an impact on the business in the long run.”*

**Customer Experience Lead, Insurance, Switzerland**

CX leaders agree on the importance of balance when setting up a structure to measure in the long term and collecting enough evidence to measure impact now.

Stage 2

## Reflection points

- **Start a conversation on customer outcomes**  
Who are the key stakeholders you need to involve?
- **Create a balanced view of customer, business, operational and sustainability outcomes**  
How can you align people with this view?

# Speculative stage 3

## The time when we'll be able to measure the financial impact of CX

Despite their efforts, none of the CX leaders in our research have managed to connect investment in CX directly to the overall financial performance of the organisation. Most of our interviewees believe it's a fundamental piece missing from the puzzle. Connecting CX investment to financial performance is expected to facilitate prioritisation of CX initiatives and to contribute to decision-making processes making the customer perspective as important as others. As an interviewee put it:

*"How do we quantify what the issues are and give them a priority in terms of customer impact and business impact?"*

**Customer Insight Manager, Insurance, UK**

In the past, some CX leaders have tried to work towards a single number that can prove this correlation. So far it has proved hard, as many elements contribute to financial performance and isolating how CX initiatives contribute isn't always straightforward.

This topic was a focus for several of our interviewees. We, as authors of this report, take a more nuanced perspective.

Although reaching a correlation between investments in CX and overall financial performance would help CX practitioners to make a case for investment, we argue that it might not be the game changer many seem to think. Decision-making is influenced by a wide range of factors and is incredibly contextual. Decisions are made based on what competitors are doing, competitive advantage, compliance and regulation, building capabilities and cost savings. These are only a few examples of factors that come into play when initiatives need to be prioritised and decisions on where to invest money are made. There's always a mix of factors.

We believe balance should be the focus. Focusing on well-articulated outcomes that balance the customer perspective with the business, operations and sustainability perspectives – and aligning key stakeholders around those. Collecting a little, but accurate, data that can inform decision-making. Our suggestion is that there isn't a single, important element but many that we should consider when making key strategic decisions.



*“What you’re talking about is real transformation, and not just changing a journey or one better customer outcome. Transformation requires being able to navigate and join the dots together across the business. That is not just collaborative working. It is about what it is in the business that is important. It is about its purpose and making it real to people.”*

Head of Consumer Marketing & Customer Experience,  
Telecommunications, UK

## Conclusion

If there is one thing that we have learned from this piece of research it is that organisations in Europe, across sectors, have progressed consistently in building CX capability and therefore in improving their ability to centre around their customers. Yet, the path ahead is still long, and a lot more work is needed on this journey. This is not easy or solved with a quick fix. The practitioners we have interviewed, despite being on this journey for years, all recognise they are at the early stages of what needs to be done. We hope this report has helped you reflect on some key aspects of this transformation and that the stories we have shared will help you design the right path for you.  
Enjoy the ride.

## Acknowledgements

Thank you to the customer experience professionals who volunteered to participate in our research. They provided invaluable expertise and insight to inspire and guide the development of this report.

## About Livework

Good services don't happen by accident. They need to be designed. That's what we do.

Livework was the first service design consultancy. Over the last 21 years, we have used design to solve business challenges on more than 1500 projects and programmes.

We've built serious muscles when it comes to landing change in organisations. In addition to delivering customer experience improvement projects, we support organisations in their transformation to become customer-centric.

## Reach out

Want to know where you are, so you can plan for where you want to go?

- Take our [customer centricity by design assessment](#)
- Reach out to talk to one of Livework's customer centricity experts at [contact@liveworkstudio.com](mailto:contact@liveworkstudio.com)
- Follow us on [LinkedIn](#) at Livework studio

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# Appendix

## Methodology

We have used a mixed methods approach, combining qualitative and quantitative research. The insights from qualitative study have informed the quantitative survey.

We conducted 13 semi-structured interviews with 13 CX practitioners leading (or actively involved in) customer-centric transformation initiatives in their respective organisations. Following we ran a survey across five European countries: Germany, Italy, the Netherlands, Poland, UK. We have aimed for a wide range of sectors and a good mix between B2B and B2C.

We have structured both our interview guide for the qualitative study and survey for the quantitative research based on Livework's Customer-Centricity Framework .

The framework is the result of several years of academic research and practice-led experimentation. It covers the key pillars of a design-led customer-centric transformation: vision & strategy, customer-centric mindset, design operating

model, design excellence, insights & measurement, mission driven change. Each pillar is defined by three building blocks that together cover all the key capabilities an organisation needs in place in order to achieve customer centricity.

# Customer Centricity Framework

Vision and Strategy	Customer centric Mindset	Design Operating Model	Design Excellence	Insights and Measurement	Mission driven change
Transformation starts with a clear vision for the future customer centric organisationa and a well defined plan to get there.	Everyone understands customer centric practices and their value. They have the mindset and agency to apply it to their own work.	Design practitioners are integrated into the organisation. They are organised to operate and collaborate effectively.	Effective collaboration requires shared practices. These should be best in class, reflect the organisation's context and be continuously improved.	The voice of the customer should be understood through qualitative and quantitative insights. Outcomes are defined and measured through key metrics.	Prioritisation and delivery of any change should include a customer perspective. This needs to be reflected in all relevant change processes and relevant governance.
Vision and Mission	Sponsorship	Core Design team	Design standards	Metrics framework	Change portfolio management
Strategy and Roadmap	Communication and Engagement	Design Placement	Design Process	Continuous insights	Large scale change delivery
Case for change	People strategy and processes	Design Governance	Design tools and methods	Service Experience monitoring	Continuous improvement

# Qualitative research

The semi-structured interviews represented the first phase of the research. We recruited 13 in-house CX professionals, responsible for leading CX initiatives and programmes within their respective organisations both in the public and private sector. All of the interviewees are operating in global organisations and based in Europe. Together with interviewees we explored critical aspects of their experience with customer-centric transformation; we focussed on lessons learned, barriers and enablers. We also tested our draft quantitative survey with them and iterated it as a result of their inputs.

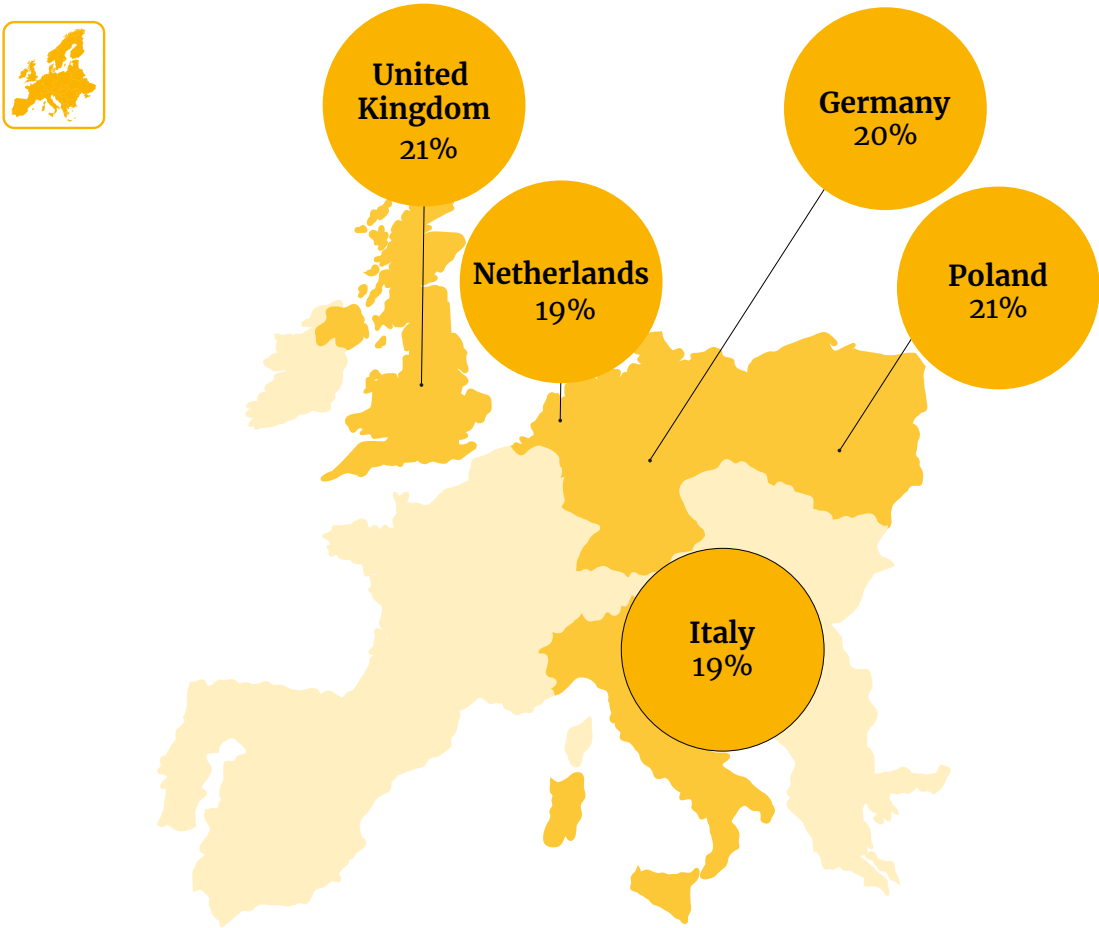
Quotes in this report are from our conversations with those 13 practitioners. For privacy reasons we have anonymised their names and organisations. You will find them labelled as:

1. Customer Experience Manager, Energy, Germany/UK
2. Customer Experience Lead, Telecommunications, UK
3. Head of Consumer Marketing & Customer Experience, Telecommunications, UK
4. Customer Experience & Innovation Manager, Retail, Switzerland
5. Head of Customer Experience Strategy, Retail, UK
6. Service Designer for Digital Transformation, Government, Italy
7. Head of Customer Experience, Insurance, the Netherlands
8. Customer Experience Lead, Insurance, the Netherlands
9. Customer Experience Lead, Insurance, Switzerland
10. Head of Design, Banking, Spain
11. Senior Director of Marketing, Professional Services, Germany
12. Client Engagement Director, IT, Germany
13. Customer Insight Manager, Insurance, UK

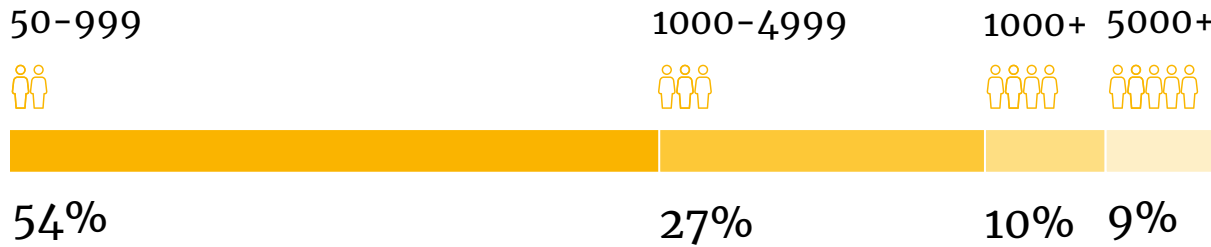
# Quantitative research

Customer Experience Practices Survey (n=314)

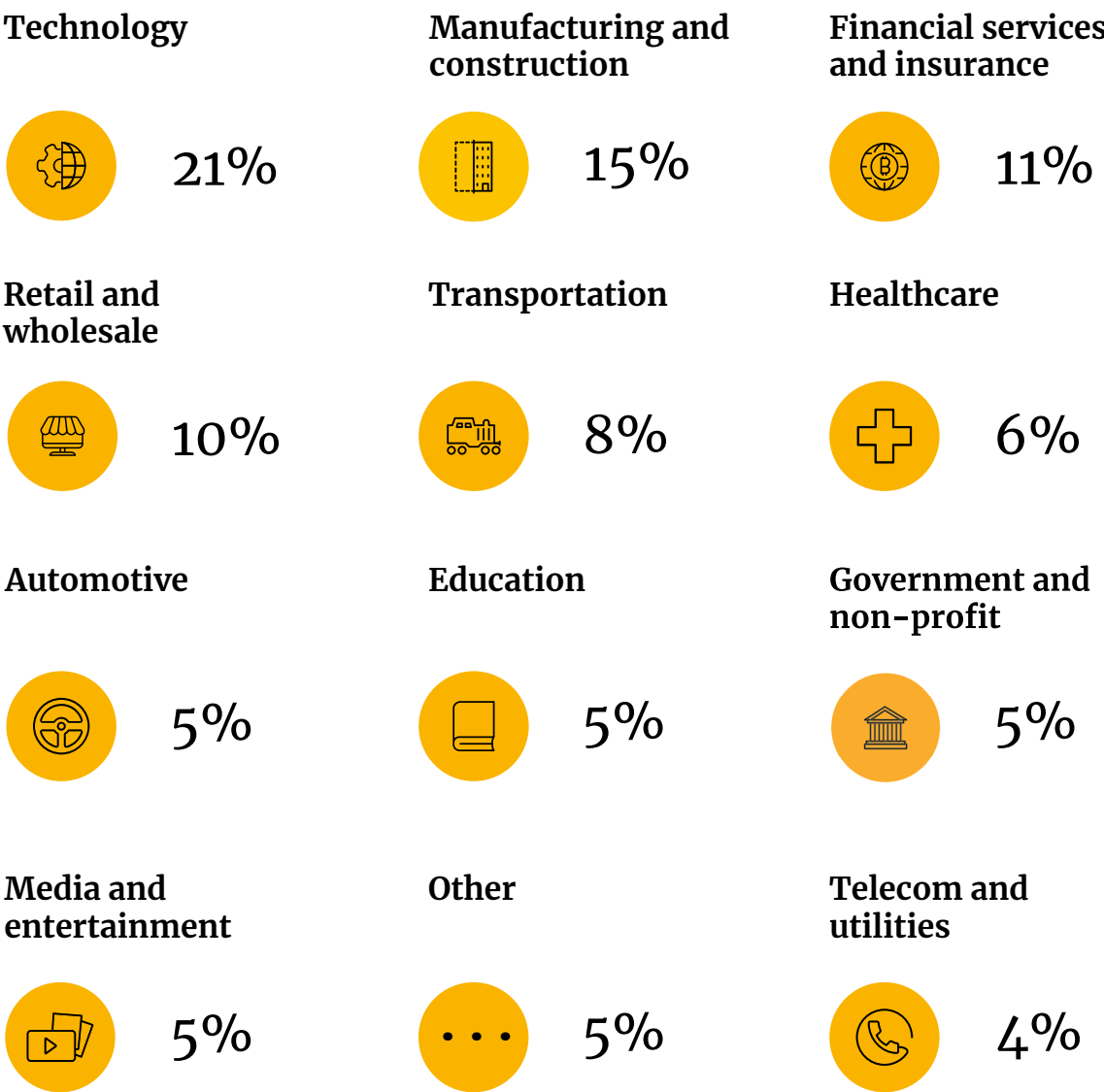
Distribution of the countries represented in the survey



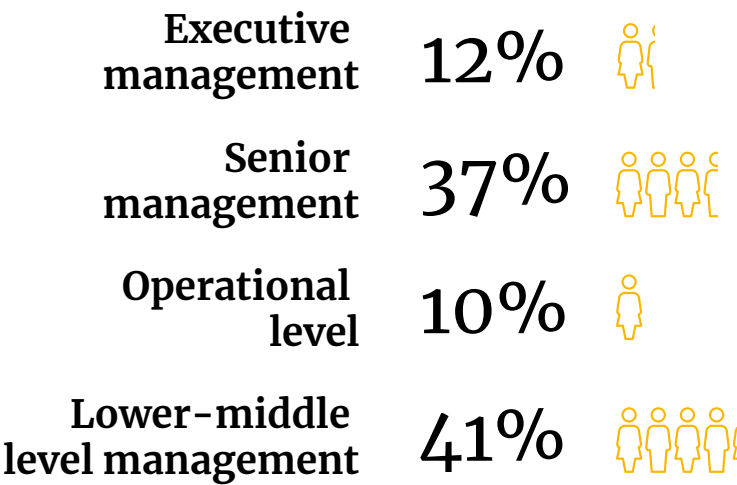
Proportion of companies by number of employees



Respondents work across these industries



Proportion of respondents per role



Distribution of the respondents across B2B and B2C

