



Removing the roadblocks to customer-centricity



Introduction

Customer-centricity cannot be done by halves.

For many businesses, customer-centricity has been a defensive strategy. Designing and delivering products that they believe customers want, in an effort to respond to demand and fight off aggressive market disrupters.

But there's a difference between making products that customers buy and true customer-centricity which creates experiences that people evangelise about.

A startup has the luxury of creating a customer-centric system from scratch, complete with fluid teams and flexible systems and processes, but in a larger company such innovation conflicts with the pragmatic business of doing business.

“Innovation is an inherently messy process, made even messier because it conflicts in many ways with established processes, structures, and corporate cultures.”

– Martin Kupp, Jamie Anderson, and Jörg Reckhenrich
Why Design Thinking in Business Needs a Rethink

So why do we do this? If it's going to be so messy, complicated and disruptive, why do we bother trying to reinvent our organisation?

Because customers know the difference. Expectations are being lifted by their experiences on a global scale and by companies that are aspiring to be the 'Earth's most customer-centric company'.

The world of business today requires cross-functional collaboration. It requires a culture of learning and exploration. It requires processes that allow for rapid and continual development.

It also means resistance and roadblocks.

While your people are exploring ways to satisfy the needs and expectations of your customers, you need to be focused on the big picture culture, process and technology roadblocks that are preventing them from adding greater value.



Roadblock One

You're working in an environment that doesn't foster agility

Isolated agile teams, siloed departments and competing goals are natural roadblocks to delivery. If your business isn't structured for cross-function collaboration, it can't deliver innovative, customer-centric solutions.

Agility at its core requires a collaborative framework, focusing and uniting people around common goals and objectives. But if your agile team remains an island in your greater business ecosystem then it is doomed to fail.

Forming cross-functional teams does not guarantee organisational collaboration. These teams need to be supported by a system that facilitates flow. This can be unusual for a company at scale, but it's the way a modern digital company shapes themselves.

Bank on a more inclusive design process

This large Australian bank traditionally employed a semi-waterfall approach to product design, where stakeholders were required to sign-off on the proposed solution before development could begin. But by including the sign-off committee in a more collaborative design process, the team sped initiative development, ensured an alignment of strategic goals and produced more innovative solutions for the customer overall.

Reward intelligent risks and learnings, not just successes.

Solution

Build in 'thinking space'.

Providing people with 'thinking space' requires a rethink on our views about capacity and time. Instead of a cyclical process of measuring, manufacturing, distributing and repeating, it is important to formalise regular time working on Kanban boards and workflows.

"Once employees do come up with something, there needs to be a place in the company to take any next steps. That's where we are today with corporate innovation."

– Indiana University business professor Donald F. Kuratko

For many organisations, space might just mean headspace. For others, it might be a hack day, offsite strategy day or boot camp. But once an idea is generated, people need both the freedom and the discipline to explore it. This is often the first thing to go when time and resources are under pressure so it's important to put metrics around it so you know what 'thinking space' is delivering.

Solution

Empower teams to explore solutions.

"If you double the number of experiments you do per year you're going to double your inventiveness."

– Jeff Bezos – Founder, CEO and Chairman of Amazon

It's a very simple equation that assumes the more testing and experimentation you do, the more skills you will develop. But there's no use running experiments if you don't learn anything from them.

You need to develop a culture where 'failure is only a failure when you don't learn anything from it.' Reward intelligent risks and learnings, not just successes. As long as you are learning from failure it is never a waste of time, money or effort.

Solution

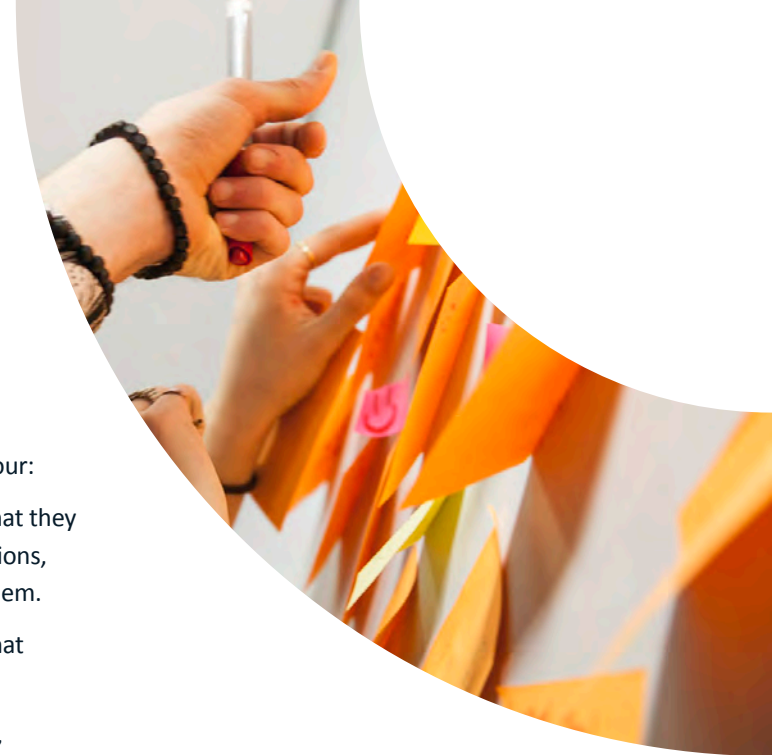
Quick and small is better than large and slow.

Embarking on an iterative process of testing and learning will only pay off if you improve the speed at which you are able to deliver solutions. Data insights can point your teams in the right direction but if you can't get to market quickly, you will be out innovated.

Rather than trying to launch wholesale change in a single instant, start with minimum **viable** products that deliver real benefit and incrementally build your experience maturity. This will benefit you both in terms of the speed of value creation, as well as enriching the test and learn cycle.

Also, remember that siloed teams risk continuously optimising a component and not the system. It's important to coordinate the individual parts to ensure that activity is (and remains) aligned to the strategic intent and delivers real customer value.





Roadblock Two

Silos are still blocking collaboration

Your teams may be delivering products, but the products may not be creating a step change in value for the customer, or lasting change for the organisation.

That's because there is a big difference between selling a product that meets your customer's needs and creating experiences that are frictionless, personalised and engaging.

Solution

Flip your organisational chart on its head

A traditional top down organisational structure encourages executives and leaders to control processes and delegate to other people.

Teams become order takers. Doers, not thinkers.

Rethink your organisational chart to get people and teams closer to the customer, make the customer's voice louder, reduce internal competition and empower your people to find and pick winners.

"Organisations that take the challenging steps to define their core purpose and values, and integrate these throughout their operations - beyond slogans or advertising gimmicks - see not only strong bottom-line results, they also find this approach transforms all aspects of their business,"

– Elaine Dinos, Principal Korn Ferry Global Consumer Market

Put it in ink to encourage the right mindset and behaviour:

- Start by setting clear expectations, not only about what they are being challenged to do through their job descriptions, but how the business is being reshaped to support them.
- Hold people accountable with goals and objectives that reflect the new customer focus.
- Celebrate good behaviour to encourage engagement, diversity and inclusion.
- Be the change you want to see in the world, knowing that your team will follow by example.

Effectively guiding teams through this new world of change, requires a shift in leadership style from an execution-focus to one that encompasses:

- Setting and steering the strategy that will deliver value
- Aptitude testing to discover underused skills
- Enabling teams with the freedom to do what they need to do
- Supporting delivery, without dictating

"To create a culture of innovation you need to give people the skills and autonomy they need to adapt to the market quickly. Give them boundaries and constraints, but don't define the how."

– Paul Velonis, Managing Director, Elabor8

While your agile team and the broader business may be working at a different cadence, that doesn't necessarily mean they can't happily coexist.

Solution

Encourage knowledge-sharing

Physical walls are not the problem. An open-plan office is not enough to combat rigid, ingrained silos within your business. Start with day one. Zappos is famous for their onboarding process that involves 4 weeks of customer service training for all their people, from executives to developers.

The intention is to communicate from the very beginning that Zappos mission to “deliver wow through service.” Aligning goals and objectives and emphasising team performance over individual performance can help those with a belief that sharing valuable information will decrease their own perceived value.

Challenge this perception with:

- Cross-department secondments
- Virtual watercooler sessions, which pair people from different teams to share experiences
- Social intranets or visualisation tools to encourage employee interaction and information sharing
- Regular communication, while changing at an agreed pace

Solution

What gets measured gets aligned

“The common thread in our hiring, training, coaching is that we rely on close analysis of what works and what doesn't, rigorous use of data and metrics instead of intuition or improvisation, and systematically reducing what does work into a formula that can be replicated.”

– Mark Roberge, Chief Revenue Officer - Hubspot

While your agile team and the broader business may be working at a different cadence, that doesn't necessarily mean they can't happily coexist. What is needed is common ground and an alignment around intentions. To create an environment where collaboration breeds innovation, the overarching business objective must be translated into team goals that are complementary, and directly linked to building customer value, rather than departmental targets that foster silos.

Set organisation-wide goals that are connected to the business objectives to encourage collaboration over competition e.g.

- Customer satisfaction rather than product sales
- Customer experience index or customer lifetime value rather than customer acquisition
- Cost-income ratio rather than mobile app downloads
- Conversions rather than click-through rates

Solution

Build chapters and guilds

Organisations are set up for functions to hire people with a distinct set of skills e.g. Marketing, Finance, Talent and IT, while humans are wired to hire 'people like me'. The end result is functional teams developing a shared language, culture and goals that are often at odds with the teams they are trying to collaborate with.

Cross-functional teams focused on the customer reduce the tribe mentality but do result in subject matter experts losing some connection to their profession. Chapters and guilds can help. A chapter formally brings people who share the same subject matter expertise together to build their knowledge, discuss their challenges and hone their craft.

A guild is more organic, informally bringing together people from across the organisation with an interest in a particular area, regardless of their profession.

Chapters and guilds create connections across the business. These vertical networks help build the empathy, shared understanding and information networks that promote cross-team collaboration.

A shared location leads to a shared view of the customer experience.

Combining teams as diverse as Marketing, Research, Operation and Customer Service into a single location is an unusual approach, but one that has paid off for this Australian tertiary institution. Previously these teams were sitting in their own divisions, following their own processes and rarely communicating unless there was an issue. With the goal of improving the student experience, these teams were brought together – physically, into the same space, but also strategically. Together they worked on a vision and a set of key objectives. On a day-to-day basis the team engaged in standup sessions, visualisations and journey mapping to ensure the whole team was on the same page, and real opportunities to add value could be found.



Roadblock Three

A complete reboot is not an option.

There is always the temptation to wipe the slate clean, flatten the organisational chart, hire new people and teams to fill the missing skills, ditch your technology and start again.

But, rebooting your business structure, people and technology may mean removing your competitive advantage. Your team brings valuable perspectives that can turn insights into innovative, game-changing products. They know the customer, they know the environment and they may be itching to do things differently – if given strong examples to follow.

Solution

Focus on making data useful.

While success seems like it lies in accessing more data, according to IBM **80% of all data is never actually used to make improvements - and by 2020, that number is expected to be 93%.**

In reality, it's more likely to be found interrogating the data that you have and being free to follow those insights, wherever they lead.

A good starting point is applying a light documentation of how data is managed and accessed within your business:

- Are there silos of data which need to be centralised?
- Are you providing real-time insights to improve the speed of decision-making?
- Are there skill gaps within your teams that might prevent them from analysing the data effectively?
- Does your team have self-service access to visualisation tools that help make sense of the variety of data streams available?
- Does your team know how to contextualise the data to identify valuable insights?
- Most crucially, does your team have access to customer data sources, that provide behavioural cues, which are central to creating meaningful customer experiences?

Use the data to develop metrics that you can then use to; create alignment, identify problems and opportunities, prioritise the work to be done and identify blockages in your work flow.

Solution

Recognise your people are your competitive advantage

While not everyone will be suited to a nimbler, more innovative company culture, everyone deserves the opportunity to show what they can do given the right environment.

You will be constantly surprised by those that thrive versus those that do not. How can your employees be reskilled and redeployed, perhaps in completely different business areas to deliver outstanding, innovative results?

Unleashing the power of your middle

A study by Stanford University found that organisations that were most successful in reaching their strategic goals did so because of the effective involvement of their middle management. There are years of experience in middle management and they are ideally placed to become agile team enablers; the team behind the innovators' success. Their intimate knowledge of the industry, built over many years, and their ability to influence the executive make the middle ideally placed to become strategic leaders that break down silos and mentor the rising stars of the business.

Solution

Open the door on your technology

“Successful IT leaders appreciate the role technology plays in getting products to market quickly, and are actively shaping the business’ ability to implement small and frequent changes, such as through investment in cloud enablement architecture.”

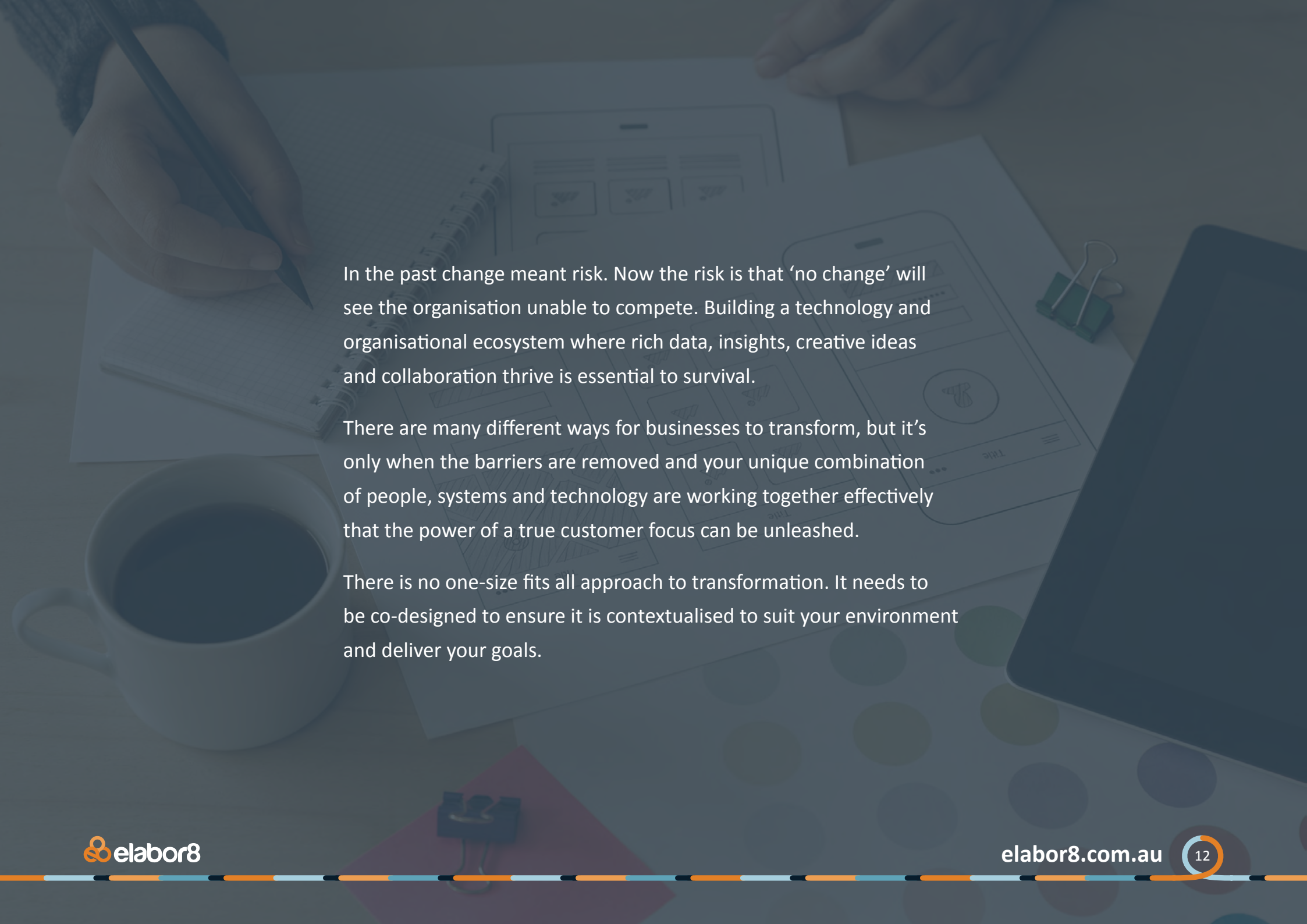
– Paul Velonis – Managing Director – Elabor8

When it comes to leveraging the right technology to go agile, there is no one-size fits all solution. IT leaders need to look at the size, scope and scale of their teams, as well as the internal process requirements to determine which technology platforms to implement in order to roll out agile ways of working across the entire organisation.

Building a technology ecosystem that improves your flow and speed to market is crucial. As a starting point, your integration architecture needs to consider internal and external data requirements, process standardisation and governance.

Unifying development and operations through best practice DevOps is crucial to ensuring your development teams are delivering Minimum **Viable** Products that don’t overburden your operational teams and building environments that are designed to deliver small and frequent changes.





In the past change meant risk. Now the risk is that 'no change' will see the organisation unable to compete. Building a technology and organisational ecosystem where rich data, insights, creative ideas and collaboration thrive is essential to survival.

There are many different ways for businesses to transform, but it's only when the barriers are removed and your unique combination of people, systems and technology are working together effectively that the power of a true customer focus can be unleashed.

There is no one-size fits all approach to transformation. It needs to be co-designed to ensure it is contextualised to suit your environment and deliver your goals.