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INSIGHT REPORT

Customer-Infused Process Improvement

FIVE STRATEGIES FOR INSTILLING CUSTOMERS' NEEDS INTO YOUR PROCESS IMPROVEMENT METHODOLOGY

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EXECUTIVE SUMMARY

Process improvement and customer experience have traditionally served different roles in a company. However, these two disciplines are starting to intersect as customer experience looks to process improvement to operationalize key customer interactions and process improvement needs customer experience to provide customer-focused insights and continually monitor new processes. Temkin Group proposes that companies bring these two approaches together into *Customer-Infused Process Change.* This report highlights five strategies critical to driving this new approach: *Prioritize Improvements Across Customer Journeys, Embrace Deep Customer Empathy, Involve Customers in Solution Development, Innovate to Meet Latent Needs,* and *Measure Success with Customer-Focused Metrics.* To make process improvement efforts more customer-centric, organizations need to infuse these strategies across all aspects of process improvement.

PROCESS IMPROVEMENT LACKS A CUSTOMER MINDSET

Companies have focused on process improvement and operational efficiency for decades using tools such as Six Sigma, Lean, and Agile (see Figure 1). Yet, these efforts typically have an internal motivation, like reducing defects, driving cost-savings, or minimizing waste. While these methodologies can be successful at scaling operational changes across organizations, this inside-out focus can lead to sub-optimal results for customers. The problems are that these efforts:

- **Have a superficial understanding of customer needs.** While process improvement methodologies usually incorporate some voice of the customer (VoC) during the definition stage, it is often cursory and only identifies the problems with current systems. These methodologies analyze internal operating metrics, defect reporting, and recent customer behaviors; they do not strive to truly understand what customers want to accomplish during their interactions with the business.
- **Overly focus on individual interactions.** Process maps examine individual interactions and processes from the company's point-of-view. These maps lack the larger holistic perspective of the customer and omit critical steps that do not directly include the company. This leaves process improvement teams with an incomplete view of the customers' journey.
- **Emphasize incremental improvement.** While incremental change has a place, it is insufficient for transforming a company's overall customer experience. In fact, it can have the opposite effect, as companies add new features and functionality to products until they become bloated and awkward to use. Process improvement teams can be quite adept at making iterative changes but are not as good at creating new and innovative capabilities.

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- **Measure success by internal metrics.** Companies often look to internal metrics and key performance indicators (KPIs) to measure their success. The problem with this approach is that the measures may have no relationship to the customer's perception of the experience.
- **Get lost in the methodology.** Process improvement methodologies are very structured, leading practitioners to often lose sight of the problem they are trying to solve. When the methodology dominates the focus, the needs of customers get even further diluted.

INTRODUCING CUSTOMER-INFUSED PROCESS CHANGE

It's time for process improvement to become more focused on customers. Rather than abandoning existing process improvement methodologies, Temkin Group recommends bringing a customer orientation into your efforts. We call this approach *Customer-Infused Process Change,* which we define as:

> *Driving improvements based on a deep understanding of customer needs.*

Customer-Infused Process Change is a philosophy that drives companies to (see Figure 2):

- **Appreciate customer needs.** Teams need to use qualitative research to delve into customer wants and needs. Customer experience involves more than customers just being able to successfully accomplish their goals; it also includes a concerted focus on impacting effort and emotion. Companies need to master skills in observing customers, asking the right questions, and exploring their emotional needs.
- **Examine customer journeys.** Customer journey mapping is an extremely popular tool that is gaining traction with customer experience professionals. By taking a comprehensive look across the entire customer journey, companies can make better decisions about which interactions and processes to redesign. Companies that can identify moments of truth will know which interactions are most critical to customer loyalty.
- **Link to brand values.** Company brands represent implicit and explicit promises to customers. To deliver on these promises, employees must understand these promises and factor them into the process changes they make.
- **Connect to business goals.** Process improvement efforts must drive desired business outcomes. Companies need to clearly show the linkage between customer-centric changes and financial outcomes, such as retention, loyalty, and additional purchases to prove the value of focusing on the customer.
- **Scale new processes.** Process improvement efforts need to be scaled to have a lasting impact on customer experience. Creating pockets of change that only affect small subsets of customers is insufficient; companies must operationalize new and redesigned experiences.

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FIVE STRATEGIES FOR CUSTOMER-INFUSED PROCESS CHANGE

Based on our interviews with a number of companies, we identified five strategies to guide an organization's transformation to *Customer-Infused Process Change* (see Figure 3)[1]:

1. **Prioritize Improvements Across Customer Journeys**
2. **Embrace Deep Customer Empathy**
3. **Involve Customers in Solution Development**
4. **Innovate to Meet Latent Needs**
5. **Measure Success with Customer-Focused Metrics**

Strategy #1: Prioritize Improvements Across Customer Journeys

By understanding customer interactions in the context of their broader journeys, companies can invest in process improvements projects that have the most impact on the customer's experience (see Figure 4). To do this, companies should:

- **Develop a cross-departmental view of the customer experience.** Leaders across an organization must have visibility to the same insights to facilitate decision-making. At Sungevity, the VoC team synthesizes qualitative insights and quantitative metrics from different areas of the company, providing a more holistic view of the customer. One area the team identified as problematic was that too many residential solar projects required an additional home visit. However, not all of Sungevity's internal systems registered the problem. Because the VoC team brings data together from different areas of the organization, it was able to spot the issue and align the operations team around this inefficiency and quickly initiate action. This led to a cross-departmental decision to include additional questions during sale's calls, which would eliminate the need for an additional home visit.
- **Identify differences across customer journeys.** Most companies have numerous projects and programs underway to improve the customer experience, and customer journey mapping can highlight which ones will have the most impact. A mechanical hardware manufacturer used customer journey mapping to confirm the addition of regional distribution centers for its repair and replacement market to minimize the lead-time for customers to receive parts. The company also learned that these changes would be most beneficial to customers in the Northeast, where the demand for parts was highest, rather than in the West and Midwest, the areas the company had previously targeted for starting improvements. As a result of these findings, the business began working on a strategy to bring the Northeast location online sooner than originally planned.[2]
- **Link changes with customer loyalty metrics.** Determining which improvement projects to tackle first can be challenging. A large hotel chain took an analytical

[1] For this report, we interviewed several companies, including Andrew Reise, Anthem, CA Technologies, Deloitte, EMC, Intuit, Marsh, NetApp, Overstock.com, Sungevity, Verizon, and West Monroe.

[2] See Temkin Group Report, "Maximizing Value from Customer Journey Mapping" (September 2015).

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approach, using its customer surveys to understand how customers rated different aspects of their experience such as room décor, restaurant offerings, and bathrooms. The hotel noticed that customers rated room décor and the bathrooms lowest. The company wasn't sure, which of these two initiatives it should take on first, renovating the bathrooms or redecorating the rooms. The CX team conducted regression analysis on survey results and found that the need for bathroom upgrades had a huge influence on the Net Promoter Score® (NPS®), while the room décor did not.[3] Thus, the company invested its resources in renovating the bathrooms.

- **Alleviate customer pain points.** Customers can become frustrated when a business they work with doesn't recognize them when they contact the company. This is particularly true in B2B relationships when customers expect their vendors and partners to know them personally. During a customer validation session of its journey map at an annual client executive summit, Blackbaud customers identified "knowing my business" as a critical area where they felt the company was underperforming. By digging into this issue, Blackbaud realized that because of internal silos, customers had to identify themselves every time they called in, regardless of whether they'd contacted service, sales, or another department. Blackbaud addressed this issue by making technology investments to optimize back-office infrastructure, thereby consolidating 16 sales and marketing applications and five professional services applications into single platforms. This allowed Blackbaud to recognize customers when they contacted the company.[4]

Strategy #2: Embrace Deep Customer Empathy

In order to effect sustainable changes, employees impacted by redesigned processes need to understand why these changes are important to customers. To this end, companies should:

- **Humanize the customer.** At Sungevity the company literally puts a face to its customers by using photos of customers, their homes, and their pets to build empathy among project managers and software developers. The VoC team highlights customers' real life stories at its monthly town hall meetings. The stories reflect actual situations – a referral, a good or bad experience, or a specific team that went above and beyond. Sungevity also ensures that its third party installers feel responsible for building a strong emotional rapport with customers. Sungevity offers its preferred installers training modules on great customer service skills, including the importance of making a positive impression when they arrive at the customer's home, such as showing up on time, shaking hands, introducing themselves, and asking where to (and where not to) park their trucks. As a result of all of these practices, Sungevity has tremendous success with customer satisfaction and referrals.
- **Identify customers' full set of needs**. As part of an effort to revamp customer communications about product or feature changes, a large telecommunications company reached out to customers to learn about their preferences for receiving these updates. The team hypothesized that customers would want the shortest and

[3] Net Promoter Score, Net Promoter, and NPS are registered trademarks of Bain & Company, Satmetrix Systems, and Fred Reicheld.

[4] See Temkin Group Report, "Maximizing Value from Customer Journey Mapping" (September 2015).

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easiest method: text messages. Customers indicated, however, that they preferred to receive an email alerting them to these changes so they would have a record to refer back to if needed. By gaining a greater understanding of customer needs, the company could design a more appropriate solution.

- **Have everyone talk with real customers.** Intuit found that simply meeting customers' expectations was no longer sufficient for growing the company, so it shifted to an approach called, *Design for Delight* (D4D). This series of principles fundamentally changes the company's culture from meeting customer requirements to delighting end users (see Figure 5). To get the Turbo Tax organization focused on innovating the entire tax preparation business, the leadership team took the drastic step of shutting down the business for one day to have everyone get out and talk to customers. The business unit loaded its 500 employees onto buses and sent them into different San Diego neighborhoods with a discussion guide and the goal of interacting with average citizens about tax preparation. While employees were initially hesitant, the leadership team reminded them that everyone is a taxpayer and has a vested interest in improving tax preparation. While it was intimidating for some, everyone talked to 3-5 people and learned an enormous amount that could be brought into internal workshops and strategic planning discussions.
- **Bring customer segments to life with personas.** After the passage of the Affordable Care Act, many health insurance providers realized they needed to differentiate on something other than price since it was no longer a key differentiator. Blue Cross of Illinois approached this challenge by increasing its understanding of a key customer segment – individuals who had recently lost their jobs. While creating personas, the company identified a group that became depressed and unmotivated after a job loss (see Figure 6). When the team mapped out the journey for this particular persona, it became clear that there were interactions where the company could show more sensitivity in its approach. For example, the health insurer typically sent a form letter after employment termination, which simply stated that the individual's insurance would be terminated within six months. Based on a deeper understanding of this customer segment, the company changed the letter to add more sympathetic language such as, "We are sorry to hear that you're leaving XYZ Company," and, "We're here for you with a variety of coverage options." These changes helped drive significant gains in overall customer satisfaction.
- **Learn from hands-on customer experiences.** When the Customer Advocacy (CA) team at VMware started building a case to support its recommendations for key product changes to meet customer expectations better, the team knew that survey data alone was insufficient for making the case. So to help support their recommendations, the CA team augmented survey data with customer stories, support cases, and insights from the professional services team. And not only did the CA team tell leaders about the customer experience, they also provided a hands-on experience for the company's R&D leadership. Seventeen executives and senior leaders participated in a 3-hour workshop and followed the installation process for a suite of products in the same way a customer would. This first-hand familiarity with the pain that customers experienced proved to be a very powerful force for driving change, whereas strictly quantitative data and analysis might not have been enough.[5]

[5] See Temkin Group Report, "Make Your VoC Action-Oriented" (December 2015).

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Strategy #3: Involve Customers in Solution Development

It's highly unlikely that the first version of a process or an interaction redesign will fully meet customers' needs. Process improvement efforts must have resources available to ensure that ongoing, incremental changes can be made based on this customer input (see Figure 7). To this end companies should:

- **Elicit feedback with prototypes.** Many companies only bring customer insights into the early stages of development, but at 3M, the design team for healthcare software incorporates end user feedback throughout the design process. It starts by going onsite to observe clinicians using its software. 3M's team identifies pain points and familiarizes itself with the clinicians' experiences. This is a critical input into creating a prototype to test a new user experience for software upgrades. The team then goes back to the end users to test the prototype and provide feedback that will drive changes and refinements in the tool.[6]
- **Pilot new offerings.** Making large capital investments in new service offerings makes companies nervous, but running a small-scale pilot to understand impact can ease those fears. Through customer feedback, Mercedes-Benz USA learned that customers desired more efficient options for scheduled maintenance. In response, the company developed and tested a new service offering *Premier Express* that delivered fast and responsive service without an appointment. The pilot proved very successful with a sizeable increase in the company's customer experience metric.[7]
- **Embrace fast failures as part of the process.** Part of listening to customers is recognizing when something is not working. Rapidly prototyping can be a quick way to test new ideas to either get them up and running, or to kill them if they don't meet expectations. In the case of US Cellular, the company created a rapid prototype of a program for following up with customer leads. They ran the project for 90 days and soon realized it was not achieving the desired results. Because it was a prototype and not a full-blown program, they could quickly end the test, take the idea off the table, and move on to other ideas.

Strategy #4: Innovate to Meet Latent Needs

Customers can't always articulate what they want; instead, they often describe a slightly improved version of what they already know. To design innovative solutions that meet these unspoken customer needs, process improvement efforts should:

- **Watch for changing customer needs.** Companies need to stay attuned to shifts in customer expectations and needs. Samsung designers learned during ethnographic interviews that in most homes, TVs are off more than they are on – thus making them more like a piece of furniture than an electronic device. As a result, the designers wanted to create more attractive TVs, which required moving the audio outputs to a less noticeable position. However, because this would impact audio quality, executives hesitated to support it. The company thus experimented with the new TV

[6] See 3m.com story, "A Better Prototype. A Better Product."

[7] Medallia, "The Action Book: How the World's Leading Brands Create Business Impact through Customer Experience" (2015).

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design in Europe, where it did very well, allowing the design team to push the design even further before the full product roll out.[8]

- **Develop an understanding of key customer segments.** GE Healthcare is a leader in medical imaging, but the company learned that its products did not meet the needs of a key customer segment: young children. Large MRI and CT machines scared pediatric patients, often resulting in the need for sedation. GE's design team observed children at day care centers, talked to child life specialists, pediatric doctors, and nurses, and even enlisted a local children's museum. Rather than changing any of the internal technology, the designers focused on the imaging suite itself to create a safe and fun environment. The company created themed imaging rooms with creative and captivating decorations such as a pirate ship, jungle, or outer space adventure (see Figure 8). Additionally the imaging technician uses a script with the young patients to explain the procedure – such as the scanner noise being the sound of the space ship taking off. The "Adventure Series" of imaging machines has reduced the need for sedation and lead to a significant increase in patient satisfaction.[9]
- **Meet customer needs that fall outside the company.** Sometimes opportunities for improvement will fall outside of the company's four walls. When validating its journey map with online banking customers, Fidelity discovered that these customers wanted to know when the check they wrote would arrive at its destination. Fidelity recognized the value of providing customers with the ability to track the movement of their checks, even though delivery is outside of its control. Fidelity also saw areas for improvement in other account management functions that could benefit from improved tracking. As a result, Fidelity is designing a unified tracking capability across these different activities, based on its understanding that customers desire this type of functionality.[10]

Strategy #5: Measure Success with Customer-Focused Metrics

Companies can't measure the success of process improvement efforts with internally focused, operational metrics. They need to create metrics that reflect customer expectations to determine if changes had the desired impact (see Figure 9). To do this, companies should:

- **Align internal and external metrics.** Companies often create service level metrics that do not accurately measure key aspects of the customer experience. Sysco, a food distributor, heard that customers expect to receive the products they ordered at the quoted price on the promised delivery date. Internally, Sysco considered the delivery a success if the number of cases ordered equaled the number of cases delivered to the customer, regardless of whether the company needed to make a product substitution for an out-of-stock item. Unfortunately for Sysco, customers saw these item swaps as a breach of trust. Sysco also learned that if the price of an order changed even a small amount, customers were less concerned about the absolute value of the price change and more upset about their expectations being set

[8] See the Harvard Business Review article, "How Samsung Became a Design Powerhouse" (September 2015).
[9] See Slate.com, "Kids were terrified of Getting MRIs. Then One Man Figured out a Better Way" (October 2013).
[10] See Temkin Group report, "Maximizing Value from Customer Journey Mapping" (September 2015).

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incorrectly. This knowledge prompted Sysco to redesign its internal metrics to align with how customers defined success with the ordering and delivery process.[11]

- **Adopt the customers' measurement.** Even the best laid plans for fixing a less than ideal customer experience can go wrong if the company focuses on the wrong metric. Anthem has long focused on improving case installation – the process of getting newly enrolled or renewing groups into its systems so individual member benefits will be active on the day the plan starts. The company began the project with the goal of improving processing time, an internal metric for how long it takes for employees to get enrollees into the system from the date the plan was finalized. From the customer's perspective the length of time it took to process their enrollment was irrelevant – as long as their benefits were activated by the start date. If customers tried to use their health benefits at the pharmacy and their case had not been installed, they would be denied coverage, which was a huge pain point for plan members. Thus, the company realized it needed to measure the percent of cases installed by the plan's start date, rather than how long it took to process them, to truly understand the customers' perception of the process improvement.
- **Base operational targets on customer expectations.** Setting quality targets for process improvement does not typically include a focus on customer expectations. At NetApp, however, they set their customer support targets based on customer satisfaction. For example, a "critical response time" metric could be set at 15 minutes. In conjunction with this internal target, the company could set a goal of 85% customer satisfaction with critical response time. Thus, if only 65% of customers report satisfaction with the critical response time, NetApp looks into changing the internal metric – possibly initiating a process improvement project to meet this goal. Similarly, at Sungevity the VoC team found that the installation speed positively correlated with NPS scores. They know that customers give the highest NPS scores when the install is completed within an optimal number of days. So when an install appears targeted to exceed the optimal timeframe, it triggers a process to work with their preferred installer partners to figure out how they can recover after a too long install.
- **Incentivize desired employee behaviors.** It's not uncommon to incent sales and account management on sales and renewals. Unfortunately, these incentives can drive the wrong employee behaviors. At an online information service, the sales team had two functions – acquisition of new business or renewing existing accounts. The company measured the acquisition team on closing sales, which sometimes lead to the sales teams exaggerating the positive effects that the software might have on the customers' business. Many new customers expressed frustration when they called into customer support expecting greater returns on their software investment. The renewals team contacted these same customers a year later to renew their subscription, oftentimes unaware of the customer's initial annoyance. To improve this situation, the company shifted its metrics to focus on serving customers. This meant the acquisition team also received incentives based on renewal rates; not solely sales. Similarly, the renewals team had to reach out proactively to the account after the deal closed to build the relationship – and they were rewarded for it.

[11] Ibid.

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HOW TO MAKE PROCESS IMPROVEMENT MORE CUSTOMER-CENTRIC

To get on the path to *Customer-Infused Process Change*, companies need to adopt new practices to guide process improvement efforts. Temkin Group has identified how to bring each of the previously mentioned *Customer-Infused Process Change* strategies into standard process improvement methodologies (see Figure 10):

- **Identify improvement areas.** Companies must keep an eye open for signs that processes are broken or need improvement. They need to systematically review customer insights from customer journey maps, text and sentiment analysis, qualitative interviews, and other listening posts to uncover customers' top issues.
- **Focus on key interactions.** Companies cannot invest in dozens of projects, so they need to prioritize the efforts that are most critical to customers. By concentrating on moments of truth and key loyalty drivers, companies can alleviate customers most pressing concerns while also driving business success (see Figure 11).
- **Design for people.** Customers are individuals with desired goals and emotional needs. Design efforts need to recognize this human element and incorporate co-creation, design thinking, and customer-centricity into process improvement.
- **Establish scalable processes.** Process improvement efforts don't add value if they can't be scaled across the organization. Cross-functional teams need to collaborate closely to operationalize experiences that have tested well with customers.
- **Maintain through measurement.** To sustain the momentum for process improvement efforts companies must be able to show results. By creating listening posts, revamping metrics, and capturing qualitative feedback, organizations can quickly respond to any unforeseen problems or challenges.

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Common Process Improvement Methodologies Defined

Methodology	History/Description	Details
Total Quality Management (TQM)	The beginning of the continuous improvement movement, it was the catalyst for a quality revolution	▪ Managerial responsibility ▪ Focus on work process ▪ Use of statistics to measure performance ▪ Employee involvement
Six Sigma	Originated at Motorola in the 1980's and expanded at GE and others in the 1990's. Grew out of the TQM movement	▪ Data-driven approach to eliminating variation and defects ▪ Focused on root cause analysis ▪ "Inch wide, mile deep" ▪ Training and certification of "Belts" ▪ DMAIC approach
Lean	Evolved from Toyota's Just-In-Time manufacturing approach	▪ Focus on elimination of waste ▪ Reduce activities that don't add customer value ▪ "Inch deep, mile wide" ▪ Value stream approach
Lean Six Sigma	Incorporating Lean and Six Sigma by using parts of both methodologies	▪ Lean provides technical content ▪ "Belt" titles from Six Sigma ▪ Lean reveals process trouble areas ▪ Six Sigma provides deeper root cause analysis
Agile Development	Grew out of Agile manufacturing and used in software development	▪ Incremental delivery of new capabilities in an iterative fashion ▪ Focused on fixing bugs and problem solving ▪ Employs sprints and testing
Design Thinking	A human centered design approach to innovation championed by IDEO's Tim Brown and other leading design thinkers	▪ Empathy with users ▪ Discipline of prototyping ▪ Tolerance for failure ▪ Focus on innovation, not incremental improvements

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Figure 1

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Key Characteristics of Process Improvement and Customer-Infused Process Change

Key Characteristics	Process Improvement	Customer-Infused Process Change
Primary focus	Internal to minimize waste and increase efficiency	External to build business value by driving human-centered approaches that drive loyalty
Role of customer research	Early in a project to frame the problem based on functional requirements	Throughout the project to identify the customer's journey, moments of truth, and emotional state
Type of customer research	Operational metrics, defect reporting, high-level survey results	Unstructured and unsolicited feedback including ethnography, qualitative research, and contact center feedback
Project prioritization criteria	Processes that negatively impact overarching company goals (revenue, cost savings, churn)	Key drivers of customer loyalty, pain points, and themes that drive negative sentiment
Definition of requirements	Determined through the structured process improvement methodology (e.g. Six Sigma and DMAIC)	Determined by a cross-functional team based on a common understanding of customer insights
Solution design process	Company's prescribed process improvement methodology	User-centered design thinking with frequent testing and iterating
Project success criteria	Improvement in individual KPIs and efficiency metrics	Improvement in transactional CX metrics, customer-focused operational metrics, and sentiment
Overall success criteria	Met or exceeded internal goal for cost savings, waste reductions or eliminating process variations	Increased customer retention, loyalty, and advocacy as evidenced through financial and CX metrics

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Figure 2

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Best Practices for Creating Customer-Infused Process Change

Five Strategies For Customer-Driven Process Change	Best Practices
1) **Prioritize Improvements Across Customer Journeys**	▪ Develop a cross-departmental view of the customer experience ▪ Identify differences across customer journeys ▪ Link changes with customer loyalty metrics ▪ Alleviate customer pain points
2) **Embrace Deep Customer Empathy**	▪ Humanize the customer ▪ Identify customers' full set of needs ▪ Have everyone talk with real customers ▪ Bring customer segments to life with personas ▪ Learn from hands-on customer experiences
3) **Involve Customers in Solution Development**	▪ Elicit feedback with prototypes ▪ Pilot new offerings ▪ Embrace fast failures as part of the process
4) **Innovate to Meet Latent Needs**	▪ Watch for changing customer needs ▪ Develop an understanding of key customer segments ▪ Meet customer needs that fall outside the company
5) **Measure Success with Customer-Focused Metrics**	▪ Align internal and external metrics ▪ Adopt the customers' measurement ▪ Base operational targets on customer expectations ▪ Incentivize desired employee behaviors

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Figure 3

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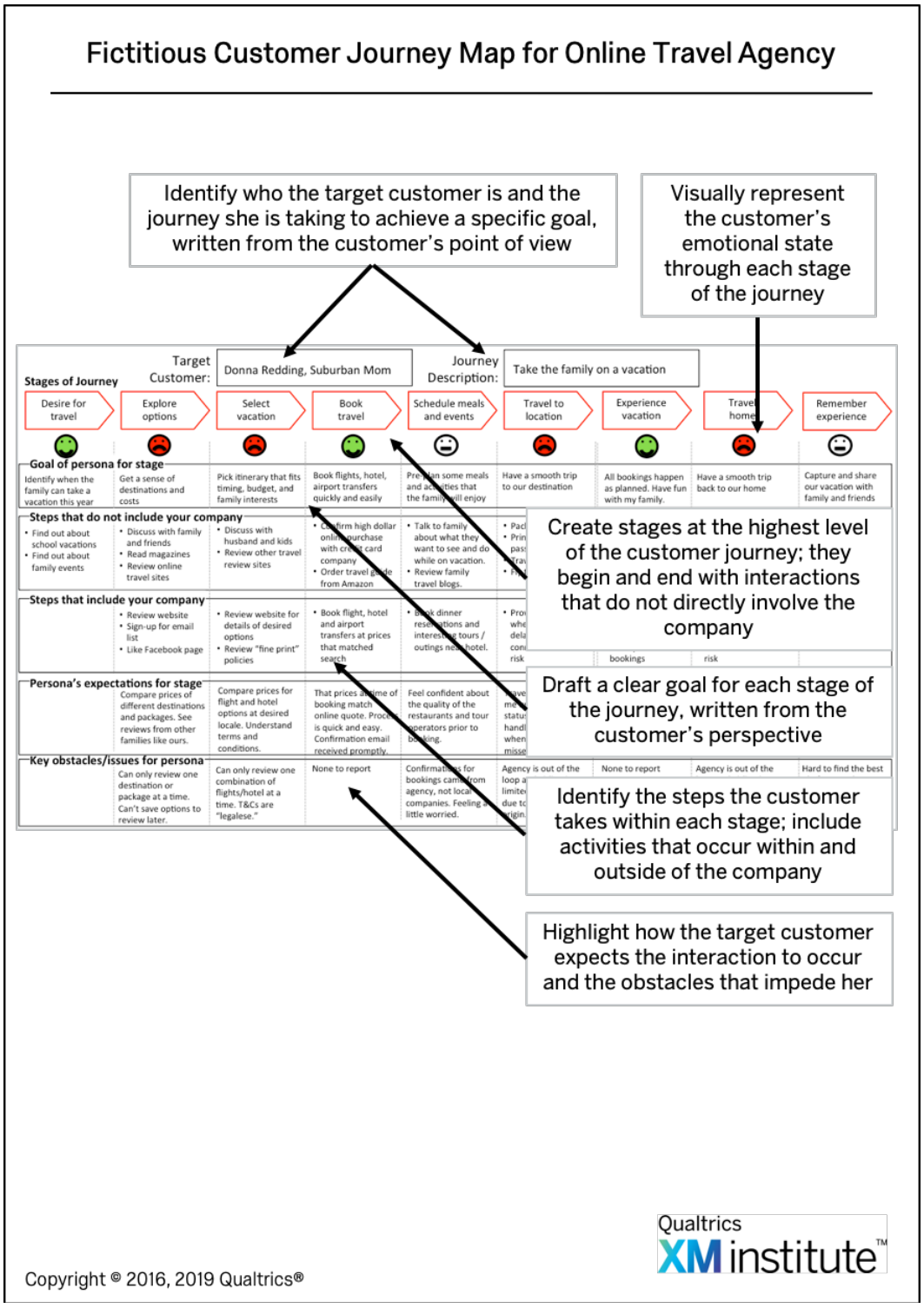

Figure 4

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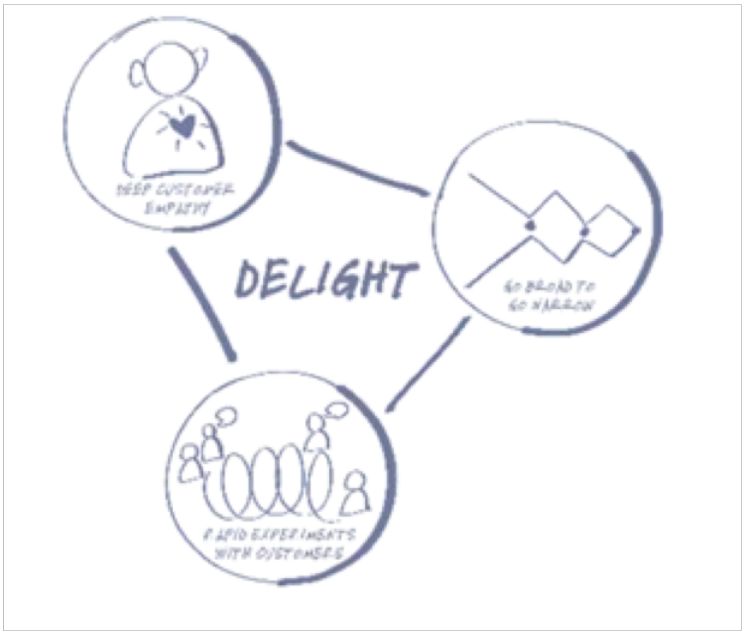
Intuit Design for Delight (D4D)



Deep Customer Empathy	▪ Immerse yourself with customers to know them better than they know themselves. ▪ To understand what really matters to customers, you should watch them, talk with them, and put yourself in their shoes.
Go Broad to Go Narrow	▪ Create options before making choices. ▪ There are lots of possible answers so to get to one great idea, you need to create lots ▪ The first idea is rarely the best
Rapid Experiments with Customers	▪ Get customer feedback early and often to understand the pros and cons of options ▪ Watching customers react to prototypes through trial and error is better than relying on your own opinions.

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Figure 5

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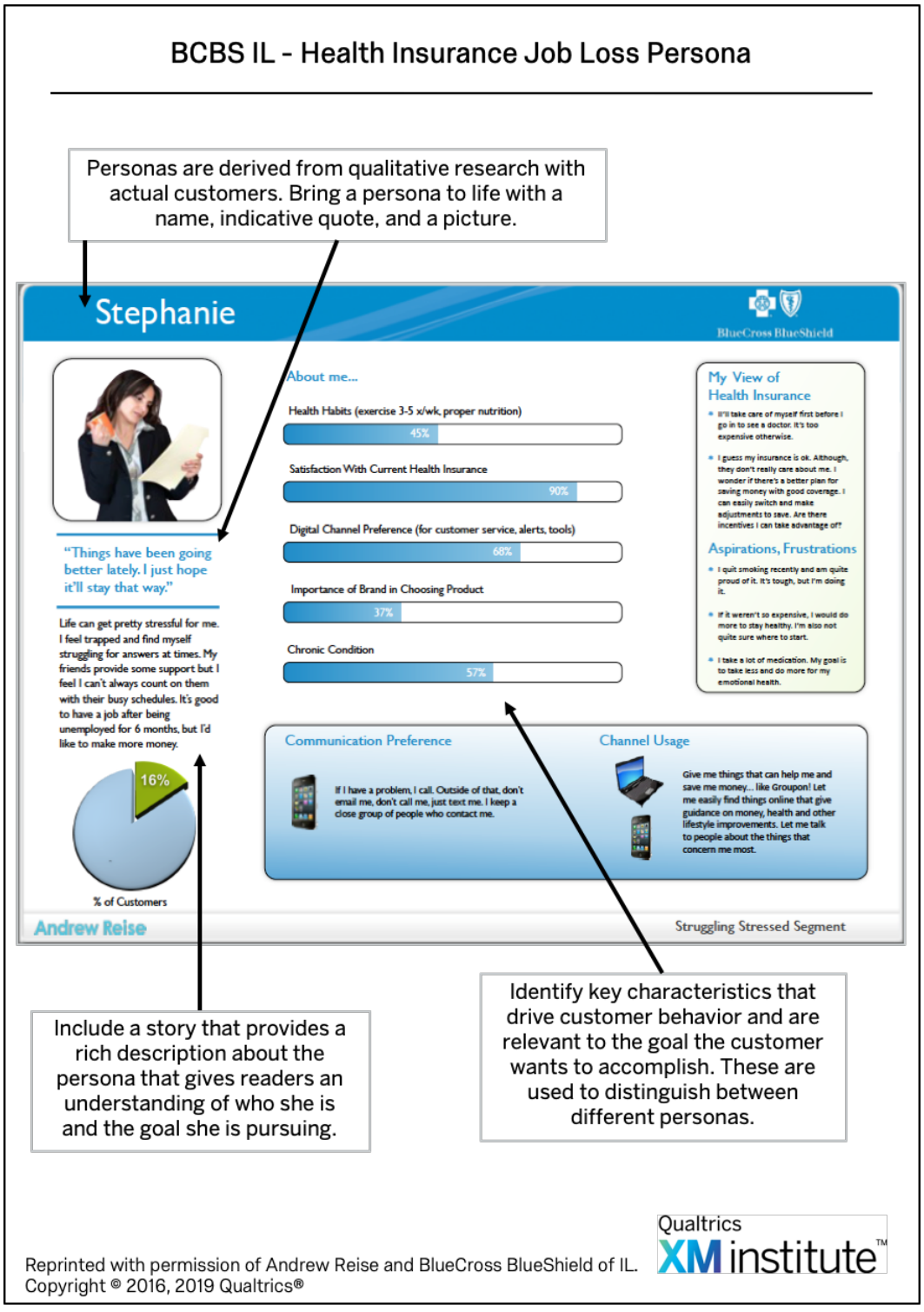

Figure 6

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Techniques For Involving Customers In Solution Development

Technique	Use to:	Examples
Ethnography	▪ Observe how customers use products in context (e.g. at home, at work) ▪ Build empathy ▪ Identify unforeseen issues, challenges or opportunities	**Intuit – "Follow Me Home" program[1]** ▪ All employees ▪ 10,000 hours/year (including CEO doing 60 hours) ▪ Observe for a day how customers and small business use Intuit's products
Prototypes	▪ Solicit customer feedback on rough or more fully formed versions of products or processes ▪ Capture insights throughout iterations	**Large healthcare association – Digital Prototyping** ▪ Planned radical website redesign ▪ Shared low resolution mock-ups with users ▪ Captured valuable qualitative feedback
Pilots	▪ Test a new or redesigned process in a selection of departments, markets, or geographies ▪ Validate expected outcomes before rolling out broadly or deciding to cancel project	**EMC – "Hard Alert" process** ▪ Current closed loop process not applied consistently/efficiently ▪ Launching "to be" process to test in specific business units ▪ Leverage success stories to scale across other areas of business
Co-creation	▪ Include customers in design or redesign process ▪ Compare current state to desired future state ▪ Bring together designers and end users	**IBM – GameStop[2]** ▪ Identified ways IBM could help GameStop better serve its customers ▪ Worked side-by-side at IBM ▪ Developed cloud software employees can use in-store on iPads to look up customers' pertinent history with GameStop

[1]See Fortune.com article, "Brad Smith: Getting rid of friction," (July 2014).
[2]See The New York Times article, "IBM's Design-Centered Strategy to Set Free the Squares," (November 2015).
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Figure 7

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GE Healthcare: Adventure Series

CT Pirate Island Adventure

MR Space Runways Adventure

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Figure 8

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Turning Operational Metrics Into Customer-Focused Metrics

Type of Metric	Examples	Questions to Consider
Length of time to complete	▪ Loan approval process ▪ Shipment delivery ▪ Refund to credit card	▪ How long does the process currently take? ▪ How long does the customer expect the process to take? ▪ How does the customer feel about the length of time – too fast, too slow, indifferent? ▪ Does speed impact loyalty for this process? ▪ What is the emotional impact to the customer if expectations are not met? ▪ Can "faster" negatively impact accuracy?
Ease of use	▪ Getting a problem solved with the call center ▪ Finding necessary information to submit a claim ▪ Knowing how to use a new product	▪ Have customers defined what "ease" means to them (e.g. fewer steps, inputting less information, etc.)? ▪ Does "ease" vary by customer segment? ▪ Which processes require "ease" to drive loyalty?
Cost savings/ revenue increase	▪ ATM fees ▪ Baggage fees ▪ Using less expensive materials	▪ Was savings inadvertently offset by increased costs in another area of the business (e.g. more calls to support, higher return rate) ▪ How have changes impacted customer sentiment? ▪ Do customers understand reasons for changes?

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Figure 9

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Bringing Customer-Infused Process Change Into Process Improvement

Strategies	Identify	Focus	Design	Establish	Maintain
Prioritize Improvements Across Customer Journeys	Utilize customer journey maps and/or loyalty drivers	Concentrate on moments of truth	Account for upstream /downstream impacts during redesign	Collaborate with stake-holders accountable for key moments	Create listening posts at moments of truth to gauge impact of redesign
Embrace Deep Customer Empathy	Review sentiment analysis, social media, and speech analytics	Focus on areas that drive negative customer sentiment	Design for emotion as well as functional needs	Train for empathy across the organization	Measure customers' emotional response to changes
Involve Customers in Solution Development	Ask customer communities directly about experiences needing improvement	Validate key areas with other VoC feedback	Co-create processes with customers to ensure their needs are met	Scale methodically across customer segments	Ensure capacity to provide incremental improvements as needed
Innovate to Meet Latent Needs	Observe customers using products and services in their real environment	Look for customer challenges and work-arounds	Develop creative solutions	Pilot changes with a subset of customers before full launch	Determine efficacy through qualitative and quantitative feedback
Measure Success with Customer-Focused Metrics	Audit current metrics to determine usefulness	Set priorities based on declining customer metrics	Create new targets based on customer expectations	Roll out new metrics with cross-functional support	Monitor metrics over time to ensure they have intended effect

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Figure 10

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Understanding Moments of Truth

What are moments of truth?	▪ Not every interaction has the same effect on customers. Moments of truth are the individual interactions that have the **most significant** impact on customer loyalty.
Why do moments of truth matter?	▪ Organizations will often get the most value from their efforts if they disproportionally invest their time and energy into improving moments of truth. ▪ Even if a company does well on most of its interactions, customers will more vividly remember what happened during moments of truth.
What are typical moments of truth?	▪ The first time that a customer uses a company's products or services. ▪ A product or service is not working correctly and it is keeping the customer from doing something that she really wants to do. ▪ A situation where the customer is worried, upset, or very concerned.
How do you find moments of truth?	▪ Qualitative research to uncover interactions where the customer demonstrates strong positive or negative sentiment. ▪ Quantitative analysis to identify interactions that have a strong correlation with key loyalty metrics (e.g. SAT, NPS, Effort, Retention).

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Figure 11

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