



THE CUSTOMER-CENTRIC ORGANISATION

TEAMING DATA WITH HUMAN SKILLS



NSW
GOVERNMENT

TAFE NSW

ENTERPRISE



INTRODUCTION

For private and public sectors alike, there has never been more pressure than today's business climate, to be customer or client centric.

According to Gartner's 2019 digital trends report, customer-centricity (the creation of a positive customer experience [CX] to generate customer value) is shaping up to be the twenty-first century business differentiator. It is a holy grail that promises great riches. From revenue growth, to improved efficiency and performance, and even sustainable profitability. And it all comes at a time when customers are expecting more than ever before, from brands and service providers.

Becoming a true customer-centric organisation, both externally and internally, whether you are B2C or B2B, can be a sizeable challenge for small business, big business, and government agencies alike. It is a significant commitment that involves organisational change, process improvement, and data capabilities.

However, the competitive advantages are enormous. A Forrester survey found that companies who are customer obsessed, have the highest median three-year growth in sales, the highest levels of customer satisfaction, and the highest levels of employee satisfaction.

Benefits of a customer-centric approach:

- business growth
- increased prospect attraction
- increased customer conversion
- customer engagement
- customer retention
- employee engagement

Forrester



DELIVERING THE SUPERIOR CX

In this digital age, no organisation can become truly customer-centric without an investment in data.

Throughout all sectors and nations, in-depth customer data helps decision makers to understand the underlying needs and motivations of customer segments, and then helps to make better, more well informed choices.

Data insights can also improve the lives of everyday, ordinary citizens. From simple improvements on usage based insurance policies to help customers save money, to complex optimisations of public transport routes, or technical improvements in fire and rescue response times.

Unfortunately, businesses can also become paralysed from too much data. If your business is not led by a clear strategy, if you forget about vital soft skills, or if you haven't developed the talent within your organisation to effectively exploit data opportunities, things can go awry.

Effectively using data not only requires having plentiful, clean data, but also requires a talent first mindset. That means having the right kinds of people within your organisation, to collect, clean, and analyse the data. Additionally, having those right kinds of people, ensures that your business has the right skills to deliver superior CX at every point in the customer, or user journey.

Without that mindset in place, your business can run the risk of disappearing down a data funnel and losing sight of the end goal: putting your customers first.



HOW TO BECOME TRULY CUSTOMER-CENTRIC

Being customer-centric means adopting a CX mindset from the top down and seeding it throughout the entire organisation: frontline service staff and the leadership team, back-office procurement, IT, HR, finance, and any function that could ultimately impact customers.

It means becoming 'consumer obsessed.' That means putting yourself in your customers' shoes and making them feel valued throughout the entire customer lifecycle and journey.

In a 2018 study, Forrester found that only 31% of businesses qualified as being "experience driven," based on CX best practices across the pillars of people, process, and technology.

Experience driven businesses outperform other companies on a variety of metrics across the entire customer life cycle; from greater return on ad spend, to higher average order values, and greater customer retention and advocacy. Not only does customer-centricity require customers to be delighted in the digital realm, the experience also needs to translate to physical environments like retail stores, front desks, and customer help kiosks. Apple is a prime example. Their ultra-modern, minimalist store interiors match their products, their websites, and their marketing, by providing a consistent on brand, face-to-face customer service experience. At every stage, and in every location, Apple are delivering what their customers want.

Today, consumers are driving demand for fast and efficient service. Richard Whetton, Head of Distribution and Logistics at Catch.com.au, confirms that, "overall, the customer expectation has shifted, and people definitely expect to get their orders quicker. And if you're taking too long to ship, they'll move and go to somebody else."

Increasingly, Australian public sector organisations are also recognising the need to meet consumer expectations for demand driven products and services. Service NSW, for instance, gives citizens access to a one-stop shop for more than 1,000 government services, in more than 100 service centres.

According to Service NSW CEO, Damon Rees, "The experience people have with an Apple, or a Google, or the wonderful hotel they stay at - those expectations transfer to us... And I think the responsibility is on us to really lift at the same pace as everybody's expectations are lifting as well."



ON THE FRONTLINES

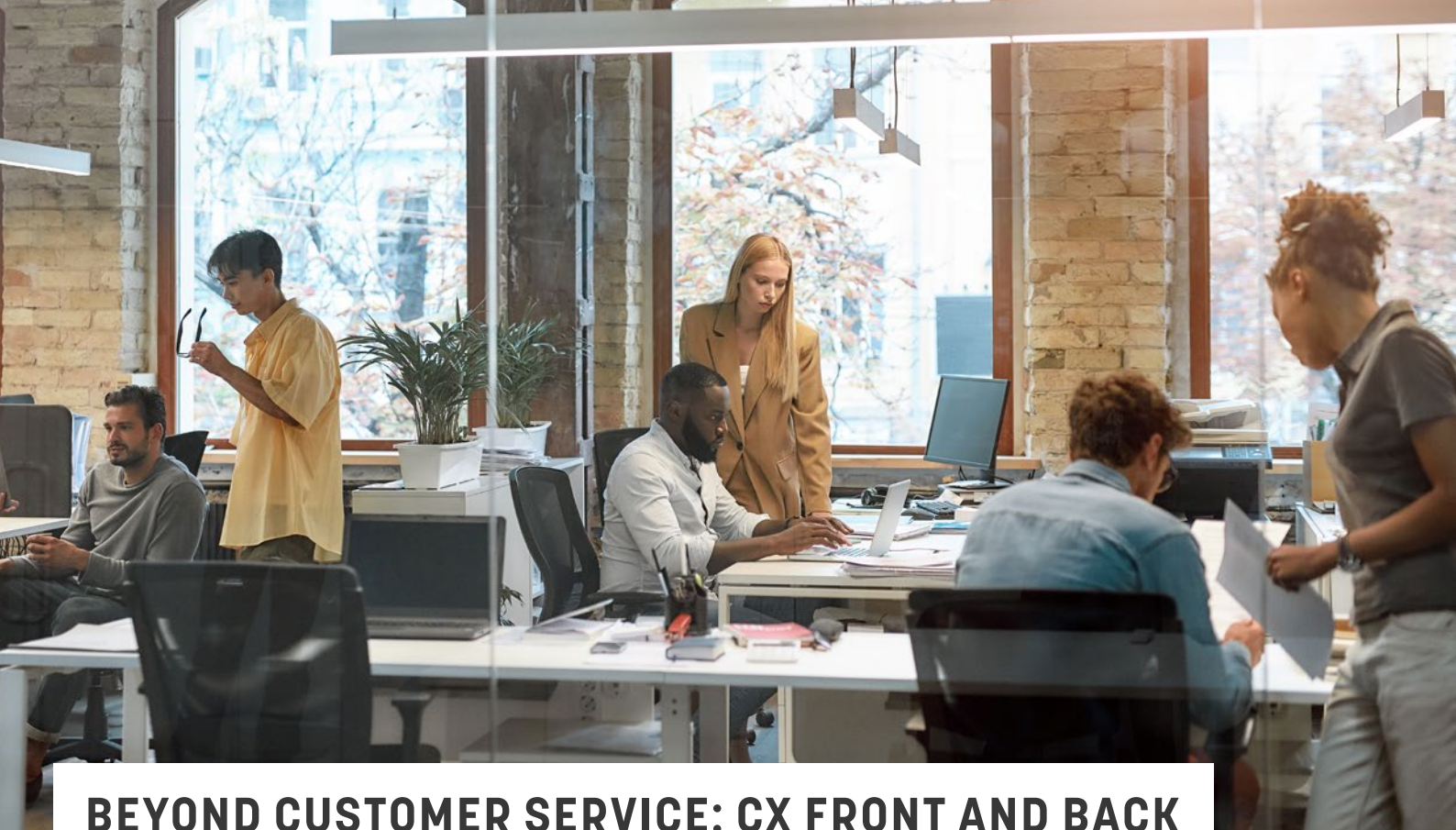
CX starts with best practice customer service, and that requires more than just smiling at your customers. It means creating a consistently enjoyable experience for each customer; from the first point of contact, to well past the final sale.

Industry research has identified key factors that contribute to a good customer service experience, with each of these factors directly impacting purchasing decisions.

- Interacting with pleasant people
- Receiving fast and effective responses to inquiries
- Not having to explain a situation multiple times
- Simple problem solving

For 89% of people surveyed, a quick response is important in deciding which company to buy from. 67% of people said they recommend products or services to other people based on good customer service interactions. 58% of people surveyed stopped buying from a company after having a poor interaction with customer service.

Not only is the speed of the customer service function important, but so too is the channel in which the interactions take place. Face-to-face, telephone, live chat, social media, and texting are all important spaces for connection, with social media especially relevant for Millennial and Gen Z customers. Service levels also need to be consistent across all platforms.



BEYOND CUSTOMER SERVICE: CX FRONT AND BACK

Ultimately, CX is the sum total of every brand interaction.

Customer loyalty is based on the total experience; from the intelligent, digital shopping cart and the simplicity of interacting with an interface, to having an order delivered on time, as promised. It's having a customer's privacy protected at the same time as they are being entertained by a VR experience or a video that speaks to their pain points.

IKEA has honed their immersive in-store experience in their 300+ stores around the world, supporting it with a finely tuned home delivery network, and an augmented reality mobile application that helps customers to visualise furniture in their own homes.

The benefits of getting CX right

Deloitte points to a higher willingness to spend, a lower cost to serve, and an increase in loyalty and brand advocacy. There is also potential for minimised acquisition costs and churn throughout all industries and sectors.

Good CX has the added benefit of improving employee engagement. Research shows that experience driven organisations breed happier employees across measures of personal satisfaction, team satisfaction, and departmental satisfaction. Leading customer experience organisations have 1.5 times as many engaged employees, than do the laggards.

Subsequently, engaged employees make for better CX, and this has tangible rewards for business. In government, for example, happier employees translate to reduced employee turnover, which helps to support cost reduction goals.



KNOW YOUR CUSTOMERS THROUGH DATA

Data plays a pivotal role in identifying specific customer problems and moulding customer-centric organisations.

Collecting and analysing data can help your business to build a complete picture of each of your customers, by understanding spending habits, interests, backgrounds, preferences, what engages them, and more.

From there, your organisation can segment databases, enrich customers' digital and physical experiences, and speak with audiences, in a personalised way, across every channel. Data is also essential for helping to predict future behaviours and needs, and driving decision making.

Well-managed data can also help to improve marketing return on investment (ROI), through increased sales and revenue growth. Data driven customer-centricity is now a core business requirement, and there are many examples of it in operation across sectors.

Healthcare is one sector that is set to be shaken up by data analytics. The May 2018 Federal Budget set aside funds for the development of a **National Primary Health Care Data Asset**. The asset is being designed to assess the positive impact of the sector on the health of Australians, identifying where improvements are needed, as well as giving a comprehensive insight into the system, as well as into a patient's journey, and peoples' experiences within the sector.

Meanwhile, **tech giants like Amazon, Google, and Apple** (who are experts in customer-centricity, data, and building consumer trust) have their sights set on the healthcare delivery sector, and could easily establish themselves as competitors.

A KPMG report on emerging trends in the infrastructure sector describes how **insights from data can unlock operational efficiencies and better customer experience**. One Australian mobile network operator is already able to prevent outages from happening, by foreseeing them seven days before they occur.

A data analysis product called The Observatory is helping Australian government agencies see how users move through their online services, by identifying potential and actual problems people might experience when using them, i.e. getting lost, getting stuck, or looking for information in unexpected places.

90% of global executives who used data analytics, reported that they "improved their ability to deliver a superior customer experience."

Forbes Insights



DROWNING IN DATA

With more and more data being collected from disparate sources, the risk is that organisations are collecting data for data's sake, or collecting data that isn't useful.

The Drowning in Data, but Starving for Insights report from Deloitte, finds that data sources may become so dispersed, duplicative, and siloed, that "companies don't know what data they already have, where it lives, what may be useful, or how to turn it into meaningful insights that they can act upon."

Organisations can get bogged down in a morass of irrelevant details, the danger being that they will lose the customer focus that the data was originally intended to serve.

The solution involves addressing some key areas: investing in the right talent and software; having a purpose for the data; and taking action on insights.

For the essential stages of collecting, processing, cleaning, utilising, and analysing data, organisations require the expert skills of data analysts, data profilers, and data engineers.

Dr Ian Oppermann, CEO and Chief Data Scientist at the NSW Analytics Centre, says there is another vital skill set that organisations need: that of the 'specialist storyteller.' These specialists have a solid foundation in the world of data and science, but also have experience dealing with real world challenges in the customer facing world, speaking to the hearts and minds of the people they deal with. In other words, they're people who can skilfully deal with data, deal with customers, and deal with other employees.

CX tools can also help non-technical staff draw out insights. Thankfully, there are a proliferation of tools, with providers including Adobe, SAP, IBM, Avaya, Zendesk, NICE, and InMoment.

"It's not that companies don't know their customers; they just don't have the full picture. That integrated picture is what companies are struggling with."

Megan Burns, Consultant and former Forrester VP of Customer Experience



The global customer experience management market – solutions and managed services, is projected to grow from \$7.8 billion US in 2019, to \$14.5 billion US by 2024. Major growth drivers include increasing need to improve customer engagement and reduce customer churn rate, growing deployment of cloud-based solutions, and rising demand for big data analytics.

Even if your organisation has secured its data experts and CX platform, you still need a strategic purpose. Why are you gathering all that data? What do you want the data to reveal? How will the data be used? This is a task that your organisation's leaders need to take on.

And finally, if your organisation really wants to change how it operates and foster a culture of continuous improvement, you must be acting on the insights. As the Deloitte paper notes: "This must be an ongoing journey, one of listening, understanding and responding (where appropriate)."

In a smart Chinese city for instance, thousands of sensors in taxis, buses, and cars all combine with a large range of other data, so that analysts can calculate current traffic conditions to be sent to citizens via a mobile app. The city can then predict future traffic scenarios, which helps planners to decide on future traffic routes.

In a supply chain, where digitalised factories have machine sensors continually measuring a variety of control limits for various conditions and linking them with master data sources, the insights delivered can improve plant productivity and profitability. It can predict where machines will break down so repairers can do preventative work, preventing downtime, and ultimately improving the customer experience.

The AI that is increasingly being used in supply chains, can anticipate customer needs based on past behaviours; or employ predictive analytics to automate order fulfillment and delivery.

"You need the right people, the right project, the right settings, the right data, producing the right outputs."

Dr Ian Oppermann, NSW Analytics Centre CEO and Chief Data Scientist



DON'T FORGET INTERNAL CX

Taking the CX concept a step further, organisations can invest in internal CX, applying the same user experience principles to employees. It involves viewing staff as internal customers, with the 'experience' being that of employees providing services to one another.

For example, a marketing person can be seen as a customer when he relies on the content writer, the graphic designer, and the web team to help create the company website. Teams rely on internal IT help desks to do their jobs. Whole companies rely on payroll to be paid, and rely on HR for training and to mediate disputes.

Poor internal CX can lead to employees feeling let down, often by systems that are outdated and inefficient compared to the more engaging solutions developed for customers. It affects morale, wastes people's time, and makes it harder to serve customers.

When internal CX programs are developed they need to be based in real data, just like customer CX. This data can be gathered through surveys, and internal customer journeys can be mapped to gauge how a process works, and to learn where the gaps are.

When internal functions are working well together, it's far more likely that customer-facing teams will be able to deliver excellent CX.



THE ROLE OF HUMAN SKILLS IN CX

As crucial as it is, data is just one of the pillars that supports a customer-centric organisation.

CEO of Service NSW, Damon Rees, acknowledges that people and culture are the big drivers of change in the customer experience of government.

"You need people who are incredibly empathetic, who care deeply about not just their customers, but the teams that they're part of."

Rees says adaptability is also key.

"We have 1,000 different services through this one-stop shop of Service NSW, constantly changing. We need a team that can adapt really, really well to those changes."

The need for soft skills also stems from the fact that technology is taking over a lot of technical, routine, predictable tasks. So the major skills needs will be in those uniquely human abilities, required for the tasks that machines can't do.

In fact, research shows that the number of jobs in soft skill intensive occupations is expected to grow at 2.5 times the rate of jobs in other occupations.

The most in demand soft skills differs from industry to industry, but there are some common themes, with customer service skills at the top of the list.



THE KILLER SOFT SKILLS

Dr Claire Mason, Senior Social Scientist at the CSIRO's Data 61 unit, reinforces the importance of being able to demonstrate a really good service orientation: "to help someone take a not-very-well-defined problem, make them feel understood and feel confident that the product or the service that you're delivering is the one that meets their needs." These types of skills are ones that she believes we need more and more of in the Australian economy.

Communication is also non-negotiable.

Often when there is talk of in demand skills in an age of big data and technological change, the perception is that STEM skills (science, technology, engineering and maths) are the hot ticket.

"It's actually the demand for communication skills that has grown the fastest," Dr Mason says.

Proactivity and assertiveness are important too; being able to identify what needs to be done, and being confident enough to take control and do it. Employees need active listening skills and patience when dealing with customers, so they can take the time to listen to problems and figure out what they truly need.

Additionally, the ability to persuade, to have an aptitude for continual learning, to exercise restraint and calmness in the face of emotional customers, to resolve conflicts, and to take responsibility for their own actions, are all essential, transferable human skills across all kinds of customer-centric organisations.

These skills can be taught

Over the last 10 to 20 years, Australia has seen considerable growth in technical and soft skills training. TAFE NSW GM of Innovation, Tom Key, believes there has been particular interest in developing emotional intelligence, as well as soft skills around selling. There has also been a rise in leadership training and coaching. Key says people are recognising the value of a talent first mindset, and the return on investing in people, for both technical, and social and human skills.

As change happens exponentially faster, and with CX now a major competitive differentiator for business, training will start to permeate every aspect of our working lives, Key says. As a result, organisations need to find training partners that offer customised training to meet individual business needs, industry requirements, and skills gaps. Organisations are demanding flexibility in their training delivery options, as well as industry expertise, and innovative teaching methods.



A PLAN FOR TRAINING

Training organisations need to help their clients identify staff members who require upskilling, and those who need to be re-skilled.

A training partner can also assess those who possess strong skills capable of being transferred to other parts of the organisation, recognising that in the future, many employees will need to be multi-disciplined in their skillsets, e.g. combining technical skills with customer service skills.

Such a partner can then work with the organisation over time, and in a way that helps achieve the objectives of the organisation and its people, using increasingly flexible and targeted training options. Those might include micro credentialing, continuous and lifelong learning, eLearning, and even augmented and virtual reality learning, where service skills can be practised at home. As an example, in some disciplines, TAFE Enterprise trainers go into organisations' premises and deliver training to staff in their own environment, ensuring the learning is connected to their work.

As Catch.com.au's Richard Whetton points out, it is very difficult to predict exactly what the future will look like.

"There are going to be opportunities and there are going to be challenges, which we can't predict right now. But the stronger the team you have going into it, the broader the skillsets, the deeper the skillsets, the more likely you are to get favourable outcomes to those opportunities and to those challenges."

Richard Whetton, Head of Fulfillment, Catch.com.au

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