White Paper

CIOs are in a unique position to impact the entirety of experience management—from a customer, employee, *and* business perspective— by optimizing the data, technology, processes, and systems driving that experience.

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How CIOs Can Lead the Charge to Bridge the Technology Gap and Transform Customer Experience.

As CX becomes an end-to-end concern and technology and data become ever more critical elements of successful CX, IT plays an increasingly vital role in shaping decisions across the enterprise. And it's the CIO's responsibility to meet these demands.

IT leaders are natural partners for CX leaders with unique and similar challenges—and opportunities—in our CX-centric world.

With their end-to-end view across customer-related data and digital interactions, how will CIOs lead organizational change to address the high priority of better customer experiences?

Key Takeaways:

1. The focus on customer experience presents a challenge to siloed organizations, but it also provides an opportunity for IT leaders to leverage their unique position.

2. As the only group with end-to-end visibility of customer-related data and digital interactions, IT is a natural partner to help CX teams address customer interactions more holistically.

3. CIOs are in a unique position to improve customer experience from the customer's AND the business's perspective and to optimize the data, technology, processes, and systems that deliver it.

Customers hold much of the power in today's relationship between smart, digitally enabled customers and the companies that serve them. Driven by their ever-increasing use of digital and mobile technologies, these customer channels—and the data that surrounds customers as a result of their interactions with your company—are often designed, deployed, and maintained by an IT team.

Perhaps you're asking, "Why IT, when there are leaders in marketing, sales, operations, and support who are closer to—and paid to think about—customers every day?"

If you're in IT, it's a near certainty that you're already working on customer experience management projects. Perhaps you just haven't felt it yet, because these projects typically start outside IT and show up as isolated initiatives *inside* IT.

For example:

- Marketing wants to enhance its lead management system to enable more personalized and targeted campaigns

- Sales wants to enhance its CRM solution to identify potential opportunities through predictive modeling of likely customer needs based on historical trends

- Operations wants to offer real-time status updates of customer orders so it can better communicate with customers

- Support wants a 360° view of its customers so it can service them better and more efficiently

And the list goes on. So how does a CIO get in front of these requests to not only service requests but also tackle CX in a more holistic way, taking a leading role solving organization-wide CX issues?

IT is uniquely positioned to help (or even provide) the cross-team leaders necessary to radically transform how an organization approaches the customer experience challenge.

The list of IT / CIO challenges is long, even without CX

CIOs face hundreds of challenges to prioritize every day. With all there is to juggle to ensure the business is running efficiently, it's easy to shrug off CX issues as not within the IT domain of expertise.

Ironically, the myriad requests that come to IT from every corner of an organization are frequently attempts to address customer experience challenges. What's unique about CX is that the CIO is the only one in a position to see CX issues across organizational boundaries. And more importantly, the CIO is in the best position to recognize sets of related problems that impact how customers perceive, interact, and transact with your company: in other words, the customer experience.

The challenge is getting out in front of the business and providing the thought leadership and innovation necessary for individual groups to achieve their business goals, while satisfying the greater needs of the organization and serving the needs of its customers.

We witnessed this firsthand in the aftermath of the COVID-19 crisis (and admittedly, we're still seeing the ramifications). When the world locked down, businesses were faced with a choice: adapt to a now 100% digital landscape, or face potential (and for many, inevitable) extinction. Only those businesses—no doubt anchored by their IT teams—that pivoted their customer experience to a digital environment survived.

Even now as some areas reopen or close again amidst variant surges, customer behaviors continue to evolve. And businesses must continue to adapt to this new normal. We don't know when life will go back to its 2019 state. Perhaps it never will. The only thing we can predict is that change will continue to occur. And who better to lead the charge than IT?

Competitive differentiator pivot point

Recent research has recognized CX as a pivot point that organizations rely on to provide competitive differentiation and drive growth. At the same time, the customer experience has grown increasingly dependent on digital touch-points: online and electronic points of interaction for customers and partners. The connectedness of that experience as customers traverse the stages of their journey and interact through different channels is the difference between an enjoyable experience and one that's difficult to endure.

IT typically has direct control over touch-points. But even more importantly, IT has the creativity and aptitude to transform how touchpoints show up to customers and either positively or negatively impact the customer experience.

As greater competition and growing consumer empowerment have eroded traditional product- and service-based differentiation, leading businesses (and consultants like McorpCX) see CX as the key to securing differentiation and a sustainable competitive advantage. It's time for IT to flex its muscles and take the lead in transforming CX and driving business growth.

IT's ideal—and expanding—role in the organization

Technology permeates our lifestyle, driving 21st century commerce, industry, and social interaction on a scale that our grandparents could never have imagined. Business as we know it could not function without technology.

That simple truth proved truer than ever when COVID-19 struck, driving individuals and businesses alike to shelter in place. But contrary to our hopes, the virus did not die out quickly, and businesses were faced with a choice: either adapt to remote ways of engaging with and serving customers, or face extinction.

Savvy businesses got to work, adapting their applications, websites, return processes, delivery services, pickup services—it's a long list. And a decent number of businesses succeeded; according to Deloitte's 2021 Global Marketing Trends Consumer Pulse Survey, 58% of consumers named at least one brand that quickly adjusted to the "new normal" by adapting their offerings.[1] And all of those offerings were powered by IT.

But the possibility doesn't end with the "new normal." In fact, 2 out of 3 respondents in that same study also noted that the pandemic gave them a new appreciation for well-designed technologies. And a startling 63% said they'll probably use digital tech even more than they used to.

For companies that successfully integrate martech and adtech (and all techs in between), the payoff is big. For example, of the businesses that labeled themselves as "digital-first organizations," nearly 25% of them greatly exceeded their annual revenue goals—by a lot.[2] Digital-second organizations or digital-last ones? Not so much.

CIOs are uniquely positioned to move their organizations from poor digital integration status to the holistic, integrated, digital-first approach necessary to stand out from the competition.

Taking responsibility for CX

Executives and leaders of any business that depends on building, managing, and maintaining strong and loyal relationships know that the customer experience is mission critical. The experience a business delivers to its customers has a direct impact on how attractive it is to new customers and how loyal existing customers remain to the brand.

Customer experience is at the heart of competitive differentiation and is ultimately what drives revenue, profitability, and growth for the business.

What part of the business is responsible for CX?

Marketing, sales, operations, or support either set the agenda with, maintain relationships with, collect payment from and deliver product to, or provide problem resolution to customers. In many businesses, one of these is singled out as the organization accountable for the customer experience.

But while it's true that marketing, sales, operations, and support are the organizations that likely have the greatest intimacy or connection with customers

every day, each operates in its own silo and approaches CX from the perspective of its own domain. While it may seem logical to assign accountability to one of the organizations that has close relationships with customers, each has a view that is limited to the stages of customer interaction in which it participates.

In a typical organization:

- **Marketing** builds brand awareness, evangelizes product value propositions, and helps customers to learn about (and try) products and/or services. Marketing is involved early in the customer lifecycle to drive customer interest. While a deep understanding of customer wants and needs at this early stage is important, customer wants and needs evolve later in the relationship lifecycle.

- **Sales** is chartered with competitive differentiation, customer acquisition, and retention with a focus on securing the customer's commitment to purchase a product and/or service. Like marketing, sales has a deep understanding of the customer's wants and needs, though it is typically limited to the purchase stage of the customer lifecycle. Too often, the transition from the purchase stage to the next stages of the customer lifecycle— just as with from marketing to sales— can leave customers feeling like they're interacting with two different companies due to the disparity that exists between the experiences.

- **Operations** fulfills customer orders, handles, and manages collections and refunds. This group is accountable for keeping these experiences simple, intuitive, and friction-free. Like sales

Corporate IT's monopoly on information technology has begun to unravel, even as technology itself becomes more central to competitive advantage and business productivity. Business executives now spend an additional 40 cents on technology for every $1 managed in the traditional corporate IT budget and partnering with CX will allow CIOs to gain more visibility and influence on the marketing, sales and service portion of that spend.

and marketing, operations has a deep understanding of the customer's wants and needs during this stage of the lifecycle, but they're rarely concerned with what that experience is like upstream or downstream from its involvement in the customer transaction. This, again, can result in disjointed experiences that lead to customer frustration and opportunities for them to abandon you for your competitors.

- **Support** ensures an ideal post-purchase customer experience. Focused on assisting customers with the use or implementation of products and/or services, support helps when things don't work as expected. As with other functions, support has a deep understanding of customer wants and needs—*after* they've purchased products or services. But it operates in its own silo and isn't always conditioned to probe for how the customer arrived at the need for help. While it may send feedback to those responsible for creating the product or service, that may not be enough to solve the problem in the next iteration, resulting in yet another disconnected experience for your customers.

After one McorpCX engagement with the IT department of a global software leader, customer satisfaction with experience increased 97%, time to market went from 90 days to seven, and operating costs decreased 16%.

The common alternative to assigning responsibility to one group is to say it's the responsibility of all groups. That's largely true: every group in the organization influences customer perceptions, and each manages a unique set of touchpoints that directly or indirectly affects customers. But when you give responsibility to all of the customer-facing teams across the organization—and expect one to take the lead and drive cross-functional effort—no one ends up being responsible.

The problem is that it's rare for any single group to possess the end-to-end view of the customer experience as they traverse the journey from learning about the business and product offers, purchasing, working with products or services, and then getting support when they need help.

Each group is used to being accountable for one stage of customer interaction, with an intimate understanding of that stage. So it's natural for a group to feel a greater urgency—and have a greater competency—to fix the issues with which it's most familiar.

With an imbalanced perspective, how can groups be expected to excel in cross-functional collaboration? The immediate needs of each group will always outweigh the needs of the broader organization. And so, without a coordinated effort, fractured, siloed experiences persist or get worse.

Add to this that many breakdowns occur in the transition from one phase to the next of the customer journey, and you can understand why what may be viewed as a high-performing customer experience by each group is actually a low-performing experience in the eyes of a customer who must experience all the stages of the customer journey.

This becomes infinitely more complex and problematic as the breadth of the company's product offerings increases and it creates divisions to manage those offers. Each of these divisions may spin up its own silos of marketing, sales, operations, and support to optimize for speed or the internal efficiencies of the organization rather than the customer experience. This further exacerbates the challenge of providing simple, seamless, and connected experiences to customers. When not done well, this is all the incentive your customers need to move to your competitor, whom they hope will (but may not actually) do this better.

From the customer's perspective, it's not about the quality of the experience at any one stage—though a poor experience at any stage is likely to cause customer defection—it's about the quality, connectedness, and seamlessness of the experience across the entire lifecycle of the customer journey, end-to-end and across all stages of interaction.

Cross-team leadership from IT

A CIO's CX opportunity is twofold. First, every CIO is a natural partner to CX leaders; both groups have cross-functional and shared service models that touch every part of the enterprise. And the technology and data that IT wields so readily is increasingly critical to CX, even more so in a COVID and post-COVID era.

The result? The IT department is uniquely positioned to radically transform how the organization approaches the CX challenge. More specifically, IT's transformation-driving skills and privileges include:

- Accountability for the systems, processes, information, and tools that support each of these customer-facing functions
- Visibility into both the individual problems that each of these customer-facing functions is trying to solve and how they connect with one another
- Knowledge of the technology investments that are prioritized by each of these business functions to enhance the customer experience
- Process analysis skills to optimize customer workflows and simplify interactions at every stage of the customer journey
- Detailed understanding of the underlying technology and systems that enable digital CX across the lifecycle
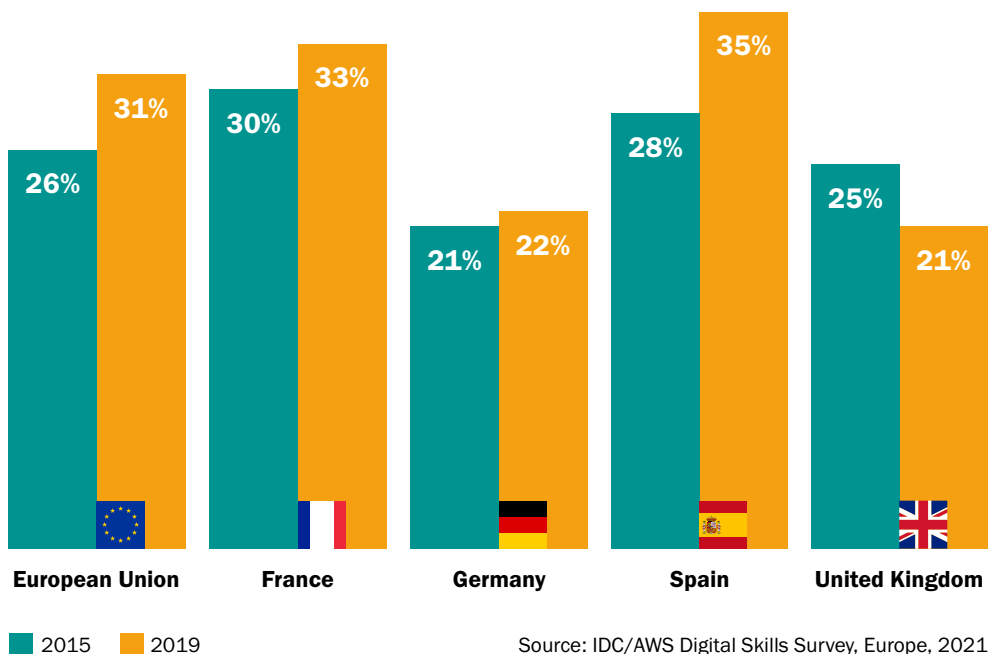
- Knowledge of where customer information persists across the organization and a 360º view of the customer that it can leverage to optimize information flows to enable seamless experiences
- Business, solutions, and information architecture expertise to establish the long-term technology vision and build the roadmap for innovation
- Knowledge of procedures to protect customer data and maintain users' privacy and online security (an ever-increasing concern for customers as the digital landscape continues to expand), granting peace of mind for customers

With its unique capabilities for enabling next-generation digital experiences for customers, IT can transform organizations to work collaboratively to achieve competitive advantage through the delivery of seamless, connected, and special experiences that attract and retain customers across the engagement lifecycle. And CIOs are uniquely positioned to leverage these capabilities to lead CX transformation company-wide, to lead marketing, sales, operations, and support to develop and deliver experiences that are true differentiators in the marketplace.

However, for IT to drive those customer experience transformations, everyone in the organization must have the necessary digital capabilities. Unfortunately, not every business is equipped with digitally-literate workers. Eurostat estimates that in some countries, 20-35% of the workforce (ages 25-64) have low or nonexistent digital skills.[2] That makes cross-functional tech improvements difficult—if not impossible.

Percentage of population 25–64 years old with low or no digital skills

	European Union	France	Germany	Spain	United Kingdom
2015	26%	30%	21%	28%	25%
2019	31%	33%	22%	35%	21%

Source: IDC/AWS Digital Skills Survey, Europe, 2021

Our experience: CX transformation drives IT projects and spend

You may be familiar with Customer Journey Mapping. At McorpCX, we've been doing this work for market leaders and the Fortune 100 for nearly 20 years. During that time, we have guided hundreds of customer experience research, design, and transformation efforts.

As we discover the issues that crop up across customer journeys, solutions require operating model changes comprising not only people and process but also technology and data changes enabled by IT.

Some McorpCX examples of this:

- Disconnected customer data drove a regional banking leader to entirely update its CRM, data schema, and business analytics systems

- A leading national retailer/clothing manufacturer implemented an omni-channel roadmap, including new master data management, CRM, and ERP systems, all with the help of IT

- Another regional banking leader enabled video collaboration systems across its branch network

- A global technology leader changed the way its IT department developed software products, cutting development time by more than 90%

- A regional health insurance plan invested in new call center technology and customer data management tools

And the list goes on. Many of the cross-silo gaps we discover can be solved through the intelligent deployment of IT-driven solutions, often replacing manual systems with digital solutions, or better integrating systems the organization already had in place. Behind-the-scenes IT expertise often drives CX improvements, from mobile apps and websites to data management, data gathering, and insight tools.

Research shows that roughly 9 out of 10 of brands plan to put customer-facing digital experiences ahead of all other priorities throughout 2021 and beyond.[3] As a CIO with a unique view into these experiences, how will you step up?

Deep-dive: How IT is uniquely positioned to lead CX transformation

Think of the challenges and complexities associated with enabling a differentiated, customer loyalty-changing, digital experience strategy across the customer journey.

Now consider the assets the IT organization possesses:

- An end-to-end view of the systems and processes that customers must traverse
- A cross-channel view of all the ways customers interact with the business
- The process acumen required to assess and optimize business processes for simplicity
- A deep understanding of the systems and tools that enable the customer's digital experience

- The information and systems architecture skills required to enable the experience vision
- The ability to connect and integrate disparate data and information
- The skills to provide innovations and new capabilities for the organization
- A focus on driving efficiency, effectiveness, and integrity
- The discipline and capability to build customer-centric solutions and experiences
- The operational excellence skillset required to support the demands of digital interactions
- The expertise with monitoring and measurement systems to ensure continuous improvement

All that proved true in a pre-COVID world. And today, the pandemic has caused a historic, unprecedented shift: the data and technologies leveraged by IT and CIOs adapt at near-lightspeed as customers continue to evolve in their personal use of technology (and in the digital expectations they have for the brands they interact with).

Long story short, COVID exacerbated the need to deliver connected, tech-empowered experiences throughout the customer lifecycle. Which means every business needs a savvy CIO to help navigate the digital transformation waters. Their leadership is mission-critical.

Changing perceptions

While IT is the logical choice to lead the CX technology and data activities of CX Innovation, if it hasn't stepped into that role, it's usually because it lacks one or more of the following:

- A focus on the outside-in perspective— looking at your enterprise through the eyes of your customers

- A direct connection to, and an understanding of, external customer wants, needs, and pain points

- Credibility within the organization for providing thought leadership and doing more than reacting and responding to what the business asks it to deliver

Changing these perceptions is critical for the CIO and IT organization to take the lead in transforming CX. The first two are relatively easy, and the third takes time and demonstrated success.

Taking the lead

With training and CIO leadership, the IT organization can provide the innovation and thought leadership necessary to transform the customer experience strategy. And McorpCX is uniquely qualified to help lead you through the process, as we've done with Fortune 500 companies since 2002.

Contact us to explore how we can help you become the customer experience leader within your organization.

1 *2021 Global Marketing Trends Consumer Pulse Survey.* Deloitte, Inc. 2021.

2 *Using the Cloud to Address the Digital Skills Gap.* Marianne Kolding & Martin Sundblad. IDC Custom Solutions, June 2021.

3 *2020 Gartner Digital Customer Experience Survey.* Gartner, Inc. 2020.

4 *CIOs, CX, and End-to-End Tech Management.* Forrester, Inc. August 14, 2015.

McorpCX is a leading customer experience services company delivering consulting and technology solutions to customer-centric organizations since 2002.

Our practical approach has led to measurable growth, deeper engagement, and better business outcomes for fast-growth market leaders and the Fortune 100, including Microsoft, lululemon, T. Rowe Price, and Blue Shield of California.

Whether your organization is just beginning its customer experience journey or is well down the experience transformation path, we are experts at driving customer experience transformation in an increasingly connected world.

A case study: Moving IT to the forefront of business leadership.

This global software leader with millions of customers worldwide worked with McorpCX to:

- Establish CX practices to serve as the foundation for a customer-centric IT

- Train IT to lead the discovery of customer needs

- Tie innovation and customer experience to internal processes, information, and systems

- Establish a new relationship between IT and the business

For true process re-engineering, McorpCX knew IT executives would have to see the ROI of embracing an outside-in customer perspective. Through intensive staff workshops we identified customer archetypes, mapped customer wants and needs at each stage of the lifecycle, and—most eye opening—the pain points customers experienced with the current IT systems. This illuminated the hoops customers were forced to jump through to accommodate internal silos and legacy processes.

Next, we guided creation of an implementation roadmap: a prioritized list of specific actions and initiatives—for both process changes and technology innovation—that would position the organization to methodically deliver against its CX aspirations and further differentiate its offers in the marketplace.

This customer-centric, outside-in training enabled IT to demonstrate thought leadership and a new connection to the needs of the customer. The group experienced firsthand the tangible benefits of breaking down internal silos, optimizing internal process planning, and planning around the customer, a perspective that will remain with them no matter what the project. And in the long term, the business and IT created a new business strategy that served as a combined "North Star," a desired future state that both will work together to achieve.

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McorpCX is an independently recognized customer experience services and solutions leader, partnering with and guiding mid-market and Fortune 500 organizations since 2002. To drive experience-led business success in your company, visit www.mcorp.cx.