Craig Reid

Craig is known throughout the business world as "The Process Ninja" – he is a passionate advocate of business process management.

His talent for making things simple has resulted in a proven track record of saving organizations millions of dollars whilst simultaneously improving the customer experience.

Named as one of the top process bloggers in the world by both the Process Excellence Network and Processpedia, Craig's work has been featured on the BNet, Telstra, Flyingsolo, BPM Leader, PEX Network, iDatix and Orbus Websites as well as in the Herald-Sun Newspaper.

Contact Craig to discuss how he can improve your organization.

Companies that embrace a customer experience approach to business process have customers who are more loyal, spend more, and are more likely to recommend the company. [1]

This white paper provides an introduction to understanding how Business Process and the Customer Experience work together. It is intended to be used as a practical guide for Business / Process Analysts or managers to quickly understand the concepts of customer experience management, and how to improve business processes using 'outside-in' thinking.

In summary, the whitepaper details:

- What is the difference between the customer experience and the process

- Why a customer experience approach is critical

- How to improve the Customer Experience Management using the Customer Experience Management (CEM) Method

The Customer Experience and the Process – What's the Difference?

When we think about our organizational processes, it's often easy to become focused on what we do within the doors of our organizations – this is not the start and end of the process – the process starts and ends with our customers. In short, the process IS the customer experience.

Take the example of an airline; it would be easy to think of the process as enquiring about the trip, booking flights, travelling on the aircraft and collecting bags, but is that really the customer experience? No. The customer experience starts much earlier with planning the trip, picking the transport method, getting to the airport, and it ends much later; maybe at the hotel, or touring the city. The customer experience takes a wider view of the process. It forces us to stand in the customer's shoes and look at our organizations from the 'outside-in'.

Why a Customer Experience Approach is Critical

On paper, outside-in thinking sounds like a 'no brainer' and I'm sure you think you already do that, but if you aren't using an outside-in approach already, it's easy to miss the target! Outside-in is about systematically looking at the customer's experience from end-to-end, rather than trying to improve the customer's experience by altering internal processes - this is inside-out thinking. Inside-out thinking puts a band-aid on the effect, but it doesn't eliminate the cause - the wound still bleeds.

As organizations, we have become crippled by our internal processes. We've become so entwined in what we do day-to-day we've forgotten why we exist: to serve our customer, to give them what they need, to give them what they want, and sometimes to give them what they don't know they need yet! The customer is our reason for being, without them we cease to exist, yet through our bureaucracy and our bulk we become a bloated beast of burden - unable to move rapidly to meet the needs of the lightning fast pace of life around us.

When we use outside-in thinking to optimize processes, we achieve three things simultaneously: We reduce costs, improve the customer experience and, as a result, improve revenue. This is what we call the 'triple crown' of benefits.

Figure 1: The Customer Experience Management (CEM) Method

Using the CEM Method to Improve the Customer Experience

So, we've talked about what outside-in thinking is, but how does it actually work? One of the most popular methods for improving processes by thinking outside-in is called the Customer Experience Management (CEM) Method *(Figure 1)*.

1. Successful Customer Outcomes

Outside in thinking, fundamentally, is about aligning the way business is done with successful customer outcomes. That may sound simple but careful thought is required to specify what the real customer outcome is. Outside-in thinking takes an approach that focusses on the customer experience. In particular, to identify the Successful Customer Outcome (SCO) we need to ask some fundamental questions *(Figure 2)*.

The part that most organizations get wrong is that their definition of the customer experience is blinkered. The way that they have run their business and approached what they think their customers want has become immobile and inflexible.

Take two contrasting examples. British Airways struggles ahead, focussing only on selling seats on planes. They are stuck in the mentality that the process is simply from check-in to baggage collection. It's thinking from decades ago. They are going slowly bust because they are a dinosaur unable to be flexible enough to adapt, to learn and to align with what today's airline passengers actually want.

Meanwhile Ryanair are steaming ahead. They've looked at the customer experience and removed the blinkers. They've used

To define the successful customer outcome, think about what the customer's current expectations are (both good and bad), what the business can do to influence expectations, and what the customer really needs from the process.
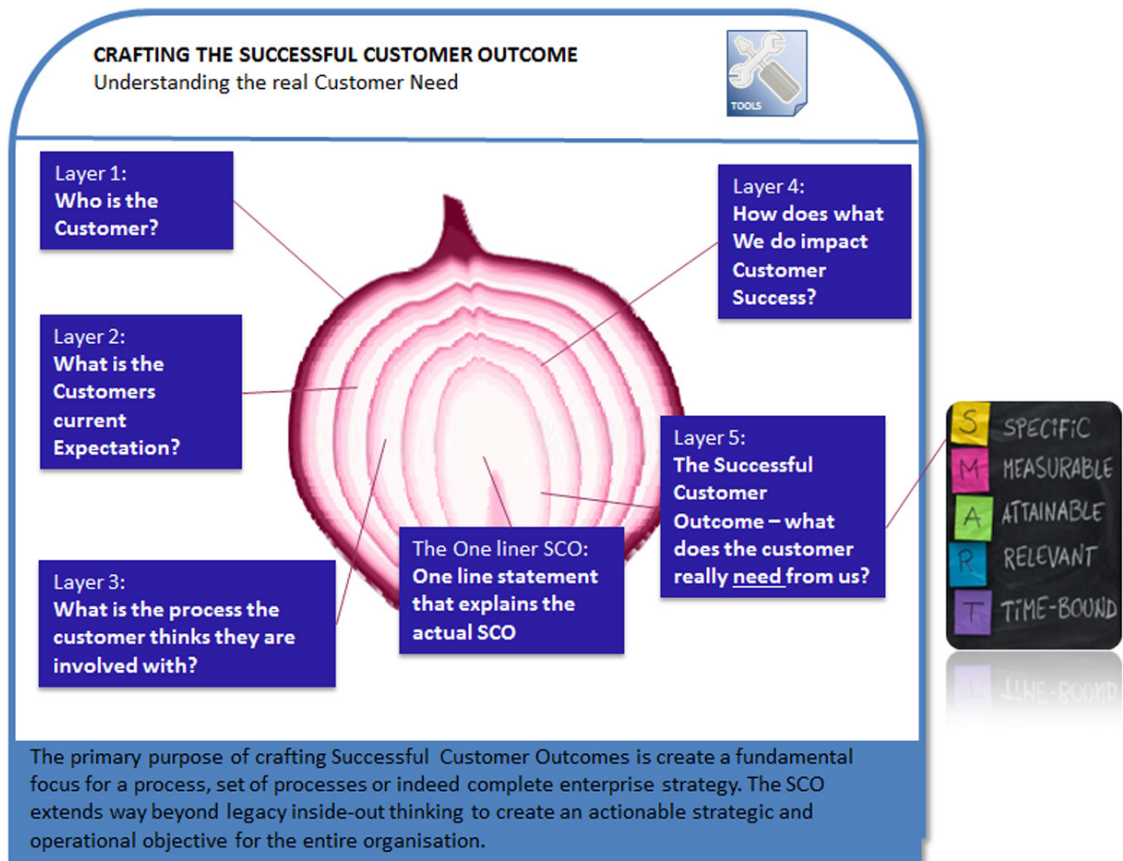
CRAFTING THE SUCCESSFUL CUSTOMER OUTCOME
Understanding the real Customer Need

Layer 1:
Who is the Customer?

Layer 2:
What is the Customers current Expectation?

Layer 3:
What is the process the customer thinks they are involved with?

Layer 4:
How does what We do impact Customer Success?

Layer 5:
The Successful Customer Outcome – what does the customer really _need_ from us?

The One liner SCO:
One line statement that explains the actual SCO

S SPECIFIC
M MEASURABLE
A ATTAINABLE
R RELEVANT
T TIME-BOUND

The primary purpose of crafting Successful Customer Outcomes is create a fundamental focus for a process, set of processes or indeed complete enterprise strategy. The SCO extends way beyond legacy inside-out thinking to create an actionable strategic and operational objective for the entire organisation.

Figure 2: Questions that should be asked to craft a successful customer outcome

outside-in thinking to think outside of the box; to give customers what they want, and to fulfil the successful customer outcomes. They don't see the process as simply check-in to baggage collection, they have seen the opportunities: e.g. online gambling, e-cigarettes and their latest innovation - removing check-in desks altogether.

So whilst traditional companies try to solve their problems by looking at their internal processes and improving them (with the misguided aim of improving their service to the customer), outside-in starts with the customer experience, and builds the internal business processes to support the customer alignment.

2. Process Diagnostics

Outside-in thinking is fundamentally about aligning processes with successful customer outcomes. Through workshops with little more than sticky-notes, brown paper and the front line staff in the room, we can start to radically change our thinking of organizational processes.

When we look at the customer experience we are looking for three key process diagnostics which help us to analyse the process in order to align it better with the customer experience:

Moments of Truth (MOT) are any interaction with the customer; for example, a customer to person interaction, or a customer to system interaction. These moments represent an opportunity in time in which to
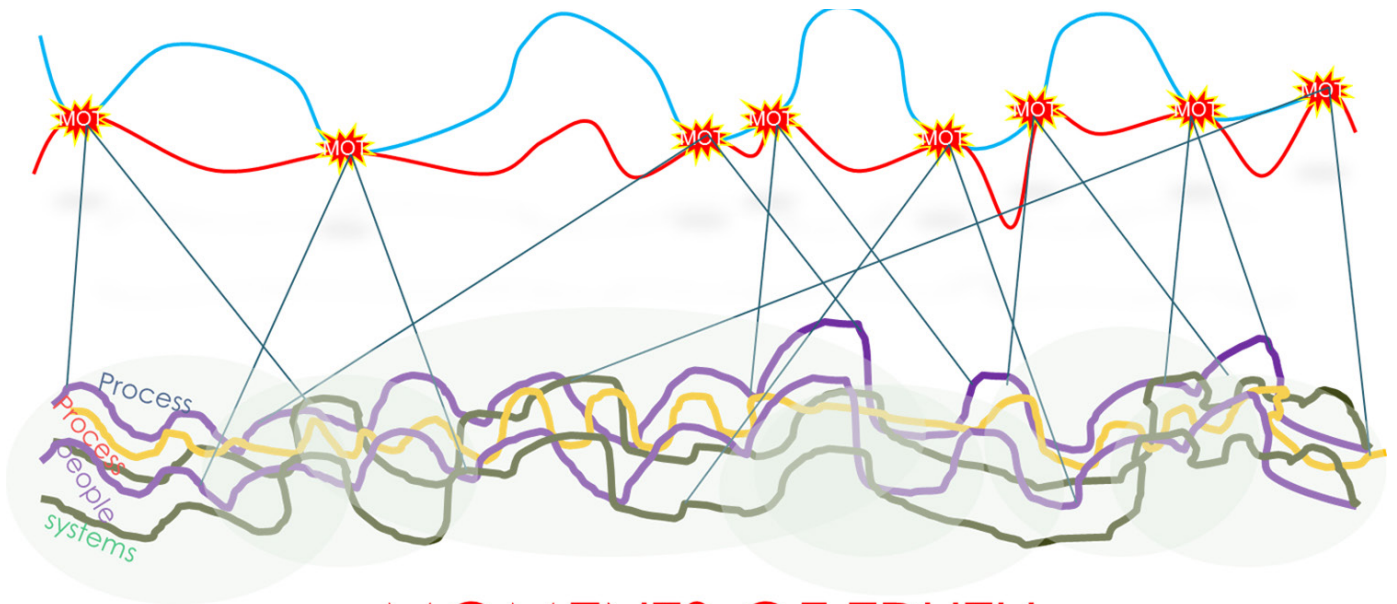
MOMENTS OF TRUTH
Create complexity, cost, wastefulness and failure

Figure 3: Moments of Truth

delight the customer or to fail! Moments of truth *(Figure 3)* should be eliminated where possible, and optimized where they have to exist.

Break points (BP) are any hand-off in the process. These represent potential points where the process could break down. For example, transferring a phone call, or sending an email. Breakpoints are often the causes of delays in the process.

Business Rules (BR) are any decision points or logic points in the process. These can add complexity, increase effort, and be potential points of failure. Think of business rules as points in the process where you 'must' follow a particular way of doing things. Business rules are highly prone to obsolescence, and need to be challenged!

When we map out each step of the process, we can start to identify where these three diagnostics occur. Any process step may contain one or more of these types of diagnostics, for example, see *Figure 4*.

Thinking about our process with all of its moments of truth, break points and business rules for a moment, it is easy to see how customer dissatisfaction can occur. You may
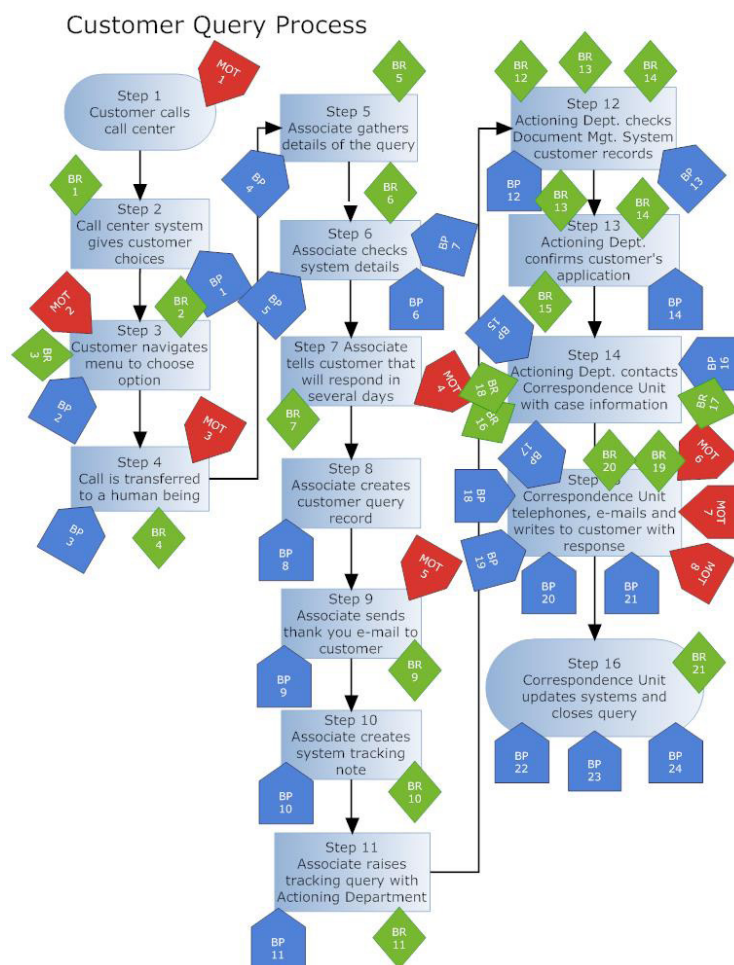

Figure 4: Process diagnostics within the customer query process.

think that having lots of moments of truth (i.e. customer interaction) might be a good thing, but think of it this way: if you had to call up a company to get some information, but each time you received the information it was inaccurate and had to call again, how long would it take to increase your dissatisfaction? What if instead, the company provided the information you wanted, along with extra information that had helped you further?

3. Improving the Process

So once the potential points of failure have been identified, we seek to improve our processes. But how to we do this? We need to:

1. Eliminate
2. Improve

Each moment of truth, break point or business rule represents an opportunity, but the more of them we have, the greater our chance of failure occurring; so, to reduce the potential for failure we should seek to eliminate as many MOTs as we can. Obviously, we can't get rid of all of them, but we need to ensure that those which remain are improved as far as possible, and that they are aligned to successful customer outcomes.

In order to easily recognize Moments of Truth, Breakpoints or Business Rules as part of your process, create different coloured labels on your process models for each, or add them as attributes within the process task using your modeling tool.

Conclusion

This paper has provided an introduction to the customer experience and how it differs from inside-out, 'industrial age' process thinking. It has outlined why a customer experience approach is critical in today's day and age and how organizations can get themselves thinking outside-in by using the Customer Experience Management (CEM) Method.

Key components of this method include aligning tasks within the process to successful customer outcomes by using process diagnostics (Moments of Truth, Break Points and Business Rules) to identify where tasks within the process can be eliminated or improved. This helps organizations achieve 'triple crown' benefits: reduced costs, improved revenue and an improved customer experience.

For further tips, tricks and educational material on business process improvement, please visit my process blog at www.theprocessninja.com

Further information on the CEM Method can be found at www.bpgroup.org

References

[1] Forrester "The State of Customer Experience 2010" (Bruce Temkin)

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