Engaging the Experience Economy

Visible Value®

Agenda

- Background
- The Experience Economy
- “Both And” Decision Making
- Case Studies
- New Trends in CX & EX
- Framework
- Q&A

Background

- Leadership bogged down
- Great ideas… no execution
- No consensus = no decisions or road blocks

Our Why

Help our clients achieve their full potential

Forging value through co-creation™

STRATEGY

ORGANIZATIONAL DEVELOPMENT

CLIENT & EMPLOYEE EXPERIENCE

INNOVATION CAPABILITY DEVELOPMENT

The Experience Economy

Your firm
here

BLOCKBUSTER

Kodak

BORDERS

TAXI
TAXI

91% of marketing leaders say their companies mostly or completely compete on the basis of CX...

Yet only 22% say their CX efforts have exceeded customer expectations. (Gartner)

Clients (internal & external) want a better experience with

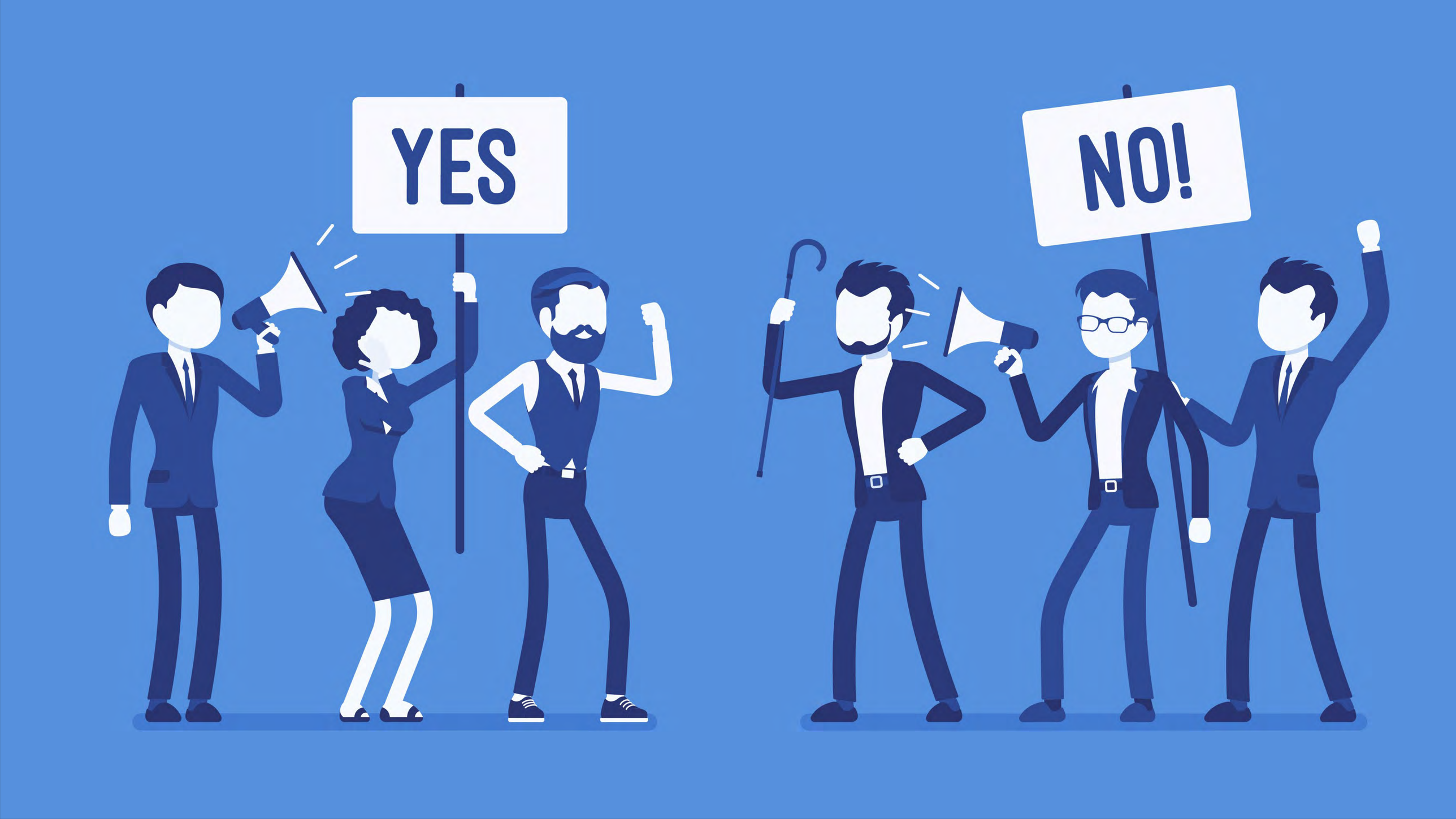
everything and everyone...

“Both And” Decision Making

GOOD
BAD

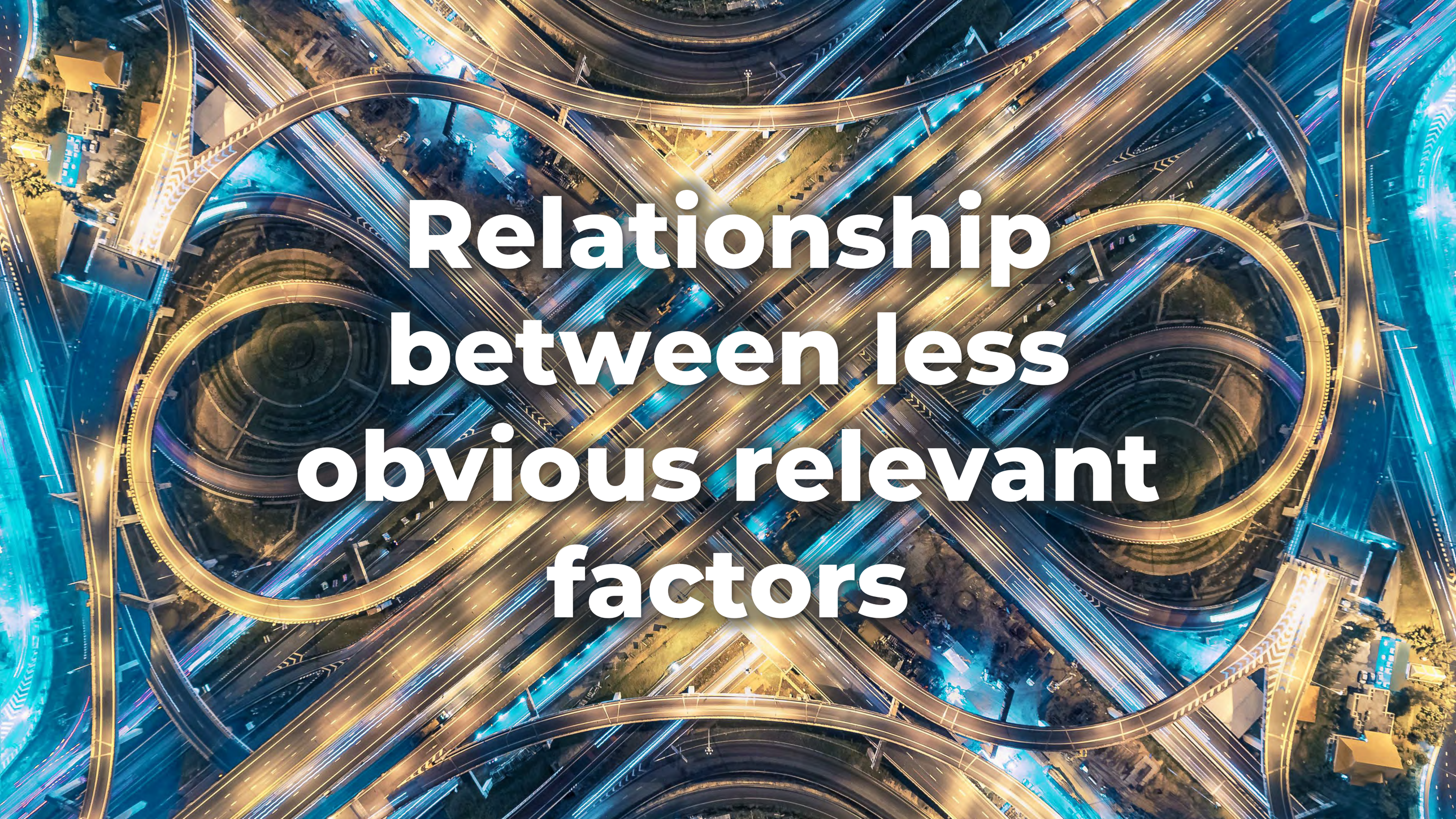
Lesser Evil
Evil

I should've considered...


YES
NO!

“Both And” Decision Making

TEAM
OGETHER
VERYONE
CHIEVES
ORE

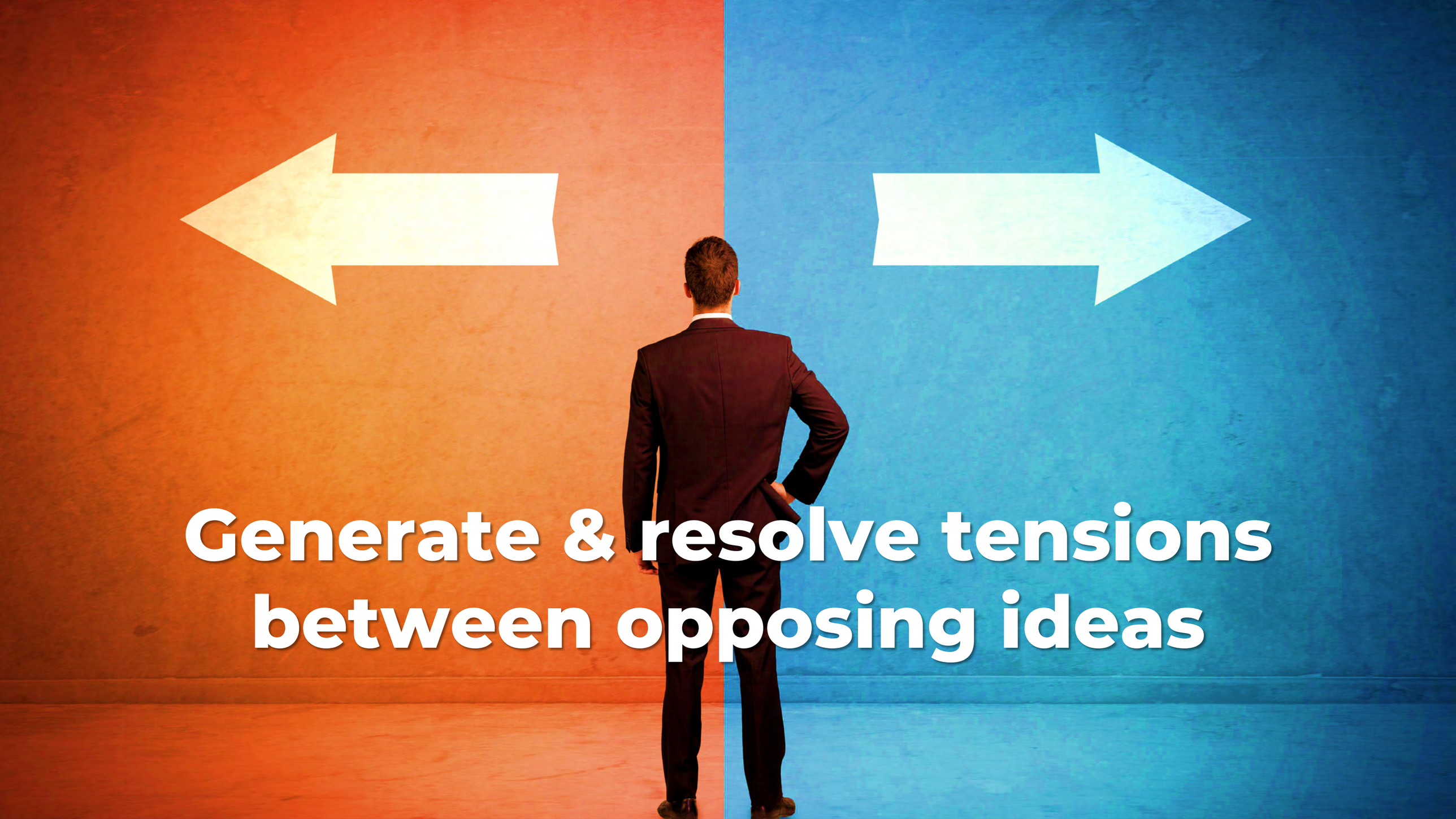


Relationship between less obvious relevant factors

Leverage feedback

Consider all parties & their motivations

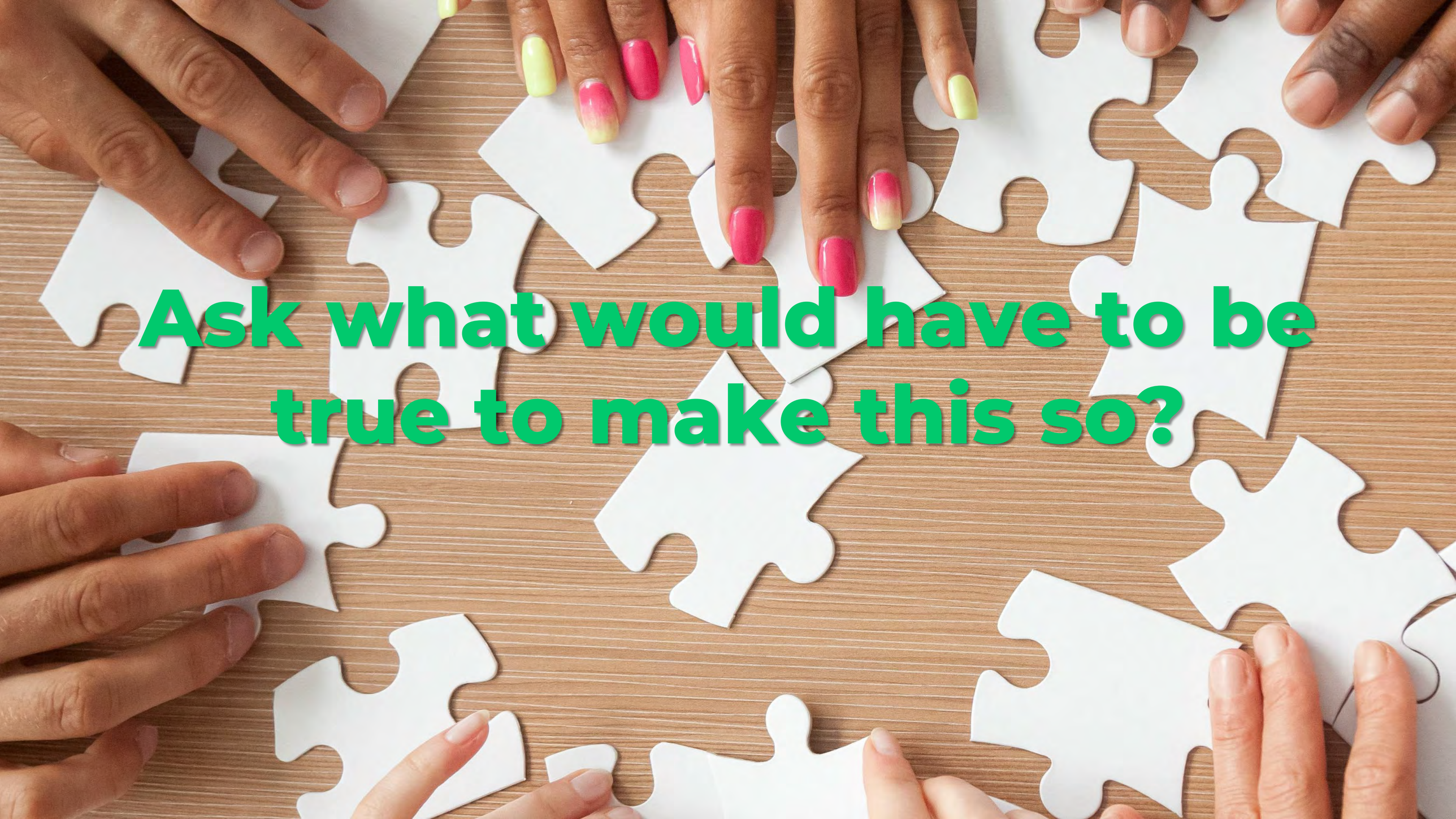
See how
decisions
fit together



Generate & resolve tensions between opposing ideas

Create innovative possibilities

Create innovative possibilities


Ask what would have to be
true to make this so?

Make the decisions

Action Plan, Champions, Metrics & Accountability

Execute!

“Both And”...

1. Consider relationships between less obvious but relevant factors
2. Leverage feedback
3. Consider all parties & their motivations
4. Consider the whole & see how decisions fit together
5. Generate & resolve tensions amongst opposing ideas

“Both And”...

6. Create innovative possibilities with empathy – put yourself in their shoes
7. Ask what would have to be true to make this so?
8. Make the decisions
9. Develop action plan and champions with clear metrics & accountability
10. Execute!

Case Studies

Bold Move #1: Strategic Goal

Improve profitability to 20% and be a leader in the region in both CX & EX (improve NPS to 72 & eNPS to 61)

- $20M civil engineering firm
- Net Profit 14% - decline from 23% in 2016
- Net Revenue - increase from $14M in 2016
- NPS 67
- eNPS 56
- Geographically focused organizational structure

Bold Move #1: Factors

1. Ensure consistent CX across offices
2. Improve EX, mentoring, and career advancement opportunities
3. Hold people accountable for CX & EX
4. Return focus to project profitability

Bold Move #1: Strategic Choices

1. Restructure the organization to improve CX, EX & profitability
   - Overcome mindset
   - Increase cross-functional & geographic coordination
   - Add ability to scale
   - Risk short-term losses
2. Make incremental improvements
   - Minimize short term investment
   - Risk further decreasing profit
   - Continue with structure not supportive of new strategies
   - Hinder ability to scale

Ideas?

Bold Move #1

- Restructured firm & changed mindset
- Client focused project delivery teams
  - Created Team Leader role
  - Team Leaders develop, grow, and maintain client relationships
  - PMs & others within team
  - Project Admins
  - Understand strengths & challenges
  - Relationships
  - Create consistent experiences
  - Tie performance incentives to profitability & desired behaviors

Bold Move #1: Results

Improve profitability to 20% and be a leader in the region in both CX & EX (improve NPS to 72 & eNPS to 61)

- Improved:
  - NPS – 74
  - eNPS – 66
  - Net Profit 24.5%
- Revenue continued to grow at 20%
- More effective mentoring & training
- Increased career development opportunities (new teams)
- Minimal disruption – no attrition

Bold Move #2: Strategic Goal

Improve profitability 5% and eNPS to 30 while maintaining NPS

- $59M environmental engineering firm
- Net Profit 13%
- NPS 59
- eNPS 26
- Discipline focused organizational structure

Bold Move #2: Factors

1. Projects with 32% of clients lose money or break even
2. Many of these with firm’s oldest clients
3. Poor employee morale and higher attrition working with these clients

Bold Move #2: Choices

1. Fire 32% of firm's clients
   - Risk bad PR
   - Risk potential layoffs or attrition
   - Significant revenue loss
   - Immediate increase in profitability
2. Rotate clients to different PMs again
   - Risk additional employee morale issues and attrition
   - Risk lower client satisfaction and loyalty overall

Ideas?

Bold Move #2

- Formed Strategic Partnership with small firm
- Transitioned 32% of clients
  - Held PM to PM transfer meetings with clients
  - Received discount from firm
- Leadership & PMs met will all other clients
- Messaged Strategic Partnership in media
- Won additional clients due to key focus
- Realized immediate increase in BD effectiveness, utilization & morale from PMs and other employees

Bold Move #2: Results

Improve profitability 5% and eNPS to 30 while maintaining NPS

- Improved:
  - NPS – 64
  - eNPS – 32
  - Net Profit 20% (7% increase)
- 1st quarter decreased revenue
- By YE surpassed previous revenue by $2.1M

Bold Move #3: Strategic Goal

Re-launch struggling CX & EX initiatives

- $367M IT consulting firm
- Net Profit 11%
- Stagnant revenue growth
- NPS 41
- eNPS 22
- Hybrid organizational structure

Bold Move #3: Factors

1. Lack of buy-in from six of firm's mid-level and senior leaders
   - Some of them were owners
   - Poor employee morale and higher attrition
   - Low client satisfaction and loyalty
2. Multiple new senior leader hires were unsuccessful
3. Wasted time, money & resources due to false starts
4. Decreasing belief in C-Suite as he became bottleneck

Bold Move #3: Choices

1. Fire six leader road blocks
    - Risk bad PR and potential law suits
    - Significant revenue loss if clients leave
    - Risk long-term employee attrition
2. Continue to try to get them to buy-in
    - Risk additional employee and client dissatisfaction & turnover

Ideas?

Bold Move #3

- Transitioned six leader road blocks into non-leadership roles
  - CEO established clear expectations
  - Ultimately, two were let go
- Promoted seven up & coming leaders
- Established clear roles, delegation, accountability & metrics
- Removed CEO bottleneck

Bold Move #3: Results

Re-launch struggling CX & EX initiatives

- Improved:
  - NPS – 49 (41)
  - eNPS – 34 (22)
  - Net Profit 15% (4% increase)
- Revenue growth improved to ~12% PY

New Trends in CX & EX

New Trends: CX

- A firm mindset (Amazon, Ritz Carlton, Nordstrom)
- Every interaction
- Must be a part of your Strategic Plan
- Can help you be “disruption proof” (client needs drive business transformation – not services or products)
- Balancing humans and automation (Drones could replace $127 billion worth of human labor and services across several industries over the next few years. Source: PWC) – how to reposition team members?

New Trends: EX

- A firm mindset (Amazon, Ritz Carlton, Nordstrom)
- Every interaction (before hiring to post exit)
- Must be a part of your Strategic Plan
- More firms listening to employee feedback (73% of large firms survey employees, only 45% of executives listen – Temkin Group)
- Younger generations driving how/where work “gets done”
- Adapt for Millennials & prepare for Gen Z – focus on hiring for culture fit

Common Themes

Framework

Jumpstart your "Both And" Decision Making

1. Identify your strategic goal.

2. What challenges are you facing?

3. Why? Challenge common answers.

4. What feedback have you received from whom?

5. Who else do you need to get feedback from?

6. How would you frame this as an opportunity to create the best outcomes for all stakeholders?

7. How would Google, Ritz Carlton, or Amazon approach your challenges?

8. What strategic choices do you have?

Visible Value®
Forging value through co-creation™

cstorrusten@visiblevalue.net | +1 919.533.2444 | visiblevalue.net
© 2019 Visible Value | All rights reserved.

Dive deep into "Both And" Decision Making

1. Gather your team and review #1-3 from the workshop. What less obvious but relevant factors should you consider?

2. Review #4 & 5. Collect additional feedback. What insights can we learn from various parties and what are their motivations?

3. Re-answer #6 & 7 based upon this new information.

4. Consider the whole picture and how decisions fit together.

5. Identify your new strategic choices.

6. Create innovative possibilities.

7. What would have to be true to make each of the above possible?

8. Identify decisions and champions, then execute.

TIP: Involve your team and champions in creating an action plan with clear metrics and accountability to gain buy-in and ensure successful execution!

Visible Value®
Forging value through co-creation™

cstorrusten@visiblevalue.net | +1 919.533.2444 | visiblevalue.net
© 2019 Visible Value | All rights reserved.

Insights & Ideas

Questions?

We invite you to explore how we can create encore experiences together

cstorrusten@visiblevalue.net | +1 919.533.2444 | visiblevalue.net