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WHAT DO WE MEAN?

Terms referenced in this report may mean different things to different readers. To promote common understanding, the definitions below help clarify several terms used in the report.

CUSTOMER EXPERIENCE:

The way in which customers interact with an organization. It includes interactions with people, processes, and products.

CX:

The strategy and initiatives that companies use and employ to improve the customer experience.

CX PROFESSIONAL:

The individuals who are responsible for developing and executing the CX strategy. These individuals focus on understanding customer needs and influencing decisions throughout the organization.

A FIRST-EVER LOOK AT THE CEO PERSPECTIVE

You have 30 minutes with your CEO, and the topic is customer experience. What might you expect to hear? What might your CEO expect to hear from you? What do you need to discuss or offer to get the CEO's attention? When it comes to customer-focused strategy, what is the view from the top?

These are just some of the questions we set out to answer in this groundbreaking report that takes a close, unique look at how CEOs of today's B-to-B companies view customer experience. The CEO perspective – knowing what's important to chief executives – is valuable intelligence to help CX professionals align their work with the strategies employed by the C-suite.

For more than a decade, we at Walker have counseled our clients that successful, results-oriented CX strategies thrive when the company's top executives claim buy-in and demonstrate active leadership and support. We've also shown that a results-oriented approach to customer experience leading to desired business outcomes is, according to our study, the way to establish credibility with the C-suite. In terms of the potential to leverage the customer experience to improve business performance and create competitive advantage, understanding what's on the minds of chief executives is essential to the task.

The findings in this report lay the groundwork for mutually beneficial collaboration between CEOs and CX professionals. The insights inform strategies for CX professionals to be more effective in engaging their CEOs and better equipped to align customer-focused strategies with business outcomes.

The CEO perspective on CX has the potential to challenge and change how we think about customer experience – revolutionizing our methods, authenticating our objectives and focusing our work to generate the competitive advantage that's so critical in business today.

AT A GLANCE

- Feedback from over 550 CEOs and 400 customer experience professionals was collected and analyzed.
- CEOs overwhelmingly say the customer experience is the most effective way to create a competitive advantage. Companies that are most effective reap the benefits – they grow significantly faster than the market.
- To deliver the competitive advantage that CEOs seek, CX professionals must focus on three things:
 - Align their efforts with the business outcomes CEOs want. CX professionals must connect the dots and show how CX initiatives result in concrete outcomes.
 - 2. Lead innovation, coupling customary break fix activities with breakthrough initiatives.
 - 3. Build an engaged customer-focused workforce by helping employees identify with the customer and have a voice in the customer experience.
- Companies that focus on customer-centric innovation and a customerfocused workforce solidly position themselves on the winning side of competitive advantage. It's the result we call The CX Dividend[™].
- CEOs must play an active role in breaking down three common barriers that threaten the overall CX strategy: Authority, Access, and Action.

A NEW PERSPECTIVE THE CEO VIEW OF CUSTOMER EXPERIENCE

UNCOVERING THE ADVANTAGE

In this study, we asked CEOs to rate the effectiveness of their company in leveraging the customer experience to gain an advantage in their industry. To determine the impact of customer experience, we compared CEOs who believe their companies are the most effective to the rest of the CEOs. The results show a clear advantage.

Operations, sales and support, finance, marketing, innovation, customer experience. In essence, chief executive officers oversee it all. If the view from the top is anything, it's far-reaching and global, requiring CEOs to employ strategic, big-picture thinking.

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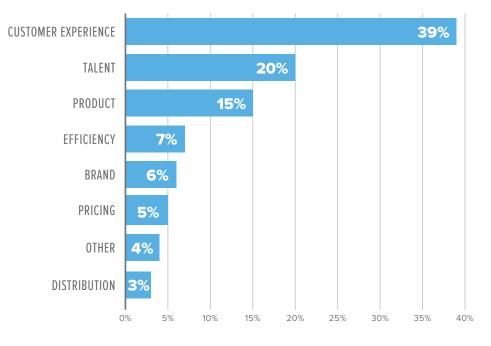
Results from our study suggest CEOs tend to see customer experience with a similar wide-angle lens. They're inclined to view it as a company-wide strategy that includes product and service innovation and people – aspects that are indeed part of the customer's overall experience.

In fact, most CEOs believe the most effective method for creating a competitive advantage is the customer experience.

CEOS SAY: CUSTOMER EXPERIENCE DIFFERENTIATES

When it comes to the value of customer experience, the news from the top is good. Chief executive officers of today's B-to-B organizations recognize the benefit of customer experience; overwhelmingly, they say it is the most effective way to differentiate.

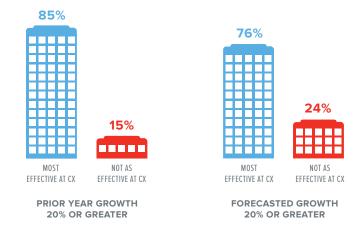
- Regardless of size, industry or growth rate, CEOs see customer experience as a method for creating a competitive advantage.
- They rate customer experience higher than other factors, including talent, product, efficiency, branding, pricing, and distribution.
- CEOs see CX as the comprehensive approach, creating greater differentiation than focusing on individual components, such as product, branding, and pricing.



WHAT IS YOUR MOST EFFECTIVE METHOD FOR CREATING A COMPETITIVE ADVANTAGE

THE MOST SUCCESSFUL COMPANIES USE CUSTOMER EXPERIENCE AS A DIFFERENTIATION STRATEGY

Companies that are most effective at leveraging the customer experience to create an advantage grow significantly faster than the market. They're also forecasting higher levels of growth. If this sheds light on the importance of customer experience to overall business success, then it's easy to see the value CX professionals bring to their organizations.



- Providing a superior customer experience creates a clear path to higher levels of growth.
- CEOs who see the customer experience as an effective differentiator and work to use it in a highly effective manner generate more growth.
- And, that growth appears to continue in future periods for the most effective companies.

CEOS DEFINE CUSTOMER EXPERIENCE: NOT PROGRAM, BUT STRATEGY

For many CX professionals, the definition of CX includes words like "program," "processes," "scores," "ratings," and "feedback." While all of these are common components of CX, today's CEOs have a different take. For these senior leaders, CX is more of a holistic strategy than a program. Customer experience, including the aspects of CX that relate to innovation and employee morale, is viewed by CEOs as an important strategy to compete more effectively.

COMPARING STRATEGIC INITIATIVES



- CEOs who primarily focus on innovating products and services are the most effective at leveraging the customer experience to create a competitive advantage.
- Those who are more likely to concentrate on employee morale, perhaps in support of the role engaged employees play in creating a customer- and service-oriented culture, are also the most effective at leveraging the customer experience to create an advantage.
- On the flip side, companies that focus on cost-cutting initiatives aren't as effective in leveraging CX to create a competitive advantage.

Innovation and people are two important levers in creating a differentiated customer experience.

During the 2016 Walker B-to-B Customer Experience Summit Marshall Cooper, CEO, Chief Executive Magazine, shared insights on what CEOs really think about day to day. Two of the items on the CEO agenda are talent and dealing with the pace of change.

CEOS OWN IT; AND THERE'S SHARED RESPONSIBILITY

CEOs who believe their companies are effective at leveraging customer experience also see themselves as being responsible for the customer experience. In fact, these CEOs say they own it – with one notable caveat. They also view functions across the enterprise as contributing to and being responsible for the customer experience. This CEO-driven concept of an enterprise-wide partnership supports the importance of a broad-based, cross-functional approach to managing the customer experience.



 Interestingly, CEOs who are most effective at customer experience indicate that ownership lies with them.

• They also recognize that ownership resides within other business functions.

TOP CEOS ARE PREPARING FOR THE FUTURE

CEOs leading companies that are the most effective at customer experience are concerned with issues that will matter most to customers. Walker's 2013 report, *Customers 2020*, offered a comprehensive preview of the future of B-to-B customer experience, outlining how changing customer expectations will re-prioritize and revolutionize the way businesses operate. According to Walker's research, by 2020, customers will dictate the relationship expecting a personalized experience, proactive engagement, and seamless interactions.

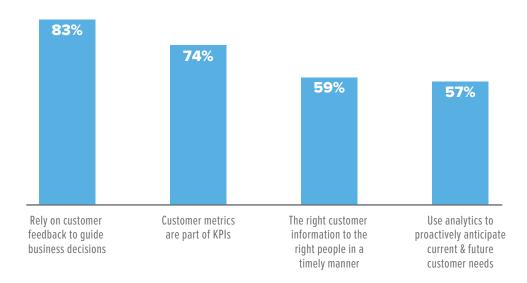
HIGH PERCENTAGE OF THOSE MOST EFFECTIVE AT CX AGREE THEIR COMPANY:



NOT SURPRISING, ACCORDING TO CEOS, COMPANIES THAT ARE MOST EFFECTIVE AT CX ARE ALIGNED WITH WALKER'S *CUSTOMERS 2020* STRATEGIES.

NEW METHODS TO BE MORE PROACTIVE

Customers want to do business with companies that are always one step ahead. Clearly, those who are effective at CX see this opportunity and are better prepared to meet customer expectations.



ACCESS AND ANALYTICS – CX OPPORTUNITIES

The graph represents the percent of CEOs who agree with each statement.

Predominantly, CEOs say their companies use customer feedback to help make business decisions, but this study suggests that more should 1) take advantage of analytics to proactively address customer needs, and 2) facilitate timely access to customer information. In fact, Walker believes all companies can benefit from this proactive strategy.

WHAT CX PROFESSIONALS MUST DO TO UNLEASH THE ADVANTAGE

If you gather a handful of CEOs in a room and ask them to voice one complaint, they're likely to say that too few people in their organizations think strategically. They want and need more people looking and thinking ahead for ways to gain competitive advantage. Today's CEOs value strategic thinking because in intensely competitive environments, it's strategy that often sets companies apart. For CX professionals to be both relevant to their CEOs and responsive to ever-changing market demands, they must make a deliberate transition from being simply responsible for customer listening programs to being the strategic architect of customer experiences that create differentiation, deliver tangible business results, and help the organization stay ahead of change. This shift in approach requires active leadership to fuel innovation of the customer experience and mobilize and motivate talent.

RECOGNIZING WHAT CEOS VALUE AND WHAT ULTIMATELY DRIVES COMPETITIVE ADVANTAGE, CX PROFESSIONALS MUST DO THREE THINGS:

1. ALIGN CUSTOMER INITIATIVES TO BUSINESS OUTCOMES

The benefits of CX can't be a long-term leap of faith. With a clear understanding of business objectives and armed with a CX strategy to meet them, CX professionals must show how their efforts impact business outcomes.

2. LEAD CUSTOMER EXPERIENCE INNOVATION

Innovation is not just about product. To produce differentiated experiences, CX professionals need to identify and engage in innovation that centers on how customers interact with the organization – including interactions with its people, processes, products and services, and technologies.

3. BUILD AN ENGAGED CUSTOMER-FOCUSED WORKFORCE

From inside out and outside In – CX professionals can impact the customer experience by helping employees throughout the organization walk a mile in the customer's shoes and have a voice in the customer experience.

ALIGN TO BUSINESS OUTCOMES – CUSTOMER EXPERIENCE CAN'T BE A LEAP OF FAITH (FOREVER)

While CEOs are willing to take a small leap of faith when it comes to realizing the impact of CX, they will ultimately want to see the connection between CX strategies and business outcomes. Aligning CX initiatives with desired business outcomes must be part of the CX professional's plan. It's also equally important for CX professionals to connect the dots and show how CX initiatives result in the concrete business objectives CEOs seek.



THE CX DISCONNECT

WHAT WE HEARD:

We asked CX professionals what top outcomes CEOs expect from the CX strategy. Their response: competitive advantage and financial impact on the business. We asked the same CX professionals what items they are focused on and presented the same list. Interestingly, CX professionals aren't focused on the items CEOs expect.

WALKER'S TAKE:

While the areas that CX professionals are focused on could lead to the results CEOs expect, it's essential that CX professionals have a clear understanding of the outcomes they are trying to create. Without clear focus on creating competitive advantage and business impact, the CX strategy won't make it on the CEO agenda. And, worse yet, it may not lead to the desired outcomes.

GOOD WILL NEVER BE GOOD ENOUGH



We asked CX professionals to describe the impact their program is having on the business. Virtually everyone (97%) said their program has some degree of impact on the business.

However, when asked how well their company leverages customer experience, few (22%) felt they were "very effective."



Worse yet, they rated their competitors about the same!

BOTTOM LINE: LOST ADVANTAGE.

If companies are equally as effective as the competition, is there really an advantage?



When we focused only on those companies who generate "substantial impact" they were more positive – two-thirds said their company is "very effective" at leveraging CX.



What's more, they rated their competitors much lower.

BOTTOM LINE: ADVANTAGE ACHIEVED.

Those that deliver substantial impact attain an advantage over their competitors.

To be successful in today's business environment, companies need an edge — an advantage over the competition. So, what role does CX play when it comes to creating competitive advantage? That depends on how effectively you design the customer experience to align with the business outcomes your company is attempting to achieve. It's clear from our study that having "some" impact won't separate you from the pack. At best, you're just keeping pace with everyone else. However, companies creating "substantial" business impact are much more likely than their competitors to create a competitive advantage.



THE WALKER IMPACT CHAIN™

It's fair to acknowledge that connecting CX to business outcomes and competitive advantage is no easy task. Today's CX professionals face a bevy of obstacles in their quest to tie their work to the key business measures companies use to define success. While legitimate barriers exist, it's vitally important for CX professionals to have a framework or formula to get the process started.

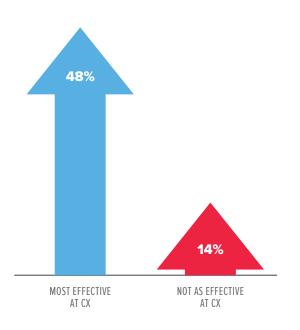
The Walker Impact Chain[™] illustrates the six activities – or "links" – required to show the benefits and impact of CX programs. For the chain to be functional, every link is necessary, and no link can be weak or broken.

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COMPARING THE CULTURAL INFLUENCE OF INNOVATION

CEOs of the most effective companies are far more likely to use the influence of innovation.



WHAT WE HEARD:

We asked CEOs which groups of employees have the greatest cultural influence within their companies. They selected between four groups: 1) those who design/develop new products and services; 2) those in operations or who produce core products and services; 3) those who directly serve customers or manage existing customer relationships; and 4) those in a sales or business development role. We found CEOs who are the most effective at leveraging the customer experience to create a competitive advantage give greatest cultural influence to those who design and develop new products and services.

WALKER'S TAKE:

CEOs see innovation as both a component of the customer experience and necessary to business success. For CX professionals to be relevant to company leaders and aligned with strategic business objectives, they must lead the innovation of the customer experience.

BREAK FIX AND BREAKTHROUGH – RETHINKING WHAT CX PROFESSIONALS DO

While there is value in improving the way customers interact with businesses today, CX professionals must couple customary break fix activities with the real breakthrough initiatives that characterize innovation. Advancing innovation requires CX professionals to think differently about what they do and the methods they employ. Gathering the same feedback from the same customers using the same surveys won't create differentiated experiences. CX professionals must begin to rethink current practices in order to innovate.

WALKER'S APPROACH TO CREATING DIFFERENTIATED EXPERIENCES BRINGS TOGETHER SOME OF THE TRADITIONAL CX ELEMENTS SUCH AS CUSTOMER INTELLIGENCE AND VALIDATION, AND COMBINES THEM WITH DESIGN THINKING AND BRAND ALIGNMENT. IT'S A COMPREHENSIVE APPROACH TO HELPING COMPANIES CREATE BREAKTHROUGH CUSTOMER EXPERIENCES.

With oversight of the end-to-end customer experience, it's natural for CX professionals to identify the "what," "where" and "why" – marking those experiential touchpoints ripe for innovation. They'll work with operational experts within the business to determine the "how" and to deliver appropriate solutions.

LEADING INNOVATION: THE CX PROFESSIONAL'S ROLE

When it comes to innovating the customer experience, CX professionals serve as the customer's proxy, identifying ways the experience can be improved and translating that opportunity into the language of the CEO and other business leaders.

EMBRACE THE INNOVATION PROCESS.

Innovation requires CX professionals to step outside their comfort zone. Creating breakthrough experiences deepens the understanding of what customers are trying to achieve. Discovery, validation, idea generation, and mapping are components of an approach aimed at providing the information and insights needed to design ideal customer experiences.

BUILD STRATEGIC RELATIONSHIPS.

Building personal connections with people in key departments – sales, service, product, marketing, and human resources – makes innovationdriven vision become reality. Becoming truly engaged in the business, CX professionals create relationships with people across the enterprise to forge the alliances needed to get the job done. The relationship encompasses more than delivering customer intelligence. It must create mutual value for all parties.

CREATE A CLEAR VISION.

"We're going to be the leader in CX." While that sounds great, general "visionary" statements like this won't encourage innovative thinking, promote results-oriented planning, or provide direction for meaningful action. Creating a specific and well-defined vision of the customer journey – something's that's seen clearly in the mind's eye – is the first step in developing a differentiated experience.

MAP THE IDEAL JOURNEY.

Journey mapping is a helpful exercise for identifying real moments of truth – the interactions that are most critical to the customer. Modifying the approach to explore and probe "the ideal experience" and including prospective, as well as current customers, is a way to determine specifically where and how to incorporate differentiation into key customer interactions. It's important not to lose sight of what the customer is trying to accomplish and focus efforts in those areas.

OBTAIN MARKET-BASED INTELLIGENCE.

Opportunities to innovate often result from uncovering new insights. Companies tend to rely heavily on relationship-based feedback, but win/loss assessments and other market-focused programs generate valuable insights from won/lost customers and those close to the decision-making process. Illuminating differences between you and your competitors not only helps pinpoint why you get the business, but also informs potential avenues for differentiation and innovation.







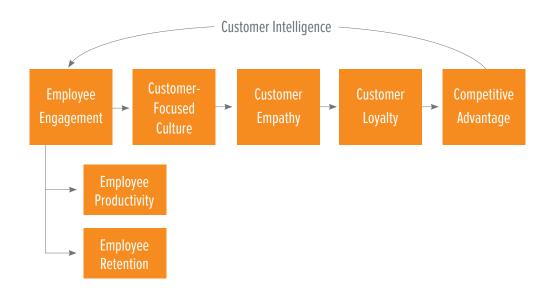


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BUILD AN ENGAGED CUSTOMER-FOCUSED WORKFORCE — FROM THE INSIDE OUT AND OUTSIDE IN

While today's CEOs see customer experience as the most important factor in creating a competitive advantage, chief executives also place significant value on the contributions of people. Talent is a strategic focus not only for companies that are effective at CX, but for CEOs concerned with building an advantage. As such, activities like attracting and retaining the right people and engaging employees have become increasingly important to CEOs.

If talent is on the chief executive's mind, and workforce contributes to competitive advantage, what role can CX professionals play in areas like talent management and engagement? In the purest sense, CX isn't a human resources function, but that doesn't mean CX professionals shouldn't be involved. In fact, they can be a valuable resource in helping employees across the organization identify with customers.



WALKER ENGAGEMENT FRAMEWORK™

FROM COMMUNICATOR TO CATALYST

In our work, we've guided companies to share customer insights, stories, and trainings to create a customer-focused culture. While this is important, we see the need for CX professionals to shift their focus from communicator to catalyst – being a force for change by first helping employees understand and truly feel what it's like to be a customer.

The first goal for CX professionals is to change the way employees throughout the organization "see" the customer. This results in a deep, pervasive understanding of how their individual roles relate to and impact the customer. Developing this line of sight begins with the CX professional – how he or she talks about the customer and particularly, the questions the CX professional asks, formally in meetings or work groups, and informally in the hallway or over lunch. Instead of "we need to think about our customers this way," the customer experience "catalyst" might ask: "how is this new ordering system going to look to customers?" or "how would you describe this product feature to customers?"

"The best way for companies to manage a massive customer experience ecosystem is to make it a self-governing system. Every employee should see the world from the customer's perspective so viscerally and acutely in their day-to-day activities that it can't help but influence their decisions. Thinking through the implications of an action on CX becomes an automatic habit, something people do whether a formal process calls for it or not."

Megan Burns

Customer & Employee Experience Expert

ENABLING CUSTOMER-CENTRIC AWARENESS

Unlike implementing prescribed steps in a CX program, this type of enablement requires perseverance, foresight and intentional, daily effort. It's a challenge long term because there's no "to do" list, and the change is incremental. However, once this keen awareness of the customer is established, it becomes a permanent fixture with the power to influence decision-making and create customer-focused energy.

In tandem with helping to forge this line of sight, CX professionals must move beyond communicator of feedback and recommendations to a catalyst for change and customer experience innovation. With their knowledge of the customer perspective, CX professionals are uniquely suited to initiate and facilitate the collaboration that's required to develop a workable "structure for action." While devising such a framework is challenging due to conflicting viewpoints and competing issues, change can't happen unless a process is developed and people are held accountable for action.

EMPLOYING A STRATEGY: EMPLOYEE AND CUSTOMER ALIGNMENT

Thriving in competitive industries is a challenge for many workers. With continued pressure to perform and do more with less, employees have a real desire to be valued – by managers, co-workers and even customers. If feeling valued contributes to retention engines like engagement and job satisfaction, what are the benefits of showing employees the effect they have on customers?

Employee and customer alignment is one way to identify how employee perceptions are tied to customer perceptions with the goal of illustrating the impact employees have on customers, and ultimately, on key business metrics like customer retention, revenue growth, and market share expansion. These analyses can also be a helpful starting point for CX professionals in determining how and where to provide resources and offer assistance in areas impacting employee engagement.



Reflecting data from a services organization, the graph shows alignment between customer loyalty and employee engagement. As employee engagement increases, loyalty follows a similar pattern.

Aligning employee and customer insights helps companies see the relationship between company culture and the customer experience. It's a tool companies use to pinpoint areas of opportunity and prioritize improvement initiatives.

WALKER'S APPROACH TO EMPLOYEE AND CUSTOMER ALIGNMENT IS AGILE – RECOGNIZING THAT ALL COMPANIES ARE UNIQUE AND DYNAMIC. IT IDENTIFIES ORGANIZATIONAL HIGH POINTS AND CATEGORIZES PRIORITY AREAS.

In addition to catalyzing change and introducing targeted employee and customer alignment studies, CX professionals can influence and impact employee engagement in other ways. Here are a few ways CX professionals can work with functional areas to enhance employee engagement.

IDENTIFY TARGETS OF INFLUENCE

Because talent management isn't normally on the CX professional's radar, probing to find targets of potential influence, building strategic relationships, and collaborating with employee-related functions are important and can help create an organization-wide shift in culture.

LEVERAGE CUSTOMER-FOCUSED CULTURE ASSESSMENT

Understanding what employees know, understand and think about customers is often the first step in determining how and where CX professionals can create the most impact. Using employee feedback, observation, interviews and other methods, customer experience professionals can assess just how customer focused – or not – their employees really are.

SUPPORT RECRUITMENT AND HIRING

Attracting and retaining qualified people in organizations that value the customer and embrace the customer experience are easier when the match is right from the start. With knowledge of customer needs and what the company is trying to accomplish, CX professionals are in a unique position to help hiring and recruiting professionals develop a list of characteristics and attributes to look for when hiring employees. If associates are selected with customer focus as part of the criteria, they're more likely to thrive and contribute to the organization in ways that help create an advantage.

GET INVOLVED IN ONBOARDING

Introducing the customer experience to new hires sets the stage for future opportunities to cultivate a customer-focused culture across the organization. As the face of the company's CX strategy, CX professionals seize an opportunity to define this culture when they engage in onboarding activities, such as new employee orientation. Describing to new hires how the company's culture, strategy, and customer-focused purpose create value for its primary stakeholders – customers, employees, shareholders, and partners – is an essential way CX professionals can impact employee engagement.

ORGANIZE MENTORING AND TRAINING

Companies find that mentoring programs are an effective way to improve skills, build employee loyalty and boost morale. Mentoring can also be an effective way to expose employees to customer-centric ways of doing business on a one-to-one level. Pairing veteran employees who have a strong understanding of customer needs with newer employees can help bring customer focus to day-to-day responsibilities. Training is another area where CX professionals can collaborate with HR and other functional areas. Finding ways to supplement existing training with the customer journey map enhances connections between employees and customers, helping associates feel as if they are part of something significant that extends beyond their job.

IDENTIFY REWARDS, RECOGNITION, AND EVEN INTERVENTION

Every associate likes to feel valued. When actions result in improvements to the customer experience, CX professionals are in a position to nominate employees for awards, share recognition with supervisors and find other ways to highlight and recognize good work that benefits customers. This visible recognition also reinforces the company's commitment to its primary stakeholders, especially its commitment to customers and employees. On the flip-side, CX professionals can identify rogue employee behaviors that need intervention. Helping the organization deal with employees that aren't aligned with the customer strategy is another responsibility of the CX professional.

PROMOTE COMMUNICATION

Whether through employee newsletters, intranets, or posters and visuals inside the workplace, CX professionals can work with those responsible for company communications and internal marketing to ensure customer focus is part of the messaging. This helps promote enterprise-wise solidarity, inspire new ways of thinking and engage associates "beyond the numbers."



REVERSE MENTORING

Companies can have customerfacing employees mentor business leaders, product owners, and back-office personnel helping them experience what it's like to serve customers each day.





THE PAYOFF FROM A STRONG FOCUS ON INNOVATION AND TALENT: THE CX DIVIDEND™

Today's CEOs know and understand that innovation and talent are key to delivering the things that matter most to customers. In fact, companies that place customer-centric innovation and a customer-focused workforce among their highest priorities can solidly position themselves on the winning side of competitive advantage. It's the result we call The CX Dividend. Companies that gain the advantage by focusing on the customer achieve the business outcomes necessary to reinvest in those things – innovation and people – that allow them to leverage that advantage well into the future.

"In a highly competitive and increasingly commoditized business environment, CEOs are focused on ways to create a sustainable advantage by delivering exceptional customer experiences. The spotlight is on CX, elevating the role to a strategic function of the business. To be rewarded with a sustainable advantage, CX professionals must lead customer experience innovation and build an engaged customer-focused workforce."

Steve Walker, CEO of Walker Information

THE CX DIVIDEND™

INVEST

Company invests to develop a customerfocused workforce and innovate the experience they deliver to customers

COMPANY PROTECTS THEIR ADVANTAGE BY REINVESTING

IMPROVE

Company improves the experience they deliver to customers, distancing themselves from their competitors

PAYOFF

Company achieves a sustainable competitive advantage and tangible business results

A MESSAGE FOR CEOS BREAKING DOWN BARRIERS: HOW CEOS CAN LEVERAGE THE CUSTOMER EXPERIENCE TO CREATE A SUSTAINABLE ADVANTAGE

This section of the report offers a preview of the third installment in the "The CEO View of CX" series targeted to chief executives.

Today's CEOs say customer experience is the most effective way to differentiate, yet in far too many companies the full impact and potential of CX are never realized. While a variety of factors may contribute, this is in large part due to barriers inherent in complex B-to-B organizations. In our work with CX professionals, we've identified three common barriers most likely to stall progress and threaten overall CX strategy.

1. AUTHORITY

In many organizations, CX professionals don't have direct responsibility for resources. They have to rely on their influence to get attention and then hope for success. This lack of authority extends to people, resources and the budgets necessary to drive customer-focused improvement initiatives.

2. ACCESS

The customer experience spans many organizational functions, levels, and geographies, but too often the CX professional has limited access and exposure to the resources and is ultimately limited by the organizational structure. In attempts to work across silos, some departments may cooperate; others won't, derailing CX improvements that require collaboration. Similarly, access to data is also a challenge. Without resources, relationships, and customer intelligence, CX professionals are forced to do the best they can, restricting their ability to drive substantial impact for the business.

3. ACTION AND ACCOUNTABILITY

CX professionals can no longer afford to simply provide recommendations to the business. It simply isn't enough in markets where competitive differentiation across products, services, and experiences reigns. CX professionals must stay front and center until the experience is improved from the customer perspective. Without CX's continued involvement, the effect of customer experience efforts is unclear and unsubstantiated, impacting the long-term viability of CX programs.

CX PRO AND CEO: PROMOTING ACTIVE LEADERSHIP

Finding viable ways to break down these barriers is best accomplished through a partnership – grounded in active leadership on both sides – between CX professional and CEO. In "The CEO View of CX" report for CX professionals, we provided recommendations for how those responsible for CX can help create competitive advantage by exhibiting more leadership in areas that have potential to elevate customer experience. Ultimately, this requires a commitment to confront the barriers of authority, access, action and accountability that exist today.

"We start every one of our weekly executive management committee meetings by going around the table and asking 'What happened in your area that caused us customer impact this week?' We don't wait until the end of the meeting if we have time; it's first thing."

Kessel Stelling

Chairman of Synovus Financial, from "Imperatives for Optimizing the Customer Experience," Chief Executive, October 2016



CEOs, as the ultimate owner of customer experience, also have a role. As part of our research, we asked CX professionals a series of questions designed to assess how their CEOs' commitment to the customer experience is revealed through their behaviors.

We then identified companies that recently experienced double-digit growth and compared them to those with little or no growth. Finally, we zeroed in on a list of seven key behaviors that are more common in CEOs who lead higher-growth firms. This list excludes traits that we view as minimum expectations – such as the desire to understand the customer perspective and knowledge of strategic customers – which are necessary for all CEOs regardless of revenue growth.

Every behavior we've identified is rooted in active participation and leadership by CEOs with a strong commitment to customers and improving the customer experience. They are also, in our view, concrete ways CEOs can help break down barriers that thwart CX progress.

1. USE INSIGHTS STRATEGICALLY

For CEOs, customer intelligence drives decision-making at key foundational levels – informing decisions including organizational structure, business model transformation, how the company goes to market, and where and how they'll innovate and invest. Fundamentally, customer-focused CEOs use customer insights broadly in ways that make a real difference for their customers, and by extension, their business.



2. SET ASIDE SHORT-TERM FINANCIAL GAIN

More often than not, CEOs who are focused on customers are willing to set aside short-term financial gain for the longer-term benefit to customers. Knowing that positive, sustainable results won't happen overnight, these leaders demonstrate patience and resist the urge to change course midstream.



3. BELIEVE THE BROADER CUSTOMER STORY

While CEOs are most likely to interact with a handful of top customers, these leaders know the full, true story is rarely anecdotal. Consequently, with objectivity and an open mind, they engage across the customer base, digging deeper to identify common issues, trends, and needs.

4. COORDINATE ACROSS SILOS

CEOs play the ultimate role in creating and sustaining an environment in which collaboration among functional areas is encouraged – and even expected. Encouraging cross-functional collaboration, especially around customer-related issues, is an effective method to break down silos.

5. ENCOURAGE EMPATHY FOR CUSTOMERS

When chief executives are focused on customers, they work to establish a culture that prioritizes the customer experience and puts customer needs first. CEOs cultivate empathy for customers among employees, which in turn motivates associates to be customer centric.

6. REQUEST INFORMATION, ADVICE

CEOs value customer insights, and those who are the most customer focused, proactively seek it out. Whether in conversations with customers or in meetings with their executive leadership team, these CEOs are regularly requesting information, asking questions, or seeking advice about how to improve customer relationships.

7. MAKE THE CALL ON RESOURCES

If CEOs value the customer and can see how customer experience strategies have business impact, they'll commit the resources necessary to develop and implement a customer experience that is proactive, personalized, and seamless.

"I went into a company that had very bad customer experience and the executive team had to substantially change systems, processes, and really just behavior in the field to change that customer experience. Today, we're viewed as one of the best in the industry."

Paul Greig CEO of FirstMerit, from "Imperatives for Optimizing the Customer Experience," Chief Executive, October 2016









OUR SINCERE THANKS TO THOSE WHO CONTRIBUTED



Chief Executive Magazine helps CEOs do their jobs better by providing real-world practices, insightful analysis, and meaningful peer interactions. They work with the most famous CEOs in the world who trust them to tell their stories, share their experiences, and inspire other business leaders. For more information, visit www. chiefexecutive.net.

CXPA

The Customer Experience Professionals Association is a global, non-profit organization dedicated to the advancement and cultivation of the Customer Experience profession. The CXPA increases the impact and visibility of CX professionals, facilitates member-to-member sharing, and establishes respected standards in the industry. For more information, visit www.cxpa.org.



CustomerThink is a global online community of business leaders striving to create profitable customer-centric enterprises. Main areas of coverage nclude Customer Relationship Management, Customer Experience Management, and Social Business. This is the place to learn about every facet of customer-centric business management. For more information, visit www.customerthink.com.

ABOUT THE STUDY

The CEO View of CX study was conducted by Walker Information to explore what CEOs think about CX and to understand what CX professionals think of their CEOs' role in CX. Contributors include Chief Executive Magazine, Customer Experience Professionals Association, and CustomerThink. Walker maintains sole responsibility for the research and the recommendations. Walker executed the information-gathering activities, conducted the analysis, and wrote the report. The findings and views expressed in the report are Walker's and do not necessarily reflect the views of the other contributors.

OUR RESEARCH IS REFLECTIVE OF TWO AUDIENCES:

THE CEO PERSPECTIVE:

Walker interviewed dozens of CEOs to capture their thoughts and perspectives on customer experience. Following this qualitative approach, Walker partnered with Chief Executive magazine to collect relevant feedback from over 550 CEOs. We enhanced the research with an in-depth survey that was completed by over 90 CEOs from companies with annual revenues greater than \$50 million, representing primarily business-to-business industries. The initial findings were distributed and discussed among 13 CEOs in a CEO roundtable at the CEO of the Year Awards Ceremony, sponsored by Chief Executive Magazine.

THE CX PERSPECTIVE:

Initial findings from the CEO research were shared at Walker's B-to-B CX Summit in Spring 2016. CX professionals weighed in on the conversation, sharing insight about their CEOs' involvement in customer experience and topics that they'd like to explore with CEOs. This input was used in conjunction with the preliminary CEO research to design the roundtable discussion topics mentioned above. Following the CEO roundtable, Walker developed an in-depth survey and gathered feedback from over 400 CX professionals. We shared the preliminary findings in a webcast on CX Day and discussed implications with chief customer officers Karen Quintos of Dell Technologies, Natalie Schneider of Anthem, and Kevin O'Came of CA Technologies.

ABOUT WALKER

The CEO View of CX is the latest special report published by Walker to provide thought-provoking insights and groundbreaking research to customer-focused executives and CX professionals.

However, we do much more than publish reports.

Walker helps today's B-to-B companies to build and maintain a competitive advantage by delivering an exceptional customer experience. Our team of senior customer experience consultants average more than 20 years of experience and they deliver a wide range of services to help our clients succeed. And it works – Walker clients outperform the market by more than six to one!

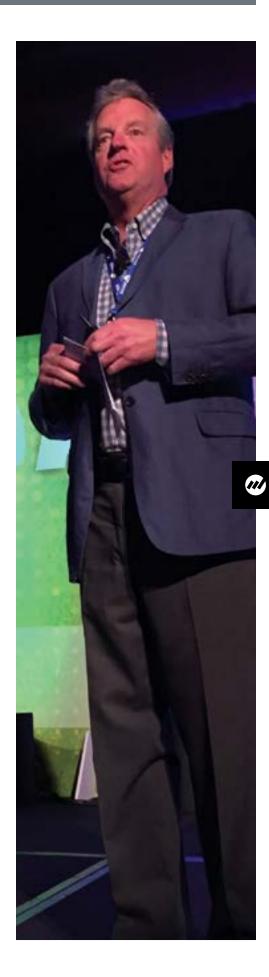
Whether you are just beginning your CX journey or you are looking to enhance your existing programs, consider adding Walker to your team.

WALKER CX SOLUTIONS AND SERVICES

No two companies are alike so we collaborate with each client to understand their objectives and deliver just the right services to help them achieve success. Our most common services include:

- Customer experience assessments resulting in a practical strategic CX roadmap.
- Journey mapping services to identify problem areas and design breakthrough customer experiences.
- Collection and advanced analysis of a wide range of customer intelligence.
- A full range of technology services to manage customer data and integrate with existing systems.
- Action planning services to engage employees and prompt change across the organization.
- Education and training services to engage employees and foster a customer-focused culture.

Learn more about Walker at www.walkerinfo.com.



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WALKER B-TO-B CX SUMMIT

The industry's only conference focused on the latest and best customer experience strategies for B-to-B companies. We feature powerful keynote presentations, engaging workshops, and valuable networking all aimed at sharing best practices to improve the way companies drive business success. Learn more at www.walkercxsummit.com.

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We produce a popular series of monthly 30-minute webcasts on a variety of customer experience topics. Each webcast is hosted by Walker's thought leaders. Learn more at www.walkerinfo.com/ knowledge-center/webcasts.asp.

KEYNOTE PRESENTATIONS

Walker's thought leaders deliver excellent keynote presentations on a wide range of customer experience topics. Consider bringing a Walker executive to your next big event.

CUSTOM WORKSHOPS

Walker conducts dozens of workshops for leading companies. Whether you're considering a session of two hours or two days, consider hiring the experts at Walker to help plan and execute your next customer experience workshop.

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