"SUCCESS IS 20% SKILLS AND 80% STRATEGY. YOU MIGHT KNOW HOW TO READ, BUT MORE IMPORTANTLY, WHAT'S YOUR PLAN TO READ?"

- JIM ROHN, entrepreneur -



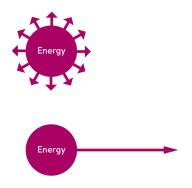
Every organization has intrinsically driven employees who go the extra mile for the customer. To create a few good experiences here and there, to make customers happy once in a while is not difficult. There are so many best practices out there on how to delight customers and how to achieve the wow effect that we don't see the point of spending too much time on this topic. If you are looking for some inspiration, we can recommend *How To Wow* by Adrian Swinscoe, with 68 effortless ways to make every customer experience amazing.

To organize experience management in a structured and sustainable way, however, is really hard work. Regardless of whether your objective is to simply identify and improve customer pain points to make more profit or to enable your organization to be truly customer-centric and to create memorable experiences, developing a cx strategy that includes management alignment, governance, communication, employee engagement and measurable outcomes is always critical. You need to make tough choices, provide clear direction and have a lot of patience. Once you manage to do all of that, the rewards are amazing and definitely worth it. If you wonder where to start with your cx strategy and which pitfalls to avoid, keep reading!

Be a CX Essentialist

Working on cx programs can be really overwhelming. The power of cx – connecting the dots across touchpoints and building bridges between departments in order to have consistent and authentic experiences for the customer – is also its biggest challenge. Being responsible for creating a seamless customer journey means that you are involved in all processes and collaborate with almost all teams in your organization.

When the two of us still worked for the same company, we had a poster on the wall above our desks that read "JUST KEEP CALM AND SAY NO" in white capital letters on a red background. Not to be missed. Because what we often see happening and what has also weakened our own cx programs in the past is not making choices, not defining how far you dare to go or not having the rest of the company's commitment for your strategic choices in practice. By doing everything a little bit, you might end up finishing nothing and getting stuck in the middle. We have learned that focusing your energy on one or two main areas will get you much further.



For that reason, the famous quote "strategy is about making choices, tradeoffs; it's about deliberately choosing to be different" by Michael E. Porter, professor at Harvard Business School, is a philosophy we try to live by. We think that making choices starts with asking yourself questions. Essentialism helps answer those questions. "Essentialism is a systematic discipline for discerning what is absolutely essential, then eliminating everything that is not, so we can make the highest possible contribution toward the things that really matter" (McKeown, 2020).

By trying to become a cx essentialist, you force yourself to focus and get more results in a more effective, rewarding and effortless way. We are big fans of the works of Greg McKeown, who is a best-selling author and host of the wonderful podcast *What's Essential*. While his book *Essentialism: The Disciplined Pursuit of Less* is not about customer experience and strategic thinking, it was a great source of inspiration for us to do things differently. In a world in which we are conditioned to multitask and overthink, full of distractions and choice overload, working on a broad field like cx can sometimes feel tiring and exhausting. Focusing on what really matters (to you, to your organization, but most importantly to your customers) helps to actually prioritize and make effective decisions. In the final chapter, we will explain how to apply this principle in the process of mapping customer journeys. For now, we want to get your attention focused on one essential thing: your cx strategy.

To clearly explain how to apply essentialism to your cx strategy in everything that you think, do and get, we took the freedom to translate the essentialism model by Greg McKeown into cx terms (McKeown, 2020):

	Non-CX Essentialist	CX Essentialist
Thinks	 All services to all customers Everything is important and we want to serve all customers We have to How can we manage it all? 	 Less but more effective We focus on the customers and touchpoints that matter We choose to What are the trade-offs?
Does	 An unstructured pursuit of doing everything for everyone Reacts to what is most pressing or comes from management Says "yes" to new project requests without really thinking Tries to force execution at the last moment 	 A structured approach of focusing on the most important tasks Regular evaluations of what really matters Says "no" to all activities not connected to the strategy Removes obstacles to make execu- tion of the strategy easy
Gets	 CX program that is not effective and frustrating Takes on too much and experiences suffer Feels out of control of the program Feels overwhelmed and exhausted 	 CX program that is effective and rewarding to work on Chooses carefully in order to deliver great experiences Feels in control of the program Experiences joy in the journey Gets a sense of accomplishment

Following this model can help to ensure that you focus on what is most essential in everything you think, do and get. To put this essentialism theory into practice, start by formulating the strategy in clear and easily understandable language. Don't be tempted to weaken your strategy statement by trying to please everyone, because that will only get you an outcome that doesn't say anything to anyone at all anymore. Here's an example. Imagine you are in the cocktail business and want to improve the experience of the customers who visit your cocktail bar. Your strategy is to serve the most exotic cocktails in Amsterdam. Relatively simple, right? It gives you and your colleagues a clear direction and defines what your goal is. If you were to overthink it and try to please too many stakeholders, focusing on all details and exceptions to be inclusive, you might end up with a strategy statement like this: "We aim to serve exotic, colorful and Instagrammable cocktails, mocktails and long drinks in the greater Amsterdam area and delight, surprise and excite customers with different recipes they have never tasted before." Nobody will be able to follow your strategy statement anymore and some of your workers might fall asleep half way through. There is nothing essential about it anymore. In the following sections, we will guide you through the steps to take to create a clear cx strategy and keep it essential.

For entertaining inspiration on how *not* to do it, we recommend watching the *How to Write a Mission Statement That Doesn't Suck* video by Fast Company (QR code in our bibliography). It's about 4 minutes and will help you realize what you need to define a clear mission statement, or strategy in this case.

COMMON PITFALL TO AVOID

The biggest mistake you can possibly make when it comes to strategy is not making choices and wanting to do everything. Combine that with being too impatient and wanting to see results immediately and you will set yourself up for a huge disappointment.

How Far Up Do You Dare to Go?

According to the Oxford English Dictionary, the definition of "strategy" is as simple as "a plan that is intended to achieve a particular purpose" (Oxford English Dictionary, 2022). How do we come up with a plan to improve cx? We already know that a good strategy starts with making choices. In this case, you want to think about the experience you want to offer. How far do you dare to go for your customers? Is it just an extra mile or everything for a smile? The spectrum is wide and the options seem endless, which can (again) feel overwhelming. How come, for example, that

Irish low-cost airline Ryanair's customers are equally happy as customers who fly Qatar Airways, which was voted the World's Best Airline for the sixth time in 2021? Ryanair doesn't even offer a drink during flights; you have to pay extra for everything that could make the journey even a little bit more comfortable and Ryanair has long been criticized for its poor customer service. Still, Ryanair has been one of the world's most profitable airlines for years.

This has everything to do with expectation management. The price you pay for a Ryanair economy ticket is not even in the remotest sense comparable to a first-class ticket on Qatar Airways, and with different prices come different expectations. What both airlines have in common is that they manage their customers' expectations really well and live up to what they promise. Having great customer service is not something customers expect from Ryanair. They do expect low fares and flights that are on time. Experience management is really about expectation management as part of a company's strategy. Bad service doesn't always equal a bad experience, or as Sampson Lee stated on CustomerThink in 2020, "A bad service experience does not always mean bad customer experience management" (Lee, 2020). The result of good customer experience management should be customer satisfaction, which is the result of the perceived differences between expectations and reality. You could, of course, argue that it's risky to target meeting customers' main expectations and not worry so much about customer loyalty, because Ryanair's success depends entirely on opportunistic customers who may at any time decide to take their business to another airline that is more respectful of their needs in the long term. Might be. But for now, their success proves them right year after year: 89% of Ryanair customers rate the experience with the airline as "good", "very good" or even "excellent" (Ryanair, 2020).

So how do you define a relevant experience strategy for your organization? Do you want to be like Ryanair or like Qatar Airways? Or maybe something in between? A look at Forrester's cx pyramid might help. They introduced this model as a cx index by describing three stages (Browne, 2014).



On the bottom, the focus is on meeting the needs of your customer, where you simply ensure that they can accomplish their goal when doing business with you. Ryanair is a good example of this stage. Passengers get what they need at a good price. Supermarket discounters such as Aldi and Lidl follow the same strategy. It's like going to a restaurant and getting good, basic food. Nothing more and nothing less.

The second stage is what Forrester calls "easy." The goal is to ensure that your customers don't have to put in a lot of effort to do business with you by making everything as seamless as possible and taking away all possible friction. Going back to that same restaurant, this time they make sure that the menu contains clear descriptions leaving no questions or doubts. The restaurant might offer a QR code so that you can order right away and the waiter will be quick in bringing your food. Amazon is a perfect example of this, providing a huge assortment in one place with simple one-click payment and fast shipping. Additionally, they offer a recommendation engine that provides personalized selections for their customers without them having to search themselves. Amazon takes away all barriers customers could possibly encounter in their ordering process. Their customer service is another proof of how seamless their journey is. Have you ever called them? We haven't. Most of their customers haven't. When you visit their website and go to the customer service menu, all you see is a FAQ section and a search bar to ask any questions you couldn't find in the FAQ. No phone number, no contact form, no chat. Is that a bad thing? It doesn't have to be, but a look at research on this topic will give us

more insights. In his brilliant 2020 book *The Effortless Experience*, Matthew Dixon explains why your customers actually don't want to talk to you. The following are some of his surprising key takeaways:

- "While most service leaders think that customers prefer live service much more than self-service, customers actually prefer to self-serve."
- "Nearly 58% of all inbound calls are from customers who were just on the company's website, in many cases trying unsuccessfully to solve their issue."
- "Most service sites fail not because they lack functionality and content, but because they have too much of it. The best companies aggressively simplify their website and actively guide customers to the channels and content that best address the issue they have (as opposed to encouraging customer choice)."

We believe that customer service is only needed when customer experience fails, because it is reactive, while customer experience should always be proactive. To actually reach this level of an effortless experience, Amazon had to make sure they met customers' needs first. That's how the pyramid is built up. You can't provide an easy experience if you don't meet the needs first. If the same restaurant from the example above does not meet diners' needs, the waiters would still be very fast, but there would be no food. Also, it's difficult to move to the third stage and provide an enjoyable experience if you don't provide a seamless experience first.

The third stage in Forrester's model aims to provide an experience that not only meets customer needs and is easy, but is also enjoyable. This is where the fun starts. Delighting customers and creating wow moments is what most people associate with customer experience management. We get that. Making experiences enjoyable will result in smiling faces and great customer stories going viral. It's where companies stand out and differentiate themselves from competitors. At the restaurant from the example, having an enjoyable experience means that the waiters are not only quick, but also friendly. They know your name and what you ordered last time you were there. The waiters might ask about your holidays and offer you an amuse-bouche as a surprise from the chef. You get the idea. A company in the Netherlands that is famous for their enjoyable experience is Coolblue, which is an e-commerce company that sells anything with a plug. Their slogan is "Anything for a smile," and they live up to this promise in everything they do, from the tone of voice in their annual report and the funny prints on their own delivery vans to their YouTube tutorials and excellent experience when you visit their headquarters for a tour. When they deliver your new washing machine, they give you the feeling that they were looking forward to it all day, enjoying every minute of it, not being in a rush, explaining everything in as much detail as you like and asking whether there's anything else they can do for you, always with a smile. Coolblue's high NPS proves them right.

Bear in mind, though, that you wouldn't enjoy your restaurant visit if the food wasn't any good and if the waiters were so slow that your soup had gone cold by the time they served it. Coolblue's enjoyable experience only works because they also have great products and an easy process.

Does this mean that you shouldn't start working on enjoyable experiences until your process is 100% perfect and you have all the basics in place to meet your customers' needs? We don't think so. Processes evolve continuously and there will always be something that can be improved to achieve true operational excellence. Don't let that stop you from working on enjoyable experiences in parallel, if being (or becoming) enjoyable is your strategic goal. The danger of focusing solely on operational excellence for too long is that cx might lose momentum and get stuck in process thinking. You will read more about this in the last chapter. The challenge is to strike a balance between working on the basics and slowly climbing up the pyramid toward enjoyable experiences. Our rule of thumb is that the experiences in the categories of "meeting needs" and "easy" shouldn't hurt the current customer experience. If that is the case, focus 80% of your attention on those stages of the pyramid and only 20% on making the experience enjoyable.

To decide how far you need to go, it's important to understand your target audience first and focus on who you want to serve. Are your customers willing to spend more money for an enjoyable experience? Do they appreciate easy processes or is a low price more important to them? How does this relate to what your competitors are doing? How do you position your company in general? What does the company's DNA look like? These are questions to start with, looking both inside-out and outside-in.

As we already described in the introduction, Steven Van Belleghem took the pyramid one step further. His model from 2020 might give some additional direction in choosing how far you want to go for your customers. He advocates for creating life journeys and adding value to customers' lives by helping them to achieve their dreams and tackle their challenges on the one hand, and on adding value to society and the world on the other (Van Belleghem, 2020). This adds two new dimensions to the pyramid:



Assuming that good products and automated, easy interactions are the new normal, companies can set themselves apart by becoming their customers' partner in life and changing the world together. As you can imagine, this goes beyond enjoyable experiences and is in line with the ever increasing expectations of customers.

Looking at companies that are already focusing on becoming their customers' partner in life, Steven Van Belleghem describes the strategy behind Lumi by Pampers as one example. Diaper brand Pampers' Smart Baby Monitor and Sleep System consists of the monitor itself and a sensor that can be used on special smart diapers to sense wetness and monitor the baby's movement for sleep reports. It gives parents insights not only into the frequency of relieving (which you would probably expect from a diaper company), but also into behavior like their child's sleep quality. The product includes coaching to help parents get their babies to sleep. Furthermore, the smart diaper makes it possible to track the baby's growth and can, therefore, direct parents to the right diaper size for each phase of the child's development. All of these solutions lead to more peace of mind on the customer's side. By providing this broad solution to the concerns of young and probably inexperienced parents, Lumi by Pampers has become a partner in their lives.

An example of a company trying to change the world for the better is described in the inspiring book *Let My People Go Surfing*, which is the story of the founder of Patagonia and his philosophy. "We want customers who need our clothing, not just desire it" (Chouinard, 2016). That's quite something, when you think about it. It means that Patagonia promotes repairing their clothes instead of buying new products, for example. The company's drive to preserve the planet's ecosystems runs through the entire organization from the materials used and the products made to donations to numerous environmental causes. Patagonia's self-imposed earth tax ("1% for the planet") goes to environmental nonprofits working to defend air, land and water around the globe. For Patagonia, changing the world isn't a marketing trick, it's their purpose. It has also made them an extremely successful company with revenue topping \$1 billion. Customers are willing to pay more for their products and stay loyal to the brand because they love their mission to change the world.

So, how far do you dare to go? If you are interested in learning more about this theory, we invite you to watch Steven Van Belleghem's 20-minute keynote on this topic. You will find the QR code to that video in the bibliography. And while you're at it, also subscribe to his YouTube channel. It's fantastic both on an inspirational and on an informational level.

COMMON PITFALL TO AVOID

A pitfall we often encounter is not balancing out the effort invested in basic processes and the effort invested in enjoyable experiences. By getting stuck in optimizing processes and working on operational excellence without taking the customer into account, you lose momentum for customer experience. By working on creating enjoyable experiences without having the basics in place, you hurt your CX and risk not being taken seriously by the rest of the business.

Communicate Your Strategy

After making clear choices on how far you want to go for your customer and defining your strategy, the next step is to actively manage your strategy. We see too often (not only when it comes to cx strategies unfortunately) that strategies disappear in a drawer somewhere and are dusted off once every year to check progress and revise the goals, if they reappear at all. Your cx strategy is the starting point for taking action, not only for you but also for your colleagues. We perceive it as one of the disadvantages of working in customer experience that you cannot execute the strategy without the support of other teams. While this makes your work as a cx specialist dynamic and varied, it also comes with many dependencies. It is, therefore, extremely important to spend so much time and energy on sharing your strategy and involving stakeholders that you might be thought of as a terrible stalker who has no other topic to talk about than cx.

Poor communication and low employee involvement were also two of the biggest challenges described by Faustina Oduro Twum in her article "Why Strategies Fail? A Review on Strategy Implementation," published in 2021. She reviewed literature on the topic to identify barriers to strategy implementation. According to her empirical study, most strategy implementations fail due the following 6 factors:

- Low employee involvement
- Communication barriers
- Insufficient resources
- Low leadership capacity
- Inadequate monitoring
- Inadequate evaluation practices

Sounds familiar? To us, this list was very recognizable. We will focus more on leadership capacities in Chapter 6 and on monitoring and evaluation in Chapter 5. Luckily, communication barriers and employee involvement are two topics that are fairly easy to address once you are aware of their importance. Diving into more research will help you understand even better how to tackle this problem, now that you are aware of it.

Research by David Kaplan and David Norton (2005) revealed that half of executive leadership teams spend no time at all discussing strategy and 85% spend less than one hour per month. No wonder that communication barriers are one of the main reasons for strategy implementation failure when the leadership teams don't even talk about their strategy themselves. Kaplan and Norton also found that on average 95% of a company's employees are unaware of its strategy or simply don't understand it. That's a huge percentage, even we were shocked by it. Just imagine that 95% of your employees, who are the closest link to your customers, don't get your cx strategy or are unaware of it. How can you expect them to support you in implementing the strategy effectively?

To avoid a situation like that, we have formulated six basic tips based on our own strategy plans from the past to ensure your strategy comes (and stays) alive:

- I Formulate your strategy in such an easily understandable and logical way that people think they could have come up with it themselves and find it easy to remember. Less is more. Try to come up with a short and catchy phrase that summarizes your strategy and use simple words.
- ² Create strong visual content to support your message. You can use the visuals over and over again for the different audiences to share your strategy. An images does say more than a thousand words, so use that to your advantage.
- 3 Spread the word and ensure that everyone knows what the strategy is about. Once you think that you have communicated too much, it's probably starting to stick. By creating different versions of your communication tools, such as a short elevator pitch and a longer slide deck, you can choose the most suitable message for each audience and also have content that your direct colleagues can use to spread the word.
- 4 Explain the important role of your colleagues in achieving the strategic goals and involve all layers of the organization: bottom-up and top-down, strategic, tactical and operational. cx is a team effort and everyone plays a role in it, directly or indirectly. By being specific on how the strategy and its execution affect your colleagues, it becomes tangible for everyone how they can support your cause.

- 5 Train others in cx and in the strategy. Make sure they can support you in communicating it. Depending on the size of the organization you work for, it can be challenging to do everything yourself. So look for colleagues within and outside of your team who can help you with the communication.
- 6 Go where the energy is and try to find sponsors for your strategy who help you with all of the above. This can be someone from the internal communications department who is an expert in the field and gives you valuable tips, but also an executive sponsor who ensures that you are invited to the important meetings.

COMMON PITFALL TO AVOID

Please don't assume that defining your strategy is a goal in itself and let it disappear in a drawer. It is only the starting point of your CX management efforts.

Translate Your Strategy To Promises

Once you have defined your strategy and done the hard work of communicating it internally and involving employees, you want to translate it to clear promises you can communicate with your customers. These promises tell your (potential) customers what they can expect from your product or service. Sampson Lee, founder of the Global Customer Experience Management Organization, said that "when a brand delivers their brand promise repeatedly and consistently, it drives brand differentiation, commands customer loyalty, and achieves business results" (Lee, 2020). We couldn't agree more. Here's how it works (Flowresulting, 2022):

- I Communicating customer promises can raise the expected quality of your product or service and reduce the perceived risk for the customer. This is due to the fact that promises and guarantees evoke trust.
- 2 Communicating customer promises can also lead to a stronger buying intention. You help potential customers choose you by

making clear what they can expect. This is especially important for companies offering services, as those are less tangible than physical products and estimating their value is, therefore, more difficult.

- 3 If you highlight what people can expect from you and what you are good at, customers will also pay more attention to that and give higher review scores on platforms like Yelp and Trustpilot. Provided that you live up to your promises, obviously.
- 4 By communicating what you promise to your customers, you develop opportunities for service recovery. You get the chance to actually improve before a customer takes their business elsewhere. We will explain more about the service recovery paradox in a bit.

When you start formulating your promises, make sure that they are not only distinctive but also 100% credible and trustworthy, so that you can deliver on them. Going back to the example of Ryanair, which we mentioned earlier when talking about strategic positioning in the cx pyramid, we noticed that the airline's first Customer Charter (2015) consisted of eight promises:

- 1 Always Getting Better Is the way we promise to do things
- 2 Value We promise the lowest fares
- 3 Choice We promise the best choice of destinations
- 4 Safety We promise to always prioritize safety
- 5 Enjoyable We promise to strive to make your travel an enjoyable experience
- 6 Reliability We promise we will always be Europe's most reliable airline
- 7 Transparency We promise to be transparent and to make travel simple for you
- 8 Innovate We promise to innovate to make your travel exciting

It is interesting to see that a few of Ryanair's promises are based on the mistakes of other companies. Being Europe's most reliable airline means flights that are on time and very few cancellations. The same is valid for promising the lowest fares. Both promises are measurable and unique. We do have some doubts about the credibility of other promises though. If

you have ever flown Ryanair, you will probably agree that Ryanair is everything but enjoyable. Innovativeness that is apparently supposed to make traveling with Ryanair exciting is also something we find hard to believe based on our own experience as a customer. But what's really intriguing is that Ryanair reduced the number of promises in their 2018 version of the Customer Charter:

- I Reliable We get you there on time
- 2 Value Lowest fares and the best deals
- 3 Choice The best choice of destinations
- 4 Care We help you when you need it
- 5 Safety We always prioritize your safety

Notice something? Not only is the list shorter, it's also more credible. Enjoyable flight and innovation aren't mentioned anymore, which leaves more attention for Ryanair's reliability and value for money. Smart move.

Dutch supermarket chain Jumbo did something similarly clever. They are probably the most mentioned example in the Netherlands when it comes to customer promises. They based their promises, which they call "The 7 Certainties" on shoppers' biggest frustrations (Jumbo, 2000):

- Lowest prices If a customer finds a product cheaper elsewhere, we adjust the price. The customer gets the product for free.
- 2 Service with a smile Our enthusiastic staff are always ready to give our customers expert advice or answer their questions. And if the customer cannot find a product, we will walk with them.
- 3 For all your shopping needs With a range of 20,000 products, Jumbo has the largest selection. From A-brands to budget brands.
- 4 Fresh really means fresh At Jumbo, our products are fresh daily. If the expiration date of a product is today or tomorrow, the customer gets the product free of charge.
- 5 Quick shopping At Jumbo, customers can shop quickly and efficiently. If a customer is 4th in line and there's an unused cash register, the customer gets their groceries for free.
- 6 Not satisfied? Money back! Customers who are not satisfied with one of our products get a free replacement or their money back.

7 Your wishes come first – Jumbo can only be successful if customers are satisfied. Customer complaints and comments give Jumbo the opportunity to do better every day.

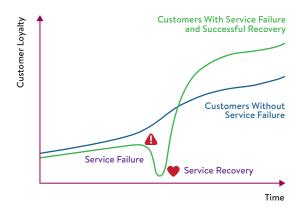
The effect of this was not only that their sales and customer satisfaction scores increased, but also that their employees felt more engaged to help each other. That's only because they actually deliver on their promise and sometimes even exceed it.

When it comes to delivering on promises, an organization can do three things:

- 1 Not live up to expectations by not meeting the promise
- 2 Meet the promise and fulfill expectations
- 3 Exceed expectations by delivering more than was promised

You would expect that most companies aim to exceed expectations. However, according to a Gallup study, only about 50% of the 18 million customers they surveyed expect an organization to actually deliver on its promise (O'Boyle & Adkins, 2015). Like Warren Buffet once said, "It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently." So there's still quite some work to do to build more trust and a huge potential to positively surprise customers if you manage to live up to your promises. But you obviously knew that already after reading the chapter on authenticity.

Did you also know that customers are often more loyal to your company *after* they have experienced a service failure that has been corrected than if the failure never happened in the first place? This paradox is called the service recovery paradox, a term first coined in 1992 by McCollough and Bharadwaj. The following graph illustrates customer loyalty over time.



When a service failure occurs, the line takes a big dip and loyalty starts to decline. If you apologize genuinely, come up with a quick and appropriate solution, and ideally even exceed customer expectations, loyalty soars. Another nice added bonus is that a service recovery creates positive stories about your organization that will be shared with friends, family and colleagues. So don't freak out when service occasionally disappoints customers, as long as you make up for it.

COMMON PITFALL TO AVOID

If you keep your promises to yourself, customers won't know what to expect. It also robs you of the opportunity to positively surprise customers with a service recovery.