

The Revenue Risk Hiding in Your Customer Experience

0:00

Lisa, I'm excited about today.

0:02

So I'm going to be honest everyone, those of you who come to Corporate Visions webcast you, you're going to be super shocked that I don't assume the entire time.

0:12

In fact, I will cede most of the time today to Alex Gill and I'll tell you more about him in a second.

0:17

From time to time at Corporate Visions, as those of you who follow our work know, we are, this is a no opinion zone.

0:25

This is data-driven only zone and, and we like to use these web casts to talk about our latest research or our partnered research.

0:35

And the thing that I appreciate about Alex and the work at Hart Hanks is they do this kind of work you're going to hear about today with and for lots of companies.

0:47

So they can accumulate lots of data and from that anonymized data, they see things.

0:53

And so everything you're going to hear today is, is, is hard won insights from actual work with and for many different companies in the B to B arena that Hart Hanks does.

1:06

So we're excited and to partner with them and bring this data rich experience today.

1:11

I'm also partial to this idea of the customer experience.

1:15

If you know, we wrote our most recent book on the expansion sale and recognizing that existing customers keeping and growing them is the biggest part of your number and your growth.

1:26

So understanding how we can be better there is something we always want to bring to the market.

1:31

So now I want to introduce Alex, my pictures on this next slide.

1:35

But this is about what you're going to hear from me.

1:37

Most of what you're going to hear from is my peer, Alex Gill, the Global Head of Strategy and at heart Hanks.

1:45

And so both of us kind of stay steeped in the data and then draw insights from it.

1:50

And our main job is to share that back with the marketplace so that we can add some value to your day.

1:56

Alex, thanks for being here.

1:58

I've I've gone through the deck with you.

2:00

I'm super excited about what you're going to tell everybody.

2:02

So I'm going to get out of the way and turn it over to you.

2:05

Awesome.

2:06

Well, thanks for the great tee up, Tim and hello everyone.

2:09

Thank you for taking the time today to, to learn a little bit more really about what we see and, and what we're learning through, you know, data-driven work with our clients.

2:19

I head up strategy at Heart Hanks globally and we help brands drive revenue and loyalty, deliver great experience and at the same time try and reduce effort and cost both for our clients, teams and their own customers.

2:33

You've probably guessed I'm based in the UK.

2:35

I've been with Heart Hanks for about 14 years now and when I'm not obsessing over, you know, data-

driven revenue and customer experience and strategy, I like to try and keep fit and listen to music and and you'll get a little window onto my taste in music a bit later as we go through our story today.

2:54

So what are we talking about today?

2:57

CX pressure becomes revenue risk.

3:01

And what we're really seeing across all of our clients and, and all the conversations and a lot of the data we glean from our partners like E marketer and Mintel is that customer experience is no longer a function on its own adjacent to revenue.

3:16

It's increasingly part of the revenue system itself.

3:19

And what does that mean?

3:21

It means poor experiences no longer create only operational problems.

3:26

They can create pipeline risk, retention risk, expansion risk, brand risk.

3:32

And that's really important, especially in the, the B2B world that I, I imagine many of you are based in where you know, renewals and expansion, especially if you're a SAS company or a software provider or a hardware and tech provider, renewals and expansion and so on are, are really important.

3:50

So experience isn't just about helping protect revenues while it's shaping the future growth of your brands.

3:59

And so we're going to talk about three things today.

4:02

Firstly, how CX is now a really integral part of that bigger revenue system, then we're going to dip into some of the pressure points and this is where some of that sort of data-driven information that Tim was referencing comes into play.

4:18

So through our work, we are increasingly learning what are the pressure points in that end to end revenue journey and what can we start to do about them to fix them.

4:30

And we'll wrap up with talking about how some of the winning companies orchestrate.

4:35

And that's the word of the day, orchestrate some or all of that revenue journey.

4:42

So let's dig in.

4:45

Many of you'll probably recognise this chart.

4:48

This is a corporate Visions chart.

4:50

If you're an active Emblaze member or have worked with Tim and and crew, I love the visual.

4:55

It sort of really helps us reframe revenue more holistically in terms of acquisition on, on one side, but retention and expansion on the other.

5:05

And the fact that your customers and and prospects before they become customers go on a journey.

5:10

They make their purchase, but only when they make that purchase do other things happen in terms of upsell, cross sell expansion.

5:19

So it's a really good diagram to sort of frame things up in terms of data points.

5:25

I just want to show a few really interesting stats.

5:29

So and these these really ground ourselves in what we call the economics of today's customer experience.

5:37

Firstly, what the data was showing is that one literally 1 poor interaction can trigger long term trust erosion and even cause the client to churn away.

5:47

So you know your your room forever margin for is small 80% of B to B buyers say the experience matters as much as the products.

5:59

So you know, great product, great software, that's fine.

6:03

But actually if you have a poor experience at any point in that journey that B to B buyer might have a problem another great start.

6:12

86% of customers will leave after as few as 2 poor experiences.

6:17

So you know, similar to that one, but you know, literally 86% of your, your customers could leave if they have two bad support calls or if the product stops working and you don't solve that problem.

6:28

Well.

6:29

And then lastly, but not leastly, and this is a a great start from our partner E marketer, there's been a 12% growth from 59 to 71% in people dissatisfied, you know customer dissatisfaction in the last five years.

6:43

So what are we do doing to try and deliver better customer experience and better buying experience isn't working.

6:50

People are getting more and more dissatisfied.

6:55

Revenue doesn't disappear all at once either, you know, so it's, you know, it's mentioned one or two interactions can cause a problem.

7:01

So if there's a delay with the onboarding, if someone has to have something explained to them several times to, you know, in, in terms of how to use the software, a poor hand off from sales to customer success or a poor hand off from service to, you know, back office and support teams dealing with an escalated problem.

7:22

All of those things can cause moments of friction and they all build up to potentially impact on your revenue.

7:30

Collectively, all these things shape trust, confidence, retention and growth.

7:37

So before we look at how CX is becoming part of the system though, let's take a moment to digest our first really insightful quote and a little music snippet.

7:46

And please play along.

7:48

If you know the song, pop it in the chat and you'll realise I'm an 80s child.

7:55

When you hear this, hopefully that's pretty obvious what this is.

8:05

You've got to move these refrigerators.

8:07

You've got to move these cartoons.

8:12

Of course, we all know who that is.

8:14

That's Mark Knopfler singing Money for Nothing.

8:17

Back in 1985, I could've picked any song off my running playlist, but this one struck a chord with me.

8:23

Actually, as I was running last week and I thought I can use this song, I basically changed the quote.

8:29

You know, it's revenue for nothing and your renewals for free.

8:33

And what we mean there really is that revenue may look recurring on paper, but actually it isn't.

8:39

You know, renewals and retention have to be earned and they're earned through experience.

8:46

So you know, that illusion that recurring revenue just comes automatically.

8:51

It just doesn't.

8:52

You've got to keep re earning it through a great experience, especially if you're in a subscription model world, an enterprise IT world where you're selling software with services around that.

9:01

And if you don't use the software, you don't adopt it, then you know the next renewal, the next upgrade just doesn't happen.

9:09

So renewals are not automatic, expansions are not automatic.

9:14

So now let's look a little bit at how CX is an integral part of the revenue system.

9:20

So what we're seeing is that experience is no longer just a support function.

9:26

In the old world, sales used to drive revenue.

9:30

Support would resolve issues, and CX would measure satisfaction.

9:34

We've got a high CSAT, great things are good, but you know, nothing's wrong.

9:39

We don't need to worry about things.

9:42

But actually what we're seeing is a real kind of new world where experience is shaping the acquisition, the retention, the expansion, everything we do to drive loyalty with a client and an existing customer.

9:55

And we've got to learn that through much better experience.

9:59

So essentially experience has become part of the operating system of growth.

10:05

You'd all recognise the next chart.

10:08

You know, this is a classic customer journey chart and you know, customers, whether it's in B to B or B to C, you know, go on this journey.

10:15

We know in in the B to B world, a huge part of this journey is hidden.

10:19

You know, 50% I think is the quote that's regularly cited, where of the journey happens without you knowing what's going on, your brands looking at your products and services online, trying to understand things.

10:32

And then that journey continues.

10:34

Hopefully they make a purchase, they receive the products, they start to adopt it after the training.

10:40

Hopefully it's being used.

10:42

There may be a problem.

10:43

They seek help and ultimately they decide, OK, I'm going to order there, so I'm going to stop buying or I'm going to renew.

10:50

In fact, I'm even going to expand and I might even choose to give you a really good review and advocate for your product.

10:57

So that journey we're all familiar with and obviously the acquisition retention expansion plays along that journey.

11:04

But in reality it, it can go quite well.

11:07

People are interacting with your business and with your org chart in effect.

11:12

And so in the the need stage, they're looking at your website, they're interacting with marketing in the buying stage more when they're selecting, they're interacting with sales.

11:24

But what actually happens is they also experience gaps in your rogue chart and gaps in your end to end revenue system.

11:31

And these gaps are the pressure points that we're going to really dig into.

11:35

You know, customers feel these bad hand offs, repeated explanations, unclear ownership, a poor transition from sales into onboarding.

11:45

And those are what we're going to look at in terms of the pressure points.

11:48

But before we do, this is what we're aspiring to do.

11:52

We're aspiring to turn this journey into a continuous experience loop.

11:58

And that's the ideal journey both for your customer and for you as your business.

12:02

If we can get it right, it should look like this.

12:05

The functions start to be more aligned.

12:07

And as you can see, marketing sales start to work in harmony to sort of solve for that revenue journey on boarding success, work in harmony.

12:15

Operations and support work in harmony and that becomes the basis for a really smooth customer experience and ultimately allows customers to start advocating and buying more and expanding and staying ultimately.

12:29

And before we look at the pressure points, I'm just going to give you a sneak peek of what the revenue system should then look like.

12:35

And this is sort of a modern revenue system where marketing sales working in harmony to drive revenue.

12:42

They're interconnected with what we call the relationship sphere.

12:46

And that sphere focuses on things like the onboarding, the growth, the retention.

12:51

And then the retention sphere is all about the service and support and resolving those problems.

12:57

And if you can put that all together and orchestrate that smoothly, then you're well on the way to to keeping that revenue and retaining and expanding things.

13:06

But it's not that easy.

13:08

So let's have a little look at our pressure points.

13:12

So as we mentioned, there's multiple pressure points, but before we look at those, we're going to take another quick musical interlude.

13:20

So see if you can recognise this quote.

13:27

Hoping to keep you all awake as you have a pillar music.

13:31

Pretty obvious, that's what I think.

13:38

Course, that's under pressure by Freddie Mercury and Queen and David Bowie back from 1981.

13:44

And again, it's not just a random choice.

13:47

What we're seeing is your revenue system is under extreme pressure and it really appears all at once.

13:54

It actually accumulates through a series of pressure points and that's what we call experience friction.

14:00

The pressure builds up and it explodes.

14:02

You know, you lose that customer, you lose that opportunity to gain revenue.

14:08

So what are those pressure points?

14:11

So we have our journey where everything should be smooth, but actually there's six really key pressure points.

14:18

The first one's in the buying experience and we'll we'll dig into that shortly.

14:22

The second one is the disconnect between sales and delivery.

14:26

We sell something, the customer's expecting a great product, great service to be delivered on a certain day to work in a certain way that doesn't happen.

14:35

You're already on a problem in terms of where you're going to go next.

14:40

We have the adoption and usage pressure points.

14:43

So you might sell a revenue solution or a software solution with 100 licenses, but actually, if only 10 people truly use that platform and if only five of them use every function in that, again, you're on the road to nowhere.

15:01

The 4th pressure point is around a service or product problem.

15:04

So this is what you might expect to start thinking, OK, there's a problem with the software.

15:08

There's a problem logging in.

15:10

I can't do what I was hoping to do.

15:12

That creates a pressure point and a potential problem.

15:15

So we need to be able to solve that.

15:17

Then it becomes another pressure point around the repeat or the renewal or the expansion time, you know?

15:23

Should I renew my subscription?

15:25

Should I buy some more licenses?

15:28

I've got 4-5 new staff, but it's now the right time.

15:31

Am I getting the maximum return from this piece of software?

15:35

Is it doing everything I wanted to do or should I consider an altered an alternative?

15:41

And then the, the final pressure point, it's it's already too late in the way, but some people have decided to leave for something better.

15:48

But all or they've taken some of their business elsewhere and they've kind of reduced the amount of spend they have with you, especially if it's a transactional online e-commerce type situation.

16:00

But you know, maybe we can do something about that as well if we understand that and know what to do.

16:05

So those are our 6 big experience pressure points, but let's dig in.

16:10

And what we want to do now is take you through what those pressure points are and show you a couple of case studies along the way to show you how they're showing up in our world and some of the solutions and outcomes that come from that.

16:26

So the first pressure point, it's the first impression, you know that that piece before the customer even buys, they're actually looking at you and they're evaluating your responsiveness.

16:37

They might go onto your help desk or your help centre and see if they can get some information.

16:42

They could even be looking for some guidance on which version of the software to buy if it's a software business.

16:49

So customers begin judging that relationship before they even become a customer.

16:55

And these buying experiences can shape long term trust and confidence and also shape the short term conversion into a customer.

17:04

And those bad buying experiences obviously risk your revenue.

17:08

Some examples of this.

17:09

So service reviews, I think we're all familiar and, and this is increasingly the case in the the B2B world with things like G2, you know, peer referrals.

17:19

If you have bad service reviews, your prospects are probably going to hunt those, hunt those down and it will set their tone, set their mindset.

17:27

So we need to do everything we can to minimise having bad service reviews, which is probably a customer service thing and it's a product thing for online experience at the point of purchase.

17:37

So we see this with some of e-commerce brands.

17:40

If, if the journey's a bit inefficient, if there's too many steps, if it's complicated, if it doesn't remember what you ordered last, all those things that you expect, you know, as normal from, you know, the world of Amazon and, and the BTC world, then that can drive problems.

17:56

And then poor interactions with customer service pre purchase.

17:59

As I said, some people will interact with your customer service and your customer experience functions to want to learn a bit more about the product or see how it's going to respond.

18:08

And if they get a bad interaction, then you're in trouble.

18:11

So first impressions matter.

18:15

So how can we mitigate for that?

18:16

You know, improve that by experience, you know, better experiences create better revenue outcomes.

18:23

We've got to try and spot and reduce pre purchase friction and we've got analytics, diagnostics, we can run surveys.

18:31

We need to fix customer experience issues that show up in the buying stage.

18:35

So those reviews I mentioned, if we can solve for those and get less and less bad reviews and get obviously more five star reviews, then that's going to show up well in the prospect to to the prospect aligning your teams and systems to show up better from start to finish.

18:50

You know, so they know that they're going to experience a seamless journey right from the start.

18:55

And, and that also, you know, this is where the CVI methodology is really interesting and we practice this, You know, you've got to think how you'll live up to the why change and the why now messaging.

19:04

And I know, Tim, you've probably got a, a view on how this might kick into play in, in making a good first impression.

19:12

A couple things that jump out at me from your work and the research.

19:15

And I think you're going to share some examples.

19:17

But when we look at win loss data and what's predictive of a win and what's predictive of a loss, one of the things that keeps coming back is how you resolve issues and concerns and questions responsively in the buying journey.

19:35

People have questions about your implementation.

19:38

They have questions about your solution and how your, let's just say how your sales team reacts.

19:45

And then the people they might pull in from the customer experience team, how they perform in that buyer journey is they buyers believe is predictive of the experience they're going to have after they buy you or not.

19:59

And so they're judging the implementation and the ongoing experience they're going to have based on the experience they're having, the buyer journey.

20:05

So we can't not be responsive in certain ways.

20:09

In in the sales process and expect people to go, I think it'll get better after I buy you.

20:15

So I that I really took away from this is they are always judging what the customer experience is going to be like, regardless if they're still in the buying experience.

20:25

And yes, promises made to the decision makers need to translate to the doers and, and, and more and more that and we'll get into the handoff point here in a second.

20:38

More and more what we're seeing is, is, is that moment of why did we do?

20:43

Why did we make this decision?

20:44

Now let's go do the thing we'd decided on is got to get tighter and tighter because we're finding that that gap of all the friction points.

20:54

And maybe this is a good segue to your next point.

20:57

That's that's like now the top of the heap because promises made promises kept as opposed to promises made.

21:05

Now let's figure it out on the other side and hope we get there is not acceptable.

21:11

100% agree.

21:11

And I think you've you have good, good Segway in in the next pressure .1 of those things is you know how how we've talked about things to those senior leaders that we're probably selling to and then are they seeing that show up in, you know, immediately after the sale was made in in the onboarding and in the use of the products.

21:30

So we'll definitely lean into that.

21:32

As you say, we're being judged.

21:33

So brilliant experience has to be happening from the get go.

21:38

And you know where we've one of the the kind of customers where we learned about this was a leading online travel company where we're trying to drive property listings for them.

21:50

And so these are small businesses and we're trying to encourage them to list properties and you know, by having a much improved buyer experience that really looks at them, looks at their journey.

22:02

And it is, it's more of a nurture approach than say, let's just try and get them in at any given point in time of the year.

22:09

I mean, nurturing them over time and nurturing them based on where they are in that buying journey.

22:14

It's a highly data-driven approach, you know, and that allows us to get the right message in front of those different people based on what matters to them.

22:21

You know, again, first impressions matter.

22:23

And if they're, if they're more about growing their business fast or they're more about delivering a

brilliant hosting experience that makes a, a, a enables us to make a conscious choice about what we tell them about our solution.

22:37

Omni Channel is not just a digital world, you know, speaking to these people via phone, via LinkedIn, as well as through various digital channels becomes important.

22:48

And the insights we glean when we're having those conversations are as valuable as the listings themselves.

22:56

And really then it becomes a case of orchestrating that partner's journey through that life cycle, how we educate them, how we get them to sign up, how we help them sign up and ultimately how we get them to make the most of their listing and add more properties.

23:09

Ultimately.

23:11

And because of that sort of orchestrated nurture type approach, we've been able to exceed targets 3 years running and the listings are growing, which is fantastic.

23:20

So that's a really good example.

23:22

Now Segway to 2nd pressure point and, and Tim alluded a little bit to this, you know, the sales to delivery disconnect and, and this is one of the fastest ways to destroy trust.

23:31

If you promised them the the earth and deliver them nothing, then they're going to get unhappy very quickly.

23:38

And, and this is the moment where operational reality fails to match the promise that customers bought into and that the senior leaders bought into.

23:47

So what we need to do, we know customers are going to judge us, but we've got to avoid being too generic in what we do.

23:54

You know, generic onboarding, slow replies, going straight to a junior team once we've won the business, you know, going straight to a ticket driven model, customers don't want to fill in a ticket to get going with their relationship with you.

24:08

They want to have a positive conversation and do things smoothly and getting away from very fragmented ownership between onboarding and support and operations, all those different functions need to work together.

24:21

So some of the ways we can address this expectation gap, we need to spot that onboarding friction again using analytics and diagnostics and and surveys.

24:32

One thing we've found very effective with some of the clients we've worked in is to create a promise to deliver governance.

24:37

So as a brand, you should create that promise to deliver and then measure yourself against it relentlessly.

24:44

Massive points of alignment, you know, aligning sales, success and support, especially sales into the operational part of your business.

24:52

It's often overlooked.

24:54

Sales are off to the next opportunity if we're not careful.

24:57

But actually, you know, the, the customer they've just signed won't just renew in three years.

25:03

And you know, they might even be incentivized to for that to happen.

25:06

So let's make sure sales and success are completely aligned, more proactive onboarding and monitoring that early adoption.

25:15

And you know an example here, this is a global streaming band where that premium entertainment experience that they promise has to be lived up to.

25:26

If you don't live up to that experience, customers are going to churn instantly.

25:30

And we've learned a lot.

25:32

Whilst this isn't AB to B setting, we see in this industry huge churn.

25:38

If the customers don't get what they want, there's even some term just because they're going to go away and come back.

25:43

But actually if we can manage the service and manage the experience and have that sort of future retention mindset, we're much better equipped to keep them on board and keep them subscribed.

25:57

And that is going to apply equally in AB to B SAS world, you know, same kind of thing matters.

26:03

So better resolution of issues, orchestration of different things, whether it's customer support, customer help, or just engagement.

26:10

And a lot of that is driven by tech.

26:12

You know, we're seeing huge advances in tech, especially AI to enable that much better experience to be delivered and you can start to live up to your promise of a fast, seamless enterprise grade experience.

26:29

So the outcome with APTIC, a client was significant.

26:32

You know, we've we've driven the CSAT up relentlessly and and we get an even higher CSAT in their premier space.

26:39

The third pressure point is around adoption.

26:42

So we're sort of getting in now.

26:44

You know, we we've got the client on boarded.

26:46

We've managed to get them using the software or starting to use it, but have they fully adopted?

26:53

Customers don't renew products that they bought.

26:55

They actually renew products that they successfully adopted and relied on and they're using day after day for their business as usual.

27:03

And you know, those products are driving value.

27:07

So low adoption and usage risks creates risk, revenue risks in the long term.

27:14

Some of the examples, you know, usage might drop, you might get partial adoption, people might revert to old tools, you might get low executive sponsorship if you don't handle this adoption window really well.

27:25

And back to what Tim said, you know, that kind of executive buy in the adoption phase is just as important as the last step of the sales process.

27:35

So how can we mitigate for this, You know, better adoption builds a foundation for retention and expansion and it starts to mitigate for that longer term churn.

27:43

So again, we, we, you know, a common theme here, we're trying to spot these things using analytics, using diagnostics, using AIS, actually allowing us to analyse this data in platform and in situation much faster and much quicker.

27:56

And then that allows us to redesign onboarding to mitigate for low adoption.

28:00

You know, is the training right?

28:02

You know, can we train people better?

28:04

You know, can we use video and things, which is actually a part of our case study?

28:09

Can we establish and keep that regular dialogue?

28:11

And, and as Tim hints that, you know, keeping in touch with execs and buyers after the sale, you know, because they need to see that the solution has been adopted and they need to see the value.

28:20

So when you're doing a QBR, this is where we can talk about value rather than just performance and stats.

28:27

You know, I think we've all seen a QBR deck which has got 28 pages of stats after stats after stats.

28:33

But is the solution driving value to them?

28:35

And that that's that's the key.

28:38

Yeah, Alex, there's two sort of outsized experiences that when we and you know, I talked about win loss and the buying experience.

28:49

Now it's retention, churn and the client experience.

28:52

And there's two things that pop out at us and and 1 is this idea that you define some metrics to win the business.

28:59

You now need to follow those same metrics as you execute in the business if you want to keep the same executive level altitude and buyers that were involved in the buying involved in the implementation.

29:12

Too often there's this sudden like dissent from meaningful metrics that got the deal done to project level metrics that only a few people care about.

29:23

And, and so we always encourage identifying 3 levels of metrics, project level metrics and then rolled up to that business or departments goals and metrics and how that then helps hit the corporate targets.

29:36

Like there's a food chain, if you will, we call it the triple metric.

29:40

And, and too many customer experience teams, to your point, love to document things around the project and they forget to ladder that up to the impacts and the measurements that matter.

29:54

So documenting success metrics and continuing to monitor and report on that so that all levels of the business stay engaged.

30:01

And the other is change management skills.

30:03

I think the thing that we underestimate in CX is there's like like support skills, like how do I handle tough situations?

30:12

But before that, the tough situation you got to handle is, is you got to, you got to drive the change management, which equals adoption.

30:19

And do you have those skills?

30:21

Are you training to help people move adoption along by helping them bring change management?

30:29

Because it doesn't just automatically happen.

30:31

The deciders decided, but the doers don't necessarily do just because the decider said we're doing this.

30:38

And so the most underestimated skill set and the most underestimated experience that we see when we look at the skill sets that CS teams and support teams and account management teams needs is you need to bring some change management expertise.

30:52

You can't just count on the client to do that.

30:54

They're actually expecting that out of you because you've implemented this more often than they have.

31:00

So they're like, all right.

31:02

And, and too often we're like here it is like, so change management for adoption and usage is the, I think the underestimated skill set, even the ability to manage competing interests, because now you're kind of the person brokering the peace between departments to get them all on board.

31:20

You're asking them to do something their org chart doesn't let them do, so you have to do it.

31:24

So it, the support skill set has really migrated to more of a change management, conflict management sort of mindset.

31:35

And those need to be developed and you're being judged on those.

31:38

So it's, it's like that's not extra skill, that's not a soft skill.

31:42

That's one that translates into a retention or turn.

31:46

Absolutely.

31:47

I think, you know, hugely overlooked.

31:49

So I agree with that in terms of the change management.

31:51

And I, I loved how you talked about the, the three levels of KPIs there.

31:54

And, and it's, it's actually something we're working towards.

31:57

So it's something we call experience economics.

32:00

And it's where instead of thinking about those vanity metrics, which might be, you know, first contact resolution or average handle time or, you know, SQL conversion, we, we look at more meaningful things and they lather up to those business outcomes, which ultimately are all about revenue, They're about growth, they're about loyalty, they're about reduced cost, reduced effort.

32:23

So if we can work towards those big picture things, the execs are going to be happy, your program's

going to be running smoothly and, and ultimately the customer's going to be getting value from the product and, and you're getting value from, from them as a customer.

32:37

So it works, works both ways, great in terms of a case study here.

32:43

So we, we do a lot of work with a leading logistics and shipping company.

32:48

And one of the scenarios there are sort of AB to B scenarios where in their sort of retail locations for, for small businesses, the, the people have to use tools and, and, and online things as well.

33:02

And we found that they were struggling to use some of those tools.

33:05

So we worked on the onboarding, we created videos, we created additional training kind of white glove treatment for those folks to make sure that they would focus on the right features, use the products efficiently and ultimately adopt the products.

33:21

And that meant a massive uptick in terms of using that that particular tool versus the three or four other competitor options that they they can in terms of choosing their, their shipping and delivery options.

33:33

It's a really powerful story where adoption can help you drive long term revenue and retention.

33:39

Our 4th 1.

33:40

So this is 1.

33:41

When you think about customer experience, lots of people think about this.

33:44

You know, the trust test, you know, I've had a problem or multiple problems with my product or my service.

33:50

It's maybe the single most emotionally important moment in the customer relationship because if something goes badly wrong, they're going to remember it and they're going to remember how you recovered or didn't recover from it.

34:04

This is where things like slow resolution, you know, unnecessary repeating information escalation fatigue because they've been passed on and on and on and on, you know, all the way up to the, you know, the highest levels of, of escalation.

34:21

If, if that all goes badly, you know, questions are going to be asked by the customer in terms of can I trust this company under pressure?

34:29

So, you know, we here's where we can better coordinate service and operations.

34:34

We can handle those problems and sort of really boost trust.

34:37

And it has a knock on effect to, to long term retention and, and revenue expansion.

34:42

So we need to look at coordination, you know, look at ownership.

34:46

A, a, a theme we're working towards now is what we're calling service orchestration.

34:50

And this is where we can orchestrate a customer's journey across multiple parts of a service infrastructure, you know, if it has to go off to to fraud or finance for approval of a, a refund, if it has to go to the warehouse to ship a new product out, all those steps take time and they create an unnecessary long service journey, which can cause problems.

35:14

So if we can orchestrate that have single ownership, we're going to work smoothly.

35:18

And AI kicks in here clearly, you know, using a balance of AI and humans, we can start to identify the urgent problems and work out how to solve those.

35:28

But deliver that empathetically, you know, you know, through the, the voice of a, a real person.

35:34

So that's our trust test.

35:37

Yeah.

35:37

I'll just add this, Alex, the we've done some research on apology science, how to apologize for a service problem.

35:44

And if you do it well, which means do all the things you just said and then be able to document that in a way that memorializes your response when you get to the point of renewal later on.

35:57

And, and people are remembering that there was a service problem, There's this documented memorialized, we call it euphemistically the apology framework.

36:06

And, and instead of why change, why now?

36:10

We call this, why forgive, you know, and, and there's something called the service recovery paradox.

36:15

And it is what you, what you can understand it to be.

36:18

And it's both in B to C&B to B that if you recover well from a problem, your recovery can create greater loyalty, greater advocacy, because it's not like people think they won't have problems elsewhere.

36:31

And the thing they're going to remember is how did you deal with that?

36:34

Because they don't know how another company that they might go to would handle a similar issue because issues do arise.

36:42

So it's not whether or not you have problems sometimes it's exactly this.

36:46

How did you handle that problem in a way where they actually become you're stickier, they're more loyal, they're advocates, they expand because they're like under pressure.

36:56

This is how they responded.

36:57

And so this is huge in terms of don't panic, have a plan on how to execute.

37:06

And, and I would say the biggest thing we saw there, the biggest surprise to us is people need to believe that you have restored their perception of lost value.

37:18

The one thing that comes out of a service problem is they believe the value equation shifted.

37:22

They've been paying and you haven't been delivering and you need to restore that level of equilibrium.

37:27

And maybe even when you talked about whether it's a refund or whether it's some other sort of restoration of perceived lost value needs to be incorporated in the response and the documented response because they're not looking for a sorry, they're they're looking for a, are we whole, are we good?

37:47

And so I just throw that out there because that's some research we did and some people are familiar with it, but I'm bringing it back for the sake that it fits in this conversation.

37:57

So thanks, Alex.

37:57

No, I think that's great.

37:58

I think that that apology framework, as you say, it's something you could just build in naturally to, you know, your customer service playbook and, and your your approach to certain types of issues that you're dealing with.

38:10

So I love that.

38:13

And then in terms of, you know, bringing this alive, so we work with lots of tech brands, you know, 1-1 in particular, where we're doing exactly this kind of orchestrated Tier 2 and Tier 3 Technical Support and, and solving resolute and resolving issues, coordinating them, handling complex service journeys.

38:33

And you know, we're already because of that orchestration mindset and you know, using data tracking through dashboards and so on, starting to improve those service metrics versus where they used to be.

38:45

And, you know, driving the turn around time down significantly across these multiple fragmented steps.

38:52

So last couple of pressure points and then we'll we'll wrap up with a sort of a look at how we can solve them.

38:57

So that this one's quite interesting.

38:59

This is what we call the revenue referendum.

39:01

You know, this is where people are now.

39:02

OK, Do I stay, do I go, do I make a different choice?

39:06

And those renewal or repeat purchases are basically a final experience score.

39:10

You know, they're, they're, they're looking back a bit like Tim was alluding to there, you know, have we maintained that equilibrium?

39:17

Have we restored things if there was a problem, have we delivered value like we said we would?

39:22

You know, have they ultimately got what they needed from the the product or service you offer And you know, problems that show up here, low adoption will will definitely have an impact if if you know, not everyone has been using it or maybe only using a subset of features.

39:38

People are going to think, let's shift, let's move to another platform that looks like it does the same, but it costs a bit less or has a few less features.

39:44

But that's OK.

39:46

There's ongoing support friction that accumulates and makes people think actually I didn't get that equilibrium justified, you know, weak relationship management.

39:57

So yes, they might have had some basic support on the way, but have you managed the relationship with them over time?

40:02

So lots of reasons why problems show up.

40:07

This is where better relationship management drives the retention, renewal and expansion.

40:11

So it's, it's not just a customer service thing at this point, customer experience, it's the relationship management and we are seeing a real shift towards.

40:21

Things like service and sell where we're trying to do both things on on behalf of our clients or relationship managers who build relationships with, you know, different levels of customers.

40:31

A lot of people have account teams and client teams, but they are often only pointed at the biggest customers with the most revenue.

40:38

And you end up with that long tail of, you know, existing customers that you just can't maintain properly.

40:44

And sometimes you think, well, self-serve that will do.

40:47

But actually, if you can use data to, to understand when you need to engage, actually proactive relationship management makes a difference.

40:58

It can also help us recover declining revenue as well.

41:00

So you know, one, one of the symptoms we sometimes seen here is that sales are going down.

41:05

You know, people are buying less products.

41:07

They might buy 5 things a month from you, but actually they've stopped or they're only buying three of those five things.

41:13

Maybe they're buying the other two somewhere else.

41:15

So we can look at this, look at the data points and drive, you know, different recovery approaches.

41:22

So this is an example we worked with a major fuel car provider to sort of spot customers who are likely to churn, you know, based on those different signals and try and get in front of them a bit sooner, you know, try and fix some of those problems taking multi channel approach using e-mail and phone and so on and just really prevent that churn.

41:44

And you know, this is where the the CVI corporate visions why stay message kicks in.

41:48

You know, we we we can tell people at this point, why should they stay, you know, and really sort of quantify that and back that up and and in this case was very successful in terms of preventing churn over to Tim.

42:02

Yeah, I, I think that one of the things is that when we, when we go to renewal time, there's a lot of pressure in organizations to, to get more.

42:13

Like I was working with a company that was like, we have a goal of a 50% attach rate of additional things and, and last year and this year we're going to go for 80%.

42:25

And the pressure then on the account team is to kind of lead with here's what's new and, and you start acting like it's a new sales cycle for a new thing, but you've neglected to firmly establish your position as their lead partner.

42:44

And, and that's what the why stay message is about, that you need to reassert the impact that you've had and even assert the investment that both sides have made because you want them to believe they've sunk plenty of time, money and stomach lining and they've achieved great results.

43:03

Because the new thing might create a little disruption that opens the door to a competitor who also has that new thing.

43:10

And before you create and disrupt your client, you want to firmly establish and assert your position and take advantage of your incumbency, because then the new thing looks like a promise of, of something additional as opposed to a huge disruption, which causes them to rethink everything.

43:28

So putting a stake in the ground for the business impact, outcomes and results, and also documenting

the mutual investment and effort in time and money and stomach lining that everybody's put into it creates this barrier against competitors because they don't want to put that at risk.

43:47

And then you can talk about your new thing.

43:49

And so we just find too many renewal conversations under too much pressure to lead with what's new.

43:55

And all you did was disrupt yourself.

43:58

And when in reality, you want them to see that as the next success that they're going to have based on the success we've already had together.

44:07

Absolutely.

44:08

Yeah.

44:08

100% right.

44:11

Final one.

44:11

So this is my personal fave.

44:14

This is a project we're working on, you know, every day at the moment.

44:18

And it's, it's how we can tackle the win back opportunity.

44:22

So some of these customers that we've worked with over time may have not been lost, you know, lost to a competitor or they may be significantly declined.

44:32

And you know, they'll do that long before they officially chose.

44:35

Well, you don't know they've gone, they're just starting to decline in their orders.

44:41

So the win back opportunity is a great moment that organisations can discover whether trust, value and relevance can be rebuilt to sort of bring them back and to recover that declined revenue.

44:52

Some of the problems that show up here, you know, declining sales figures, declining engagement, declining usage, a loss of trust or confidence, reduced perception of the value.

45:03

You know, maybe they're starting to think your prices are higher than the competitors and they'll start to switch.

45:09

So how can we mitigate that?

45:12

You know, I think we can, we, it really buckets into a few things.

45:16

There's always that trying to spot these things, spot those chain signals, spot the declining revenue, spot the declining usage, spot the frustration, identify why customers really left.

45:27

And, and you can do that through speaking to some of these customers, you know, surveys, you can get feedback, you can engage with them and understand why are, are the orders declining.

45:37

And sometimes it's a, it's a really easy fix.

45:39

You know, actually, I think you're more expensive.

45:40

Well, actually, you know, we're not more expensive or you know, actually the delivery times are slow.

45:45

Well, actually our delivery times are just as quick and, and we put this new guarantee in place and we've put more stock in place to to order from.

45:53

So there's lots of ways you can address this ultimately in our case study, you know, which I'll show in a second, basically taking a very proactive approach to win back and recovery generally, it can really drive successful results.

46:09

And secondly, it shows you the why the decline's happening, and you can then fix that in your products and your services and your customer support and your pricing and so on afterwards.

46:21

So very powerful again.

46:23

Yeah.

46:23

And it's underestimated the power of the win back.

46:27

And This is why I appreciate our partnership.

46:29

Alex, you guys have taken to the framework that we've developed through research on how to win back lost customers.

46:35

But the first thing to understand is that comes from research that identified that high performing reps versus lower performing reps higher performing reps disproportionately generate new business from lost business as opposed to taking competitive share by a factor of 3X.

46:55

So basically high performing reps understand that lost customers are the lowest hanging fruit.

47:00

They're they're not the same as trying to take in a take a competitive account because there's some actual history with you.

47:06

And you may be like, yeah, but that history was kind of.

47:10

But the reality is they're now having a new history with a company where it could be that and then some.

47:15

So what you need to know is what we have found through this research is it matters why the customer left.

47:20

There's three reasons customers leave.

47:22

They were pushed away by something you did.

47:25

They were pulled away by something the competitor did spectacularly, or they were priced away.

47:31

And each of those requires a slightly different approach to gain back.

47:35

And some are easier to get back than others.

47:38

It turns out that salespeople believe that the hardest customer to get back is one that you pushed away.

47:46

And the reality is it's one of the easier to get back because you can go with a story of how you've changed those things that pushed customers away.

47:55

Typically, you don't just lose 1 customer, you lose a multitude of customers for similar reasons.

48:01

And if you can go back, I like to jokingly refer to this is not why change.

48:04

This is we've changed.

48:06

And you go back and say, these are the things we've spotted through feedback from companies like you, and here's how we've addressed them.

48:12

The reality is many of those companies are not getting anything better from their new partner than they got from you.

48:17

And now they see you being responsive and, and it pulls them, brings them back.

48:22

So the ones you pushed away are easier to get back than the ones your competitors pulled away by doing something spectacular and different than you did.

48:30

But yet sales people think it's that that latter one that's easier.

48:34

Yeah, but it's the hardest one.

48:37

Priced away is just one of those things where you got to decide, do you really want to go back after that group or not?

48:41

Because they're just going to be paid like a ping pong ball.

48:44

And all always say is that approach is like, you just go with a question.

48:48

Is the grass greener like that?

48:50

Are you getting what you paid for?

48:51

And maybe not.

48:52

That's not good.

48:53

It doesn't mean you now try to price away and bring them back.

48:56

You just try to find out if that move was worth it.

48:59

So there's there's very strategic ways to understand why people left and then how to approach them.

49:05

And I love the fact that Hart Hanks has adopted those from our research and and it's and here's an example.

49:12

They're they're doing well with it.

49:14

Yeah.

49:14

And and this literally did embrace the whole why return the why expand.

49:19

And we looked at the, the pull, the push, the price component when we're speaking to these recovery, you know, declining and and lost customers.

49:28

So case studies is is a great testimony to both your framework, but also taking a very proactive and relationship based approach to this, you know, and we've seen significant, you know, literally huge amounts of revenue recovered for this client and they are beyond happy, I think with it.

49:47

So when it when you put it all together, you know, you you'll all remember the revenue waterfall.

49:53

You know, a lot of some of the best practices talk about the revenue waterfall, but but now we have the the experience failure waterfall, so to speak.

50:03

And if you these frictions build up and the revenue can erode.

50:07

So we don't want that.

50:08

So let's wrap up with how can we solve for this?

50:11

And final very quick musical interlude, 10 seconds.

50:17

Everyone should know who this is.

50:22

These two of angels playing with my heart.

50:24

That's obviously Annie Lennox and David Stewart back in 1985.

50:28

And we like this because we really see the way forward as being an orchestra of humans orchestrating your revenue and your customer experience.

50:35

So a little bit cheesy, but and I nearly added humans and agents because we know AI is going to play a big part in this as well.

50:44

So what does that actually look like?

50:46

So I just remind you of that connected modern revenue system.

50:51

And as you can see, we have our interlocked spheres of revenue relationships and retention where we're not only working as a team in terms of marketing and sales and the onboarding and the operations and support, but those groups are all working together as well.

51:06

And it's really all about that experience, intelligence, orchestration and enablement.

51:11

So let's just dig into that really quickly.

51:15

So I'll build this out.

51:17

So for us, this is all about signals, you know, those data points, you know, spotting the friction points, spotting the customer behaviours, looking at the data.

51:25

Then it's a strategy, AI analytics equation, you know, using tech and obviously AI to help us spot patterns, create the right strategy for the next best action, the next best conversation.

51:36

All things we've probably heard and are familiar with.

51:38

But I think with with technology, they're increasingly practical and, and realistic.

51:45

The key then is the orchestration.

51:47

You know, how can you orchestrate that next best action?

51:49

How can you do a trigger based engagement?

51:51

How can you speak to a customer about the right thing to keep them, to grow them, to expand them and, you know, route your problems to the right people to make a call, be solved quicker, escalate things smoothly, take them on a win back journey.

52:04

And then at the front line ultimately of the human engagement piece where sales or service or customer care or customer success interact with those clients.

52:17

So you know, what should we do next?

52:19

The, the goal is no longer just better CX, the goal is better revenue outcomes.

52:25

And where can we start?

52:27

You know, we like to think about a, a revenue experience diagnostic, which allows you to think about the moments that create that revenue pressure in your world.

52:37

You know, is it more about revenue generation versus revenue protection?

52:40

Is it, you know, kind of a case of understanding your maturity in certain parts of how you deliver experience?

52:46

And then basically going through this process to identify friction, look at the different signals, prioritise the moments that matter, begin to orchestrate actions, and then enable teams with that tech, you know, to help them understand the customer sentiment, to understand the problem and how to solve it as quickly as possible.

53:04

And not using AI to replace that frontline team of sales, customer, successful customer service pins, but using AI to accelerate how they do that.

53:14

And that basically leads us to sort of five takeaways and we can wrap up.

53:19

So if you were to do 5 things when you leave this webinar, hopefully some of these are on your list here.

53:25

Mapping those revenue critical moments, starting to look at the customer signals, getting your teams aligned, operationalizing some of those customer moments and trying to measure experience.

53:36

But like Tim said, you know, those 3 levels of KPIs measure it from a more economic view in terms of revenue retention, loyalty, reducing effort and reducing costs.

53:49

And that's pretty much us.

53:50

So Tim, any sort of final thoughts to wrap up?

53:53

Yeah, I'll share this because I love the depth and the holistic view of this.

53:57

I was talking to a prominent large human Capital Management company and they were talking about this person is when is in charge of customer success.

54:10

And from the top of the organization, including the board, they're mandating a drive for higher NPS scores and they're incenting higher NPS scores among their customer success staff.

54:22

And now what you get is customer success staff basically negotiating with their customers to give them a high NPS score based on personal appeal.

54:31

And they're getting higher NPS scores and it has done nothing to reduce their churn.

54:36

And, and I think there's a couple things there.

54:40

Our data shows that NPS scores are no better than a coin flip at predicting churn or or retention.

54:48

It's about a 53% predictive measure, which means it's a coin flip.

54:54

And the other is.

54:54

Then if you start forcing and and and and and getting false positives, if you will like a medical term, you'll be even more shocked when your retention rates go down.

55:08

But it's not because you really delivered on these things you're showing here.

55:12

It's because you basically games the NPS score.

55:16

And so I believe NPS scores are already too problematic and they only get worse when you put force unnatural acts on them.

55:24

I don't know what say you, Alex, in our last minute.

55:28

Well, I know we've, we've talked about this before and I, I agree with you.

55:31

I think you know this, this definitely is why we want to think about more commercial focus things that you can truly measure and, and that don't lie.

55:40

You know, your revenue doesn't lie, churn doesn't lie.

55:45

The challenge is they can take a little bit of time sometimes to reveal themselves.

55:49

So you've got to look for those leading indicators.

55:52

And sometimes NPS might be a good leading indicator.

55:55

In other cases it may, may not be, but in isolation it definitely isn't.

55:59

I think you've got to combine a bunch of those kind of Tier 1 and Tier 2 data points to build up to ultimately knowing that you're driving, you know, the right direction of revenue or, or effort and cost savings.

56:13

Yeah, I was going to applaud you that all the friction points and all the things to watch for underneath them.

56:20

Not once did you say beware of a failing or falling NPS score because yeah, there are way better signals and and way better interventions.

56:31

So awesome.

56:32

We are at the top of the hour.

56:34

If you want to just roll put out with your last couple of slides, that'd be great.

56:37

Yeah.

56:37

So one final thought, you know, obviously experience equals growth.

56:41

I think in certainly for B to B customers, if you if you don't treat customer experience as more than a support function, you might create yourself problems.

56:49

So see it as part of the operating system of revenue and try to get to work on improving experience along the entire journey.

56:57

And obviously huge thank you to Tim and to corporate visions and really enjoyed taking the time to run through this and would love to, to connect with folks and, and speak more about this topic, whether it's about, you know, how to practically implement the experience economics we're talking about how to practically orchestrate both revenue and, and service.

57:17

So do get in touch, you know, check us out on hearthanks.com.

57:22

Feel free to link in with me and love to continue the conversation.

57:27

Alex, it's been a pleasure.

57:29

I knew once I saw the data that our our community needed to hear it and really appreciate how clear this was.

57:38

It's not that it's not a lot, but it was very clear and chunky, making it approachable.

57:44

So well done.

57:45

Thank you for that.

57:45

Thanks everybody for joining us.

57:48

And you were all believers already.

57:50

But take this recording back to your your organization and help them see that CX is really the, the, the number one growth lever you have.

57:58

And it shouldn't be an accident.

57:59

You should do it on purpose.

58:01

And here were some tools today.

58:02

So thanks Alex and thanks everybody.

58:04

Thanks, Tim.

58:05

Thanks everybody.