



CX Organisational Transformation

What is Business Transformation?

The word “transformation” has become one of the most overused words in modern business. The term is often associated with a myriad of initiatives that are nothing more than optimisation or remedial projects. In the context of this paper organisational transformation refers to a fundamental shift in how employees think and behave in an organisation. In this instance, we have assumed a set of blueprints have been designed to transition the organisation from its current thinking and practices around its customers to one which will elevate it to the position of a leading CX organisation. The transformation, in this instance, will require its people to shed old practices and ideas in favour of new ones more aligned with customer-centricity and the objectives of the CX blueprint.

Transformational change

The size of the organisation will normally dictate how, when and who will implement the CX blueprints of your organisation. However, some important considerations are relevant to all size organisations. The implementation plan should acknowledge that there is more than one implementation required in the strategic implementation of a customer experience initiative aimed at organisational transformation. There are three key implementations to consider:

1. Organisational Changes
2. Customer experience initiatives
3. Governance model for mastering customer experience excellence

Often these implementations will operate in parallel with varying timelines for

completion. Assuming there is no governance model in place the third implementation is designed to ensure whatever changes are made are properly maintained to achieve sustainable results over the long-term. The governance model will play an important role in achieving transformational CX. The implementation will need to incorporate any third parties directly impacting the ongoing success of your program. This is particularly relevant if you are outsourcing, to a third party, any component of an interaction in the customer journey. Most organisations will use partners to deliver aspects throughout the customer journey and being able to control the outcomes of that interaction is a critical aspect of being a truly customer-centric organisation. The governance model needs to effectively manage third-party vendors to ensure they can achieve consistency across the entire customer journey.

Collectively the three types of implementations are designed to achieve transformational change in the organisation. Aspects of your blueprint should be designed to either accelerate or optimise customer outcomes, but collectively any strategic implementation will transform the organisation by making it more customer-centric and more competitive in the marketplace enabling it to deliver a uniquely branded experience. The financial targets of the program are a necessary and strategic imperative to demonstrate and validate the commercial benefits achievable from delivering a purposeful and well-thought customer experience program. Without clear financial objectives directly impacting the organisation the customer experience initiatives will be

underfunded, poorly conceived by senior executives, and incorrectly implemented in the organisation.

Planning the Organisational Implementation

The transformative objective of the program enables us to select the best methodology to use for implementation. The organisational implementation will require you to address specific aspects of the organisation preventing the full and proper practice of customer centricity. To achieve this outcome, people will be required to change attitudes and behaviours in the workplace. Changing behaviour is one of the most difficult tasks to achieve. Standard project management will not suffice in this situation. Instead of using a change management methodology such as the Prosci ADKAR® model will ensure the organisational initiatives achieve their objectives. The ADKAR model is a research-based, individual change model that represents the five milestones an individual must achieve to change successfully. ADKAR creates a powerful internal language for change and gives leaders a framework for helping people embrace and adopt changes. The five milestones are identified as:

1. **A** - Awareness of the need for change
2. **D** – Desire to support the change
3. **K** – knowledge of how to change
4. **A** – Ability to demonstrate new skills and behaviours
5. **R** – Reinforcement to make the change stick

During the process of implementing organisational changes, you will encounter resistance from different

stakeholders. The change management methodology equips you with the necessary tactics required to deal with the resistance and to minimise the impact on your project. There are a number of key success factors in a change management program like this one. The main ones are identified as follows:

1. Well pronounced and high exposure sponsorship from the CEO
2. The positioning of customer experience within the organisation
3. Stakeholder engagement and communication
4. Selection of influential and capable change agents with the organisation
5. Leadership by example

These five success factors will determine how well you can implement your organisational changes. The strong backing from the CEO throughout the implementation process is both necessary and instrumental in elevating the importance of the program to all stakeholders. Without this, the program is likely to be perceived as a tactical project and will never achieve any transformational outcomes.

CX positioning

Likewise, the positioning of customer experience within the organisation will also determine the level of influence to change aspects of the organisation. For example, if the customer experience is positioned within a marketing department then internally it will be perceived as a marketing initiative and the ability to make or suggest organisational change is likely to be met with resistance. However, if customer

experience belongs to an autonomous unit and the leadership is at the c-level then influencing change will become a lot easier than if it belonged under marketing or the customer care team.

Progressive organisations who lead in customer experience will normally position customer experience at the highest level and allocate responsibility to a Chief of Customer. This role will normally be at the same level as a Chief Operating Officer or Chief Commercial Officer. Departments such as marketing and customer care would report through to the Chief of Customer ensuring consistency in messaging and experience to the customer. Having senior level accountability around the customer elevates the focus of customer experience in the organisation contributing towards greater customer centricity.

Stakeholder Communication

Stakeholder communication and engagement is required to be maintained at the highest levels throughout the entire implementation process. Stakeholders can become quickly disenfranchised if changes are occurring without their input or knowledge. If you have properly engaged senior stakeholders in the design stage, then it becomes easier to procure support from senior stakeholders during the implementation stage. By engaging with stakeholders early in the process, you can reduce any resistance by the time you reach the implementation stage. Collaboration with stakeholders is equally important as ensuring regular communication. They will need to feel they are actively involved in the change process so they are

voluntary, and not involuntary, participants in the change process.

Change Agents

The ability to change behaviours within the organisation will also depend on how effective change agents are in their ability to influence and demonstrate the changed behaviours. Identifying and selecting the change agents requires careful consideration of what role the change agent is required to perform. In a change management program, the role played by the change agent is multifaceted. However, they are best viewed as influential ambassadors to the change program. They are often identified as a "champion" of the cause because they take on the responsibility of leading the change within a particular department.

To be successful at this role the change agent needs to possess certain characteristics. They need to be influential in their department, have a high level of enthusiasm for the customer centricity objectives of the program, and can coach others. Also, the change agent needs to be someone who can take instructions and follow through with set deliverables. The role of the change agent is a voluntary role and often not directly compensated for the work required. Instead, the change agent takes on the additional workload because of the future positioning within the organisation and potential for promotion. Direct compensation is normally provided in the form of time off and a bonus for completing set tasks. The key tasks normally performed by the change agent will be:

1. Explaining the **need and value** of the change to the impacted employees
2. Outlining the agreed reward plan to **encourage the change**
3. Outlining the process for change and **what is expected** from the impacted employees
4. **Provide coaching and training** on the new changes required from them

The change agents will work closely with the change manager to determine the actions to take. Monitoring of behaviour and evidence of demonstrated changed behaviour in real life work situations is required to confirm whether the impacted employees have adopted the change. A cycle of coaching and evaluation will continue until the desired results are achieved and reinforced. Occasionally, the change manager will intervene when there is evidence of persistent resistance from certain individuals. The role of the change manager is to provide the direction and mentoring required for the change agents to perform the necessary functions of their role. The change manager ensures the program receives the necessary focus to achieve its objectives on time.

The Role of HR

The implantation of the organisational initiatives will require significant support and involvement from the HR or People and Culture department. The main reason their involvement is required is that in any customer centricity project there is

always a requirement for employees to change some sort of behaviour with the aim of achieving a new performance outcome. To ensure there is alignment between the new expectations and existing performance reviews the HR director will need to be actively involved and championing any changes required in existing processes.

Often KPIs and targets will need change to reflect the changes as well as job descriptions. Employees cannot be expected to demonstrate changed behaviour if their performance reviews evaluate them on different criteria. The alignment of KPIs, targets, and performance reviews to the new behaviours will often trigger the need for a secondary implementation. As outlined three key implementations need to be completed but as you begin planning the implementation, you will soon discover there are often secondary implementations required to achieve your primary transformational outcomes. These secondary implementations should be controlled by the impacted departments but have direct reporting to the change manager.

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