CX and the accelerating pace of change

By Mark Molenaar , issued by Kantar   8 Jan 2020

In the *Terminator* movies, "singularity" was the date when machines overtook us and became sentient, but I recently discovered an alternate definition of singularity. In his book, "Scale", Geoffrey West describes "finite time singularity" where you have open-ended growth driven by current economic and technological systems. But in a system with finite resources (such as planet earth) the only way to prevent the day when we reach the limits of our resources and face collapse is through innovation, which in turn, may ultimately allow us to escape our resource constraint and "reset the date" of those limits again.

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Each time we reset the clock through innovation, the time until we need to reset it gets shorter, hence the rate of innovation needs to get faster. In theory, the rate of change at which innovation is required to reset the doomsday clock eventually becomes infinite, and this is called the finite time singularity.

So what does this have to do with customer experience? Like all industries, CX is going through accelerated change and innovation - trying to keep up with the latest trends is a full-time job! There are many areas that intersect with customer experience - AI, IoT, VR, AR, APIs, chatbots, drones, virtual assistants, even new business models and ecosystems. The list is long and keeps growing. Companies that don't innovate and change will be overtaken by those who do. And there are many examples of this over and above the usual trope of Amazon, Airbnb, Uber, Netflix, etc. But one thing they all have in common is that CX is at the heart of what they do. So technological innovations aside, what broader trends are playing out in the CX space?

CX moving front and centre

Companies that get customer experience right far outperform those who don't. BrandZ reports show that brands with a strong CX focus delivered 188% growth over 12 years, compared to 18% growth among those who didn't. Increasingly, businesses realise that CX is vital to their growth and survival, and failing to develop and implement a CX strategy will undermine their competitiveness and put them at risk. In 2020, CX will continue to become more important as a business focus.

Organisational transformation now trending

Many organisations struggle with CX transformation. A key reason is that they are not structured to support CX efforts because they are operating within an outdated paradigm and customer centricity is not adequately understood, supported or implemented effectively by key stakeholders throughout the organisation. The big challenge for large organisations with traditional hierarchical structures is that the very organisational structure that made them stable and strong in the past, makes them too rigid and complex to adapt quickly in today's rapidly changing environment. To become more customer centric, we'll see organisations beginning to first change internally, empowering staff at all levels with the purpose, beliefs, tools, information and autonomy to make decisions that create positive customer experiences and connections.

CX as a board level responsibility

CX will encompass every aspect of the business, requiring leadership from the CEO down to ensure initiatives are invested in, supported and adopted by all levels of the organisation. We'll see CX increasingly as a board level function, reporting into the CEO. In the most successful CX focused companies like Apple and Amazon, the focus on CX is driven by the CEO.

A change in the employee relationship

It's no longer news that engaged employees are crucial to the effective delivery of customer experience. But to get CX right there needs to be a stronger focus on creating an environment and culture where employees are emotionally engaged in delivering on a clear organisational purpose and this requires more than just a shakeup in HR or casual Fridays. We'll begin to see shifts in the relationships with employees as "resources" to more inclusive business models where benefits are more equitably shared and there is skin in the game.

The evolution of CX to a broader social purpose

181 CEOs of the American Business Roundtable recently committed to lead their companies for the benefit of all stakeholders, customers, employees, suppliers, communities and shareholders. According to Tricia Griffith, President and CEO of Progressive "CEOs work to generate profits and return value to shareholders, but the best-run companies do more. They put the customer first and invest in their employees and communities. In the end, it's the most promising way to build long-term value."

Moving into 2020, successful companies will be more socially, ethically and environmentally responsible, with a connection to customers through a broader social purpose.

All of these trends are a positive evolution in improving experiences, organisations and the world we live in and, hopefully, creating the innovation that kicks this singularity a bit further down the road.

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