



Customer experience can make or break a company's reputation and bottom line, so all employees must be trained on it.



# A CUSTOMER- CENTRIC STATE OF MIND

BY SERGIO ALGUACIL-MALLO

**I**t has become obvious among L&D professionals that customer experience (CX) is crucial for any company seeking to stay competitive in the marketplace. Consumer behavior has changed dramatically during the past 10 years: Choices are more abundant than ever before, and the rise of digital mobile technologies has altered the way customers interact with various brands. Customers are becoming more attached and loyal to the experience a brand delivers to them than to the brand itself.

With greater access to goods, services, and information, customers are less forgiving when they have a negative or suboptimal experience interacting with a company—whether virtually or in a brick-and-mortar location. They now have the option of sharing negative experiences via social media, which means brand reputation is extremely sensitive to CX. In this environment, companies face unprecedented challenges to attract and retain customers.

That's why CX is now an essential part of many companies' business strategies. It's a key differentiator and critical to staying competitive in a constantly evolving marketplace. The need to ensure optimal performance when interacting with customers has driven companies to increase resources allocated to CX. CX management has established itself as a new discipline in the field of business administration and leadership. This all suggests that CX is substantially more than simply providing good customer service at the business front line and maintaining effective communication with the customer base.

### **Defining CX**

There are many commonly accepted definitions for CX, but most people define it as how customers perceive their interactions with a given company. These interactions occur any time a company and its customers have a two-way exchange in a store, in a service center, on a website, or via a mobile device. These moments of interaction are referred to as *touchpoints*. The goal of CX is to provide customers with excellent experiences across every touchpoint in a way that exceeds their expectations going into the interaction.

Companies use five common metrics to measure whether their CX is improving or deteriorating:

- Net Promoter Score to measure customer loyalty
- Customer Satisfaction Index
- Customer Effort Score
- customer retention or churn rate
- first response and average handling time.

As an L&D professional, you must become familiar with these metrics because they will help you create more effective CX training programs. This knowledge will enable you to link learners' specific job tasks directly to the company's overall CX performance.

### **First things first: Internal CX**

Strong customer-centric brands are built from the inside out. Most business professionals think of customers only as external clients who use the company's products and services. This traditional concept of the customer has led many employees who don't have direct contact with customers to forget that they, too, are integral to CX. All employees provide services within the organization, engaging internal customers such as support departments, the back office, and frontline staff. Managers and supervisors provide services to their team members as key internal customers, helping them to deliver an excellent experience to external customers.

No matter what an employee's position is in the company's organizational structure, each has customers and provides a service. This is noteworthy because studies show that the quality of service employees provide to their colleagues is an important determinant of the quality of service that external customers receive.

If staff don't believe they can rely on colleagues or departments to provide quality service, the service chain breaks down internally—often causing external CX to suffer. Therefore, in

## **THE GOAL OF CX IS TO PROVIDE CUSTOMERS WITH EXCELLENT EXPERIENCES ACROSS EVERY TOUCHPOINT.**

all operational aspects of the business, leaders need to prioritize internal CX to improve external CX.

At FINCA Impact Finance (FIF), we define CX as how our internal (staff) and external (clients) customers perceive their interactions with the company. A quarterly CX dashboard measures internal and external metrics such as retention and brand engagement. The company conducts an annual pulse survey to measure progress on becoming a customer-centric organization from the point of view of our more than 10,000 employees.

In the survey, staff can rate their perceptions of how FIF's brand values apply to their day-to-day work and the degree to which they would recommend FIF as an inspiring place to work and to which the company demonstrates care for internal customers. The dashboard also reports the share of staff trained in CX on a regular basis, ensuring that L&D remains an essential contributor to a successful CX transformation.

### **Aligning a global staff**

FIF aims to achieve massive financial inclusion in some of the world's most challenging markets. Its network of 20 microfinance banks operate in developing and emerging economies, providing responsible, innovative financial services that enable low-income individuals and communities to invest in their futures.

In 2015, FIF launched a cultural transformation focused on CX, declaring it one of three core priorities for the network. A CX charter was shared with all staff to commu-

nicate the vision and need for the change. The company also formed a steering committee that worked with CX champions around the network to develop resources to support the transformation.

FIF sought to provide an excellent and consistent CX to all customers. To achieve this, the company had to align its more than 10,000 employees in 20 countries on four continents on the concept. Leadership engaged the L&D team to build this awareness and drive behavior change across the network.

An off-the-shelf CX training course did not exist in our industry, so the L&D function was tasked with creating it from scratch. The resulting Leading Customer Experience from the Inside-Out training program encompasses three instructor-led courses:

- a CX workshop for executives and senior managers
- a three-day course for frontline managers and supervisors
- a course for frontline staff and other individual contributors.

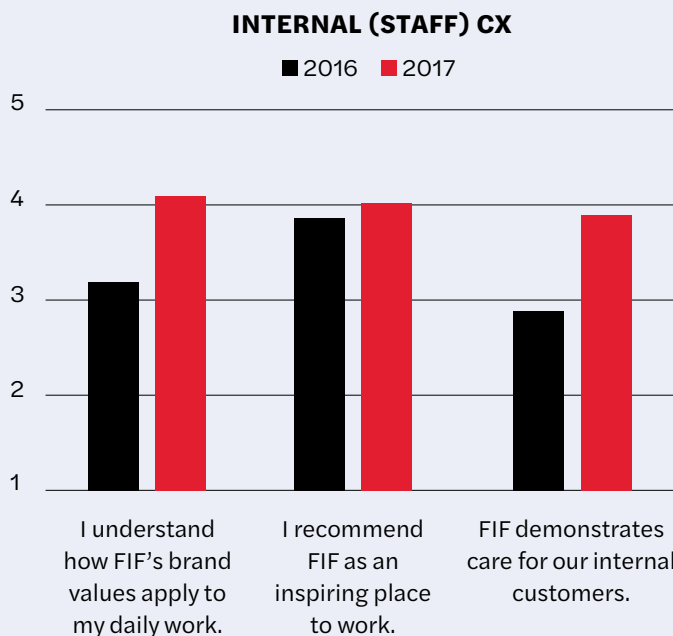
The newly launched three-day course for frontline managers and supervisors

highlights the importance of improving CX from the inside out. Early in the class, staff are trained on the relevance of internal CX to enable the organization to provide an excellent experience to external customers. The course session, titled “The Customer Journey,” emphasizes how customers have emotional experiences while interacting with staff. Accordingly, all employees have a role in ensuring external CX is pleasant and represents the brand in a positive way. The main takeaway of this session is that CX starts with each of us practicing the company’s brand values. Positive internal CX is indispensable for delivering an excellent experience to external customers.

CX training at FIF continues to target all staff members from the C-suite to the front line and includes a mandatory annual e-learning refresher course for all employees. The identified purpose of these training activities is twofold: to ensure every employee understands why CX is at the core of a successful future for the company and to motivate employees to commit to CX and develop the skills required to lead the company’s transformation, irrespective of job position.

One of the most critical skills we identified is empathic listening to develop stronger connections with customers and understand their experience, emotions, and needs more fully. Our brand essence—creating brighter futures for our clients, both internal and external, through warmth, trust, and responsible banking—served as the starting point for the instructional design process. It articulates what we stand for and what the brand must represent for our customers. But while our brand essence is well known to all our employees,

## Customer Experience Dashboard Data From a Subsidiary of FINCA Impact Finance (FIF)



## FINCA Impact Finance’s Customer Experience Behaviors

CX Behavior	What the Behavior Looks Like in Practice
Consistently champion the customer’s voice.	<ul style="list-style-type: none"> <li>• Bring the customer perspective into every element of your team’s work.</li> <li>• Spend regular time talking to internal and external customers to get to know them and build trust.</li> </ul>
Show staff how CX drives business results.	<ul style="list-style-type: none"> <li>• Make staff aware of the cost of losing, and the benefit of cultivating, lifetime customers.</li> <li>• Make talking about business results and linking them to the delivery of customer experience a regular responsible banking practice.</li> </ul>
Manage one’s moods and their impact on internal and external customers.	<ul style="list-style-type: none"> <li>• Be aware of your own moods and emotions and their impact on others.</li> <li>• Become conscious of your triggers and manage them.</li> </ul>
Demonstrate care for internal and external customers (warm, consistent support).	<ul style="list-style-type: none"> <li>• Invest as much in conversations to understand and support internal customers as in taking actions to achieve targets.</li> <li>• Avoid relying on policies only and take actions and decisions that build trusted relationships.</li> </ul>
Practice integrity: Keep promises and commitments.	<ul style="list-style-type: none"> <li>• After a conversation, review commitments you and others have made and articulate who will do what and by when.</li> <li>• If you must break a commitment, communicate this to others involved and explain the reason in advance.</li> </ul>
Listen to and empathize with internal and external customers.	<ul style="list-style-type: none"> <li>• Pay attention to both the content/ situation and emotional elements of what customers are saying.</li> <li>• Listen first to understand customers when they are upset—before providing explanations.</li> </ul>
Resolve customer challenges with positive communication and innovation.	<ul style="list-style-type: none"> <li>• Stretch to find solutions that will delight and create long-term relationships with the customer.</li> <li>• Avoid saying “no” and “but.” Use “and” statements to demonstrate positive action you will take.</li> </ul>

representing it in everyday CX interactions requires commitment. That’s why the training program targeting managers and supervisors concludes with an exercise during which learners create a vision for how they want to be as CX leaders who serve other staff—so the staff, in turn, can deliver an excellent experience to our external clients.

### CX behaviors

To promote the desired outcomes, our training courses emphasize the behavioral aspect of workplace learning, focusing on identifying a set of behaviors to guide staff in transforming daily work situations into opportunities to deliver excellent CX. We established a set of seven CX behaviors representing our brand essence, each one broken down into descriptors to support the learner’s understanding of what each of the behaviors looks like in practice (see sidebar). Focusing on behaviors rather than on learning objectives during the instructional design process facilitated the content development enormously. Learners are taught about the behavioral effort needed to build new habits essential to becoming effective CX leaders.

Critical to the success of FIF’s CX transformation was company leadership establishing it as a global priority and enabling champions around the network to bring it to life. While there were many cross-functional efforts under way, the investment of time and money in designing training courses for our employees was central to ensuring the change was sustainable through behavior change. These changes and initiatives would not have been possible without the CX training all staff received.

What truly made a difference in transforming the global organization was the support the L&D function received from senior management and leaders while designing the CX training program. The training is now being shared with peers in the microfinance industry as a best practice example of how staff training that emphasizes behavioral change supports an organization’s cultural transformation.

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