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Customer Experience Measurement: Is Your Focus Lagging?

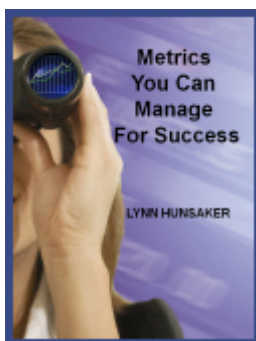
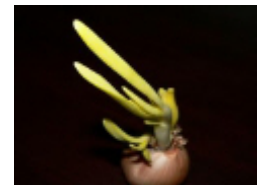
by Lynn Hunsaker

We monitor customer satisfaction, net promoter scores and business results as barometers of success. These indicators are important in 'reading the tea leaves' of evolving customer expectations and competitive scenarios. Yet, because these measures are things which stakeholders (i.e. investors and customers) have already experienced, they are in fact *lagging indicators* of success.



Lagging indicators are necessary but insufficient. They give us a sense of the big picture, but they are not actionable. To move the needle for these big-picture metrics we need to monitor correlated actionable metrics that allow us time to make fundamental changes. If we monitor the right actionable metrics, their progress — or lack thereof — can be predictive of progress in the big-picture metrics.

To leapfrog this lagging paradigm, we've got to peel the onion to identify root causes. Multidimensional statistical analysis, data mining and modeling offer precious insights to key drivers of big-picture metrics. Have you ever noticed that an onion will sprout new growth from its center? Similarly, new growth in big-picture metrics originates from the most basic levels of actionability. Fishbone diagrams and 5-why analysis are essential tools for peeling the onion to its center.



Too often, a focus on lagging indicators results in unintended negative behaviors. For example, sales people whose bonus is tied heavily to survey ratings may feel tempted as they're wrapping up the sale to suggest that the customer give the highest rating possible. This not only negates the validity of the survey, but it can seriously damage the customer's affinity for the brand, and it makes the survey and bonus programs wastes of time and money. In other cases, a focus on lagging indicators tempts people to 'cook the books' or to pooh-pooh the market research. Recognition, bonus programs and metric dashboards with high visibility preferably include both lagging and leading indicators, weighted appropriately to spur intended results.

To prevent unintended behaviors — and more importantly, to motivate high-impact positive behaviors — it's imperative to focus our workforce on leading indicators of customer satisfaction, net promoter scores and business results. By doing so, we can put ourselves in the driver's seat amid evolving customer expectations and competitive scenarios, and drive higher ROI on customer efforts.

Find out how to customize these tips to your situation; contact the author lynn.hunsaker@clearaction.biz.