The Customer Engagement Capability Model

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# Introduction

I have come across many capability models from different consultancy companies, but none gave a good overview of the capabilities for Customer Engagement. It was lacking capabilities or had ambiguous capabilities that were more themes or initiatives, like Unify Frontend or Personalisation. In most capability models, a clear description of the capabilities was missing, which led to a further internal discussion of why and if we needed that capability. And the capability models were only having high-level capabilities, which resulted in more workshops required to deep dive into the capability model to make it more concrete and actionable.

So, I decided to build a capability model myself, that focus on Customer Engagement.

# How does a Capability Model help

A capability model is a tool to give guidance and steering for strategic planning. Capability models provide a visual representation of business functions, activities, and outcomes that help to create focus when building strategic plans. For each capability in your organization define ownership and discuss the vision, ambition, and plan for that capability. Not only business but also IT and architecture. Therefore, a capability model is an essential tool for understanding organizational strengths and priorities, as well as guiding strategic decisions.

To prioritize and focus, it is crucial to score and rate the capabilities.

## Defining layers with principles

As an architect, I like to create layers to a capability model. Some capabilities focus on the best customer interaction, like Product Selling, Customer Service, and Digital Marketing. Other capabilities focus on core business processes and activities, like Product Management, Order Management, and Delivery or Supply Chain. And in the Enterprise Foundation layer we define capabilities with shared business functions like Finance, Procurement, HR, etc.

|  |  |  |
| --- | --- | --- |
| Channels | | |
| Product & Services | Customer Engagement | Data & Integration |
| Business Services |
| Enterprise Foundation |

Each layer has different characteristics. For Customer Engagement, we need easy, adaptable, and flexible solutions since customer behavior changes rapidly. Some solutions should be standard and preferable SaaS, like Customer Service solutions, other solutions are differentiating for your organization and should be self-build custom, like website and mobile apps.

Business Service solutions focus on business processes. And since business processes do not change often, these solutions should be robust, secure, and performing. You need standard solutions that are cloud-hosted, with possibilities for light customizations, easy integrations, and standardized data models. I strongly advise you to search for solutions that fit your business model and not try to fit a business process into a solution. But that is a whole other topic.

Enterprise Foundation solutions support the organization to operate and shared across the entire organization. Solutions for HR, Finance, Procurement, etc. should be standard, robust, secure, and performing.

# Examples that I like

There are a few good capability models that I like. Some for their visual representation and others for their content and level of detail.

## LeanIX

Text

Description automatically generated<https://www.leanix.net/en/wiki/ea/business-capability>

I like the visual design of the LeanIX capability model. The use of colors, the grouping of capabilities, and the level of detail. I believe this is a great starting point for building your organization's capability model.

https://www.leanix.net/hs-fs/hubfs/Imported%20images/Best-practices-to-define-business-capability-maps.png

## CSA

Graphical user interface, website

Description automatically generatedNot visually strong, but strong in content is the Cloud Security Alliance capability framework. It is an interactive capability model with L1 and L2 capabilities and their definitions. I like how this capability model is publicly available, is extensive with many capabilities, and has clear definitions of the capabilities.

Later in this article, I explain why it is crucial to have clear descriptions.

<https://ea.cloudsecurityalliance.org/index.php/explore/security_risk_management/>

## A Dutch supermarket

I have seen a strong example of a capability model of a Dutch supermarket. I like how they added the Products and Services they deliver to their customers into the model. And the labels they deliver the services from.

They offer groceries: private label products and 3rd-party products. But also, meal inspiration, home delivery and pickup point services, photo services, recycling services, and loyalty products. Services you know they have, but when put on a capability model, it helps in discussions on a strategic level.

Unfortunately, I cannot share the Capability Model of this Dutch supermarket as it is not publicly available.

# How to better describe capabilities

Building a capability model requires coordination and discussion. To streamline the discussion and come to a consensus on the model company-wide it is crucial to define the capabilities with the correct level of detail, a clear description, and a model to assess and prioritize capabilities for improvement.

## A clear definition

The first thing you need to focus on when building a capability model is to create a clear definition of the capabilities. I was too many times involved in discussions to create the capability model where capabilities were ‘created’ without a clear definition, which led to endless discussions about what the capability was about and where it should land in the model.

When you are new to an organization it helps to understand what the organization means with for example ‘Service Management’ – is this Customer Service or internal IT Service Management - or ‘Knowledge Management’ – is this knowledge articles like FAQ or training mechanics in the organization.

At the end of this article, I have created an overview of capabilities in the Customer Engagement domain with their definitions for you to use as a starting point. There is no right or wrong answer if everyone in the organization agrees on the definition and it is documented for everyone to read.

## Levels of detail

It is common to create first a high-level capability model. We call this level 1. And then dive deeper into the model and its capabilities for more details.

### Level 1

The high-level capability model, or the level 1 capability model, gives an overview of all capabilities in the organization. It is a model that everyone in the organization will understand and feel comfortable with. The example that I mentioned earlier are all level 1 capability models.

Level 1 capability models can be shared, or reused, by companies in the same branch. For example, a capability model for travel can be used by most travel agencies, as the business model is the same.

Capabilities in this level 1 capability model are defined at a high level, like Customer Service, Commerce, Marketing, Content Management, Search, etc. At the end of this article, I have created an overview of capabilities in the Customer Engagement domain with their definitions for you to use as a starting point.

### Level 2

It requires more detail to the capability model to use the model for strategic decisions and directional to the IT landscape. Level 2 capabilities can be plotted to business processes and applications. This then helps to prioritize based on business processes and identify what applications need to be improved or deduplicated in line with the architecture vision.

For example, level 2 capabilities of Commerce are Cart & Checkout, Quotes, Up and Cross-sell, etc. Level 2 capabilities of Content Management are Digital Asset Management, Knowledge Management, Product Catalog, etc. At the end of this article, I have created an overview of capabilities in the Customer Engagement domain with their definitions for you to use as a starting point.

### Level 3

I don’t think a capability model needs more details than level 2. Level 3 often shows the capabilities of a solution or application, which can help to build solution architecture diagrams or rate the capabilities of solutions for selection purposes. But to align the IT landscape to the architecture vision I believe level 2 is enough.

# My Customer Engagement Capability Model

I haven’t seen a capability model that focuses on Customer Engagement with definitions and the right level of detail. So, I decided to create my own!

Use the following link to access my Customer Engagement Capability model with two levels of detail and clear definitions. I appreciate any form of feedback on this model as I will constantly improve this capability model over time. Feel free to use the form below.