1-Systems Thinking is a Key to Cooperation & Big Results

All of the recent customer experience studies report broken linkages between:

- Functions' and business units' goals.
- Survey results and business results.
- Multiple voice of customer sources.
- Data and actions.
- Incentives and desired behaviors.
- Views of what customers want.
- Brand promise and what's delivered.

These broken linkages indicate a lack of systems thinking. Systems thinking is a holistic view of the components of an entity. It comprises the components' relationships with each other and with other entities, rather than in isolation.

Example of Systems Thinking

An example of systems thinking is our society's recent consciousness of global warming and the complex array of cause-and-effect elements that may be its contributors. On the other hand a lack of systems thinking is evident in the global economic crisis and many of the recent remedies attempted. Piecemeal efforts and short-term strategies ultimately lead to finger-in-the-dike management.

Top Priorities Emphasize Systems Thinking

Customer loyalty/retention was top priority in the first four reports from The Conference Board's CEO Challenge survey. Recently the top priorities have shifted to execution, adaptability, economic performance and sustained growth, followed by customer loyalty/retention. Yet 89% of firms view customer experience improvement as critical or very important in 2009. Could it be that a lack of systems thinking in business practice today may account for the current hot buttons of execution and adaptability, as means to customer loyalty/retention and subsequent economic performance and sustained growth?

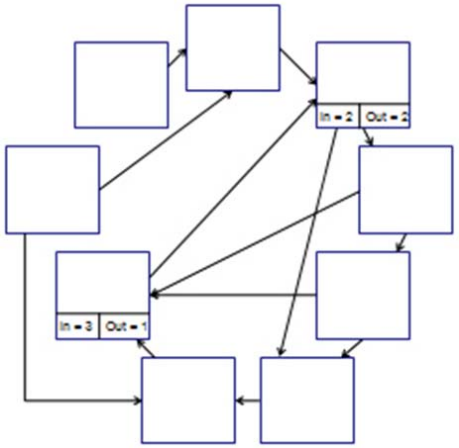
If execution is broken, examine the foundation rather than fill potholes. Tendencies to focus on IT solutions, statistics, simplified metrics, customer acquisition, or isolated opportunities have over-shadowed the realities of people and processes and culture as the most important determinants of customer experience.

Examine Inter-Relationships

Every handoff may have a ripple effect on the customer or at least on the customer-facing employee. In other words, frontline employees are only as effective as the rest of the organization enables them to be.

One technique for developing systems thinking is the inter-relationship diagraph. It is intended to allow a team to systematically identify, analyze and classify the cause and effect relationships that exist among all critical issues so that key drivers or outcomes can become the heart of an effective solution.

- The issue with the highest number of outgoing arrows is a root cause or driver, which is generally the issue to tackle first.
- The highest number of incoming arrows indicates a key outcome, which can become a focus for planning as a measure of overall success or as a redefinition of the original issue under discussion.



The inter-relationship diagraph is an appropriate tool to use when there are a large number of interrelated issues that need to be better defined, data is not available to identify root causes, and scarce resources require a carefully focused effort.

Identify Linkages, Key Drivers & Key Outcomes

This technique can be applied to inter-relationships between departments, programs, issues within a program, inter-personal dynamics, channels, ideas, and many other elements that affect customer experience.

1. Agree on the issue/problem statement: create a complete sentence that is clearly understood and agreed on by team members. The ideal team size is generally 4-6 people, who must have intimate knowledge of the problem statement topic.

2. Brainstorm all of the related elements, write each issue on a card, and lay them out in a large circular pattern.

3. Start with any one of the elements, and look for cause or influence relationships between all of the elements and draw relationship arrows.

- Outgoing arrow from an element: it is the stronger cause or influence.
- Draw only one-way relationship arrows in the direction of the stronger cause or influence. *Do not draw two-headed arrows*.

4. Review and revise the first round inter-relationship diagraph; get additional input from people who are not on the team to confirm or modify the team's work.

5. Tally the number of outgoing and incoming arrows and select key items for further planning.

- Highest number of outgoing arrows: the element is a root cause or driver.
- Highest number of incoming arrows: the element is a key outcome.

6. Draw the final inter-relationship diagraph with color, bold text or double-boxes indicating the key driver and the key outcome.

Decision-Making Guidelines

Create a guideline for decision-making by summarizing the inter-relationship diagraph in a matrix format.

1. List the diagraph topics as column headers and row headers.

2. Cross-out the boxes at intersection of identical header/row topics.

3. Place upward or sideward arrow in each box:

- Upward arrow: driving cause.
- Sideways arrow: effect.

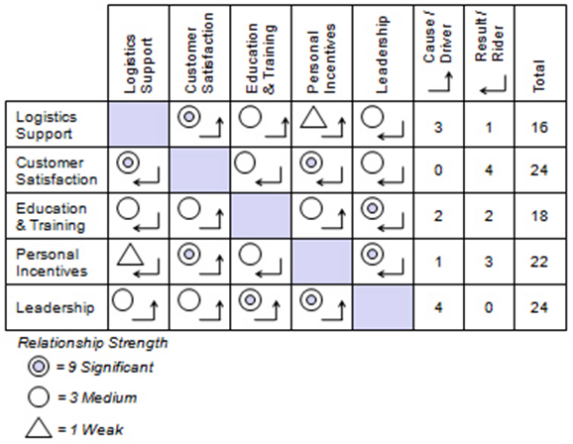
4. Count the number of arrows:

- Cause/Driver column: sum of upward arrows.
- Result/Rider column: sum of sideways arrows.

5. Indicate how strong the relationship is between topics:

- Circles and triangles: strength of relationships.
- Total: sum of relationship strengths.

6. Work on the items that have the strongest effect on the greatest number of issues.



	Logistics Support	Customer Satisfaction	Education & Training	Personal Incentives	Leadership	Cause / Driver ↑	Result / Rider ←	Total
Logistics Support		◎↑	○↑	△↑	○←	3	1	16
Customer Satisfaction	◎←		○←	◎←	○←	0	4	24
Education & Training	○←	○↑		○↑	◎←	2	2	18
Personal Incentives	△←	◎↑	○←		◎←	1	3	22
Leadership	○↑	○↑	◎↑	◎↑		4	0	24

Relationship Strength

◎ = *9 Significant*

○ = *3 Medium*

△ = *1 Weak*

Put Systems Thinking into Action

One of the most powerful realizations about systems is that the most obvious solution is often one that backfires or makes matters worse. Small changes often produce big results, but areas of leverage are often the least obvious. This is why the inter-relationship diagraph is recommended for application between departments, programs, issues within a program, inter-personal dynamics, channels, ideas, and many other elements that affect customer experience.

Additional tools for systems thinking:

- Analogies : most of human thought, emotion and learning occur in the unconscious mind; metaphors or analogies are excellent ways to see the big picture.

- Connectivity : most causes are ongoing processes, not one-time events; look at elements in a continuous loop to see anew the influences that occur between them.
- Framing : patterns may emerge if you frame a problem in terms of behavior over time and look for connections, patterns and trends.
- Patterns : a key to creative thinking, and to systems thinking, is opening your mind to observing similarities between elements.
- Shift Perspective : put yourself in the place of someone else to gain a new perspective.
- Structure-Drives Behavior : ask questions about how the problem is enabled, rather than who is to blame; assume that the structures within the system perpetuate the behavior within the system.

Challenge yourself and those you influence to use these tools to see the big picture more often. Discuss far-reaching consequences, test new-found theories and carefully select actions that will be in the best interest of customer experience improvement goals.

2-Change Management Builds Engagement for Lasting Results

Lack of cooperation across organizations inhibits momentum for customer experience improvement for more than half of firms.[6] Expressly and holistically managing change is integral both to gaining cooperation and to systems thinking.

Broken CEM linkages, weak execution and employee engagement dilemmas can be addressed through seven change management phases:

1. Evaluate: Address the need for change.

2. Envision: Describe future state and timeline.

3. Analyze: Assess gap between vision and current state.

4. Plan: Map transition from current to desired state.

5. Implement: Deploy the change.

6. Review: Assess whether you should stop, sustain or redirect.

7. Leverage: Assure knowledge sharing.