Your BT Agenda Requires Comprehensive Customer Obsession

Today’s high-flying businesses are deliberately designed to be customer-led, insights-driven, biased to speed, and profoundly connected among employees, partners, and customers.¹ CIOs' BT agenda is the technology part of that commitment — essentially the how-to for designing, developing, and delivering superior digital customer experiences. To be successful, it requires:

› **Fast execution.** Your BT agenda must favor continuous delivery of new services and experiences that keeps pace with customers’ continuously evolving expectations.

› **Customer understanding.** The voice of the customer must inform your BT agenda, taking into account customers’ expectations and demands for how they want to interact with your company or use your products and services.

› **Broad participation.** To fulfill your BT agenda, you must engage all parts of your organization. From customer insights teams to infrastructure teams, each role must contribute to effectively design, develop, and deliver superior digital customer experiences.
Discrete Design, Development, And Delivery Methods Fall Short

The good news: Teams across your business are likely using — or at least experimenting with — customer-focused methods to help pursue the BT agenda and create digital experiences. Your customer experience teams are applying techniques like customer journey mapping, your designers are championing human-centered design, and your tech teams are using Agile development. The bad news: Each method serves only specialized goals. This ultimately creates:

- **Miscommunication.** The multiple handoffs among these discrete methods with discrete vocabularies risk huge incidences of miscommunication. Even if product owners consult valuable data sources like analytics, too much context will be omitted or misconstrued.

- **Culture erosion.** Over time, the buildup of miscommunications — and the inevitable rework that comes with it — will eventually create or reinforce resentment and animosity among teams. The result: a more siloed and less collaborative culture that kills any chance of sustained innovation.

Embrace Design Thinking As A Common Framework

Customer-obsessed firms overcome these tensions by embracing a common framework for digital experience design, development, and delivery that centers on the core disciplines of design thinking (see figure). Design thinking is a creative problem-solving — and opportunity-finding — mindset and methodology with a bias toward action that puts the emphasis on empathizing with the customer, clearly defining the problem, collaboratively ideating solutions, and then prototyping and testing those solutions. Various organizations have embraced design thinking principles and now use it as the basis of a common framework for digital customer experience design, development, and deployment — extending it where necessary. They’ve merged detailed expertise from methods like journey mapping and Agile development into a common framework that they’ve designed to:

- **Start and end with the customer.** Throughout the process, the focus is on what customers need, sometimes before they even know that they need it. Early on, this involves understanding customers and their context. Later, it’s about collecting customers’ feedback so that you can quickly adjust and improve.

- **Connect ideation, design, and development.** The common approach brings customers, businesspeople, designers, and developers together to decide exactly how to match customers’ motivations and needs to your business goals.

- **Drive rapid iteration.** Importantly, this is not a linear process that you design to create bulletproof experiences or products out of the gate. It is a continuous cycle approach to quickly deliver prototypes and minimum viable products and rapidly iterate with customers’ input.
Empathize And Define: Focus On Customers' Needs

To create superior digital customer experiences, you must develop empathy for your customers and focus on insights and specific needs of a particular customer or segment of customers. The disciplines for empathizing and defining are wide and deep, which customer experience professionals in customer-obsessed organizations have often mastered. As technologists, start forging your in-house design thinking disciplines by working with these peers to:

› **Foster empathy with customers, not segments.** Design thinking uses qualitative research techniques, such as observational field studies, to understand customers as people, not just categories, and to design experiences that connect with their emotions. Using these techniques, design thinking catalyzes insights that foster empathy with the customer’s goals.

› **Comprehend customers’ moments of need.** Combine models of how customers are thinking or feeling with insights about what they are trying to do at their moment of need.

› **Use voice of the customer programs to keep the focus close to the action.** Voice of the customer (VoC) programs are crucial to capturing information about individuals and communities of customers and distributing it to multiple business groups.
Ideate: Collaborate To Identify Creative Solutions

Ideation is your chance to combine the deep understanding that you have of your customers with your imagination to generate solutions. Great ideas originate in dynamic settings, close to the action. Customer advocates (including sales and service pros), designers, and technologists need to work hand in hand to spawn creative options that they base on customers’ needs, technology, and business realities. To maximize the likelihood that you capture, communicate, and act upon the right ideas:

› Surface and prioritize ideas. Who will identify a great digital idea, and when and where? You can’t predict that, so you have to establish innovation management systems that allow almost anyone anywhere at any time to identify an idea — and then empower the right, often decentralized, groups to examine the merits of the idea.

› Prioritize simplicity. The digital product or service that usually wins in the market is the experience that minimizes distractions, price-inflating features, and annoying sales pitches. Great design elevates simplicity over technical sophistication.

Prototype (And Scale): Shape MVPs Into Robust Digital Experiences

Prototypes, whether high- or low-resolution, allow someone to directly experience early versions of digital experiences and to iteratively evolve them to predictably serve customers using a continuous delivery approach. This approach allows cross-functional teams to:

› Rapidly translate ideas into minimally viable products. At the core of any evolutionary method is build/test/repeat: Create an artifact that people can experience, evaluate their responses, modify, and do it again. In practice, architecture, patterns, and templates help designers and developers accelerate design experimentation and eliminate options that don’t deliver value.

› Adopt Agile development to craft digital services. Different functions have been experimenting with iterative methods for years, but all of these methods got a strong practical boost with the emergence of and rapid adoption of Agile development. Agile development lets you deliver rapid prototypes and then scale the ones that fly up and out.

› Implement DevOps for disciplined delivery. Your digital customer experiences generate returns when you can implement them faster, more simply, and at a lower cost. Working within a continuous delivery framework, DevOps also addresses the cycle-time mismatch that has typified DevOps and is at the heart of so much of the tension between business and tech management.
Test: Amplify Customer Feedback Loops

Design thinking deeply depends on the quality of feedback loops across the entire set of integrated disciplines. If you can’t properly capture, process, distribute, and apply data, the process will grind to a halt — or at the very least lose credibility within the organization very quickly. You’ll need capabilities to:

› **Instrument your customer life cycle.** Your customer life cycle describes how customers engage with your firm. To evaluate your engagement strategies and tactics, you’ll have to continuously test the impacts of your digital touchpoints and capture additional customer data to feed both operations and design thinking disciplines.

› **Develop and diffuse actionable insights.** Through analysis, you must be able to turn data into insights and get those insights to the right people and systems at the right time, in the right format, according to the correct context. Systems of insight can help automate insight-oriented operations, but your firm will have to constantly push the boundaries of what your systems of insight can do.

RECOMMENDATIONS

Design Thinking Is The Way, But You Must Prepare The Path

You can accelerate and ensure a smoother transition to design thinking if you:

› **Reach across the aisle to like-minded leaders.** You must connect with leaders in each of these groups to start weaving together your design thinking framework, borrowing practices that work — and learning what doesn’t — from each group. The goals are faster, smarter, and more effective and efficient generation and maintenance of crucial digital assets and experiences.

› **Use a governance model that emphasizes outcomes.** Tech management groups and service providers often overweight the value of requirements to win the blame game when problems arise. But the iterative, empirical, and opportunistic methods of design thinking deliver complex, high-value digital assets much better — unless governance regimes don’t foster the evolution of priorities as well.

› **Bias to experiment.** Tech management cultures that punish failure are poorly suited to design thinking. You must lead a cultural transformation in tech management that embraces failure, utilizing all compensation, organizational, and training means available.
› Invest in products and experiences, not projects. Design thinking presumes continuous improvement. That means that everything that you create not only provides function now but also — often more importantly — creates options for the future. Design thinking depends on sound product management that looks at long-term returns that have a basis in iterative, shorter-term investments.

› Put teams over functions and technology. Design thinking is inherently multidisciplinary and cross-functional. Design thinking creates a community within your business that shares a focus on customers, convictions about the role of digital business, practices to generate and sustain digital assets at the heart of digital business, and strong, fast-acting relationships among functions.

Endnotes

1 We know and have proven that a better customer experience correlates with higher revenue growth. But what does it take to succeed in your quest for the level of customer obsession that’s needed to drive these results? To find out, we analyzed the practices of more than 30 companies at various stages in their customer-obsessed transformations. Through in-depth discussions with C-level executives at each of these firms, we teased out the common core for success. This report details the fundamental reset of day-to-day operations that are required to drive customer obsession. See the “The Operating Model For Customer Obsession” Forrester report.


3 IBM Design is rolling out its defined IBM Design Thinking framework, which creates links between problem solving, execution, and market release, to help cross-functional teams deliver experiences, not just design them. For further information about integrating design thinking, Agile, and Lean, see the “Design Methods In The Age Of The Customer” Forrester report.

4 For brevity, we’ve combined the empathize and define stages of Stanford University Institute of Design’s design thinking approach in this report. However, it is important to understand the intended depth and distinction between these phases. Technologists can often overlook or misunderstand the empathize stage in particular. The data that’s collected in this phase will often need to go well beyond the data that you already have to include more qualitative ethnographic insights, combined with designers’ skills and the data that designers already have or even other types of customer-related research.

5 Forrester research shows that superior customer experience leads to superior revenue growth and usually, but not always, has a positive impact on market value. See the “Customer Experience Drives Revenue Growth, 2016” Forrester report.

6 Focus doesn’t mean doing one thing and one thing only. But it does mean having a guiding customer-centric purpose or goal and orienting current priorities around that. See the “The Power Of Disciplined Simplification” Forrester report.

7 Improving delivery speed requires not only automating your delivery pipeline but also changing the way that you engage the business and customers, charter initiatives, and manage workflow. Once the business realizes that it can deliver faster, direct feedback from your customers lays the foundation for continuous delivery and continuous improvement. Forrester’s framework for continuous delivery improvement and accompanying assessment tool frame the essential questions that you need to ask yourself to improve your ability to deliver business value through software. See the “Use Forrester’s Continuous Delivery Assessment Model To Increase Delivery Speed” Forrester report.
Organizations have for years sought a means of more quickly delivering business value in the form of working software. Inspired by innovations in Agile software development and the application of the Lean principle of continuous improvement, development and operations have been chipping away at the obstacles that have prevented faster delivery. Joining together, the movement, which is called DevOps by some, has been gaining momentum and achieving impressive results. The walls between development, operations, and the business are coming down, ushering in a new age of collaboration that, in leading organizations, is already proving itself in delivering real business value faster and more frequently. This report presents the seven main principles of DevOps that some of the most dominant technology innovators in the world have proven. See the “The Seven Habits Of Highly Effective DevOps” Forrester report.

Businesses are drowning in data but starving for insights. Worse, they have no systematic way to consistently turn data into action. This can’t continue. Demanding customers and competitive pressures require firms to treat insights — not just data — as a business asset. Forrester’s research into incumbents like Ford Motor, General Electric, and USAA as well as digital insurgents like Netflix and LinkedIn found that these leaders are fusing a new business discipline with technology to create systems of insight. This combination of people, process, and technology closes the gap between insights and action. Read this report to see how CIOs can lead their firms to find, test, and codify digital insights in software, leading to more intelligent engagement and better decisions. Start by partnering with the CMO, integrating disparate data technologies, and building a new insights-to-execution operating model. See the “Digital Insights Are The New Currency Of Business” Forrester report.

Discovery of relevant data sources and diffusion of results are especially crucial. See the “The Customer-Activated Enterprise” Forrester report.

Significant CIO leadership is required to guide tech management through the necessary changes. See the “Design The Tech Organization For The BT Agenda” Forrester report.
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