



CXPA CX Book of Knowledge

1ST EDITION, REVISED

Table of Contents

| | |
|--|-----------|
| Introduction to the CXPA CX Book of Knowledge | 15 |
| Foreword | 17 |
| A Word of Thanks | 19 |
| <hr/> | |
| Part I: Customer Insights and Understanding | 21 |
| <hr/> | |
| Every Effort that Creates Value Starts with the Customer..... | 24 |
| Building a Customer Insights and Understanding Program | 26 |
| What is a VOC Program? | 26 |
| Why build a program? | 27 |
| Where to start? | 27 |
| What is a Journey Map?..... | 28 |
| What are the benefits of a Journey Map? | 28 |
| Journey Map example | 29 |
| What is a Persona? | 29 |
| How to create a Persona? | 30 |
| How many Personas?..... | 31 |
| How to connect Personas to Journey Maps?..... | 32 |
| Which journeys should be mapped? | 32 |
| Who should participate in Journey Mapping?..... | 33 |
| What data should be connected to a map?..... | 34 |
| How should data gaps be identified? | 35 |
| What are the data points saying?..... | 36 |
| How should work be prioritized? | 37 |
| How should progress be shared? | 37 |
| What practices should be adopted to continue the work?..... | 38 |
| Assessing technology needs..... | 38 |
| Monitoring, Observing, and Listening to Customers | 40 |
| Collecting and actioning customer understanding | 40 |
| Determining whom to ask | 40 |
| How a company goes to market..... | 41 |

CXPA CX Book of Knowledge - 1st Edition, Revised

| | |
|--|-----------|
| Contact records for capturing feedback | 42 |
| A brief word about tracking opt-outs..... | 44 |
| Deciding how to ask | 44 |
| Other ways to capture customer feedback..... | 46 |
| Be creative about locating sources of feedback..... | 47 |
| Knowing when to ask | 48 |
| Understanding what to ask | 49 |
| What if you didn't actually ask?..... | 50 |
| Prevent gaming of the system..... | 51 |
| Decide whom to inform..... | 51 |
| Thoughts on engaging third-party vendors..... | 51 |
| Customer data privacy considerations | 52 |
| Closing advice on capturing customer feedback | 55 |
| Do not just ask to ask..... | 55 |
| Establishing quarantine period rules..... | 55 |
| Thoughts on tone and context | 56 |
| Assessing technology needs..... | 56 |
| Shine a Light on Customer Feedback with an Employee Lens | 58 |
| Why should companies collect employee feedback?..... | 58 |
| Benefit 1: Surfacing Potential Customer Differentiators | 59 |
| Benefit 2: Employee Empowerment..... | 61 |
| Benefit 3: Improve the Rigor of Supporting Customer and Employee Technology..... | 62 |
| What type of employee feedback should we collect and analyze? | 62 |
| Prepare to collect and analyze..... | 62 |
| Who should collect employee customer experience feedback? | 63 |
| Important Players..... | 63 |
| When should we collect employee feedback? | 64 |
| How should employee feedback collection take place?..... | 65 |
| Implement..... | 65 |
| Assessing technology needs..... | 66 |
| Identify Customer Experience Gaps to Deepen Customer Experience | 67 |
| What is the customer experience gap?..... | 67 |
| Why do experience gaps occur?..... | 68 |

| | |
|--|-----------|
| How to address customer experience gaps? | 70 |
| What are the benefits of an Experience Gap analysis? | 71 |
| What are some of the frameworks or tools? | 71 |
| What are the steps for an Experience Gap analysis? | 73 |
| 1. Determine the areas that need improvement with a gap assessment..... | 73 |
| 2. Analyze the current state | 73 |
| 3. Define objectives | 74 |
| 4. Define the gap..... | 74 |
| 5. Create an action plan..... | 74 |
| Using market research for assessing gaps..... | 75 |
| Assessing technology needs..... | 76 |
| Conclusion..... | 77 |
| Glossary..... | 78 |
| Some VOC descriptions are inspired by "How Hard Is It to Be Your Customer?"* | 78 |
| Customer Feedback Terms | 79 |
| Employee Experience Terms | 80 |
| Customer Experience Gap Terms..... | 80 |
| References..... | 82 |

Part II: Customer Experience Strategy **83**

| | |
|---|-----------|
| Create a CX strategy | 86 |
| What is Strategy?..... | 86 |
| History/ Evolution | 87 |
| Why Strategy and CX Strategy? What is the difference, and how do they link? | 87 |
| Change vs. Consistency –Strategy vs. Business as Usual (BAU) | 89 |
| Value = Benefits – Costs..... | 89 |
| Creating a CX Strategy | 90 |
| Strategic Management Components | 90 |
| Customer Experience best practices across industry | 94 |
| Needs and Expectations | 94 |
| Critical to Quality/Critical to Experience | 94 |
| Kano Model | 94 |

CXPA CX Book of Knowledge - 1st Edition, Revised

| | |
|---|------------|
| Herzberg Two-Factor Theory..... | 95 |
| SERVQUAL..... | 96 |
| Elements of Value..... | 96 |
| Strategic Management and Analysis Approaches..... | 97 |
| Triple Bottom Line | 97 |
| Business strategy frameworks and planning | 98 |
| Frameworks and Approaches..... | 98 |
| "Traditional" Strategy Management..... | 98 |
| Kaplan Norton Balanced Scorecard..... | 98 |
| Hoshin Planning | 99 |
| International Organization for Standardization | 100 |
| Excellence Models..... | 101 |
| European Foundation for Quality Management—based Models..... | 101 |
| Malcolm Baldrige National Quality Award Model | 101 |
| Environmental, social, and governance programs..... | 102 |
| Quality Management Frameworks..... | 102 |
| Six Sigma | 103 |
| Lean | 103 |
| Total Quality Management | 104 |
| Theory of Constraints | 104 |
| "Outside In" vs. "Inside Out" | 104 |
| Intended customer experiences | 106 |
| Importance of having an intended CX..... | 106 |
| One-to-One Marketing..... | 107 |
| Evolution of customer segmentation..... | 107 |
| Segment of One | 108 |
| Notions and concepts to consider when designing the intended CX..... | 109 |
| Pain Points vs. Gain Points | 109 |
| Kahneman Peak-End-Rule | 110 |
| Designing Human Experiences | 110 |
| Effortless CX | 110 |
| Design for emotions | 112 |
| Engaging the senses to build memories | 113 |

CXPA CX Book of Knowledge - 1st Edition, Revised

| | |
|---|------------|
| Halo Effect..... | 113 |
| Nudging..... | 114 |
| Algorithmic Nudging..... | 114 |
| Brand promise/operational promise | 115 |
| Defining the desired experience and Baselingin | 115 |
| Omni channel | 116 |
| Perceptions (Customer Feedback)..... | 116 |
| Align the customer experience strategy to organizational strategy, goals, brand values, and attributes | 117 |
| CX Program Management | 117 |
| Companies without a dedicated CX department | 117 |
| Companies with a dedicated CX department..... | 118 |
| Alignment to overall strategy, brand values, attributes | 118 |
| Stakeholder Engagement and Communication | 119 |
| Interdependencies across people, process, and technology | 119 |
| Units and Silo Thinking Impact..... | 119 |
| Unit responsibilities overlaps | 120 |
| Accountability..... | 120 |
| Handoff and Integration..... | 120 |
| Data Management..... | 120 |
| Design Language | 120 |
| Cross-functional teams..... | 121 |
| Data formats and system architecture..... | 122 |
| Customer-facing technologies | 122 |
| User Experience/User Interface | 122 |
| Performance (dashboard, alerts)..... | 122 |
| Change Management and Integrated/User Testing | 123 |
| Develop a plan for communicating the CX strategy to stakeholders | 124 |
| Objectives..... | 124 |
| Inform | 124 |
| Establish Expectations | 125 |
| Internal Audiences | 125 |
| Impacted Employees..... | 126 |

CXPA CX Book of Knowledge - 1st Edition, Revised

| | |
|---|------------|
| External Audiences | 127 |
| Conclusion..... | 127 |
| References and Additional Resources..... | 128 |

Part III: Metrics, Measurement & ROI 133

| | |
|--|------------|
| Why Metrics, Measurement, & ROI?..... | 136 |
| General Definitions | 136 |
| Qualitative vs. Quantitative..... | 136 |
| Survey Metrics..... | 137 |
| Operational Metrics – Call Center..... | 142 |
| Operational Metrics – SaaS (Software as a Service) companies | 144 |
| Sales and Marketing Metrics | 144 |
| Financial Metrics..... | 146 |
| Leading and Lagging Indicators | 149 |
| Stages of Organizational Maturity..... | 149 |
| Five Stages of Maturity | 150 |
| Accelerating Change | 152 |
| Choosing and Designing Customer Experience (CX) Metrics | 154 |
| CX Metrics – Background and History | 154 |
| The Structure and Function of CX KPI Metrics..... | 157 |
| A Few Guidelines on Scaling..... | 166 |
| When (and Where) Should I Measure?..... | 167 |
| Reporting and Analyzing your CX Metrics | 167 |
| Should compensation be tied to CX KPIs?..... | 168 |
| CX Metrics: In Summary | 169 |
| Baseline current state with Baseline Measurements | 169 |
| Why Baseline?..... | 169 |
| When to Baseline | 170 |
| How to Baseline..... | 170 |
| What to Baseline | 170 |
| Benchmarking to monitor progress | 171 |
| What is Benchmarking? | 171 |
| When does Benchmarking happen?..... | 171 |

CXPA CX Book of Knowledge - 1st Edition, Revised

| | |
|---|------------|
| Who does Benchmarking?..... | 171 |
| Should an organization Benchmark?..... | 172 |
| An alternative approach to Benchmarking: "Look in the mirror" | 174 |
| Measuring CLV or CLTV | 174 |
| Measuring emotions and sentiment | 175 |
| Why measure sentiment? | 175 |
| Sources of sentiment..... | 175 |
| Why is it more difficult to measure sentiment than other factors? | 176 |
| Is it worth it to measure sentiment? | 176 |
| How text analytics work..... | 176 |
| Measuring cost..... | 178 |
| Historical vs Projected ROI | 179 |
| Skills and Competencies for Customer Experience (CX) Professionals | 182 |
| Experience Data | 182 |
| Causation vs. Correlation | 183 |
| Factor Analysis | 183 |
| Driver Analysis | 184 |
| Cluster Analysis | 184 |
| Communication | 185 |
| Applied Knowledge | 185 |
| Strategic Context | 185 |
| Glossary and Finance Language | 186 |
| What are Finance and Accounting?..... | 190 |
| The Finance Organization | 190 |
| The Role of Finance in a CX Program..... | 191 |
| Connecting Finance and CX..... | 191 |
| Understanding The Profitability Of Customers..... | 191 |
| Revenue Churn Rate | 192 |
| Gross And Net Profit Margin Of Customers | 192 |
| ROI | 193 |
| IRR | 193 |
| NPV..... | 194 |
| Payback | 194 |

| | |
|--|------------|
| Building a CX Business Case..... | 195 |
| Why a Business Case is important | 195 |
| Key steps to build a business case | 195 |
| Tell a story | 195 |
| Establish a common definition of success..... | 195 |
| Explain why the proposed Initiative will drive meaningful business and customer value (both, not just one)..... | 196 |
| CX professionals should flesh out possible root causes of the problem | 196 |
| Share possible solutions..... | 197 |
| Anticipate any potential concerns..... | 197 |
| What other questions can be anticipated? | 197 |
| Understand the organization's funding model and work within that structure..... | 198 |
| Other ways to improve the odds of success | 198 |
| Conclusion..... | 199 |
| References and Additional Resources..... | 200 |

| | |
|--|------------|
| Part IV: Experience Design, Improvement, & Innovation | 205 |
| What is Design? Why is it important? | 208 |
| What is Innovation? | 210 |
| Why are experience design and innovation so important? | 211 |
| The Role of Design, Innovation, and Implementation | 212 |
| History/Evolution of Design | 213 |
| Experience Innovation..... | 216 |
| What Is It? | 216 |
| Why Experience Innovation? | 216 |
| Summary | 217 |
| Strategy of Design: Where and When Design Happens | 218 |
| Design Strategy | 218 |
| Design Systems | 218 |
| Experience Design..... | 219 |
| Types of Design..... | 219 |
| Design Process Frameworks and Methodologies | 220 |
| Human-Centered Design Process..... | 223 |

| | |
|---|------------|
| Design-Thinking Methodology | 224 |
| Common mistakes in design thinking | 225 |
| Problems and Solutions | 225 |
| Design Sprints | 225 |
| A design-thinking mindset empowers innovation..... | 226 |
| Behavioral Science and Design..... | 227 |
| Why is Behavioral Science important for Customer-Experience Practitioners? | 227 |
| Design Adoption and Roadmaps..... | 229 |
| Design as a Capability | 229 |
| To enable the shift to Experience Design, Experience Management helps the organization to learn | 229 |
| Design Maturity Model..... | 229 |
| Customer Experience (CX)/Experience Design (XD) Models..... | 230 |
| Unrecognized | 230 |
| Interested | 230 |
| Invested | 231 |
| Committed | 231 |
| Engaged..... | 231 |
| Embedded | 231 |
| Innovation and Creativity..... | 232 |
| Innovation | 232 |
| Innovative Customer Experience | 232 |
| Innovation, Disruption, and Continuous Improvement..... | 232 |
| Organizational Creativity Models..... | 233 |
| Implementation of Design | 234 |
| Considerations for implementation..... | 234 |
| What is design implementation?..... | 234 |
| Building the Vision, Adoption and Accountability for Design | 235 |
| Case study #1 – Adoption | 235 |
| Case study #2 – Accountability | 235 |
| What do adoption and accountability look like in the end-to-end design process?..... | 237 |
| Discover | 237 |
| Define | 238 |

CXPA CX Book of Knowledge - 1st Edition, Revised

| | |
|---|------------|
| Develop..... | 238 |
| Delivery | 238 |
| Implementation | 239 |
| Organizational Foundations for Design and Innovation | 240 |
| How to create a Design and Innovation Culture | 240 |
| Strategy..... | 240 |
| People Culture..... | 241 |
| Processes..... | 241 |
| Rewards/Metrics..... | 242 |
| Organizational/Business Model Structure..... | 242 |
| The Value of Design and Innovation..... | 244 |
| Affecting Value with Design and Innovation | 244 |
| Building the Understanding of the Value of Design..... | 244 |
| Profitability and Value | 245 |
| Benchmarking and Baselines..... | 246 |
| Benchmarking..... | 246 |
| Baselines | 246 |
| APPENDIX | 247 |
| Inclusive Design | 247 |
| Root Cause Analysis – Insight Generation Techniques | 247 |
| How to perform RCA | 248 |
| 5 Whys..... | 248 |
| Fishbone (Ishikawa) Analysis | 249 |
| Pareto Charts | 250 |
| Plan-do-check-act (PDCA)..... | 250 |
| A3 Problem-Solving | 251 |
| Lean/Kaizen | 252 |
| Six Sigma (DMAIC)..... | 253 |
| Conclusion..... | 254 |
| References..... | 255 |

Part V: Culture and Accountability**259**

| | |
|--|------------|
| Leadership is the Foundation | 262 |
| CX Strategy Requires a Mission, Vision, and Values | 262 |
| Mission and vision drive the organization | 262 |
| CEO and the CX leader align around organizational values | 263 |
| Establish a CX vision | 263 |
| CEOs and CX leaders align with employee enablement for consistent outcomes | 264 |
| Many Skills Are Needed for the CX Leader's Role..... | 265 |
| Governing CX Efforts Cross Functionally Across the Organization..... | 268 |
| Organizational Development vs. HR | 269 |
| Customer-centric Organizational Models | 270 |
| Governance Councils Guide Initiative Ownership..... | 271 |
| Continuous Improvement..... | 271 |
| CX Roadmaps Guide and Give Direction | 271 |
| CX Strategic Planning | 271 |
| Customer Engagement Journey Management..... | 272 |
| Customer Data, Intelligence, Analytics, and Insights | 273 |
| Design for Continuous Enhancement | 273 |
| Portfolio Management, Governance, and Standards Models..... | 274 |
| Prioritize and Identify Areas of Improvement | 274 |
| Establish who owns each step of the process | 276 |
| Steering Committee | 276 |
| CX leader | 277 |
| Product Management | 277 |
| Marketing/sales teams..... | 277 |
| Operations (including call center, Customer Success)..... | 277 |
| IT/Development | 277 |
| Finance | 277 |
| Define and determine if an organization is aligned and engaged to deliver impactful experiences..... | 278 |
| Change Management – Take your employees with you..... | 278 |
| ADKAR Change Management Framework | 279 |
| Kotter's 8-Step Change Model | 279 |

CXPA CX Book of Knowledge - 1st Edition, Revised

| | |
|---|------------|
| Kübler-Ross Five Stage Model | 279 |
| Rogers Adoption Curve | 280 |
| No one-size-fits-all approach to change management..... | 281 |
| Change Areas Needing Leadership Attention..... | 282 |
| Case for Change | 282 |
| Managing Resistance | 282 |
| Chief Human Resources Officer (CHRO) | 283 |
| Model New Behaviors | 283 |
| Celebrate Milestones and Reward Appropriately..... | 283 |
| Reward and Recognize to Motivate..... | 283 |
| Celebrate People How They Want to be Celebrated..... | 283 |
| Extrinsic Motivation..... | 284 |
| Intrinsic Motivation | 284 |
| Unconscious Motivation..... | 284 |
| Celebrate Quick Wins Regularly | 284 |
| Reward Collaborative Success and Individual Effort | 285 |
| Culture is Organic, Yet Impacted by the Seeds You Plant | 286 |
| Employee Activation Creates Shared Values | 287 |
| Vision, Mission, Values are the Core..... | 288 |
| Balance between measurement and metrics is critical | 289 |
| Identify Priorities with Methods, Tools, and Tracking..... | 289 |
| Balanced Scorecard | 289 |
| Leading and Lagging Indicators..... | 290 |
| SMART Goals..... | 290 |
| Objectives and Key Results (OKRs)..... | 291 |
| Customer Health Index (CHI)..... | 292 |
| KPI Ownership | 292 |
| Organizational Design Provides Framework | 292 |
| Change Management Stabilizes Uncertainty | 293 |
| Leadership Outweighs Management | 294 |
| Internal Communication Raises Awareness, Activates, and is a Call to Action | 294 |
| Storyboarding..... | 295 |
| Framing Effect..... | 296 |

CXPA CX Book of Knowledge - 1st Edition, Revised

| | |
|--|------------|
| Key Messages | 296 |
| WIIFM Technique..... | 297 |
| Hearts and Minds technique | 297 |
| Storytelling..... | 298 |
| Feedback Loops..... | 299 |
| Sponsorship and Engagement Lead to Continuous Improvement | 299 |
| Trust is a key building block to employee activation | 299 |
| Transparency provides clarity around roles and motives, increasing engagement | 300 |
| Best Practices Sustain an Employee Centric Culture | 302 |
| Improvement And Maturity Work Hand In Hand | 303 |
| Maturity Model Assessment is Key | 303 |
| CX Maturity is a Leader's Compass | 303 |
| Setting a CX maturity level goal for success | 304 |
| Change Management Elevates Improvement and Maturity..... | 306 |
| Change management ties into customer experience..... | 307 |
| Employee alignment is mandatory | 307 |
| FedEx®'s not-so-prescriptive "Purple Promise" | 308 |
| Engaging the back office at a pharmaceutical company | 308 |
| Customer Journey Maps Drive Alignment | 309 |
| Rewards and recognition | 309 |
| Initiative Ownership Drives Improvement | 310 |
| Governor | 310 |
| Experience Creators | 311 |
| Experience enablers | 311 |
| How one CX leader moved a bank to see CX in a new way..... | 311 |
| Assess your current EX and CX, then start | 312 |
| Measurement Of Culture And Accountability Maximizes Employee Experience | 313 |
| EX must be strategically measured to complement CX..... | 313 |
| The Direct Connection Between CX and EX..... | 313 |
| Determining What to Measure is Crucial..... | 314 |
| Two Metrics for Measuring Employee Experience | 315 |
| KPI Ownership | 316 |
| Get an Accurate Measurement of EX | 318 |

CXPA CX Book of Knowledge - 1st Edition, Revised

| | |
|--|------------|
| Methods for Measuring EX | 318 |
| Build an Actionable and Adaptable Dashboard | 319 |
| Create a solid foundation of the dashboard first..... | 319 |
| Communication of the dashboard is key..... | 319 |
| Conclusion..... | 321 |
| References and Additional Resources..... | 323 |