

Not measuring CX is like not counting your money

PeopleMetrics presents

CX Secrets with Sean McDade

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Video Transcript

Hi, I'm Sean McDade, Founder and CEO of PeopleMetrics. PeopleMetrics is a software company that helps organizations measure and improve the customer experience, and we also offer lots of services around our software to help companies improve NPS and other key measures.

I'm writing a book around lessons on improving Voice of the Customer programs. I'm in the process of writing this, and it's a really exciting book. What we're doing is we're having a video series on some ideas that are outside the lessons that are specifically going to be in the book that I want to share with everybody. There will be a series in the future about these specific lessons, but today we're going to be talking about an idea that I was expanding upon in the book that I'd really like to share, and that is the idea that if you're not measuring the customer experience consistently, to me it's like not counting the money every day that you're earning from your clients or customers and figuring out how much money you're spending.

We talk to some companies that don't have customer experience measurement programs going on, and to me it's analogous of not having a Finance department. And why do I say that? Because you could never imagine running your business without knowing how much money is coming in and how much money is going out. That would seem crazy to people. But the way that we're looking at customer feedback data these days, you'd have to be a little crazy to manage your business without knowing specifically what your customers' experience was every single day. And why is that?

Well one, is if you don't know what your customer experience is every day - and when I say "know," I mean reaching out to your customer via a survey or some other means after each experience - then what you don't know is whether your best customers are having great experiences. If you don't know that, then you're at risk of losing those best customers. Churning them. Their Customer Lifetime Value going to zero. That's extremely painful.

The other thing you don't know is which touchpoints (touchpoints are simply ways that you would interact with customers. If you're in the hospitality business, a touchpoint could be your website as they book their stay, the front desk as they check in, the hotel, the spa, the check out point - those are all touchpoints in hospitality.) You don't know which touchpoints you're doing really well on, which ones you're not, and what are the moments of truth. What are those touchpoints where if you don't do them well, the customer's not only never coming back, they're probably going on TripAdvisor or some social media site and writing about their experience. And letting the world know about it.

If you don't know this, you have no idea what your dollars and cents are going to be in the future, because what customer feedback is, is a leading indicator that will tell you how much money or how much revenue you're going to be receiving 2 months from now, 6 months from now, a year from now. It's absolutely vital for every company to have.

It's as important, if not more important, than customer relationship management. Customer Experience Management is what it's called sometimes, but it's simply asking customers "how was the experience," seeing what they said, taking action when needed, and then figuring out what you need to do - we call it systemically or strategically - to change in order to improve the experience of many going forward.

So if you figure out the front desk is slow after all that customer feedback and change the process so people can get through it more quickly, you're going to see incredibly higher customer experience ratings and evaluations going forward. That will be a leading indicator for all of the financial outcomes that you may be looking for.

So if you have a Finance department, that's great - I would never recommend eliminating it. But I'd highly recommend having at least half as many people in the Customer Experience department - maybe even as many - and you'll be growing your company more than you'd ever imagine.

Thanks for listening, and I'll see you next time!

Watch this video:

<https://hubs.ly/H0b8zCV0>

Watch the next video in the series:

<https://hubs.ly/H0bd9MCO>

Talk to PeopleMetrics about your Voice of Customer program:

https://hubs.ly/H09_qy_0

