THE VIRTUOUS CYCLE
A Symbiotic Relationship Between Worker and Customer Experiences
What is the Virtuous Cycle?

We’ve all heard the old saying: Don’t put the cart before the horse. When it comes to worker and customer experiences, think of the horse as your workers and the cart as your customers. If you don’t take good care of your horse — give it fresh water, food, grooming, and shelter — it won’t be very reliable, and may not be able to pull your cart very far. The same logic applies to your employees — take better care of them and provide them with the resources they need, and they’ll be more motivated and equipped to provide exceptional service to customers.

The Customer Experience (CX) and Worker Experience (WX) should be treated with equal importance, and transformations should occur simultaneously. Empowering and engaging your workers leads to increased productivity, business growth, and better experiences for customers. And on the flipside, happier customers are easier and more enjoyable to serve; workers will be more satisfied in their jobs if they aren’t constantly putting out fires and dealing with customers who have had a less-than-stellar experience. This complementary relationship between a better worker and customer experience is what we call the Virtuous Cycle.
Worker and customer experiences are intrinsically linked

Organizations that invest in both CX and WX consistently increase productivity and profits. Businesses on the Fortune 100 Best Companies to Work For list have increased profits by an average of 10.8 percent a year since 1998.¹ This is no coincidence; these companies have gotten the message that happy employees = happy customers. Customers have needs or problems to solve, and workers provide the answers. This transaction creates value when both customers and workers are better enabled by technology.

Customer Experience 101

Customers today expect a seamless, digital, and hasslefree brand experience, and most organizations today understand that delivering that is more crucial than ever. Seventy-six percent of business leaders say they want to improve the experience of customers and 73 percent want to grow revenues.² Fortunately, these top priorities are interconnected.

Ultimately, organizations that excel at CX will have more loyal, engaged, and happy customers.
Customer Experience is really just a fancy name for the perception customers have of their interactions with a company. It could most easily be explained by the following equation: Success + Effort + Emotion = Customer Experience. The goal of CX strategy is simple: Make the company easier and better for customers to work with. Ultimately, organizations that excel at CX will have more loyal, engaged, and happy customers.

**CX challenges**

While most business leaders are onboard with the idea that CX is important, many find improving it to be a sizeable challenge for the following reasons:

- Companies get caught up “fixing” the existing CX, not planning for the future.
- Insufficient, incomplete, or ineffective customer data.
- Customers are forced to engage with numerous disconnected systems.
- Long IT backlog and competitive talent market for mobile and application development.
- Resources wrapped up in call centers instead of interactive customer communities and self-service portals.
- Inability to provide customers with an optimized experience (wherever, whenever, and on whichever device they prefer).
- Companies miss opportunities to personalize by providing generic experiences, treating every customer or website visitor essentially the same.
3 ideal CX outcomes

Customer Experience is much more than sales and service. It involves great communication, engaged workers, top-notch products/services, and internal operations that take customer feedback and turn it into a roadmap for future success. If you put the customer first and find new and different ways to engage the people in your organization, you’ll be well on your way to a transformed Customer Experience.

A successful build-out of any new CX functionality requires preparing 3 key areas of your organization: people, processes, and technology. Companies that undergo a CX transformation that encompasses these key areas — and have the ability to overcome the aforementioned challenges — can get a taste of the ideal CX slices of the Virtuous Cycle pie:

1. **Awareness** — companies will know their market, build a strong presence in that market, and meet customers on the channels of their choice.

2. **Engagement** — brands will educate and motivate customers, have better insight into customer needs, and remove obstacles on the path to purchase.

3. **Amplification** — ability to respond to customers, reward loyalty, empower brand advocates, and energize the customer community.
A digital CX ensures that your customers will have the whenever, wherever buying and support experiences they expect. And enabling more personalization and a faster response time doesn’t just lead to higher customer retention — it positions your company as a customer service leader.

**Why is Worker Experience important?**

The importance of worker engagement and satisfaction has been largely ignored by business leaders for years — but change is coming. According to Gallup research, employee engagement in the U.S. remained relatively stagnant between 2012 and early 2016. Only recently have we begun to see an uptick, due to the rising demands of today’s workers, who are accustomed to mobility and social engagement. Yet, the percentage of workers who feel engaged in their job is still less than 35 percent.³

The digital age has exposed a new challenge for companies — employee experiences are lagging far behind the experiences being created for consumers. Without a focus on the Worker Experience, achieving the ideal Customer Experience outcomes is nearly impossible. Millions of new workers have entered the

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workforce, and are changing the fundamental career experience for all generations of workers, in all industries. Workers now expect a consumer-grade experience — they want mobile tools, real-time collaboration and feedback, and to be part of a social community. Traditional HR service delivery no longer meets the needs of this modern workforce. These workers — whether they be contractors, freelancers, full-time or part-time employees — want the power to engage and be engaged. They use social and mobile technology to do their jobs, learn, participate in global communities of practice, develop professional networks, and become recognized for contributions.

Creating an engaging, collaborative culture will benefit employees, customers, and the bottom line. But improving WX is easier said than done. Just like with CX, improving WX involves an investment in people, processes, and technology. And like any organizational transformation, challenges abound:

**WX challenges**

- Workers are disengaged or unsatisfied.
- Outdated legacy technology/lack of mobile tools.
- Broken processes and bottlenecks.
- Poor onboarding programs.
- Workers feel work-life imbalance.
- Lack of real-time, two-way employee/manager feedback.
- Poor (or nonexistent) learning and development programs.
3 ideal WX outcomes

WX is about building a platform for employee engagement, and fostering engagement should be a primary effort for leaders. Yet, according to Forrester Research, less than one-third of employees are truly engaged.¹ So what does an engaged employee look like? Today’s employees want mobile accessibility, and the majority of the engaged workforce uses at least one internal social tool (53 percent) and/or one communication and collaboration tool (83 percent). An engaged employee works independently, yet is always connected to the company’s larger mission. Social software is now seen as a key in building the connection between individual action and the wider mission. When organizations commit to building a collaborative and engaged culture, these ideal outcomes can be realized:

1. **Agility** — the company needs to be transparent, foster a shared purpose with employees, embrace a fluid skill set, and learn continuously.

2. **Productivity** — collaborate in real time, break down barriers and bottlenecks, and turn insights into actions.

3. **Connectivity** — listen to worker concerns (and take action), promote and power communities, extend workforce resources, and give recognition and rewards.

It is vital that companies have a simple, clear method for keeping the brand alive in the attitudes and behaviors of their employees.
Employees are a primary conveyor of your brand. They are the ones in the store, out in the field, on the phone, and online, interacting with your customers. It is therefore vital that companies have a simple, clear method for keeping the brand alive in the attitudes and behaviors of their employees. Much like with CX, focusing on an improved WX can create brand advocates, and in social media, this creates a network of fans. Even when employees leave, a positive, engaged employee will continue to be a strong advocate.

To engage and create a productive workforce, organizations need to establish globally consistent systems of record for talent and work, and promote a thriving organizational culture. Central shared services organizations need to emerge to service the workforce. Their aim should be to enable employees, peers, and managers to drive a real-time goal-setting and performance feedback process. Technology can no longer be optimized for the work environment. Rather, it needs to be a natural part of the workers’ environment.
The Virtuous Cycle is equal parts CX and WX

Forbes recently asked several clients and CMOs a simple question: “What is standing in the way of you achieving your brand goals and ambitions this year?” The top response was the notion that if employees don’t buy into their company’s brand promise, they won’t be able to deliver a great CX... and in turn, they’ll fail.5

You simply can’t deliver a delightful, seamless, and competitor-trumping CX without cementing a mission and creating a culture your workforce can get behind. And without transforming people, processes, and technology — as they pertain to both customers and workers — organizations will struggle to compete in today’s high-tech, high-touch world.

Interested in learning more? Contact us today to get started!