

IMPROVING CUSTOMER EXPERIENCE WITH ARIS

Customer journey mapping from end-to-end



TABLE OF CONTENTS

- 1 Establish a digital business
- 5 A good customer journey requires good processes
- 8 Customer journey mapping with ARIS
- 12 Align both perspectives
- 16 Bibliography

Today there are just three types of companies: Those that actually operate a digital business, those that are transforming into a digital business and finally those that might never become a digital business and fail as a consequence. So, it's not a question if your business should become digital. It really must be to survive or it just might disappear.

Establish a digital business

One of the mandatory drivers of a successful digital business is an effective customer experience management (CXM). CXM helps you understand what customers want and how customers want to interact with your business and underlying business processes. A good process is no longer good enough; it's the customer experience reflected in your processes that really matters. By designing and analyzing customer journeys from the outside-in perspective, you get chance to enhance their customer experience in order to differentiate from competition in terms of customer satisfaction and to reflect on your own processes from another point of view.

But in fact, the Business Process Analysis (BPA) world missed developing a CXM solution that delivers the capabilities and the methods to design and analyze processes from an "outside-in" perspective. To close this gap, Software AG launched in the latest ARIS release the world's first BPA software that enables companies improve their customer experience by designing customer journeys.

This white paper illustrates the strategic mindset and the methodical competencies needed to design and analyze customer-centric processes with ARIS. By taking customer emotions and expectations into account and using techniques such as customer journey mapping, customer touchpoint analysis and identifying the critical Moments of Truth (MoT), your organization can deliver a better customer experience.

Using such approaches to improve customer satisfaction helps you:

- Ensure better customer interactions, enhance customer satisfaction
- Stay tuned to customers and recognize new ways to satisfy customer needs
- Enhance customer loyalty, increase sales and revenue
- Enhance measures and KPIs, reduce brand risk
- Preserve business agility
- Identify gaps and issues, recognize opportunities
- Take advantage of new innovations

Customers remember the **service** a lot longer than they remember the **price**.

*Lauren Freedman,
President of the E-tailing Group*

78% of customers won't purchase again after a **poor service**.

American Express Survey, 2011

88% of customers have been influenced by an online customer **service review** when making a buying decision.

Dimensional Research

The entity of the new markets

With the advent of the Internet, the knowledge-based economy and decreases in protective trade regulations, competitors have virtually moved together closer and closer. In this highly connected global environment, most organizations can no longer differentiate their business on price—unless they are Walmart®—or quality—unless they are a small high-end manufacturer—when there might always be an organization that is a bit cheaper or has a feature more in the pocket. For the gross of organizations, there remains just one key differentiator left: customer satisfaction.

Furthermore, there is a more paradigmatic change. For decades, businessmen and women shared the single dominant idea that the purpose of strategy is to achieve a sustainable competitive advantage. This idea is strategy's most fundamental concept and every company's Holy Grail. But in the digital world of volatile and uncertain environments, omni-channel communications, technological advances and economical hyper-competition, this idea is no longer relevant for the most successful companies.

There are upcoming technologies that provide completely new communications and accelerate processes. The Internet of Things connects formerly analog things to several clouds and melds personalized technologies with daily routines. Organizations have reached a never-known speed of innovations and release cycles. Customer support services are getting faster and better. They offer custom-tailored and personalized services in order to maximize satisfying customer needs.

From an economical point of view, the borders between industries become blurred by companies connecting strategy, innovation and organizational changes. They conquer new market fields and arenas—for example, when Apple® will start providing a payment system—in which innovative business models provoke entire industries and industries compete with each other. New disruptive startups come onto the scene, identifying customer pain points and offering alternative solutions to make a bit money. They are establishing themselves, motivated to take a little piece of the cake and, then suddenly, these little startups stand their ground against business titans.

As a consequence, companies face a new entity of sophisticated customers, demanding the use of newest technologies and omni-channel distribution. They are accustomed to best-in-class service and cross-industry benchmarks. But most important, they know about their market power. Today, customers expect to get what they want and how they want it. And if they don't get what they want, they increasingly jump the store to buy somewhere else. For instance, 25 years ago, a customer could buy a blouse via three or maybe four different customer journeys. The customer went to the store or bought it at a catalog. Due to multi- and omni-channel orchestration, the number of possible journeys has exponentially increased. By providing more alternatives at each phase of the buying process, there are about 1,000 opportunities to buy the same blouse in 2016 (see Figure 1). Customers demand to use or to change the communication channel just as they wish at every point and moment of the buying process. To remain competitive, a retailer has to offer as much of these variations as possible.

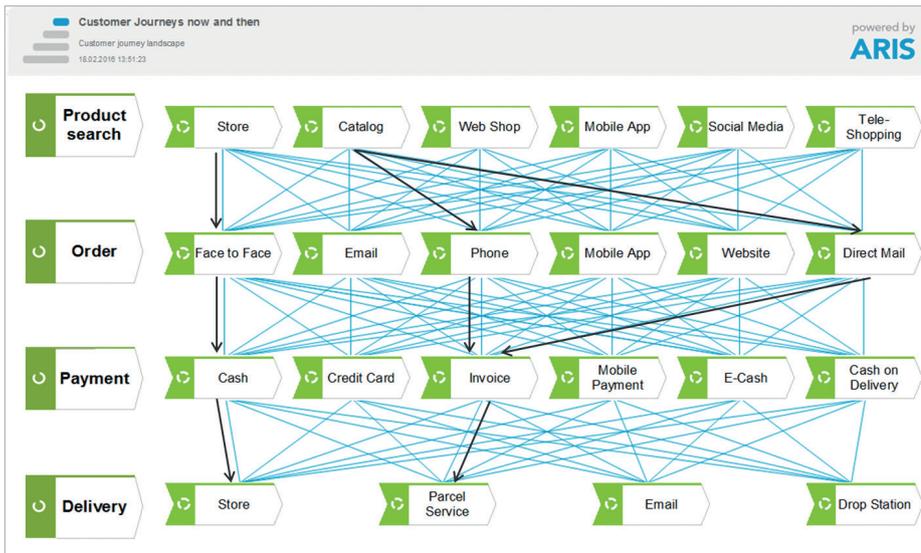


Figure 1: Possible Customer Journeys Now (Blue) and Then (Black)

In this highly dynamic competitive environment, stability is the most dangerous situation. It creates the conditions of organizational rigidity and it allows people to fall into routines. But first of all, the attempt to maintain stability inhibits innovations and makes companies blind to the changing needs of their customers and markets.

To challenge the digital business, companies have to learn how to exploit short-lived opportunities to surf on the waves of innovations. Therefore, the recognition of opportunities has become one of the core skills that decides success and failure. To identify opportunities and to catch a new wave, companies have to understand the needs, the expectations and deepest desires of their customers.

Putting customers first

Well, almost every business and organization will claim that it puts its customers first and that improving customer services is one of its key objectives. Nevertheless, many businesses still continue to use very outdated tools to build very internally focused processes that fail to properly consider the experience customers have when they interact with the business. They lose track of handling their customer touchpoints because they forget one simple fact: For business, the engagement with the customer is composed of several processes and sub-processes that will be executed by numerous departments. But for customers, it is just one!

Furthermore, there is an important difference between business processes and customer journeys in regards to applied logic. A business process will be designed and specified from the responsible management and executed as intended by employees. But customers can quit the journey, whenever they want. That's why a customer journey describes an anticipated process that is designed by the organization. However, it will be executed by customers at their discretion. The journey might start before the customer interacts with the business and keep going after the transaction with the business is completed and only if seen as successful when completed in its entirety. As a consequence, a customer journey has to provide a number of degrees of freedom to listening and responding to the customer.

Therefore, successful businesses are those that see customer satisfaction as their key differentiator and enabler for success. They truly live these values rather than just going through the motions. They will take an outside-in approach when designing business processes to look at how their customers want to interact with them and build the processes around these customer interactions. So they match the outside-in with the inside-out to incorporate the requirements of both perspectives into their processes. Well-designed customer touchpoints that align business processes and customer journeys lead to customer satisfaction, and customer satisfaction leads to a higher company's revenue and profits.

80% of companies say they deliver "superior" customer service, **8% of their customers** think the same.

Lee Resources

It takes **12** positive experiences to make up for one unresolved **negative experience**.

"Understanding Customers"
by Ruby Newell-Legner

86% of buyers will pay more for a **better customer experience.**

Forbes Leadership

Listen to the right voices

In every engagement of an organization with a customer, there are some key characteristics that affect the customer's experience. Simple questions that should always be answered affirmatively:

- How easy was it to contact the organization?
- Could the customer use the communication channel he wanted?
- Was it easy to order a product or request a service?
- Was it delivered when the customer wanted it?
- Did the customer get what he ordered?
- Did it work or was the service effective?
- Was the bill correct?
- Could the customer pay using the method he wanted?
- Was good help and support provided?
- If the customer had a problem, was it dealt with satisfactorily?

All of these are important to the customer, although the comparative importance of the individual elements will vary from customer to customer and for different products, services and industries. What is common to all of them is that they are determined by the business processes and the business strategies. Process and strategy are interdependent. Of course, employing good people who are well trained is vital. But people can only deliver good service, day after day, if they operate within effective and efficient processes. But efficient process can't be designed without a clear and constructive strategy.

Along with these specific points, good customer experience depends on the effectiveness of the complete journey the customers travel on their way to receiving goods or services, using them and giving a review about the experience to others. The effectiveness of the journey is partly determined by the levels of service the customers have come to expect (e.g., online ordering, personal shoppers, next-day delivery) and also by the way the customers have been conditioned by the experience provided by the best-in-class companies, such as Amazon® and DELL™, for instance.

So as well as thinking just about the needs of the business, it is also important to think about the needs of customers and trends in the market. These three areas can be thought of in terms of "voices" that need to be heard:

- **The voice of the customer**—the customer's needs, expectations and feelings
- **The voice of the business**—the business objectives and constraints
- **The voice of the market**—current trends and what competitors are doing

Orchestrating all those voices to one symphony of processes will show how the process has to perform. This increases both the customer's satisfaction and as a consequence the organization's value. In the accelerating competition of the digital world, customer's satisfaction and shareholder value will grow together more and more. Corporate strategies based solely on the internal process perspective will not be able to succeed in the customer-centric digital world. Every employee should be aware how he or she contributes and influences to the customer experience to finally increase the company's value. Combining internal procedures with the sensitivity of ensuring that all critical customer touchpoints are served with the required attention will ensure internal smooth operations and result in an overall better customer experience. What is considered to be the best experience will change over time as customer expectations change, technology changes and best-in-class businesses set higher goals. To formulate an appropriate strategy, you need to embrace all of those voices.

Loyal customers are worth up to **10 times** as much as their first purchase.

White House Office of Consumer Affairs

A good customer journey requires good processes

After defining an appropriate customer experience strategy, the processes have to be aligned with that strategy. In general, designing a good process means identifying the sequence of tasks to deliver business objectives. It's about looking at the resources and the infrastructures that are required for execution, the environment in which the process operates and the important decisions that have to be made. In practice, there are several paths the process can take and it's unlikely a design will show every possible decision and path. But a good process design should identify all of those that have a significant effect on the customer or the business. To design a good customer journey additionally means to draw a smooth flow of activities and interactions which the customers undertake to achieve their goals. The challenge of a successful customer experience management is designing most comfortable customer journeys that are executable as business processes indeed.

Draft your customer journey

In practice, a customer journey will be created in several steps that keep on repeating again and again to reach and ensure a best practice. It starts drafting a flow of activities customers will undertake to achieve their goals (for instance, how would they order, pay and receive a product). This first draft describes a process instance that shows the decision points and various paths (and maybe loops) that the journey may take in several business scenarios. Defining all this important potential "scenarios" (i.e., the routes through the journey) is an important early step to take care that the design is as complete as possible and enable later testing to ensure all the different scenarios are effectively catered to. Specific scenarios may be triggered in response to customer needs (e.g., ordering a product) or business needs (e.g., compiling a monthly sales report).

In the past, processes were mostly developed to meet business needs, usually described by a set of "requirements" defined in collaboration with key stakeholders from many parts of the business. However, in order to deliver best-in-class customer service, it is important to put much more emphasis on customer needs, to make the customers to most important stakeholders. Therefore, designers have to anticipate those needs, take the expectations and feelings into account, and build the processes around them. It is important to involve a wide range of business stakeholders in the modeling: sales, marketing, customer experience teams and process designers. Bring in customers to ensure the model is representative.

To understand and later define those customers' needs, user stories can be employed to improve the understanding of the customers. User stories are expressed in the form of a statement that identifies the activity the customer wants to perform and the reason for doing it (e.g., "I want to register with a website ... so that I can order products in future without having to re-enter all my details"). These user stories are compiled by the business, often by the marketing and sales departments, and in conjunction with the customer using focus groups or agile development methods.

Using the "I want ... so that I can ..." format makes the story easy to understand and focuses attention on why the customer wants to do something, ensuring the process achieves what was desired rather than just providing a specific functionality. Scenarios are mostly used for testing processes while user stories and requirements are applied when specifying and designing the process. Stories can be defined at varying levels of detail, and a high-level user story can be decomposed into a number of lower-level user stories. User stories are similar to, but not exactly the same as, "use cases" used by software developers who may use the user stories to define their use cases.

Specify the customer journey

By gathering information (such as demography, behavior and context of the customers), organizations receive valuable insights about potential customers indeed, but often fail to consider their frustration and experience. To specify the customer journey, user stories and business processes are put together to create a first draft of the customer journey map, a technique that is used to design and analyze customer journeys from end-to-end. It shapes the collected data into a story that makes the experience concrete and comprehensible. Even though it is not possible to know the exact journey customers follow in practice, the customer journey map describes the key activities and the key interactions they will have with the business to accomplish their goals.

"Although your **customers** won't love you if you give bad service, your **competitors** will."

Kate Zabriskie

80% of Americans agree that smaller companies place **a greater emphasis** on customer service than large businesses.

American Express Survey, 2011

Generally, a journey map is a common approach to highlight the steps a customer archetype goes through during a journey. It doesn't replace the internal business models, but it rather amends them by considering the business through the eyes of the customer. Customer journey maps are often used to describe a visionary representation of how the business imagines how the customer wants to interact with the business. These types will normally be prepared by the marketing department or customer experience specialists. They will employ colorful infographics designed to appeal to customers and sales people. While they are valuable for expressing the vision and setting the direction for transformation projects and IT development, they are not sufficient by themselves for ensuring a good customer experience. In order to ensure both the business processes and IT systems actually deliver the required process respectively customer experience, it is necessary to develop evident journey maps that show the customer journey steps and touchpoints with the details of the business processes in an integrated repository-based software.

A **bad service** reaches more than **twice** as many ears as praise for a **good service**.

*White House Office
of Consumer Affairs*

While the customer journey steps illustrate the temporal component and build the physical framework of the journey map, the customer touchpoints explain the interactions between customer and the business. They depict the perception of the experience the customer will have at each step and are specified by additional useful objectives. By characterizing and emphasizing the customer touchpoints, the customer journey map enables different stakeholders to easily oversee the engagement with several customer segments to investigate bottlenecks and take advantage how to design the journey more comfortable.

Just as there are various scenarios for business processes, there are also various routes that customers can take on their journey depending on their needs and their method of interaction. It is important to consider all the most important routes and channels in the customer journey map. Not all customers are alike; different types of people will have different approaches and objectives. By defining different customer journey maps for several customer type groups or "persona" (e.g., small business owner, techie, homemaker or retired person), companies can reflect how different types of people want to interact with the business. As a result, organizations can model flexible respectively multiple journeys to enable several customers achieving their goals ad libitum.

Because of a customer journey may involve interactions with several processes that the business has designed as separate processes (e.g., order handling, billing and fault handling), it is important to look at the complete end-to-end experience of the customer—not just that of a single process or small number of interactions. By designing customer journeys from the customer's point of view, the business gets the chance to oversee the pure experience, without those process steps that are running in the back-end. Customer journey mapping gives a much more realistic view of what the customer experiences than the analysis of individual processes that are executed by diverse departments. It helps negotiate organizational silos by ensuring that the several processes and sub-processes a customer walks through can be dubbed to each other. In general, a smooth and comfortable performance flow is what really counts for the customer.

Identify and define customer touchpoints

After the customer touchpoints have been identified and assigned to the corresponding customer journey steps, they are specified by additional dimensions that help define and analyze the journey. Through the customer touchpoint, an interaction or contact point between business and customers is characterized and described in detail. Customer touchpoints essentially determine the customer experience on a cognitive and an emotional way. The customer's perception of the journey does not solely depend on objective judgments about the effectiveness and efficiency, but also on much softer issues around what the customer is feeling and expecting. It's also about how the brand embraces the customer personally. To ensure best customer experience, the customer journey has to deliver best-in-class service at each touchpoint in both cognitive and emotional dimension.

95% of companies **fail to exceed** the expectations of their customers.

American Express, 2014

From a methodological perspective, the customer touchpoint represents the analytical linchpin and sets both the internal and external perspective in relation. Touchpoints describe how interactions take place and what customers feel, expect and desire during these interactions. By responding each touchpoint to specific business objectives, such as risks and initiatives, ownership, communication channel and KPIs, designers can specify and analyze them according to importance, impact and as an opportunity for improvements as well.

Customers may have many touchpoints with the business, and some of these will have particular significance for the customer, or the business, or both. There are three special touchpoints that are emphasized as a predicate in this context: Moments of Truth, pain points and best practices. Best practice distinguishes a well-designed touchpoint as good and proven practice. Those touchpoints require at least for the present no update or special attention. But as mentioned, best practices change over time just as technology and expectations transforms best-in-class services. A pain point is a customer touchpoint, where the business fails delivering a good experience. It's a (conceptual) problem in the customer journey, whether real or perceived. But more than this, a pain point is an opportunity. It's the starting point for every innovation and for the most disruptive startups building their entire business model on the solution of one or more specific pain points. It might be that special problem whose solution might create a new market or whose solution revolutionizes an entire industry. A successful customer experience management identifies pain points and transforms them into something new that deliver a good experience—for instance, car sharing as concept to satisfy people they don't need a car as much as they want to buy or rent one.

A Moment of Truth (MoT) is when the business can make or break its relationship with the customer, when an important decision has to be made or when a result is critical. Getting the customer experience wrong at an MoT can have a very detrimental effect on the customer's perception of the business (and its brand), which can often lead to customer deserting the brand. Otherwise, providing a good experience can create huge loyalty to the brand that can persist even in the face of future problems. Modeling the MoTs on the customer journey maps enables the business to clearly see where it should focus process improvement efforts. Depending on the author, there several philosophies how an MoT has to be defined, but there are four critical Moments of Truth:

- **The Zero Moment of Truth** is linked to the first touchpoint a prospect has with a brand, product or service. It's the moment when the prospect discovers the brand and start considering whether there is a need or not.
- **The First Moment of Truth** refers to the touchpoint when a prospect has a look at the product or reads about service. This touchpoint describes the impressions he/she forms by considering and comparing the product or service. It's the moment when the prospect makes the decision to become a customer or not.
- **The Second Moment of Truth** describes the customer's judgment to a brand according to the usage of the product or service. It's what people feel and think as they experience a product over time. It's also how a company supports them due the engagement.
- **The Ultimate Moment of Truth** represents the company's most important endgame with the customer, the end of the life cycle. It's the moment when the customer proclaims his/her personal judgment of the company to others. By recommending the brand, a satisfied customer will probably influence others to engage in a new customer life cycle. On the other hand, a dissatisfied customer will deny making a recommendation and discourage other potential prospects from engaging with the brand. While the other MoTs just apply to the relationship between the customer and the brand, the ultimate MoT has public respectively social implications for a company. That's why a company must never let a customer go dissatisfied; a customer must always leave the current life cycle as happy as possible.

For every customer who bothers to complain, **26** other customers **remain silent.**

*White House Office
of Consumer Affairs*

95% of dissatisfied customers tell others about their **bad experience.**

Dimensional Research

MoTs may not all be interactions that both the customer and the business recognize, but events that are only recognized by one of the parties. An important MoT for the business might be when it receives payment or recognizes a good review from a customer. MoTs and also customer touchpoints, of course, can be unilateral or multilateral.

Customer journey mapping with ARIS

Customer journey mapping can be developed using a range of bespoke tools or standard graphical drawing packages. Nicely drawn infographics with images of people and products can be very appealing to customers, the marketing department and senior executives. While visionary customer journey models are valuable and presentation is important, it is vital that the detailed customer journey maps are not seen as something separate and distinct from the processes. If they become disconnected from the detail of the underlying process, they are no longer representative of what is really happening in the business and the customer's actual experience. For this reason, Software AG extended its capabilities for business and IT transformation and introduced Customer Experience Management (CXM) with ARIS. Organizations can now create detailed customer journey maps in the same database as the process models sharing the same repository of information. To simplify the launch of CXM with ARIS, there are new methods and capabilities, such as new model types, new object types, symbols, a set of CXM specific attributes as well as a new emplate and new CXM conventions. ARIS users can choose whether they want to begin bottom-up identifying their customer touchpoints within existing business processes or start top-down with a blank page. They are easy to use also for non-experienced ARIS users and are accessible by default and out of the box. In addition, there are no method conflicts so that ARIS users can easily add the predefined CXM conventions to start their project directly. The new CXM assets across the many ARIS notations are re-usable as well.

Customer journey landscape

Successful customer experience management begins with the definition of the customer lifecycle within the customer journey landscape. The customer lifecycle is building the framework of the customer journeys. It can be thought of as the length, arc and nature of a customer's relationship with a brand or company and describes the engagement in different stages: from the awareness, consideration, purchase and usage to the maintenance of the loyalty to the brand. From the company's perspective this means getting prospects' attention, teaching them what is offered, turning them into paying customers, and then keeping them as loyal customers whose satisfaction with the brand makes them to recommend others to start their own lifecycle. As mentioned in the context of MoTs, the recommendation is the highest goal of any customer experience initiative. As the purchase confirms price and quality of any product or service, the recommendation verifies the quality of the delivered customer experience.

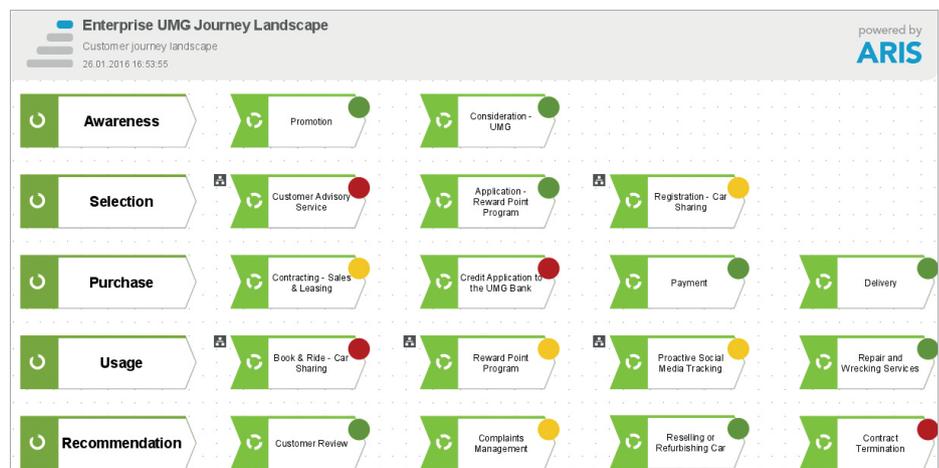


Figure 2: Customer Journey Landscape

After the definition of the customer lifecycle, the customer journeys can be clustered to the corresponding lifecycle stages. So the stakeholders will receive a clear overview about the journeys. On a detailed level a designer can define customer journey owner, business drivers and their impact on transformation or specify journeys by softer issues as overall customer experience. The new CXM template additionally supports the distinctiveness by emphasizing customer journeys' necessity for redesign of internal business processes and IT capabilities by showing the corresponding traffic lights for each attribute value. So stakeholders can easily reflect and prioritize the journeys on a higher detail level before they are going to specify them in the customer journey map.

The customer journey landscape is an intermediate model notation that provides keeping the customer journey maps short and clear. It segments the overall journey into small coherent and analyzable end-to-end journeys, and the organization can easier differentiate between diverse customer segments or communication channels, for instance. By that the customer journey landscape is the central model type to provide omni-channel orchestration and customer segment differentiation. By assigning a customer journey with different customer journey maps designed for using diverse communication channels or customer groups, the organization can distinguishes between different alternatives. So every channel or customer segment specific journey can be analyzed and improved by itself.

Customer journey map

The customer journey map gives a clear and analytical overview of the journey from end-to-end and describes it by representing the different touchpoints with the company in detail. The matrix-based model type is simply to design by mainly using a pre-structured framework for drag-and-drop and pre-defined relationships—except these between several customer journey steps that have to be defined by the designer. Each group of objects gets its own line in the horizontal dimension. In the vertical dimension, on the other hand, the customer journey steps build the temporary flow of activities showing step-by-step what happens from the customer's point of view. To prevent logical misunderstandings each matrix field in the first line is restricted to contain solely one customer journey step object. Each customer step can be defined in more detailed by adding descriptions and responsibilities, as well as new attributes that determine the overall customer experience, the business driver and the business driver impact on transformation in order to receive customer focused information.

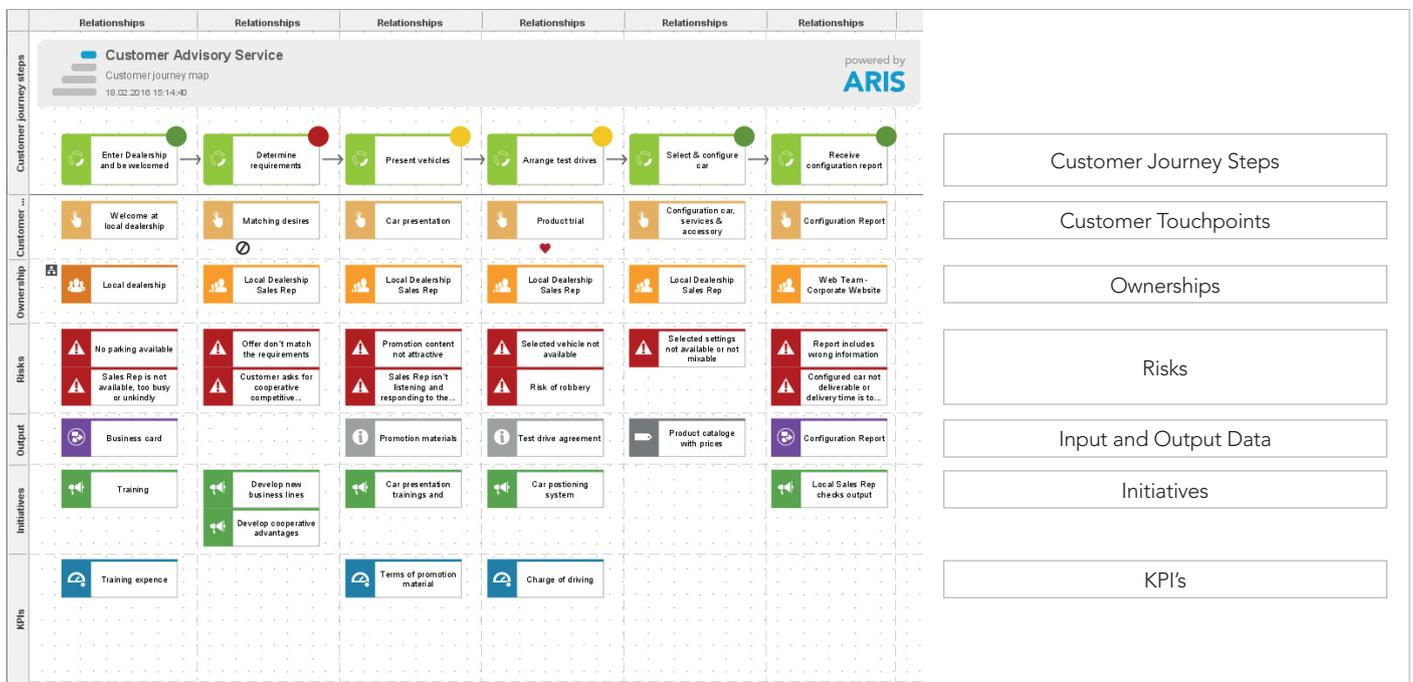


Figure 3: Customer Journey Map

The central elements of the customer journey map are the customer touchpoints in the second line describing the interactions between customers and your business. Customer touchpoints are related to responsible ownerships, likely risks and appropriate initiatives to prevent them, required input and output data, valuable KPIs as well as channels that identify the communication medium. While all objects in one column relates to the particular customer touchpoint, the touchpoint itself relates to the corresponding customer journey step above.

To keep the journey as simple as possible, it is recommended to model just one touchpoint to one customer journey step. If there is more than one touchpoint assigned to a customer journey step, all objects in the particular column below are related to the customer touchpoint matrix field. This would be necessary, if the designer want to illustrate omni-channel orchestration in one single customer journey map, for example. Then there would be different touchpoints related to a journey step the customer could decide between.

On a detailed level, customer touchpoints are exemplified by the ordinary attributes, such as descriptions, remarks, responsibility or document links and so on, but they also include customer feelings, customer expectations and customer goals for a customer-centric consideration. The customer touchpoint can be detailed as an MoT, pain point or best practice via bool attribute, which can be additionally specified by corresponding descriptions. Further the CXM template increases the distinctiveness of the ARIS customer journey map. As there are traffic lights that mark the journey's necessity for redesign in the customer journey landscape, customer journey steps can be accented with similar traffic lights as well. Besides the template advertises symbols under the touchpoint:



Moment of Truth



Pain Point



Best Practice

The heart represents an MoT, the prohibit sign indicates a pain point and the star stands for a best practice. These icons give stakeholders a clear overview of which customer journey steps and touchpoints within the journey map require a special attention and which are irrelevant at the moment.

Customer journey map in ARIS describes a customer-centered process, that assigns business objectives to those customer touchpoints and journey steps that happen from the customer's point of view. Customer touchpoints that are unilateral considered from the business perspective are turned off. By that stakeholders can see how the customer interacts in the journey and which objectives are required to deliver the demanded experience.

Customer touchpoint allocation diagram

To specify a certain customer touchpoint, there is the customer touchpoint allocation diagram. Just as allocation diagrams in ARIS, it shows all objects and summons all important information according to one specific touchpoint at all. Usually a customer touchpoint allocation diagram is simply used to overlook or maintain a touchpoint. For example, if an organization start a bottom-up CXM initiative from an as-is process modeled in an Event-driven Process Chain (EPC), the touchpoint allocation diagram can be created or even generated to analyze the touchpoint separately with all related objects. Depending on touchpoint and importance for the end-to-end journey, it is advisable to use customer reviews and customer surveys to evaluate the touchpoint. The customer touchpoint allocation diagram defines the touchpoint by corresponding communication channels, risks and initiatives, KPIs and touchpoint ownership. Furthermore, there may be output or input data that are important by executing the process.

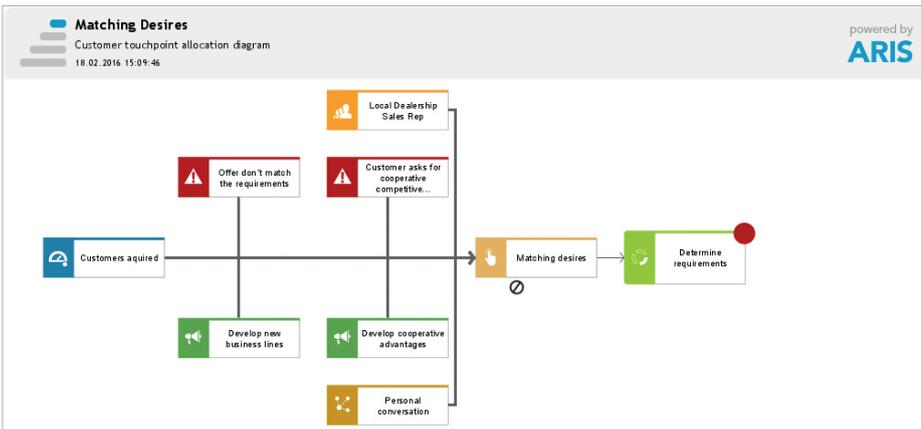


Figure 4: Customer Touchpoint Allocation Diagram

On the other hand, a touchpoint might be related to different customer journey steps in diverse customer journey maps. By automatically generating a customer touchpoint allocation diagram, all connected customer journey steps are shown in one model. That might be valuable if an analysis should investigate the potential and impact of some improvement for several journeys, for instance. As mentioned, the customer journey map can define more than one customer touchpoint to one customer journey step in the same column. In this case, the other objects such as risks, ownerships and so on relate to those customer touchpoints in equal measure. Differentiating on an object level between those touchpoints isn't possible yet. Hence, there is appropriate approach to define those touchpoints in the customer touchpoint allocation diagram while the column of the journey map remains empty in the lines below. By assigning each customer touchpoint to its corresponding allocation diagram, all information and objectives of the touchpoint persists separately analyzable.

Customer touchpoint map

Sometimes you may need to analyze several customer touchpoints. For this reason, ARIS provides a customer touchpoint map. While a journey map reveals rather a process-driven approach to consider the customer interactions, the customer touchpoint map clusters the touchpoints from a strategy-driven point of view. It defines relations to particular ownerships or channels, to risks and initiatives as well as KPIs and shows it in a matrix-based model. All touchpoints that belong to a cluster object are arranged in the column below the cluster.

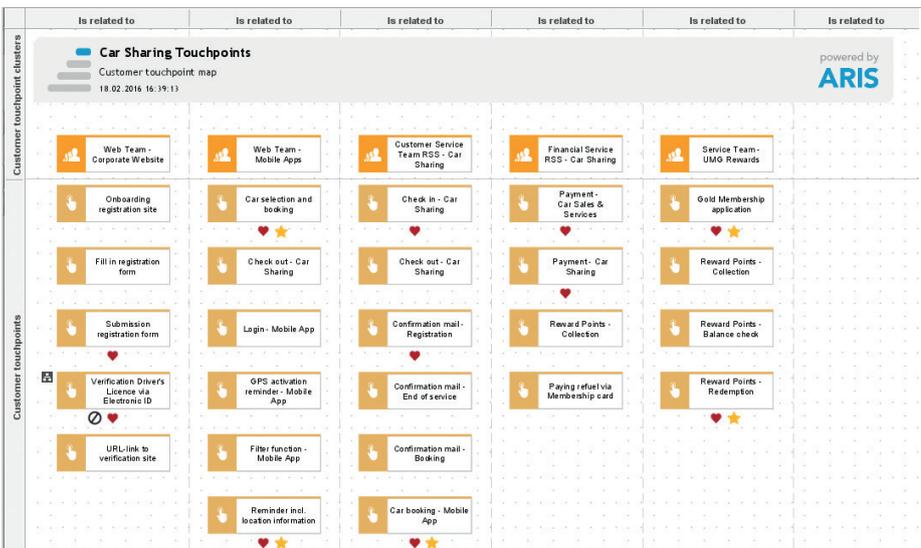


Figure 5: Customer Touchpoint Map

So the customer touchpoint map is used as the starting point of a CXM project to identify and mind map the interactions a business will have with its customers. This enables you to prioritize those touchpoints and journeys that are more important than others at the beginning.

In addition a business can maintain its touchpoint map to arrange, administrate and oversee the several touchpoints. With the CXM template, important MoTs, pain points and best practices are easy to see and can easily be kept in mind by the ARIS users.

Align both perspectives

A customer journey map is a tool that helps to understand, describe, analyze and even conceptualize customer behavior during an engagement with the business. In fact, the insights that are won through journey mapping are “for the birds” if they cannot be merged into daily business practice. At the end of the day, customers don’t interact with a journey map, but with business processes that link to employees of an organization, that are compliant with strategic guidelines and that are measured by KPIs. To design a process with a good customer experience, it is necessary to design, model, simulate and test the associated process, in addition to designing, modeling, simulating and testing the customer journey map. These should not be done independently; they are integrally related.

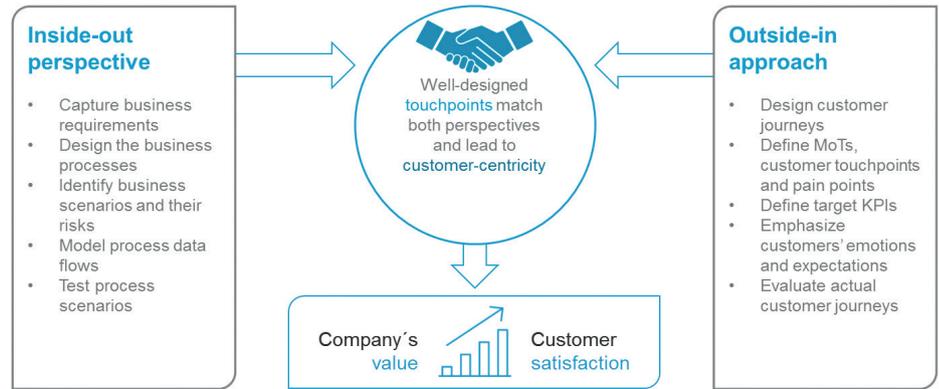


Figure 6: A New Approach

Thus, both the inside-out and the outside-in perspective have to be matched in order to compare the as-is situation of the business process and the to-be experience the customer will have.

ARIS closes this gap by providing to methodical perspectives that are set into relation by the customer touchpoint. They are stored in the same repository even if using different model types to describe the same level of detail. A value-added chain diagram and customer journey landscape similarly represent the higher levels of description. On the other hand, the EPC model and the customer journey map describe the same end-to-end process in detail from their particular point of view. Consequently, an EPC model can use the customer touchpoint object with the CXM method extension as well. Just as the customer touchpoint is related to a customer journey step in the journey map, it is related to a function type within an EPC. In practice, that means a CXM initiative can be run on basis of two approaches.

Design bottom-up versus top-down

The bottom-up approach starts from the inside-out by identifying customer touchpoints into the current business processes as well as obtaining precise information about the as-is situation of the process respectively the customer experience the process delivers. Deriving a customer journey map from the business process makes the journey analyzable and helps to specify the touchpoints. Alternatively the touchpoints can be specified by a customer touchpoint allocation diagram before they are put together in a customer journey map. By testing the journey and considering how the customer wants to interact with the business subsequently, an organization can investigate MoTs, pain points and best practices. As a result, the involved stakeholders receive the insights to compare the as-is journey with the to-be experience. Based on these insights, there can be derived measures to update and enhance the business processes by the methods of the familiar ARIS platform.

The top-down approach, on the other hand, will start from the outside-in perspective by evolving the customer journey as mentioned and deriving the business processes from the insights of the several journey maps. In detail, this approach begins with the definition of the customer experience strategy and a breakdown of this strategy into business objectives. Then the customer journeys and customer touchpoints are clustered in a customer journey landscape respectively customer touchpoint map. Avoid large numbers of customer journey maps to prioritize the most important journeys and to concentrate on a few key areas at the beginning. In the next stage the most important customer journey maps are created step-by-step. The sequence of customer journey steps are drafted as well as the customer touchpoints will be identified and specified by diverse objects and attributes. From those journey maps, there will be derived business processes that are the backbone of the customer experience.

Evaluate the experience

No matter if the customer journey maps and business processes are developed bottom-up or top-down, once drafted they have to be evaluated. It is important to ensure that the customer journey maps are realistic and don't pretend that things happen instantaneously or perfectly. The fact that things don't work like this, in reality, is the cause of much customer dissatisfaction. A good example is online ordering via the Internet. This has become more popular, and drastic improvements in technology and efficiency have allowed retailers to offer next-day or even same-day delivery. While at first sight, this seems to be an indicator of business success, it doesn't always guarantee high levels of customer satisfaction. One reason for this is that many of the people who use online ordering are, in fact, at work all day. Next-day delivery is not very useful if there is no one at home to receive the goods. Failed deliveries often result in the customer having to wait until the weekend to collect the goods and, in some cases, having to travel long distances to a parcel pick-up location. This means the customer's delivery MoT is not the next day but several days later.

To overcome these problems, many retailers have introduced "click and collect" schemes where customers can opt to collect their packages from one of the retail stores, a local shop or post office. This means that the original process (which at first looked very effective) has had to be re-designed and expanded to restore the hoped-for high level of customer service. A very internally focused business process design that defines the process as complete once the goods are dispatched wouldn't pick up these issues. It is only by analyzing the complete customer journey and considering the customer's MoT that can be achieved top-class customer service.

This example shows how it is very easy for businesses to set KPIs they believe are good measures of the process but which bear no resemblance to the customer's perception. Queries and reports can be created to highlight the difference between the customer's and the business's viewpoints. They extract the important customer journey steps and touchpoints as well as MoTs, pain points and best practices from the customer journeys and present them as tables and graphical overviews. So the particular stakeholders can oversee and maintain their processes and or customer journey maps as well as the corresponding object and attribute specific information.

According to customers, service agents **failed to answer** questions **50%** of the time.

Harris Interactive

To win a **new customer** is **6 – 7 times** more expensive than to keep a current one.

White House Office of Consumer Affairs

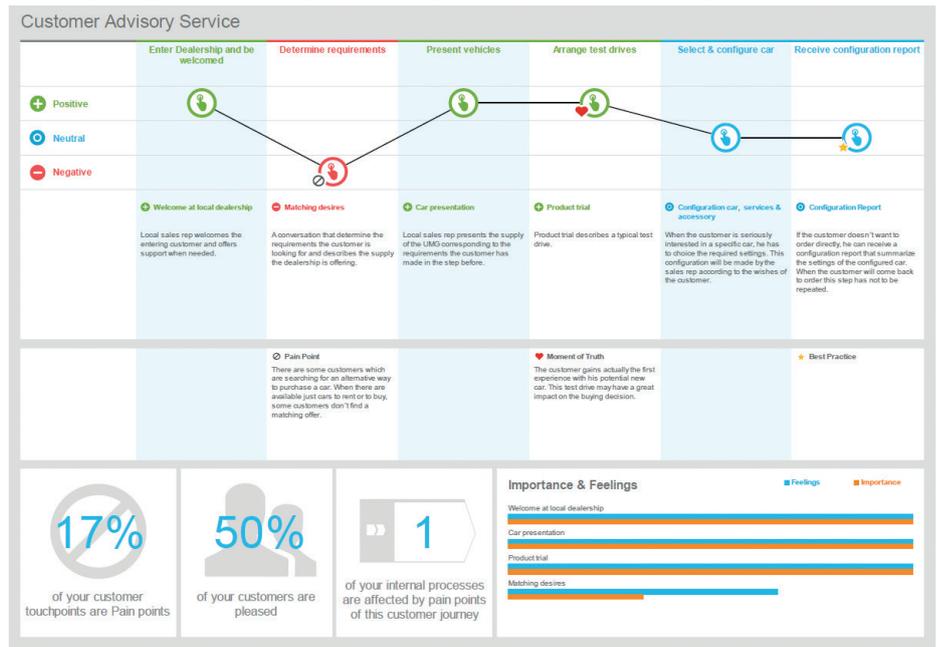


Figure 7: Customer Journey Map Report

Testing the customer experience

The customer journey maps and the touchpoint analysis can be used to test how the business processes perform and what the customer's experience of them will be. Even for many mature process organizations, testing the customer experience is an unfamiliar activity. Organizations may be used in defining a customer experience vision, evaluating processes and doing customer satisfaction surveys after a new product or process is launched. But ensuring that the customer will have a good experience before launch is much more valuable. Early failures and poor customer experience can have a significant and long-term detrimental effect on customer perception and loyalty.

Ideally, the business measures of process effectiveness (the voice of the business) should be the same as the customer's measures (the voice of the customer), albeit the customer's measures are informal measures. As mentioned, customers will have perceptions about how well their journeys went as well as judge the experiences based on the outcomes. The voice of the customer should include perception measures as well as outcome and process measures, although it is important to be aware that perceptions do not always correlate with the actual facts.

Because it is not possible to have direct insight into the customer's process, other ways are needed to get feedback from customers. This might be using customer surveys or more direct routes, such as detecting when customers first activate the product or when the carrier delivers the item. It is important to make the effort to obtain these customer-focused measures because only then it is possible to truly understand the customer journey and be able to assess the customer's satisfaction.

It is important to make all of the information and insight gained from customer journey maps, MoTs and touchpoint analysis diagrams available to the business. A good approach is to create performance dashboards that use a summary of the models and MoTs along with important business KPIs. This brings customer experience to life for key executives.

CXM with ARIS in a nutshell

Whether a retailer, a bank or a utility provider, a taxi service or a hotelier, in the 21st century the internally focused and poor-service business is close to extinction. Conventional business strategies are challenged by emerging companies, designed solely as digital businesses. These agile companies have created new markets by solving familiar pain points and are annoying industry titans. At the same time, customers have become more demanding and set new service standards, much different from those of 20 years ago. Sadly, many companies that haven't recognized this development have vanished. Make sure yours isn't one of them.

Delivering a good customer experience to differentiate from the competitors is not only a simple, it's also an effective way to bind customers to a brand. By starting to evolve your business into a customer-centric digital business using ARIS, you are at the cutting edge, using a mature BPA tool to align business processes and customer experience strategies with an agile and scalable software architecture.

For more information, talk to your Software AG representative. Learn how ARIS can help your business optimize the customer experience to thrive in the fast-changing digital world.

Bibliography

Deanna Laufer. "How to Build a Customer Experience Strategy That Works." Forrester Research, Inc., November 2014.

Deanna Laufer et al. "Executive Q&A: Top 10 Customer Experience Strategy Questions Answered." Forrester Research, Inc., March 2015.

Joana van den Brink-Quintanilha. "Getting Help with Customer Journey Maps." Forrester Research, Inc., December 2014.

Joana van den Brink-Quintanilha and Tony Costa. "The Seven Steps of Highly Effective Journey Mapping." Forrester Research, Inc., October 2014.

Nikki Baird. "At The Intersection Of Business And IT, A New Crossroad: Software AG's Innovation World Conference." Retail Systems Research, 2015.

Rita Gunther McGrath. "The End of Competitive Advantage – How to Keep Your Strategy Moving as Fast as Your Business." Harvard Business Review Press, 2013.

Maxie Schmidt-Subramanian. "How Journey Maps Improve CX Measurement Efforts." Forrester Research, Inc., December 2014.

Online sources:

<https://www.americanexpress.com/us/small-business/openforum/articles/whats-the-future-of-business/>

<http://pointsandfigures.com/2012/04/27/whats-a-pain-point/>

<http://www.cmodigitalforum.com/2016/01/08/need-know-customer-journey-mapping/>

ABOUT SOFTWARE AG

Software AG offers the world's first Digital Business Platform. Recognized as a leader by the industry's top analyst firms, Software AG helps you combine existing systems on premises and in the cloud into a single platform to optimize your business and delight your customers. With Software AG, you can rapidly build and deploy digital business applications to exploit real-time market opportunities. Get maximum value from big data, make better decisions with streaming analytics, achieve more with the Internet of Things, and respond faster to shifting regulations and threats with intelligent governance, risk and compliance. The world's top brands trust Software AG to help them rapidly innovate, differentiate and win in the digital world. Learn more at www.SoftwareAG.com.

© 2016 Software AG. All rights reserved. Software AG and all Software AG products are either trademarks or registered trademarks of Software AG. Other product and company names mentioned herein may be the trademarks of their respective owners.

SAG_ICE_16PG_WP_Feb16

