BIZCOMMUNITY

Future-proof your CX with robust innovation management

By Calton Nhando

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The customer experience (CX) has evolved rapidly in the past decade. Change is the only constant so what works today won't necessarily work tomorrow. And the world that companies face today is vastly different from the one they were accustomed to dealing with just a few years ago.

Yet, even that world was different from the one that came before it. The result is that customers are now more empowered in how they make their purchase decisions than ever before.

It's true that the pace of change today is far greater than we have experienced before but the fact remains that companies must deal with a changed CX and a completely overhauled customer environment.

Previous changes to the CX included things like mass manufacturing, retail supermarkets and chain stores, catalogues, call centres, websites and the Internet, TV buying and more. And, like those previous changes, today's CX is the result of technological advances. It will undoubtedly not be the last change.

No cure-all to digital enablement

Digital is the loose, catchall phrase that's been popularised in the media that encompasses the new technologies, methodologies, and business models that define new ways of engaging customers and even developing businesses themselves. But digital is about feeding us data which is what tells us what is happening. It doesn't tell us why something happens. Because data is not evidence.

The new methodologies, models, and technologies encompass agile and lean from both the business model and software development (which equates to product development in a digital world) perspectives, DevOps, process improvement, integration, automation, growth hacking, co-creation, sustainability from a growing number of perspectives, and so many more.

We're prone to getting caught up in all of these phrases. People are selling lean or agile, or they're punting DevOps, or integration, automation, analytics, product experimentation – some punt these as the digital silver bullet. Some are exceptionally useful but none can be called the cure-all to digital enablement.

It would be more accurate to say that these and others can work in various combinations to provide effective solutions dependent on industry, sector, customers, and individual businesses. The truth is that there will never be a one size fits all solution.

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Coping with change

It highlights one thing for me. That the real challenge companies face with the CX is in how they cope with change, how they stay in tune with the evolving markets, and how they change themselves. Regardless of what that change may be. Today it's digital. Once upon a time, it was mass manufacturing. At another time it was retail chains, then franchises, business computers then personal computers. The point is that change has been happening to businesses since the very first businesses opened up shop.

More recently, those that succeeded in the opening stages of the e-commerce era such as Amazon, survived and thrived not because they did e-commerce. If that was the case then every business that wasn't doing e-commerce would have gone bankrupt. But Amazon today has brick and mortar stores of its own proving that there's validity in the argument for at least a partially traditional business model.

Businesses like Amazon did well because they were innovative and they were able to continually innovate. They were able to manage their innovation so that they invested in keeping up with the changes happening in their markets.

Borders was one of the biggest bookstores in the US that's now gone. Just as the rest of the world was opening digital storefronts they decided to outsource their e-commerce to Amazon and instead ploughed money into refurbishing their physical stores.

At the same time, Barnes & Noble reportedly eased back on the sales of digitally-competing products such as DVDs and CDs and instead opened an e-commerce facility of its own. They didn't close all their physical stores but they kept up with the times through their digital storefront. They even brought out their own e-reader, just like Amazon. Barnes & Noble is still around today and Amazon now has physical stores of its own, but Borders is a name not many South Africans are familiar with.

Amazon and Barnes & Noble were able to innovate. Borders misunderstood the evolution occurring in the customer experience that was shifting out of brick and mortar into the online realm. Amazon stole a march on the pack because it was bleeding-edge innovative. Barnes & Noble played catch up because it had an innovation competence strong enough to keep it in the game.

Beyond playing catch-up

Digital technologies, competencies, methods, and business models may be the flavour of the month – quite possibly the next decade – but they are most certainly not the end of the evolving customer experience.

Companies that run to simply catch up with these digital systems and solutions will have a tough time the next time there's a serious market evolution. Those with robust innovation management capabilities will be healthy today and continue to be healthy in the future.

ABOUT THE AUTHOR

Calton Nhando, digital consultant at IndigoCube

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