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Experience

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Activate A Holistic Customer Experience Ecosystem To Become A Market Leader

Table Of Contents

- 3** Executive Summary
- 4** Driving Great CX Requires The Power Of An Ecosystem
- 6** Companies Are Underinvesting In Enabling The CX Ecosystem
- 7** What Does It Take To Be A CX Enablement Leader?
- 13** Followers Face Higher Barriers To CX Enablement
- 15** Leaders Find CX Ecosystem Investments Deliver Agility And Business Results
- 18** Key Recommendations
- 19** Appendix

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Contributing Research:

Forrester's Employee Experience
and Customer Experience
research groups

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Executive Summary

Excellent customer experience (CX) boosts a business's revenue and profitability, yet few firms are able to take advantage of the CX opportunity. One reason why: Most companies fail to engineer a holistic customer experience ecosystem comprised of a CX team, employees, and business partners working closely in concert with one another. Without this ecosystem, firms lack the agility and creativity needed to generate and deliver genuinely valuable customer experiences.

Cognizant Digital Experience commissioned Forrester Consulting to understand the progress companies have made in harnessing this experience ecosystem to deliver excellent customer experiences. Forrester conducted an online survey with 772 respondents and also conducted three interviews with global CX strategy leaders to explore these business problems.

We found that enterprises that have invested in — not just prioritized — employee and partner enablement and experiences are leading their less-mature peers and competitors. Furthermore, companies demonstrating higher levels of maturity are more likely to solve the puzzle of CX and, consequently, recognize tangible business benefits.

KEY FINDINGS

- › **Companies don't fully own their experiences.** The reality of today's complex CX ecosystems is that employees, partners, and customers deliver major components of the customer experience. That reality requires companies to think about how they can enable everyone involved in CX delivery.
- › **Leaders in holistic CX ecosystems invest in the right enablement processes and technologies.** The most mature companies have put programs into place that drive innovations such as the personalization of customer experiences. These companies recognize the power of experience ecosystems and actively work to build and nurture them.
- › **Investments that enable the entire experience ecosystem drive business results.** Companies that invest budget, time, and effort into their CX ecosystems see improvements in revenue, customer loyalty, and business efficiencies. The most mature companies are two to three times more likely to have already realized these benefits compared to their less mature peers.
- › **Self-sustained CX enablement is rare.** While many companies prioritize harnessing insights to deliver personalized experiences today, only a quarter of respondents build evolving roadmaps to serve increasing customer needs.



Driving Great CX Requires The Power Of An Ecosystem

Customer experience (CX) is the North Star for companies aiming to drive business growth. When customers enjoy a better experience, their intentions to stay with, buy more from, and recommend that brand all increase.¹ Despite companies' best intentions, though, truly great customer experiences remain rare.²



Numerous inhibitors — from a lack of customer understanding to imperfect expertise in design to lackluster company culture and beyond — can hold organizations back from offering great CX. Another key inhibitor is a lack of alignment between customer experience teams, employees, and partners. Ideally, CX, employee enablement, and partner enablement form a mutually reinforcing ecosystem of value, which we call the holistic customer experience ecosystem. Done right, they work together to identify customer demands quickly and collaborate closely to deliver a valuable customer experience. But few managers at companies with a CX practice in place report that their organization can be completely described as fully enabling key dimensions of this ecosystem (see Figure 1). And, when it comes to connecting CX with employee and partner enablement, we find that:

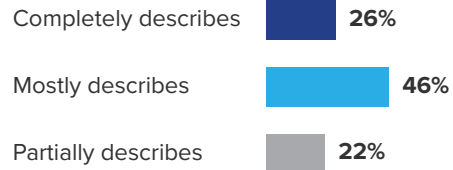
- › **Internal alignment is missing.** Some 46% of respondents say the goals of their company's employees conflict across business functions. Four-in-ten report that key stakeholders like the CMO, Chief Sales Officer (CSO), CIO, and Chief Human Resources Officer (CHRO) aren't aligned on the customer impact of enabling employees.
- › **Partner alignment is imperfect.** Another four-in-ten respondents report their company prioritizes its largest partners and fails to work with smaller partners on customer experience improvements.
- › **Too often, CX and ecosystem enablement efforts aren't fully connected.** Over a third of respondents say their organization fails to view CX, employee experience (EX), and partner experience (PX) as part of an interconnected ecosystem. Over a quarter say they still haven't fully mapped out their CX ecosystem.

Figure 1

Leaders Enable All Parts Of The Holistic Customer Experience Ecosystem

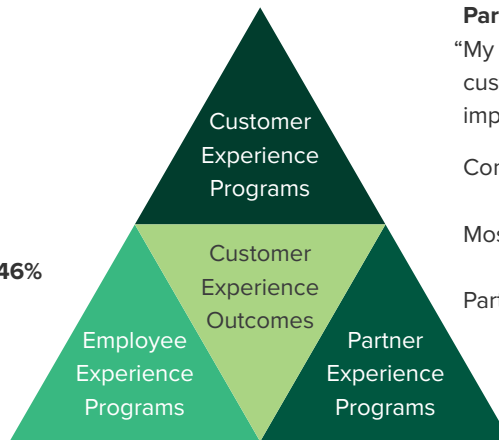
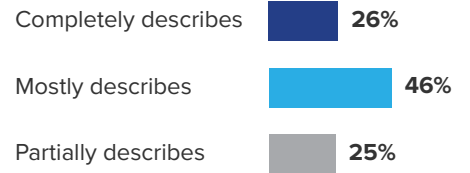
Customer Experience Programs

“My company has a dedicated experience team/practice that is responsible for improving the customer experience.”



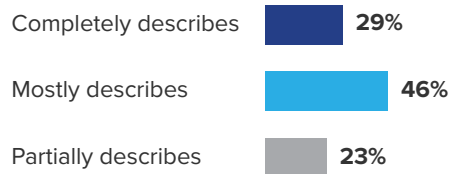
Partner Enablement Programs

“My company’s vision for improving customer experience includes improving partner enablement.”



Employee Enablement Programs

“My company’s vision for improving customer experience includes improving employee enablement.”



Base: 772 manager level+ CX decision-makers at enterprise organizations across the globe (Followers = 165, Intermediate = 469, and Leaders = 138)

Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, February 2021

Companies Are Underinvesting In Enabling The CX Ecosystem

While most respondents report that improving CX is “Important” (57%) or “Very important” (38%) to their overall business, few invest in enabling the holistic customer experience ecosystem that would drive success. Some of this is inertia: companies have historically underinvested in initiatives to align processes, workflows, and technologies to enable workers to deliver their intended business outcomes.³ Today, CX managers and executives report that their organizations don’t invest enough in employee and partner enablement improvement efforts, which is hindering their CX success (see Figure 2).

When companies fail to dedicate adequate resources to better equip employees, it results in cumbersome processes that slow customer interactions, fragmented systems that increase effort required to serve customers, and higher employee turnover.

The fundamental first steps to better CX enablement require major shifts in the organization, management, and workforce, which isn’t an easy feat. Beyond that, CX transformation leaders must work with their executives to hardwire executive ownership, consistent evaluation, and ecosystem inclusion into the business. These efforts are meant to scale and standardize CX enablement initiatives, but don’t guarantee the companies can drive towards true innovation.

This journey isn’t insurmountable. It requires a vision, dedicated resources, and adherence to best practices.

Figure 2

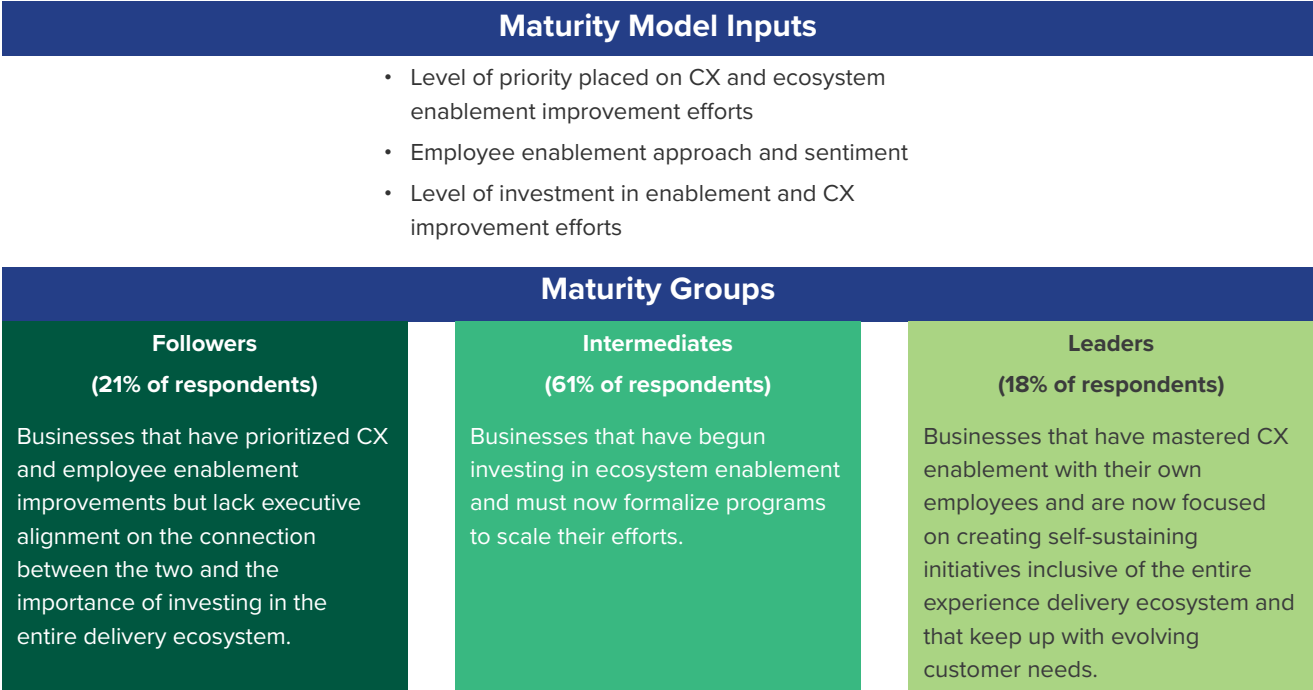


Base: 772 manager level+ CX decision-makers at enterprise organizations across the globe
 Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, February 2021

What Does It Take To Be A CX Enablement Leader?

What does it take to be a leader? To get a sense of what it takes to be a CX enablement leader and to vet whether the journey is worth the destination, Cognizant commissioned Forrester to develop a maturity model. Forrester evaluated respondents based on self-reported data in the following areas: 1) prioritization of CX and ecosystem enablement improvement efforts; 2) employee enablement approach and sentiment; and 3) level of investment in enablement and CX improvement efforts. Respondents were then grouped into three maturity groups based on how they scored on the assessment: leaders (18%), intermediates (61%), and followers (21%) (see Figure 3).

Figure 3



Base: 772 manager level+ CX decision-makers at enterprise organizations across the globe (Followers = 165, Intermediate = 469, and Leaders = 138)
 Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, February 2021

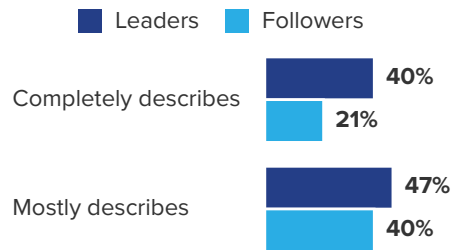
Leaders in CX enablement maturity far outstrip followers in how they approach the holistic customer experience ecosystem (see Figure 4). Leaders report their companies have demonstrated higher levels of overall commitment to CX and employee and partner enablement.

Figure 4

Leaders Enable All Parts Of The Holistic Customer Experience Ecosystem, Cont'd

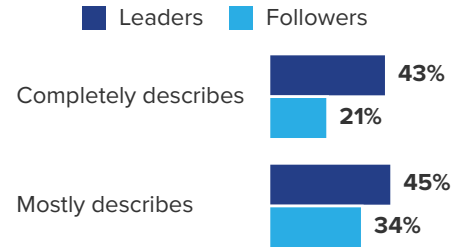
Customer Experience Programs

“My company has a dedicated experience team/practice that is responsible for improving the customer experience.”



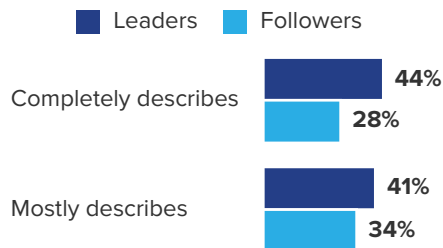
Partner Enablement Programs

“My company’s vision for improving customer experience includes improving partner enablement.”



Employee Enablement Programs

“My company’s vision for improving customer experience includes improving employee enablement.”



Base: 772 manager level+ CX decision-makers at enterprise organizations across the globe (Followers = 165, Intermediate = 469, and Leaders = 138)

Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, February 2021

The contrast between leaders and followers helps us understand some of the core ways in which the holistic CX ecosystem can drive value:

- > **Good experiences start with a clear, well-communicated vision.** A vision statement ensures harmony across customer touchpoints and clarity for employees. Ninety-six percent of leaders have a defined CX vision statement compared to only 79% of followers. Leaders also excel at socializing their vision statements with all employees and are more confident that their employees deliver the intended CX (see Figure 5).
- > **Achieving the vision means equipping the entire CX delivery ecosystem.** Having a vision by itself is not enough. Leaders have made significant headway in connecting the dots between employee and partner enablement and CX. They are also more likely to ensure that employees and partners understand their unique roles in delivering the intended CX and communicate metrics with actionable insights to their employees and partners (see Figure 6).

“At [my former company], customer experience was led by a manager. And yeah, we made noise every once in a while, but it was dampened down by other things that were more important. At [my current company], having the CEO have a watchful eye on it made everyone else interested and believe ‘for me to be successful, I need to think it’s important, too.’”

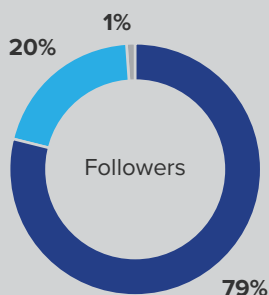
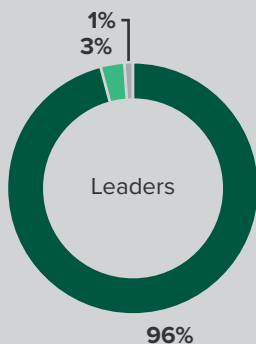
Director of CX strategy, insurance



Figure 5

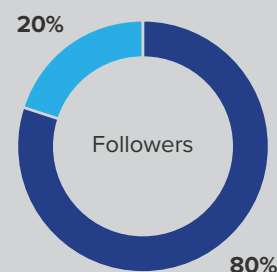
“Does your company have a defined and documented CX vision statement that includes the intent, core values, and promises your company aims to deliver to customers?”

■ Yes ■ No ■ I don't know

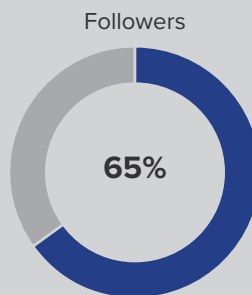
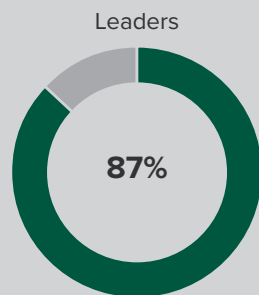


“Is your CX vision statement shared with all employees?”

■ Yes ■ No



“In your opinion, how successful are your employees at delivering customer experiences that align to the company’s CX vision?”
(Showing top three on a ten-point scale from “not successful at all” to “extremely successful”)



Base: 772 manager level+ CX decision-makers at enterprise organizations across the globe (Followers = 165, Intermediate = 469, and Leaders = 138)
Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, February 2021

➤ **Exceptional CX doesn't happen by accident — leaders invest the appropriate resources to enact change.** CX enablement leaders dedicate more resources to supporting CX delivery throughout the customer journey. This includes having a dedicated team responsible for CX improvements, securing the appropriate budget to execute on the CX vision and strategy, considering the CX impact of all business and technology investment decisions, and collecting, analyzing, and applying the right data to enable personalized customer experiences (see Figure 6).

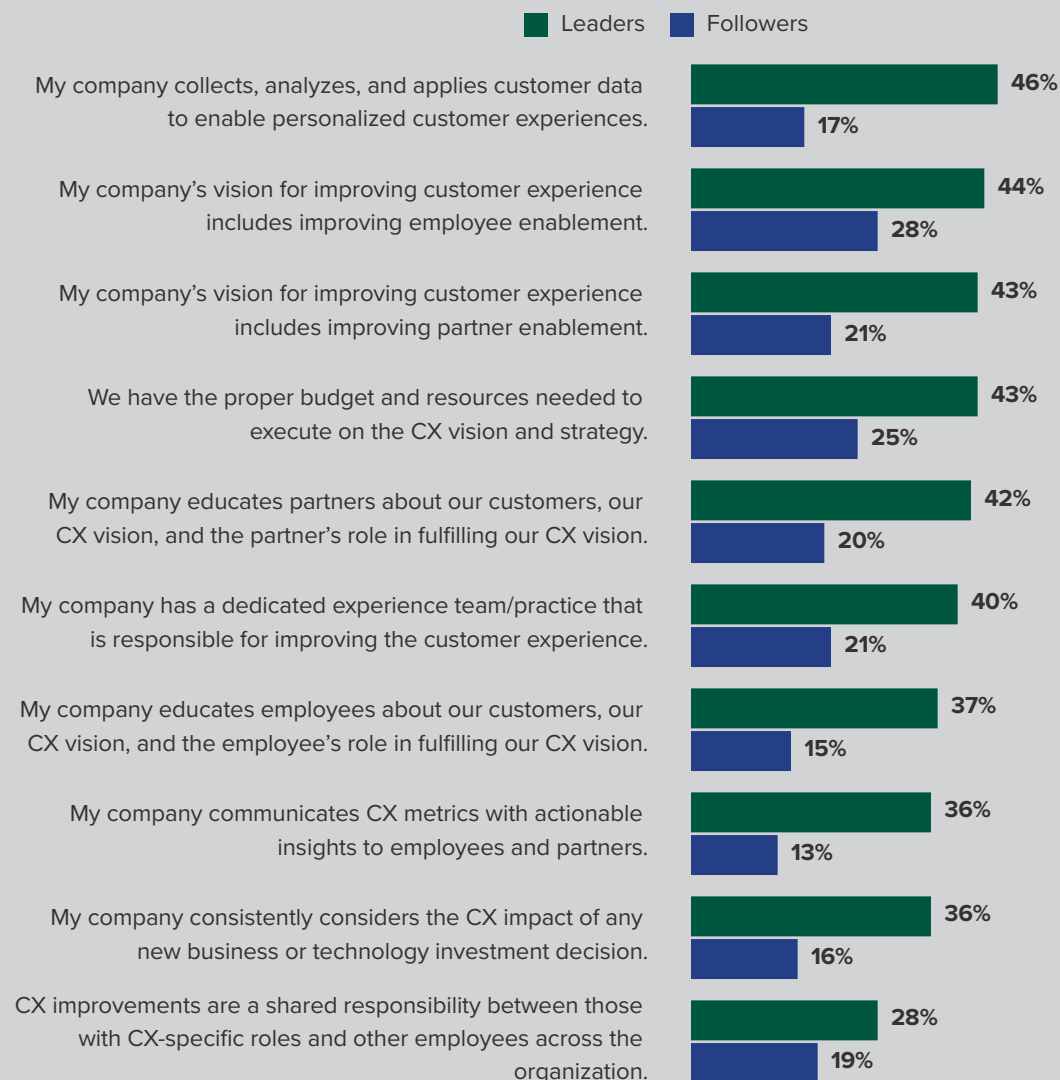
“Patient experience, NPS, and employee experience are explicitly built into our bonus packages. They are all key performance indicators.”

CIO, healthcare



Figure 6

“How well do the following describe your organization’s approach to CX?” (Showing “completely describes my organization”)



Base: 772 manager level+ CX decision-makers at enterprise organizations across the globe (Followers = 165, Intermediate = 469, and Leaders = 138)

Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, February 2021

> **Leaders and followers prioritize improving the human experience through digital enablement.** Many respondents prioritize providing employees (56%) and partners (55%) with access to a productive work environment and the resources they need to efficiently create solutions to client problems. Nearly two-thirds of respondents report their companies prioritize providing employees and partners with a deeper understanding of a customer’s situation and the ability to make the right decision and take the next best action to address a customer’s issue (see Figure 7). Still, almost half of the respondents note there’s room for improvement in helping employees and partners understand the experience they are expected to deliver.

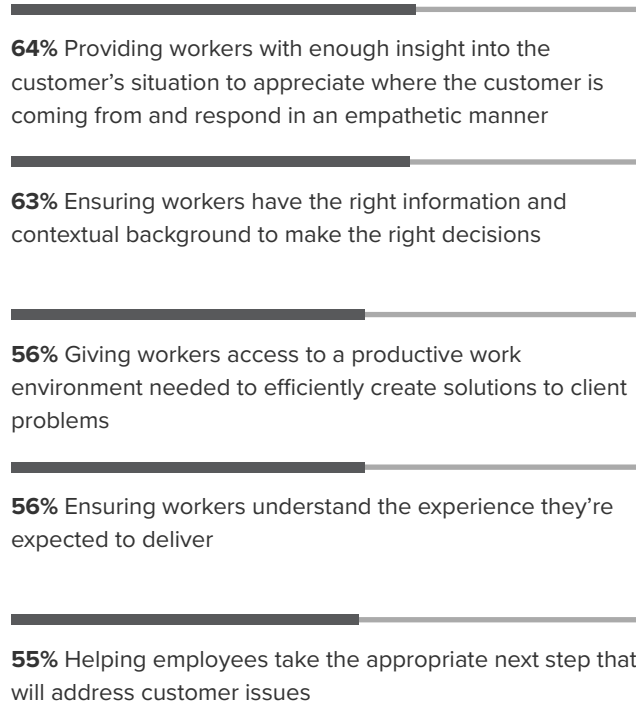
“We’ve been working on connecting all the different customer touchpoints so that customer advocates can empathize further with the customer and understand what other avenues the customer had tried and failed before getting to them.”

*Director of CX strategy,
insurance*



Figure 7

“Which of the following is your company prioritizing in its employee enablement efforts?”



“Which of the following is your company prioritizing in your partner enablement efforts?”



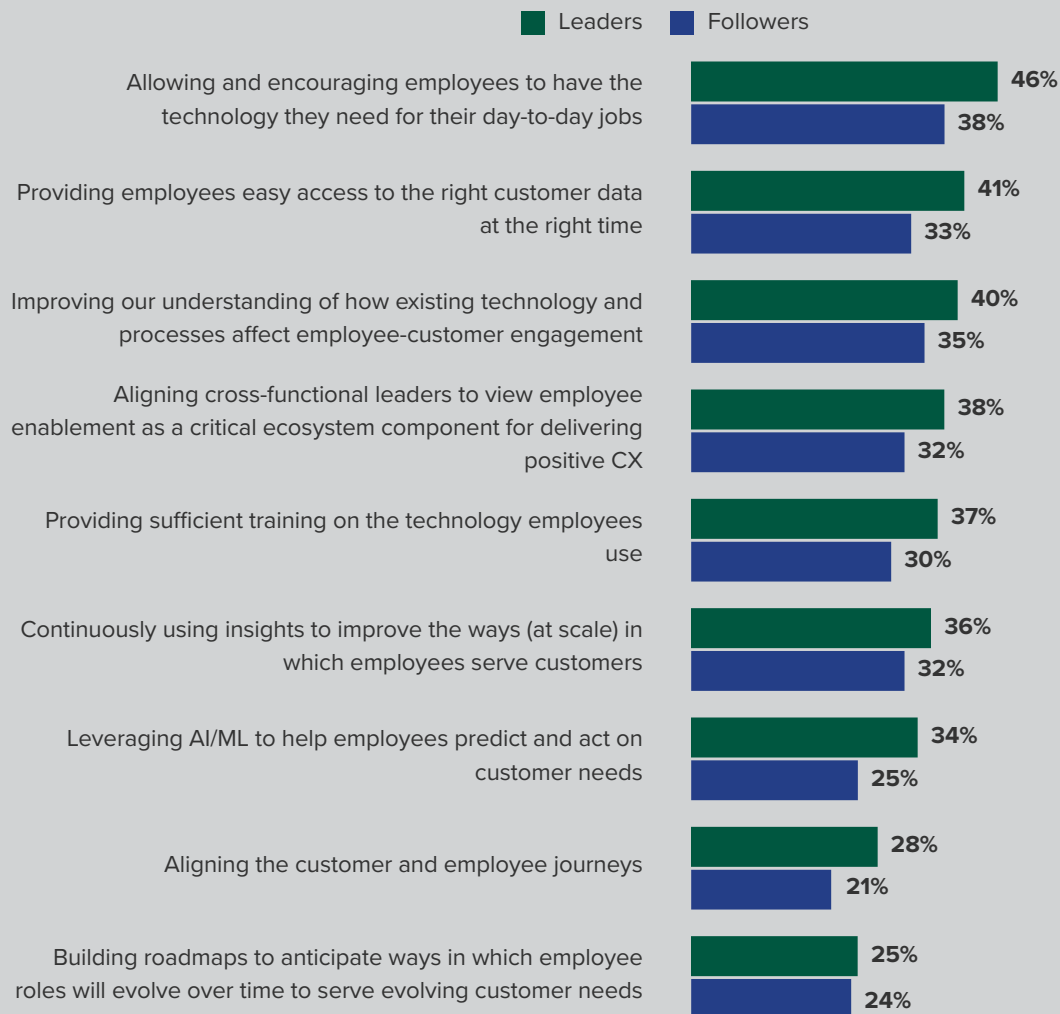
Base: 772 CX decision-makers at enterprise organizations across the globe
Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, February 2021

› **CX enablement efforts must keep pace with the changing market.**

Both leaders and followers are lagging in building roadmaps to anticipate how employee roles will evolve over time to serve customer needs. Only about a quarter of each group are doing this work today. (see Figure 8). Leaders have built a solid foundation that is grounded in a vision of enabling the entire ecosystem, and they dedicate budget to enact change. They must now scale these efforts and get to a place of continuous assessment and improvement. CX professionals will know they have advanced their enablement practices when their CX operating models can consistently meet evolving customer needs.⁴

Figure 8

“Which of the following are most important to better enabling your customer-facing employees to do their jobs?”



Base: 772 CX decision-makers at enterprise organizations across the globe

Note: Showing “We are doing this today.”

Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, February 2021

Followers Face Higher Barriers To CX Enablement

Removing initial barriers to CX enablement is challenging. Continuing to evolve to keep pace with changing customer needs is even more difficult. Both leaders and followers (39% and 38%, respectively) report that constantly changing customer expectations prevent employees from delivering intended experiences. Before companies can hope to consistently keep pace with changing customer needs, they must invest in organizational, managerial, and technological changes to standardize and scale their CX enablement efforts.

- Followers may lack accountable leadership.** Followers struggle to deliver the intended CX due to a lack of alignment between their employee enablement and CX strategies. Forty percent of followers also fail to empower their managers to remove CX roadblocks (see Figure 9). CX enablement improvement has many moving parts that require accountable leaders to drive meaningful progress. Although companies are beginning to create EX roles, it isn't clear whether these are new roles or simply rebranded HR roles. Companies that are explicitly bringing together CX and EX disciplines are rarer still.⁵

Figure 9

“What is preventing employees from delivering customer experiences that align to the company’s CX vision?”



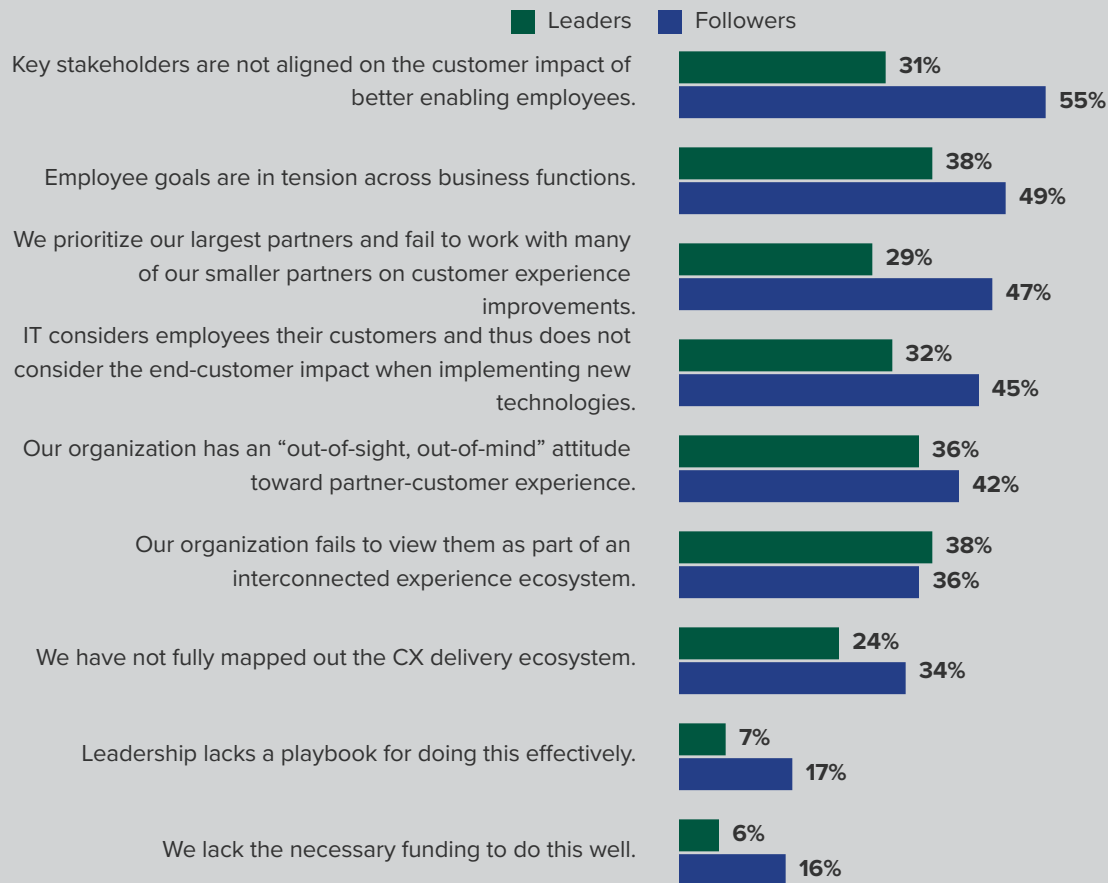
Base: 772 manager level+ CX decision-makers at enterprise organizations across the globe (Followers = 165, Intermediate = 469, and Leaders = 138)

Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, February 2021

- › **Stakeholder alignment is even more challenging for followers.** Many follower respondents prioritize improving CX enablement, but it's clear their organizations haven't fully bought into backing these efforts. In fact, 55% of followers report that their organization's key stakeholders aren't aligned on the customer impact of better enabling employees. This misalignment across functions has implications for all. Forty-nine percent of followers struggle with employee goals being in conflict across business functions (see Figure 10). CX transformation leaders must help the business identify and roll out success metrics that reduce the incentives for departments to work at cross-purposes. When employees lack common goals, it often results in both poor CX and EX.
- › **Followers struggle to integrate partners into their CX operating models.** Partners deliver key components of the customer experience. This requires companies to think about how they can enable everyone involved in CX delivery, not just their own employees.⁶ Forty-seven percent of followers have invited their largest partners to participate in CX improvement efforts, but they fail to be inclusive of the entire partner ecosystem. Others simply neglect partners, having an “out-of-sight, out-of-mind” attitude towards partner-customer experience (see Figure 10).

Figure 10

“What challenges does your company face with creating better alignment between your employee and/or partner enablement strategies and CX strategies?”



Base: 772 manager level+ CX decision-makers at enterprise organizations across the globe (Followers = 165, Intermediate = 469, and Leaders = 138)

Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, February 2021

Leaders Find CX Ecosystem Investments Deliver Agility And Business Results

Engineering a holistic CX ecosystem inclusive of employees, partners, and customers will drive tangible business results. Why? Alignment around customer needs speeds time-to-market: Employees and partners working hand-in-hand with CX teams to achieve goals results in agility and the ability to adapt when customer needs and desires change.

An ecosystem approach also bolsters its own foundations, which include employee and partner experience and enablement. Building a business case for this customer experience ecosystem and the enablement of its constituent parts should include a number of employee and partner benefits:

- › **CX enablement leaders attract and retain talented employees.**
Automating manual processes allows companies to minimize monotonous work for employees, which has a material effect on job satisfaction. Forrester’s research shows highly enabled workers are more productive, happier, believe their companies deliver a good experience, and will stay in their jobs.⁷ Leaders who’ve mended processes are reaping these employee experience benefits in that they’re reducing attrition and increasing their ability to hire talented staff (see Figure 11).
- › **Digital enablement improvements help leaders reduce costs while empowering partners and employees to better serve customers.**
In rolling out digital tools to the business and restricting processes, leaders reduce costs in sales and in the contact center (see Figure 11). These tools streamline how employees do their job, giving them more time to focus on more meaningful work and reducing the amount of time spent on activities like searching for pitch decks or crawling knowledge bases for answers to customer questions. These automated processes can also address low-level customer issues, allowing contact center agents to focus on more complex customer needs.

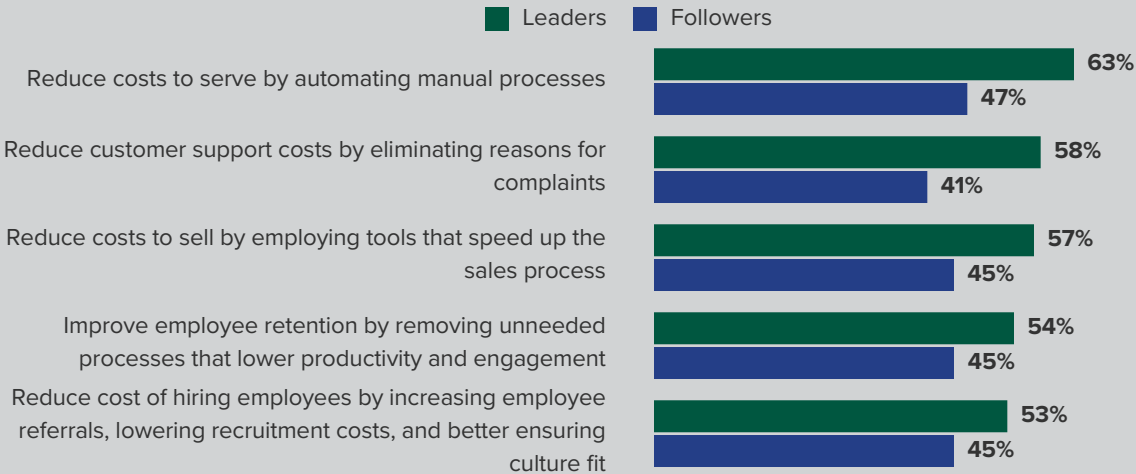


“Patients have choices in where they go for healthcare. We’re close to two of ten top-rated hospitals. What that means is that we’re not going to win on academic reputation. What we can win on is patient experience, and we recruit physicians away from those other hospitals because we pay attention to the employee experience as well as the patient experience.”

CIO, healthcare



Figure 11
“In what ways will CX improvements benefit your company’s overall success?”



Base: 772 manager level+ CX decision-makers at enterprise organizations across the globe (Followers = 165, Intermediate = 469, and Leaders = 138)
Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, February 2021

› **Being insights driven helps leaders keep pace with evolving customer needs.** In a hypercompetitive business environment and the post-pandemic world, applying data and analytics at every chance to differentiate products and customer experiences is a prerequisite for success.⁸ Leaders are further ahead than followers in harnessing insights to deliver personalized customer experiences. This, along with other CX improvement efforts, has indeed delivered benefits in the form of customer acquisition (64%) and retention (62%), as well as success in selling additional products and services to existing customers (54%) (see Figure 12).

Figure 12

“In what ways will CX improvements benefit your company’s overall success?”



Base: 772 manager level+ CX decision-makers at enterprise organizations across the globe (Followers = 165, Intermediate = 469, and Leaders = 138)

Note: Showing “We have already realized this benefit.”

Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, February 2021

> **Boosting ecosystem performance increases leaders' ability to create better CX, drive growth, and improve overall financial performance.** The efficiencies created through enablement allows employees to focus their energies on better serving customers – something Forrester has observed in many companies.⁹ Forrester's research has shown that even incremental improvements in CX leads to millions in additional revenue from customers.¹⁰ The leaders in this study bear out these observations: They improve CX (62%), which increases customer loyalty (54%), and leads to increased revenue (64%). Leaders were two to three times more likely to have already realized these benefits compared to followers (see Figure 13). As a VP of CX at a global technology company stated: "Executives make the connection that engagement drives the experience that drives share of wallet and profitability. They all go hand in hand."

"Employee experience is important to us for both recruiting and for patient retention. I should add that we have a Net Promoter Score of 82, which is pretty astounding."

CIO, healthcare



The more engaged your employees are, the more effort they give to customers. We saw huge improvements in the customer experience."

VP of CX, technology



Figure 13

"What benefits of improving employee enablement have you realized/do you expect to realize?"



Base: 772 manager level+ CX decision-makers at enterprise organizations across the globe (Followers = 165, Intermediate = 469, and Leaders = 138)

Note: Showing "We have already realized this benefit."

Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, February 2021

Key Recommendations

Most companies still struggle to engineer genuinely delightful customer experiences. One emerging route to success involves engineering a holistic customer experience ecosystem that aligns customer experience teams, employees, and business partners into an interconnected delivery mechanism. Today, only 18% of companies – which we term “leaders” – have put into place many of the foundational elements to make this ecosystem a source of strength.

Forrester’s analysis of this research yielded several important recommendations:



Followers: It’s time to begin the journey toward developing an ecosystem.

Followers aren’t positioned to reap the financial benefits of strong CX outcomes, and they face increasing risk of becoming irrelevant when customer needs change. Educating and aligning executives across the organization about the importance of CX and soliciting input from employees and partners about gaps in their enablement are fundamental steps that need to be taken. Starting this journey requires six activities: research, prioritization, design, enablement, measurement, and culture-building.¹¹ Research helps you truly understand your three audiences — customers, employees, and partners — and what they need, desire, and believe. The other steps help you build a practice that can guide your actions, make the right investments in technology and culture, and measure your success.



Intermediates: Institute programs and measurements. Once basic ecosystem alignment has been established, intermediate companies can institute programs (with RACI charts for participation) and measure progress continuously to gain momentum. These programs must also iterate, continuously evaluating the state of employee experience, as well as managing and maintaining enabling technologies for the workforce. These programs require deep commitment from management. They will need a proper budget and staffing, as well as the authority to make changes in how the business prepares the workforce to engage with customers and prospects. They will also need equivalent authority and budget to invest in partner programs, technologies, and go-to-market activities.

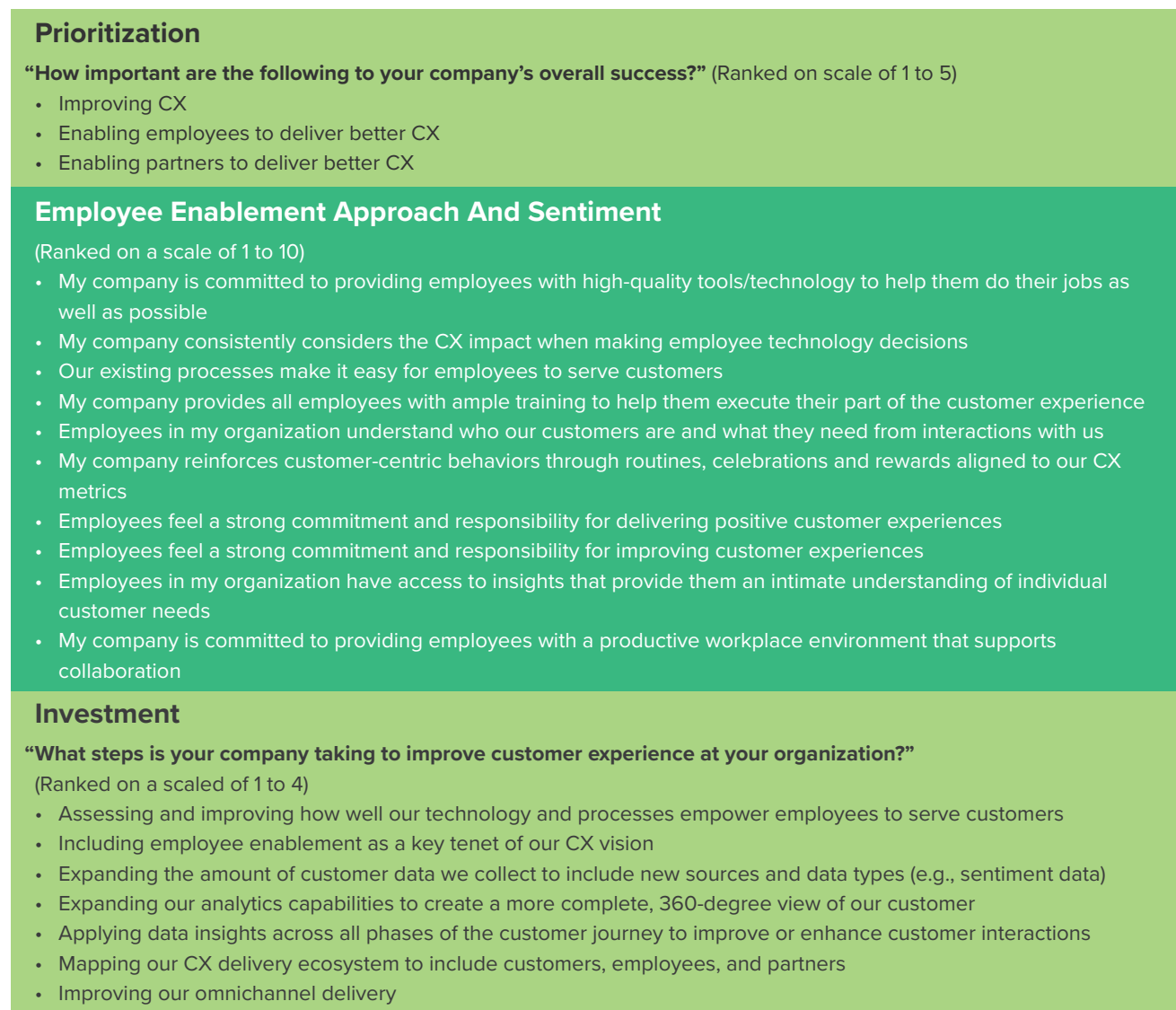


Leaders: Focus on expanding the scope and innovative potential of your ecosystem. Leaders have aligned CX with employee and partner enablement, crafting a holistic ecosystem that drives customer experiences — and yet the hard work has just begun. Customers’ needs are changing faster than ever before. Technology investments loom large here. For example, investing in data, analytics, AI, and machine learning (ML), and the ability to act upon those data and insights has only just begun. Augmenting the scope of your business relationship with employees and customers can help these technology investments come to life. Examples include constructing communities of interest to facilitate information sharing, sharing intellectual property to encourage collaborative innovation efforts, integrating technology to share customer information, and integrating processes to ensure smooth hand-offs between entities. Combining these process alignment innovations with technology and data investments will position you to adapt — in an agile fashion — when market conditions change, customer needs evolve, and competitors emerge.

Appendix A: Methodology

In this study, Forrester conducted an online survey with 772 respondents and three interviews with global CX strategy leaders. Survey participants included 50% IT decision-makers and 50% business decision-makers, all with a CX strategy remit. The study began in November 2020 and was completed in January 2021. To evaluate the progress companies have made in improving ecosystem enablement in pursuit of delivering better CX, we created a maturity model based on the criteria in Figure 14.

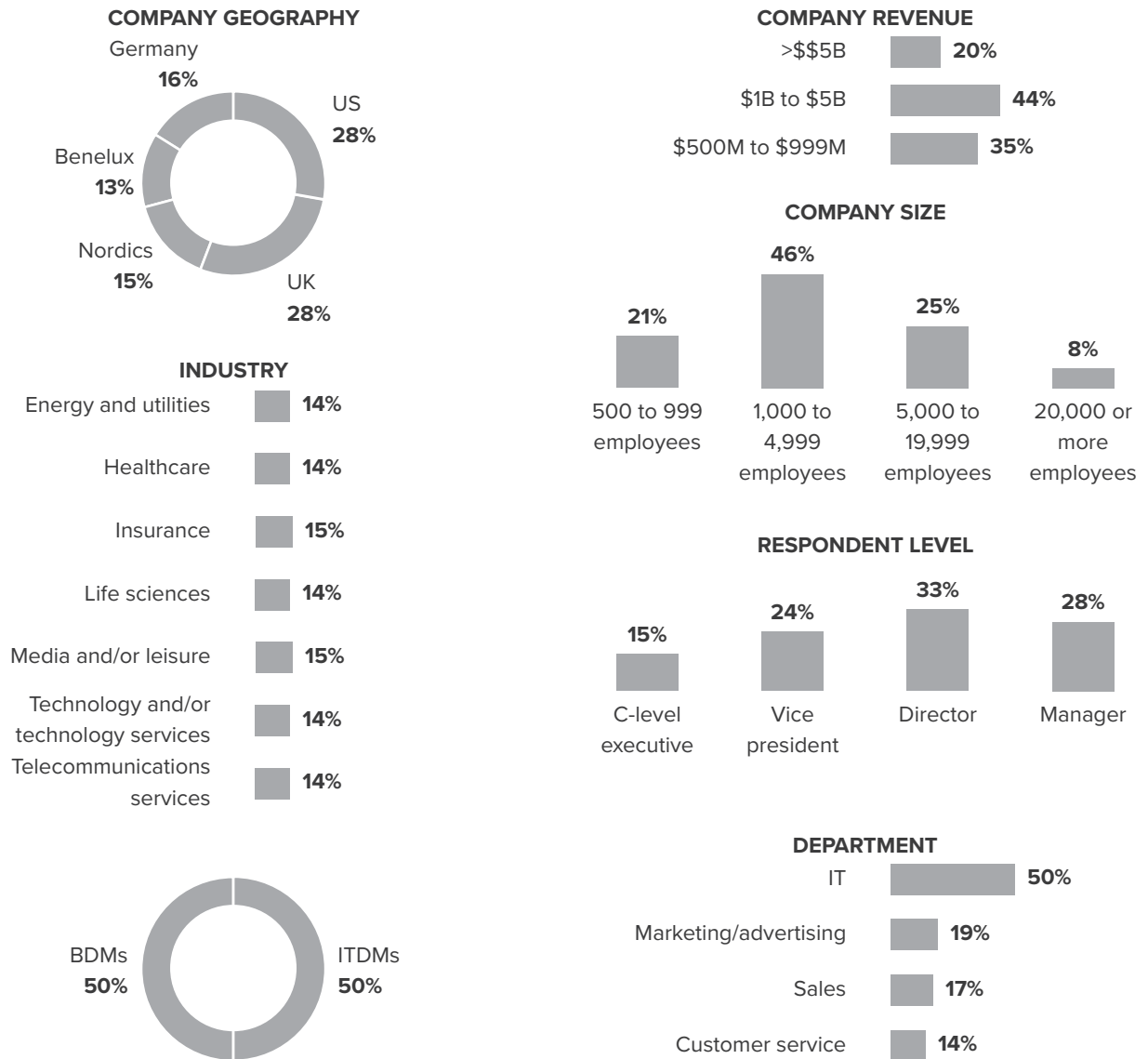
Figure 14



Base: 772 CX decision-makers at enterprise organizations across the globe

Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, February 2021

Appendix B: Demographics/Data



Base: 772 CX decision-makers at enterprise organizations across the globe

Note: Percentages may not total 100 because of rounding.

Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, January 2021

Appendix C: Endnotes

¹ Source: “How Customer Experience Drives Business Growth, 2020,” Forrester Research, Inc., December 3, 2020.

² Source: “The US Customer Experience Index, 2020,” Forrester Research, Inc., June 15, 2020.

³ Source: “Five Steps To Enable Customer Experience Delivery,” Forrester Research, Inc., February 5, 2021.

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

⁷ Source: “A Good Customer Experience Requires Workers To Be Digitally Enabled,” Forrester (<https://www.forrester.com/fn/bxU5ze0zmHAFIMQASgfEd>).

⁸ Source: “Build An Insights-Driven Business,” Forrester Research, Inc., December 9, 2020.

⁹ Source: “Case Study: Navy Federal Credit Union’s Great Employee Experience Drives Great CX,” Forrester Research, Inc., March 17, 2020.

¹⁰ Source: “The ROI Of CX Transformation,” Forrester Research, Inc., January 22, 2021.

¹¹ Source: “Why And How To Lead A CX Transformation,” Forrester Research, Inc., January 27, 2021.