

THE COMBUSTION CHRONICLES

**EPISODE FIFTY-FOUR
GETTING REAL
ABOUT CUSTOMER-CENTRICITY**

**HOST: SHAWN NASON
GUEST: ANNETTE FRANZ**

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Shawn: Welcome to the fifth season of *The Combustion Chronicles* podcast, where bold leaders combine with big ideas to make life better for all of us. I'm your host, Shawn Nason, CEO and founder of MOFI. In these episodes, we'll be exploring the power, influence, and importance of Experience Ecosystems™. To do that, we're bringing together the most unique and influential experience experts in the world for honest conversations about not being okay with the status quo, leading with heart, and getting real about heartsets and mindsets. In case you're wondering, an Experience Ecosystem is the web of people, touchpoints, and interactions that combine to create all of the positive and negative experiences we have in the world. When an organization wants to improve customer experience, they're wasting their time if they're not willing to engage and humanize their entire Experience Ecosystem. It's time to blow up some silos and ignite an experience revolution by putting people first.

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Shawn: On this episode, I am honored and privileged to have Annette Franz is the founder and CEO of CX Journey, a customer experience consulting firm. She's an internationally recognized customer experience thought leader, coach, consultant, and keynote speaker, and official member of the Forbes Coaches Council. She was named one of the top 100 most influential tech women on Twitter, by Business Insider and is regularly recognized by companies around the world as a top influencer in customer experience. Annette, welcome to *The Combustion Chronicles*.

Annette: Thank you so much for having me. I'm excited about being here and I'm thrilled to have the conversation we're about to have. So thank you.

Shawn: Annette, let's jump into this. Can you tell our audience a little bit about how you got into customer experience and what keeps you so passionate about it?

Annette: You know, back in 1992, so next year is going to be 30 years for me. 1992, I was looking for a job, and this definitely dates us, right, pull out a newspaper and see an ad for an opening at J.D. Power & Associates. And so I was like, you know, I love math. I love numbers. I love writing. And you know, what better way to use that passion than market research. So that's where I spent the first five years of my career. It was really, you know, all about customer satisfaction and customer loyalty. We didn't even talk about customer experience back in the day. And so over the course of the next 20-some years, I spent several years at the top voice of the customer vendor, you know, their platforms, running the consulting services organizations for these vendors. And I also had three stints on the client side. And about four and a half years ago, I decided it was time to go out on my own and start my own business. I love what I do. I mean, to

see the impact that you can have on the business, to see the impact that they can have on customers when they do things right and on employees when they do things right, is really what drives me. You know, and so yeah, I have enjoyed that. And so that was sort of the catalyst too for going out on my own because I really wanted to focus on the things that I was passionate about and the things that I love doing. And that is what I have done.

Shawn: That's awesome. And it shows in your work. We really lean into this concept called the Experience Ecosystem. So one of the things I learned in my days of working at The Walt Disney Company and other organizations is we can't separate all these experiences, but yet, there's a lot of those silos have happened. So, I really want to dig in, though to your take on customer experience, and leadership, and employee experience, and all of that. And you wrote a book called, *Customer Understanding: Three ways to Put the Customer in Customer Experience and at the Heart of Your Business*. And we're going to dig into that a lot here today. Tell us a little bit about your book and why you felt compelled to write it.

Annette: It was an interesting sort of background on that too because it was not the first book that I started writing but it was the one that I went with, right? I started writing a few years prior to that. I started writing a book about journey mapping. It was going to be purely about journey mapping and what that was all about. And then I thought, you know, this doesn't really embody everything that I've done and learned and share with, you know, and how I work with my clients. Customer understanding is really what it is that has been a major focus of mine over the years. And so I really wanted to get the things that were in my head out on paper, out in public. You know, I've been writing my blog now for 10 years or more and people kept telling me, "You have a book there. You have a book there. Just put it all together and make sense of it." And I was like, "Yeah, okay." And I was like, "That's just what the world needs, another customer experience book, right? Right? There aren't enough of those out there."

And I was talking to Bernadette Jiwa. We had been talking back and forth, and she's written several books. And she's like, "Yeah, you've gotta do this." And again, I said, "Why does the world need another CX book?" And she said, "You know what? It's not another CX book. It's your book. It's your approach, your thinking, what you do, and you gotta get it out there." And so, you know, she was a huge inspiration for me in terms of actually bringing that to fruition, so it really is a lot about, obviously, customer understanding, but the work that I've done over the years, why it's so important to focus on the customer. Make sure that you do put the customer in customer

experience that it's not just lip service, that it's really more than that. And in order for it to be more than that you have to incorporate these three ways that I write about in order to really understand your customers and who they are, their pain points, problems they're trying to solve.

[00:05:48]

Shawn: Well, let's talk about that because first off, yes, it's your book, it's your story. My first book I wrote called, *The Power of Yes! in Innovation*, I did that because I wrote a blog as well. And I looked back on it, and go, "Oh, my gosh, I can't believe that book's out there but it is." And I just wrote our second book and we're working on the third one, but you just talked about these three ways and these three approaches, that you bring in the book. And I love your approach on putting the customer back in customer experience. We've done a lot of work in healthcare. And I always say, you gotta put the human back in everything. Right?

Annette: Absolutely. Yeah. Absolutely.

Shawn: So talk to us about those three approaches because I really want our audience to know what those three approaches are and how powerful they are.

Annette: Yeah, they really are powerful. And I think you make a great point that we do need to put the human back into the experience and into business, in general. Right? I always say you know, what happens to employees? What happens to us as we cross the threshold into our offices and into our workspaces and workplaces? We are all humans. We're all customers. We're all employees, right? Why do we treat each other so badly when it comes to the experience? So it really is interesting. The other thing that's interesting, too, that a lot of folks think the customer experience is all about the technology and that's going to solve your problems for you. And, you know, I don't agree with that.

Shawn: Yeah, I call bullshit on that as well, Annette. So I'm right there with you.

Annette: Yeah. Yeah. Yeah, thank you. The three approaches are what I call listen, characterize, and empathize. And listening is all about feedback that you get from your customers, however, it is, whether it's through surveys, or online reviews, or customer advisory boards, or interviews, or whatever it is, however, you get feedback from your customers. It's also about the data, I call it the breadcrumbs of data that they leave behind as they interact and transact with your brand, right? And then when we marry what we know about customers because they've told us in that feedback, with the data that we have, both transactional and interaction, whatever it is, data with the feedback.

We really have a pretty good understanding of the experience, what's going well, what's not, what they buy, maybe not necessarily why they buy, only if we've asked obviously, but really get a good understanding of the experience and who they are. Then the second way I call characterize, which is all about developing personas. I think a lot of companies and I know, I actually know. I shouldn't say I think I know because I've been talking to a couple of prospects and clients recently where they're like, "Oh, we had these target segments..." and it just makes me cringe because I always use the example of, well, great, that's great for advertising. It's not even great for advertising, quite honestly. But you often hear yeah, there's this target demographic men, 18 to 49. And I'm thinking, what does an 18-year-old have in common with a 49-year-old, you know?

A couple of things but not personas. I always say you gotta do the work, you gotta talk to customers if you want to really know who they are, what their pain points are, what jobs they're trying to do, you've gotta take the time to do that research, to talk to them, to develop these personas. And then use that as your starting point for designing the experience. The third way is what I call empathize. And empathize is all about journey mapping and walking in your customers' shoes. And, again, this whole book was written about customers and customer understanding but it applies to employees as well, right? These are the same three things that you need to do to put the employee in the employee experience as well. And so, journey mapping, again, it's all about walking in your customers' shoes. And I have a six-step process to make sure that we don't just create this pretty picture. That the maps become the catalyst for change that they're meant to be. And in the book, I go through in detail how to conduct your own workshops and what that six-step process is.

Shawn: I love it. We do something similar. We do a lot of work based on human-centered design, which is all of this. In the book, you mention organizations thinking in an inside-out manner. What's this mindset all about and how does it look when it's working correctly in your mind?

[00:09:56]

Annette: It really means that the business is focusing on the processes and the systems and the tools, and especially on the products. There's the saying out there, finding customers for your products versus finding products for your customers. And a lot of brands are doing the former versus and the latter, right? They're finding customers for their products because they haven't taken the time to do this work to really understand, bring the customer voice into what they're doing. And so none of that is

taken into consideration as they're making any kinds of decisions or anything like that, right, or designing the experience. And so what they do is they really make the decision based on what they think is best for the business, not for the customers or they think they know what's best for customers. And the key here is think that they know what's best for customers. And that's really inside-out thinking.

Shawn: I've heard you say that real customer-centric businesses are those that have it ingrained in their culture.

Annette: Yeah.

Shawn: What does that ingrained culture look like and act like when it's built correctly?

Annette: I like to put it in these terms, right? I always say, no discussions, no decisions, no designs happen without bringing the customer voice into them, right, without asking how is it going to impact or how's it going to make her feel. What value does it add for her? What problems does it solve? And there was a quote, it's funny, I actually just posted this quote on Instagram a couple of days ago, and it was from Dharmesh Shah at HubSpot. And I think there's another great example of a customer-centric organization, right? He basically said, "When you're trying to make important decisions, and you can't really come to a conclusion, really stop and ask yourself, 'If the customer were here, what would she say?'" Right? I mean, that was basically the essence of his quote, right?

And I think that really sums it up is when you're in the process of having those discussions and making those decisions, that's what you need to do and that's what successful organizations, customer-centric organizations look like. They're always asking, "Well, what does this mean for the customer? What would she say if she was here?" And so I think that's an important consideration. And I think a lot of folks when they talk about being customer-centric or customer-centricity, they talk about more like tactics or this person is being customer-centric, and I'm like, customer-centric is really systemic, right? It's not just a tactic or a thing or a marketing message, it's everything you do, right? And so, ironically, I'm actually speaking of books in the process of writing my second book. And that's what that book is all about. It's about customer centricity and building a customer-centric organization. And it's so important because there are certainly benefits to being customer-centric.

Shawn: Absolutely. I want to dig even... I'm going to push a little bit here to get your opinion on this. It's again, one thing to say you're a customer-centric organization, Michael, on our team, and I have this discussion all the time, people put it in their

mission, their values. And again, I call bullshit on that because they're really not. They just do it to check a box. Let's go a step further with that, Annette. What about customer-centric leadership? Because I think that's the biggest issue is leaders aren't even customer-centric. And I have a finance background. So I understand money. I understand what that means in an organization. I did finance at Disney. How can leaders set themselves apart in this world of experience and the Experience Ecosystem and be that customer-centric leader? Again, going back to what you just said and we're going to dive into that after this question, the employee experience, this whole ecosystem, how do leaders set themselves apart in this world of experience?

Annette: You make me think of the last chapter of my book, right, customer understanding, where I'd had this open letter to CEOs. And I think the best way to answer that, and especially connecting to your point about being at finance, is that I think customer-centric leaders don't go to ROI as the first thing they're looking for. Right? They get it. They just get it.

Shawn: Amen.

Annette: Yeah, right? They know that we're in business because of and for our customers, right. And if we take care of their customers and their needs, and their jobs to be done, the business is going to thrive, right, you know, focus on the experience, focus on the people, and the numbers will come. I think that's really key for a customer-centric leader. And I think they're also role models. I think because they have that mindset, day in and day out, they're role models. And really it does start with them, too. And it can't just be one executive, right? It can't just be the CEO. It has to be across the board, across the C-suite, across the entire organization because again, customer-centricity is a foundational thing, right? It's enterprise-wide. It's organization-wide and it's not just in one department or one line of business or another. You know, if it is, customers are going to feel it. And to your point, they're going to call bullshit on it.

Shawn: Right. You said it, and I want to hone in and iterate it again. This cannot just be the CEO's job or this just cannot be one executive's job. If the whole senior leadership team, executive team has not bought into this, you cannot have a customer-centric organization, or leadership team, or culture. And I think that's what people have to really understand. And I know for us as we work with organizations, we see that all the time. We've talked about this customer-centric and leadership. But then you talk about this thing called the spillover effect, as well, when we're talking about employee experience. Can you elaborate a little bit on that concept?

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Annette: Yeah, absolutely. And I think that the crux of that is really when we talk about how employee experience drives customer experience and really what the spillover effect is, is essentially the feelings of one person impact those of the person in front of you. So if you're an agent and you're having a bad day, and you're in a bad mood, and you're going to take it out on the customer on the other end of the phone, that's a spillover effect, right? So when we make sure that we take care of our employees and we make sure that they have the tools and the resources and the policies are not outdated, the processes aren't broken, when they have what they need to do their jobs and to do them well, they're going to take that, and that's going to translate into a great experience for the person in front of them, whether that's another employee or it's the customer that they're interacting with.

Shawn: Yeah, it's interesting that the job of leaders and senior leaders and executives is really to remove barriers and obstacles from the front line or from your front-of-the-house team, all of that. And it actually makes me laugh, Annette, to think that we're still having this conversation, right? Now, I'm happy because it keeps you and I employed. It just seems so basic, I guess to us that, that's the job. Why do you think as well organizations are still so siloed in this that you have a consumer experience team, you have a digital experience team, you have an employee experience team, and none of them talk to each other? How do you even have a customer-centric organization if you're that siloed?

Annette: No, I love it. You're absolutely right because by definition, a customer-centric organization is collaborative. I mean, it has to be. That's the only way that you can be customer-centric. And it's interesting that you bring up digital. And you're absolutely right. The key here is you've gotta have that chief customer officer or somebody in the C-suite, who is going to unite and unify all of the different departments and all the different lines of business, right? And I'll give you an example. A friend of mine just had recently joined a new company. And he was joining as the head of CX. And they had a very small CX team but over in the corner, they had a digital team with 40 people on that digital team. And all the other employees were so mad about that because they're like, "What are they over there doing? They're not interacting with us."

So, he ended up convincing the CEO that they needed to disband that group and that he needed to absorb some of those people. So his team is now...he has I believe, 17 or 18 people. There is a group within his team that focuses on digital but they're all working together, right? Because really, at the heart of digital is the customer. I mean,

it's not technology. It is the customer. And so they're all working together. And when he got there, I mean, again, it was sort of this bolt-on box of people over here that were doing their thing. And it was like, how do these organizations look at digital and think that they can transform without bringing the customer into the center? Yeah. And to the original question, I don't know why that happens. I have no idea. And I do. There's this lack of understanding, again. There's not that customer-centric mindset among the leadership team, for sure.

Shawn: Wow. I appreciate that. So, I want to talk to you about a current trend, and I know you spend a lot of time focusing on trends but this whole concept of hyper-personalized experiences. You know, the other day I was reading and there was 75% of consumers are more likely to purchase from a company that knows their name and recommends products based on their purchase history. And I also read that 74% of consumers get irritated when website content isn't tailored to fit their needs and tastes. So what's the future of hyper-personalized experiences?

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Annette: I think it's real. People are willing to make that data/privacy trade-off if it means that things are going to be easy. But I also think that hyper-personalization is so much more than those statistics, right? I think hyper-personalization also brings in geofencing and biometrics and some of those other things. Now it's really, you know me and you can show me. There's a great... I don't know if you've seen this, and I did a webinar about two months ago where I shared this video. Burger King did this. They had a couple of different promotions. One of them was, if you download the app within, however many feet of a McDonald's, you'll get a free Whopper or whatever. And so people would pull into McDonald's, and they'd be like, "Where's our free Whopper?" But it was, again, that geofencing and just knowing where you are. And the other example was in Mexico City. Apparently, traffic there is just a nightmare, even worse than here in Southern California. They did a campaign where there were signs along the road, electric signs, and stuff, telling people that if they went to the app and placed an order, their food would arrive at the door of their car within minutes. So it's a pretty powerful campaign and you think, "Wow, is that really ever going to happen?" It was a couple of years ago that they did this but that's the power of hyper-personalization, right? It's data-driven. They've got to have the data. It's real. People want it. I really do think that people want it. And I think coming out of the pandemic and everything, people want it even more because they've sort of been teased with, you know, and had a little bit of experience with some of this.

So, for me, I had a really interesting experience with Target just a couple of weeks ago, where I placed an order and I hadn't done this before. I hadn't used their curbside pickup. I placed the order online. When I placed the order I placed it on... I'm sitting here at my desk. I placed the order. They said, "Okay, well if you want to pick it up, you can or if you want to just select your delivery pickup option when it pops up on the app." Popped up on my Target app, like, within... Obviously, I was logged into my account online on my desktop, popped up on the app within a couple of minutes. They said, just let us know, you know, we'll notify you when it's ready. The order was ready within 30 minutes. They're like, "Are you on your way or, tell us when you're coming." I said, "I'm on my way."

So now they know where I am because location is turned on. As soon as I pulled up in front of... I was still out on the street. I wasn't even in the parking lot yet. The app flipped over to somebody. Here's your code. Somebody will bring your groceries out in like two minutes. I mean, it was like I didn't have to do anything.

Shawn: Well, at MOFI, we use three experience design principles. One is know me. So, going back to the Target thing. And I'm a huge Target picker-upper for my wife. They have my car preferences in there, like what car I'm driving, right? They know me, surprise me. You just talked about surprise me. You got in the parking lot and they're already sending you a code. And make it easy for me. Like, if every organization would just use those... Like, you're listening, characterize, and empathize, if every organization would use those three things that you've talked about, and then know me, surprise me, make it easy for me. What the hell? It would be so much easier.

Annette: Right? I think I used four different things. It is like know me... But to your point, like, show me that you know me. And then yeah, surprise me. I mean, make it easy. Surprise me. I think that's a great one to add to that. But that's what hyper-personalization is all about. It's real. It's going to get even more so I think in the coming years.

Shawn: Yeah. So, one of my pet peeves is when organizations brag about being people-centric, not even customer-centric, but people-centric. But then make decisions that don't feel people first of all. So I want to talk a little bit about people and the heart. And actually, your book, again, *Three Ways to Put the Customer in Customer Experience and the Heart of your Business*, this rings true for everything that we do at MOFI. And one of our beliefs is around that. In terms of putting people first throughout the Experience Ecosystem, where do you see opportunities to add heart and a human-

centric approach into the business world? And really, in other words, where do you put love and where do you put love in business?

Annette: Yeah, I think it belongs everywhere. All people. Employees, customers, vendors, partners, licensees, like, everybody, right? You know, the entire Experience Ecosystem in that regard, right? Not to be confused with the MOFI Experience Ecosystem. But I think that's part of your ecosystem as well is like anybody that you touch, you know, has to have this great experience. And part of this is going to be in my next book, too, I think it's... I sum it up with, you know, people before products, profits, and metrics. So, again, the quote earlier about find products for your customers, not customers for your products, right. So do the work to make sure that you're doing that, right? People before profits. If you really realize and understand that if you focus on the people and their experience, the numbers will come. And the example that I always use is that statistic from Bain from 2005, 80% of executives believe they're delivering a superior experience, and only 8% of customers agree.

And the reasons behind that are probably more important than the statistic itself. The reasons are, number one is focus on growth, focus on acquisition, acquisition, acquisition, and it's, you know, that leaky bucket syndrome, right? If you don't focus on keeping the customers you have and keeping the employees you have, you're going to just constantly be swimming upstream trying to fill that leaky bucket. And then the other reason which ties in sort of with people before products, profits, and metrics is that they focus on the metrics. They focus on how do I move the needle on... God, NPS. How do we move the...? You know, my career started at J.D. Power & Associates, right? You go into a car dealership and they game the system. They're like, "Hey, here's a free, whatever, please, I'll give you my firstborn if you rate me a 10 out of 10." And that's not a great experience for the employee and it's not a great experience for the customer. And it just shows that they really are focused on that metric and not on the people. And so heart can go into all of those examples. Right? I think it's so important that we just put the human into everything that we're doing.

[00:25:48]

Shawn: Thank you. I share the same pain with you with NPS. We'll leave it at that.

Annette: Leave it at that. Yes. That's a whole other conversation, right. Yeah.

Shawn: Yeah. Well, Annette, thanks for all these amazing insights. We've come to the point in our podcast, we have a little bit of fun with our guests at the very end. We do these things called the Combustion Questions. And they're three randomly selected

questions that I literally am reading for the first time because they were just given to me.

Annette: Wow.

Shawn: Just have fun with it, and what comes to mind first. So are you ready, Annette, for your Combustion Question?

Annette: I am ready. Yes.

Shawn: Awesome. So combustion question number one is, who is your favorite superhero?

Annette: Oh, wow. I would have to say Wonder Woman.

Shawn: Of course. Why?

Annette: I may have been given that nickname once or twice over the course of my career. So, you know, I follow her quite closely. So yeah, absolutely.

Shawn: Awesome. Question number two, airplanes or trains?

Annette: Airplanes. Absolutely.

Shawn: And why airplanes?

Annette: Faster. Get there faster.

Shawn: Wonder Woman wants to get there faster. Right?

Annette: Exactly. Exactly.

Shawn: This is going to be a little bit harder here, Annette. Your third question, what do you think about jellyfish?

Annette: I don't. First thought that comes to my mind is getting bitten or getting stung. Right? So that is the first thing that comes to mind.

Shawn: Yeah, I get it. I've been bitten by one once and I prefer to never have it again. Thank you, Annette, for being here. All of our listeners go out and follow Annette on all her social platforms. She's a rock star and a wonder woman. So thank you again, Annette, for all these great insights and hope we can talk again soon.

Annette: Thank you so much for having me. I agree. Let's do it again.

Shawn: Thank you so much for listening to this episode of *The Combustion Chronicles*. Let's keep the conversation going by connecting on LinkedIn, Twitter, Instagram, and Facebook.

To learn more about the world of experience ecosystems, go to MOFI.co where you'll discover ideas and resources to help you ignite your own experience revolution.

Be sure to check out my book, *Kiss Your Dragons: Radical Relationships, Bold Heartsets, and Changing the World*, available now at Amazon. Then head over to ShawnNason.com to engage resources, a discussion guide, and information about everything from self-paced training to personal coaching.

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