

THE COMBUSTION CHRONICLES

**EPISODE SEVENTY-THREE
EXPERIENCE - THE BATTLEGROUND**

HOST: MICHAEL HARPER

GUESTS: SHAWN NASON & ZACK HAMILTON

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Shawn:

Hello, everyone. I'm Shawn Nason, CEO, and founder of MOFI, and I want to welcome you to The Combustion Chronicles podcast, where bold leaders combined with big ideas to make life better for all of us. We're excited to depart from our usual programming for a few weeks, so I can step away from my hosting duties to dig into the world of Experience Ecosystems™ with my good friend and fellow maverick, Zack Hamilton. Zack currently serves as the Chief Experience and Strategy Officer at Chatter by Stingray. As you'll hear in our conversations, his people-first leadership mindset and his 20-plus years of working in the Experience Management industry come together to challenge tired, outdated systems that are holding organizations, maybe like yours, back to what they need to do. And leading the conversation in this mini-series is Michael Harper, the Chief of Radical Experiences at MOFI. When the three of us get together, we cut through the bullshit to think bigger and bolder about designing a human-obsessed world. Ready to blow up the status quo and ignite a people-first experience revolution? Yeah? Me too! So, let's do this.

Michael:

On this episode, we are going to continue our conversation about rethinking experiences with Zack and with Shawn talking about this disconnect that we're experiencing, even just as consumers, right? Where the world has changed, it's not just COVID, it's technology plus COVID, plus people, plus business, plus so many other things. And there is disconnect between what people want and what companies are able to deliver. So, Zack, can you talk us through this battleground of experience that you see out in the world when you talk to people?

Zack:

If you talk to any executive leader within a brain and you say, hey, what are your strategic goals for the next 12, 18, 24 months? Typically what you hear, what I call the, the P & L answers, right? We want to increase same source sales revenue. We want to hit X and annualize revenue. We want to increase our margins. So we want to lower the cost to serve. We want to create more customer loyalty. So it's all these P & L answers. If we think, take a step back and think that, okay, this is what they want, then why is it not happening? Well, it's not happening because the brands are not delivering those experiences that we want as, as customers, as consumers, even employees, the brands that we want. And so what we're seeing really, we've seen even pre-pandemic, is

significant rounds of layoffs every year, because we're trying to cut costs. So we're laying off employees. We are trying to optimize our inventory positioning because we're not, our sell-through rates aren't there. So now brands are always in this cost-cutting mode every single year, and you, and you hear it on their investor calls. And so if you really think about the battleground, the battleground is the brands are trying to achieve this financially cause they have to report out to their investors, right? They're held accountable to the investors in the stock market. And those types of things and customers are saying, hey, I'm not having a great experience. So I'm just going to go explore a new brand. I'm going to go do a new brand that's going to give me that desirable, aspirational experience that I want. And so that's the battleground. The battleground is how do we deliver aspirational experiences knowing that they may take 6, 12, 18 months because we have to go through change management as an organization, but also balance that P & L fiduciary responsibility at the same time.

Michael:

We talk about competitors all the time. And one of our favorite questions we ask companies is, you know, who is your main competitor? And they'll tell us, and we're like, no, no. In terms of experiences, who is your biggest competitor? And they'll say, their, you know, their traditional answer of this other person in our industry and the correct answer there is not the other people in their industry that they are going nose to nose with. It really is the competitor has become the people that they've had their most recent experience with. So if I am trying to get my driver's license renewed and I'm at the DMV, I'm not competing against other state's DMVs or either other government offices. What I'm competing against is what I just purchased on Amazon, because that is now my expectation of experience and my expectation of service.

Shawn:

Yeah, right. You know, Michael, we also talk about, we all have cellphones, smartphones, right? This is our biggest competitor as well. And Zack, I love where you were talking about retail. What's interesting is on the flip side of that, even though Michael, we've done a ton of work in the healthcare space and this battleground is just as big, but they take it from a different approach. Cause it's not about P & L as much. It's not about a product, but yet, there's this huge canyon of battles happening. Imagine like, Lord of the Rings or Transformers or something that happens like particularly within hospital systems, right? That experience is a battleground. And the first thing they want to cut when numbers aren't going right is, oh, we don't need that

patient experience team. Or we don't need that employee experience team, which is first the wrong problem. Right? Because they have separate teams and it should all be owned by somebody else. I remember very recently, Michael and I were in a meeting. We said, who owns employee experience for this health system? And people laughed like senior leaders in this health system laughed because they all looked at each other, went, we don't have a clue. It's a battleground that's ripping every industry.

Zack:

Yeah. Especially with healthcare becoming more and more deregulated, right? They are the Amazons of the world now, who you can fulfill your prescription through. So they have a monthly prescription service. So healthcare is becoming more and more deregulated and it's giving us choice, right? Because insurance companies now have to keep pace and they have to create their in and out networks. And those networks continue to grow larger for in network because patients are demanding that. And so if you think about the benchmarking, right? Benchmarking has become like this favorite thing, Michael, you alluded to it earlier. I always say, there's two things you benchmark against. One, you've already mentioned it, is that experience that we just had. The second one is with ourselves. Too many times, we want to benchmark ourselves versus competitor X, Y, and Z. But to me, it really is how do we benchmark ourselves internally on the actions or inactions that we take and how does that impact the experience that we want to deliver? And if we benchmark internally against ourselves, that is applicable to any industry, retail, restaurant, financial services, healthcare, right? What are the actions that we're taking? Is it creating a better experience or do we just introduce more friction? And so too many times, experience leaders and executive leaders, and this is what's causing the battleground is, they're so focused on our competitor versus ourselves and how we're creating and delivering on that brand promise or that experience promise.

Michael:

When the grass is always greener, right? We always want what someone else is saying. So I'm a leader listening to this. It's a battle, we're in a battleground. How do I win? What am I supposed to do? Especially when all of this feels so big, you can't call a full company meeting and make a couple announcements and all this happens. What do I do? How do I win?

Zack:

Yeah. Such a great question. So typically what I like to do when I'm with clients is really say, let's just take a look at the experience of the last 18 months. Let's take a look at those benchmarks, have they improved or have they not improved? But yet it's why, why have they not improved? And that really where it comes down to that feedback, right? That you get the open ended feedback when we're asking customers, for example, how can we improve the experience? And typically what you see is brands get so obsessed with the benchmark. They don't peel back the next layer of why, why is this happening? Why are we churning customers? Why are we not creating loyalty? Why are the number of shopping trips this year down, year over year and continuing it down, it's answering that question, why? So it's taking feedback and connecting the dots to business outcomes. And now what you've done is you've just said, these are the experiences that we've created and here's the business outcome. And connecting those dots is what really starts to, I call, create the grounds well, awaken the giant within to say, holy crap, we've gotta do something about this. And so the first step is, as an organization, can you connect the dots between the experiences that you're delivering and the direct business impact that they're having?

Shawn:

Michael, I'll add to that, just this principle of, can you call a whole company meeting and say two things? And there's a part of me that says yes to that. And you know that I believe, and I have my little three point sermon that I always preach, Michael, that you love. And I'm laughing at that. Cause I don't know that he loves it, but he just not, you know, that the leaders need to have three key things. They need to first, they need to love people. They need to be transparent, and what's happening, right? And so, it's okay as a leader, as a C-suite leader to stand up and the third one is to build relationships, right? But to stand up and tell your organization, we need to fundamentally make a shift culturally. We're going to do it as a company. And I, as your CEO and being transparent to say, here's what we want to do. We're going to need everyone to do it. And it's going to hurt a little bit, but we're going to do it. We're going to do it together. And I think employees, if more C-suite leaders would stand up particularly CEOs, and say that to their companies, people would get around it.

Zack:

Yeah. And I think the last piece of that too is, when was the last time you experienced your own brand as a consumer or as an, as a frontline employee? And so too many C-

suite leaders don't experience the brand. It reminds me of the show Undercover Boss, that I truly believe was foundational transformation work for them to truly understand the employee experience. But can you do that and experience the brand to see what do our customers experience?

Michael:

What a fantastic conversation for us, with Shawn and Zack here. Thank you so much, and we will continue our conversation soon.

Shawn:

Thanks so much for listening to this episode of The Combustion Chronicles. If you've enjoyed this episode, please take a few minutes to subscribe, rate and review our podcast. Remember that I'm always looking to meet more big-thinking mavericks. So let's keep the conversation going by connecting on LinkedIn. If you want to discover more about human-obsessed, maverick-minded Experience Ecosystems, go to MOFI.co where you'll discover ideas and resources to help you ignite your own experience revolution. As always stay safe, be well and keep blowing shit up.