

THE COMBUSTION CHRONICLES

**EPISODE SEVENTY-FOUR
EXPERIENCE AS A STRATEGY**

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GUESTS: SHAWN NASON & ZACK HAMILTON

AUGUST 10, 2022

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mindset and his 20-plus years of working in the Experience Management industry come together to challenge tired, outdated systems that are holding organizations, maybe like yours, back to what they need to do.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 continue our conversation about all things experience and rethinking what ecosystems are in the experience realm and how we lead our organizations into understanding experiences. And this is a great topic today, as we talk about experience as a strategy, and we look at such big words, right? We talk about strategy, we talk about experience. How do those things all collide? I'm here with Shawn and with Zack. What do y'all think when, when you hear the words, strategy and experience together, where do your heads go? What do you think Shawn?

Shawn:

Well, my head, uh, wants to say yay and get on the table and dance. That actually is an organization that you even think of experience as a strategy, because I don't know from your experience, Zack, but I know from my experience, many organizations don't even look at experience as a strategy. And you can really tell that when you start looking at org charts, right? Like when you have chief experience officers reporting to the COO or, you know, in some health systems buried five or six levels down, it's scary. And we have a really good friend of ours, Sean Slovenski, who is a CEO and has been a CEO of 40 plus billion-dollar organization. He said, if experience is not part of your strategy and your top three priorities in your organization, you're missing the mark. And you're not going to do things right. So that's where I'm at. What about you, Zack?

Zack:

Yeah, I think about it as short term, long term, right? I mean, Shawn, I agree with everything that you were saying, but if you think about some of our previous discussions around Experience Ecosystems, and then we talk about the framework, right? The experience system framework. To me, it's all completely aligned around experience as a strategy. So when your organization is internally aligned, we want to create aspirational experiences for our entire ecosystem and the organization. And we know we have this framework put into place. Now the strategy focuses short term and long term. And I think of this more around short term being, hey, look, we potentially have online. We want to increase our digital cart conversion by one and half percent this year, because we know it will equate to 50 million dollars in incremental digital revenue. Well short term, what are those specific digital frictions that are causing customers to abandon their cart and how do we go optimize and innovate those? And in long term, it really is, okay, if we think about our current business model, where do we need to drive innovation? How do we truly drive value optimization within our current organization and enterprise, and then last but not least, other different business models that we should explore. And so really experience as a strategy is enabling, it's the enabler to the Experience Ecosystem, to the experience system framework, to ultimately achieve what every brand wants to achieve, which is the P & L benefits.

Michael:

Let's talk about that more because we have conversations with organizational leaders and they say, hey, we're looking at our scores, they're just fine. Why should we invest any more in this? Cause if we're going to really get into any kind of experience framework, any kind of putting more energy into the experienced folks, why should we? That's not a good business investment when our numbers are just fine.

Shawn:

Well, so I'm going to piggyback on what you said, Zack, because I love the way you put it. And it's, when I was Chief Innovation Officer and worked in the innovation space, we talked about it about core business, adjacent business, and then both moonshot ideas. And it's the same principle that I would say to a CEO or to a COO around innovation, as well as experience that 70% of your work in this experience system needs to be focused on your core business, 20% on those things that are adjacent, like you were just talking about, and then 10% on that moonshot. Like what are those new businesses? What do we do? And if you start to look at it strategically that way, it really makes sense that, okay, so what you're saying to me is 70% of my revenue or sub budget should come from core business stuff. And remember I have a finance background, 20% around that adjacent, and then 10% is where you really play

in that space. And I think if you think about that as a leader, it makes it really easy to then invest in that space.

Zack:

Yeah. I agree with you, Shawn. I think going back to your question too, Michael is, as an executive leader, if your comment is, hey, our NPS is fine, so why should we invest in this? Then you're not doing experience as a strategy. You are doing experience as a benchmark. You're doing experience as a check mark, essentially. And so what that executive leader though is lacking, where their experience team is not showing up, is their experience team has not connected the dots between here's the experience that we are delivering as a brand today. And here's the impact that it has, right? So for example, let's go back to that digital thing, a point and a half of digital conversion a year is monumental in conversion. That's not a small fee. And so what's happening though is, we're not peeling back the onion and what I call doing, you know, the five whys to truly understand well what's causing all these digital frictions in the cart checkout. And so now if you're truly doing experience as a strategy, you know, it's called the top three reasons why customers have been in their cart, you know, where it's happening, you know, what's happening, where it's happening. Customer feedback online for example, is why it's happening. And now you pull in custom digital parameters to say, and here's the impact of these three things. This is the cart value that was abandoned based on these three things. And here is the optimizations that we need to have.

Shawn:

And your operational dashboard look different.

Zack:

Yeah. And that executive leader, what they see is, we have X number of visitors coming to our website. We have X number of people checking out and here's our total econ revenue. They're not getting the holistic view of what that digital experience is.

Michael:

So bottom line, there is a business case to be made.

Shawn:

Yeah, absolutely.

Michael:

Right. And I think that's, for me, what's such a crazy disconnect when we talk to people is that they act like you can either choose experience or you can choose revenue or there's this well, if there is revenue in experience and we've talked about it being a battleground, show me, you have to make the case. Why do we have to fight so hard for experience? What, what is holding people back?

Shawn:

Well, I think it goes back to the whole premise of why we're doing this whole mini-series, right? Is that those leaders don't look at its experience as an ecosystem and they still look at it at that 25-year-old playbook as experience management, where checking the box, they check the box instead of the system. And if that mindset doesn't change, a leader can't move forward in this type of thinking.

Zack:

Yeah. Now let's quickly give an example of like a strategic business model, maybe a new business model, right? Think about some of these co-branded partnerships that we've seen over the last year or so. We have altered beauty now that has said, hey look, essentially our customer cohort segments match that pretty identically of that, of Target. So can we open up a box within a box? You have Sephora that recently just did that with Kohls. And then I even read today, you have cons home furnishings that is now going to open up a box within a box within Belk, right? And so now this is kind of what they're hearing. They're, they're getting feedback from their customers on what's important to them. They're looking at this as a new business model, where are the brands that have the same type of customer cohort segmentation, maybe their brand philosophies are, are very, very similar. And now we want to go do a box within a box, right? You have Apple that just opened up in Target. You have Disney that is opening up many shops inside a Target. And so it is, hey, we know that we may not ultimately be able to place a box everywhere. So how can we take advantage of the store traffic that a Target is generating, for example.

Michael:

And so many implications, right? It's not just about retail, it's in every kind of organization, every industry of how we might start thinking differently. About the value proposition to what we're talking about.

Shawn:

Well, it's tearing down the silos in this kingdom, right? And how do it come together in such a different way?

Michael:

And humans benefit while we still make money. There is a value proposition there. So, well thank you both, Shawn and Zack for another fantastic conversation. And we look forward to continuing.

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.