



30 Experts in 30 Days - Transcription

Interview with Paul Laughlin

LEAH: Welcome to 30 Experts in 30 Days where we help entrepreneurs learn how to attract loyal clients and build their businesses by learning to serve smart.

Today, we have with us Paul Laughlin. Paul helps businesses maximize sustainable value from their customer insight. He has over twelve years of experience creating and improving customer insight teams and 25 years of experience driving value from data and analytics. He's a former head of customer insights for Lloyds Banking Group Insurance and Scottish Widows. He now enables businesses to maximize the value they can drive, from using data, analytics & research, to intelligently interact with their customers. Paul works with customer insight & marketing leaders, to help them maximize the value created by their teams. Paul is a regular speaker and blogger for multiple sites.

Welcome, Paul.

PAUL: Hello, glad to be with you.

LEAH: Can you give us a little bit of background about how you got involved in customer insight and what led you to become such an expert?

PAUL: Sure, thank you for the compliment first. My background was originally IT. I worked for about a decade doing most roles in IT. I'd been moved across to an underwriting department and began to look after reinsurance recommendation and analytical work there. Then, actually, it all started with inheriting a statistician one day. I was working in a department which didn't understand why people wouldn't want to take actuarial or underwriting exams. Here was the statistician and what we do with them? Sounds terrible now, but this was over fifteen years ago now. I started working with a person on customer retention. We hadn't previously focused on customer retention at all, that's what sounds terrible, but businesses didn't back then. There was plenty of money coming into the front door and we didn't worry too much about the leaky bucket.

Not surprisingly, when we began to use analytics to spot why people were leaving, to begin to predict where we could act and change that, we made a lot of the money. There was a lot of greenfield stuff that could be done. That caused more and more investment in what I could do with data analytics, and grew over the years. This was working with TSB, then Lloyds Banking



Groups Insurance businesses and then Scottish Widows. For me, to take responsibility for data, for analytics, for research, for database marketing, and to use that across all the products, all the brands, and to help improve retention of customers, improve acquisition, make the

When we began to use analytics to spot why people were leaving, to begin to predict where we could act and change that, we made a lot of the money.

marketing more effective, and improve the customer experience. Step by step along the way, more people, more investment came through delivering more measurable value. We used to regularly track how much value we added to the bottom line and that got to over \$10 million per annum of incremental profit. So we got to quite a size, it's a larger organization, you got the scale to do it, but a sizeable value add. I'd say, the expertise I now bring to bear as I am an independent consultancy offering coaching, training, customer insight into the leaders of those teams. That expertise came from doing it over thirteen years, creating and leading the teams to make that kind of value.

LEAH: Yes. I don't know if I told you beforehand but I'm also a geek. I came from an IT background also. I kind of fell into IT, I wasn't originally, but I spent years, decades, in business intelligence and I ended in this field likewise because I was helping clients with their business intelligence, their customer analytics and more and more, I found myself helping them, not just focus on the data, but not surprisingly also how can we really reach out to the customers and serve them better as we solve this data?

PAUL: Sure.

Understanding Customer Insight

LEAH: Can you explain what a customer insight analysis is and why it's important for business?

PAUL: Sure. There's many definitions of customer insight out there. The one that I use is, it's a non-obvious understanding about your customers, which has the potential that if you act on it, it can actually change their behavior for mutual

benefit. There's four parts of that I'll bring out. Non-obvious. Normally, you don't get what I'd really call insight, through just doing a piece of analysis or just doing a piece of research. You've got to bring multiple sources together to get a deeper understanding. It's got to be actionable, so, it can't just be something

Customer Insight is a non-obvious understanding about your customers, which has the potential that if you act on it, it can actually change their behavior for mutual benefit.

that is interesting know but you can actually act on it in your business. It's got to be something that can cause customers to change their behavior. Again, sometimes what passes for insight is



just assuming people will act the same, so let's target the people who responded last time. That's not insight, that's just doing the same again and hoping people will stay creatures of habit. Finally, I think it's got to have mutual benefit. In these days of the trust economy in building a long term relationship with your customers, is seeking to get this understanding so you offer them a fair value exchange. That's what I'd call customer insight.

How Customer Insight Helps Businesses

LEAH: Excellent. You explained some of the benefits you experienced in identifying customer insight, what are common ways that customer insight helps businesses?

PAUL: Commonly, I think it can help them particularly with the effectiveness of their marketing. Customer insight functions can sit in different areas in different businesses. Some will tend to be an area that thinks this sits with operations and it builds on our customer experience management, some will be more marketing, some will be more sales, and some would be more finance even. I've seen that model happen. Where insight can help, is help the business understand its customers better than its competition. You are better at acquiring the right customers, customers for whom you are a good fit and it can be a profitable long term relationship, you are better at retaining those customers, you are better at giving them the right experience so that they choose to stay. It's always exactly what do we give them and targeting the right people to do that too, at the right time.

*Customer Insight helps us know
what to give, who to give it to,
and when to give it.*

Common Customer Insight Mistakes to Avoid

LEAH: Yes, I think that is key, 'at the right time.' What are some of the most common mistakes businesses make in relation to gathering and using customer insight?

PAUL: Not gathering it and not using it are the obvious ones to say. I think two probably systemic mistakes I tend to see. One is, an insight function becomes so much for center of excellence away in an ivory tower somewhere. It does a lot of work that makes sense in terms of the numbers, but they're not close enough to the actual marketing departments or the customer service departments or the frontline customer experience, to really understand where the problems are at the moment, really stay relevant to what works and what will get used in that business. You gradually see this drift apart of something that becomes a bit of an academic exercise unfortunately, or gets lost in an IT department.



The other problem I see sometimes is what I call the fracturing of insights. I define insight as including your effective use of your customer data, your analytics, behavioral predictive, your research, and your database marketing to actually target and measure your marketing. Too often, I see businesses where those things are siloed in different parts, so research might be tucked away in a marketing department somewhere, maybe we get more strategic marketers and sometimes the data analytic stuff is even in IT or it's in a separate part of the organization and the database marketing could even be done for them by IT or by probably the sales part. If you don't have them together, then you don't get the convergence of evidence and you don't get the joined up use of all that information to do something that is consistent and intelligent for your customers. I'd call that those two problems probably.

LEAH: Definitely, because having done it myself having worked for other companies and been the business intelligence manager and then working as consultant. I saw, the fact that often you get clients who get habituated in pulling the data, looking at the data and sometimes I found that people would ask for stuff, when I respond, what business action do you take if you want this? They actually didn't even have an answer because we became so accustomed to getting this spreadsheet with 24 columns. Without connecting it, like you said, to the users and to the choices we're making within a business, we get in a rut.

PAUL: Yeah and that's the danger. It's the danger that you become data monkeys who are just there to provide product and product is the numbers and I think I just need these numbers so just give me this numbers. That isn't intelligent and it doesn't cause you to understand customers more.

The 9-Step Model for Customer Insight Analysis

LEAH: You have developed a nine-step analysis model for customer insight analysis. Can you explain the model and how it helps businesses improve their customer insight?

PAUL: The model first exists to help businesses actually focus on the totality of what a business needs from an insight team, not just the individual technical work, a particular modeling approach or something. If you can imagine a U-shape, it's got three sides. On the first side, of what I call the Contracting phase. There are three steps to that. The bottom, you've got the Technical Work phase. Coming up the other side, you've got the Delivery Phase. If I break that down, each of those has three, that's how you get to nine steps.

Focus on the totality of what a business needs from an insight team, not just the individual technical work.

The first bit, the Contracting, you've got the stage first of questioning. So, how do you get to a really effective brief? That means what you're going to work on is what the business actually needs, it's not just what you've been asked for, but it's what they need. Second, we got design

There's a need to know who your key stakeholders are and get real buy in. If I do this, it is really valued and needed. Actions are going to be taken as result.

and planning. How do you plan to ensure that you know how long this piece of work is going to take you frankly? So, all the good practical planning of understanding what you're going to need, understanding exactly what it is you're going to do and getting that all planned out. Third part of Contracting then is the actual buy in from your stakeholder, too often neglected I find that there can be

an assumption of if we just do what's needed then everybody will be happy, but actually there's a need to do influencing, there's a need to know who your key stakeholder are and get real buy in. If I do this, it is really valued and needed and actions are going to be taken as a result. That's the stage of Contracting.

Then when we're going to the Technical Work Phase. You have got two stages that are probably familiar to people, the data management and the data prep. There's lots to do in data prep that sometimes gets neglected. And the analytics piece. Whether it is CRISP-DM or other methodologies, a solid methodology to do the analytical work including its data analysis. The last that I put on there, is Insight Generation. It's kind of what I've alluded to previously, getting to a deep understanding by converging multiple sources so that your interpretation is more intelligent, not just, I did the analysis and the computer says such.

Last part, then coming up the other side on Delivery. The first part of that ties into the buy in, it's called sign off. It's a phase of ensuring for that stakeholder who's bought in, are we all agreed that this piece of work is finished? Are we really agreed we've got what we need to know in order to track on it, and how are we going to go into battle? How are we going to go and make sure that we influence the organization, who does what, how do we present it, etc? The second phase, is what that last piece just alluded to, the actual communication of the analysis. I spend quite a bit of time when I train this in a training course, on the communication of analysis because I find skills like storytelling, data visualization and hierarchy of headlines, those skills sometimes haven't been focused on so much it can be so impactful to do that effectively. The last part, the very final of the nine steps, is the business solution stage. So, how do you bring everything back and this is what we're going to do as a result. How do you ensure you follow through for action? How do you focus not just on,

Follow up to ensure that what you thought would be the benefit has really been realized.



I've delivered this technical piece, but this is what's happened to the commercial numbers, this is what happened to customer experience metrics. I'm following up to ensure that what we thought would be the benefit has really been realized. So, those are nine stages. It helps by helping inside teams focus on the whole job that's needed and helping identify where inside analysts might need training on some of those parts where they haven't traditionally focused as much as, go off on a SQL training course.

LEAH: Definitely. I can see with the process, I've seen it in businesses where, you could be missing just one of those steps and it can break down the whole process, so being able to recognize if we have all the pieces in place and it can serve as a checklist to say, oh that's maybe where our breakdown is happening and then address it.

PAUL: And it can soul destroying for analysts when that happens because they've really done good technical work but another part of it, like you say, breaks down and there's no business buy in and it just sits on the shelf.

LEAH: Yes, and I've seen that too many times. It's surprising you can have a multimillion dollar project in many companies, and like you said, it sits on a shelf.

PAUL: Yes, it's sad to say.

LEAH: We need to identify all the pieces so we can move it forward.

Using Socratic Questioning to Uncover the Real Needs

You've written about using Socratic questioning techniques to get to the heart of the real business need. Can you share a few examples of how Socratic questioning can help insight teams better uncover the real needs of their internal clients?

PAUL: Well, dear old Socrates, a man who was actually sentenced to death for asking too many questions. It kind of encourages us not to go that way, but behavioral psychology is systemized and has a structure of what it calls Socratic Questioning. It's really just ways of asking questions to drill down a bit deeper with your client, to get to what they

Socratic Questioning is really just ways of asking questions to drill down a bit deeper with your client, to get to what they really need, not just what they're asking you initially.

really need, not just what they're asking you initially. It's a bunch of questions, you might ask questions to do with concepts, ensure you're clear on the language that's being used, do you mean the same thing by that? Questions about the assumptions that underlie something, so if



someone's just asking for the numbers to a campaign, are they assuming it worked last time? What assumptions can we draw of that? Questions about the implications and what's going to happen as a result, what are you assuming and questions that can be a bit like Nancy Kline, she talks about freeing assumptions, managing to help someone in a coaching type of conversation. If we made a different assumption, what would you do then? Can we start to face into some of the limiting beliefs that might be there? They help because first off, there's a bit of a shock when I train them in. The analysts think, gosh I can question, I'm not just there to do what the business asked me to do, to do as I'm told. They can be quite a shock sometimes to the marketing leaders who are presented with, 'Why do you want that?', and they think how dare you? As we become more skilled at asking that, they really do help to get down to pulling out explicitly any assumptions, being really clear. What have we got evidence we do really know and thus what do we really need to know next in order to take the most appropriate action? I find that very helpful. It came out of my training as an executive coach so they're out of that world.

LEAH: I used to have a seven-question list that I just created over the years, that I would ask my clients. It was even when I was in the business myself, I'd ask my internal clients when they'd ask any sort of analysis. We just go through the questions because, like you said, you need to get a little deeper, sometimes you use the word assumptions a number of times in your discussion. Assumptions are all around us and asking more questions helps us break through those, because particularly if you have analysts and they may be a little bit more technically oriented and you have different people coming together and we need to get past those different perceptions to make sure we're talking about the same thing.

PAUL: Yes, absolutely agree there.

Putting Analysis into Action

LEAH: What are some of the most common challenges businesses face in taking the results from their analysis and putting them into action? Can you share a few strategies for overcoming these challenges?

PAUL: It's quite a difficult question because it can be quite diverse, there are some common ones, but it varies by every business. Certainly flavors of it do. One that springs to mind that is quite often here. First, you hear the complaint that no one's listening. I found this out, no one seems to be interested, the evidence is this is a real problem where we're

If no one is responding to the analysis, communicate it in a more emotionally engaging and concise way.



hemorrhaging customers or we're losing money on this marketing but no one really cares. Quite a lot of the time, I find that really what's happened is it hasn't been communicated effectively. It's a great big long deck and you're assuming that people will sit through all those slides and they've nodded off by the time you got to the punch line. Sometimes, the solution is to tell the story in a more compelling way, a more emotionally engaging way, and frankly shorter. Just be more concise. If you can, get it down to one impactful slide that gets across the real risk, the issue, the burning platform that requires business action.

Another one I'd probably call out is a business can seem unwilling to act on what's being found because it seems like it's going to be a great big bill. What you're asking for is a huge data investment. Can we have a single customer view please? We've been that way before, we got our fingers burnt with a data warehouse and then along came CRM, you're not getting us the third time. I think sometimes, the value there is, don't ask for the world all at once. Get a team of analysts who have got a play pen or an area somewhere on a server where they can store data and get them manually working on trying to use that data in a very manual way first. Even pilot and very chewing gum and string type solutions, using that data to do something different with customers, and proving a small pilot that knowing something actually makes money and only then go to the investment. Don't go straight for, I'd like this new software or I'd like this data feed, let's go and try to make our business case, before we proved that it causes customers to do anything different and it has real insight.

*Don't ask for the world
all at once.*

LEAH: I think with that, identify what data pays to the point of, don't try to build the entire data warehouse at once, especially a lot of our target audience are a lot smaller groups, smaller businesses. So you don't have to go for the world, you can identify what are some metrics, what are some business actions you could take that could make a difference, what data do I need to take those actions to make informed decisions, and focus on one or two things at a time. And like you said, show profitability from that. Just identify what is going to make you more profitable and just focus on those.

PAUL: Absolutely, Leah. Completely agree.

Using Customer Insight to Mitigate Conduct Risk

LEAH: You've written about how customer insight can help mitigate conduct risk. For those who aren't familiar with conduct risk, can you briefly explain it and share how customer insight can mitigate it?

PAUL: In the UK, the word Conduct Risk is used to talk about the risk, that the way you conduct your business could cause unfair outcomes to customers. It's just like a previous term that was used really to really treating customers fairly, but it's focusing a bit more on systemic risks, is it the way we go about doing things that causes that to be the negative outcome? In the UK, the Financial Conduct Authorities really focused on this. Compared with previous regulators we've had, they've gone if you like a lot further up the value chain. Rather than just focusing on, is a financial promotion clear and not misleading? They want to know about your strategy, they want to know about the way that you exercise governance within the organization, the way that you design products, the way you design communications and ensure the products continue to be suitable for need. Can you evidence things like, I've got a very clear target market, I can evidence I understand their needs, I can evidence the design of this product fits those needs, I can evidence customers understand this communication and are making appropriate decisions in the light of it.

One aspect was touching on that last bit. The FCA, the Financial Conduct Authorities called in the UK, has become quite obsessed, I think it's fair to say, with behavioral economics. So, Daniel Kahneman and 'Thinking, Fast and Slow', all that good work, has become a real celebrity in the UK. That set a much higher hurdle for financial services firms in the UK. You've got to prove, not require the consumer

You think about how they actually make decisions, not just what would be rational. So, you can't just any longer say, it's all there in the print, if they just read it, they'll be fine. You got to think, but what do people do?

to prove, that you're protecting consumers from themselves. You think about how they actually make decisions, not just what would be rational. So, you can't just any longer say, it's all there in the print, if they just read it, they'll be fine. You got to think, but what do people do?

Customer insight plays perfectly into these challenges. It helps businesses segment their consumers effectively at the beginning. So, you got a really robust consumer market segmentation. They pick appropriately the consumers that they think they can help, they design products based on deep understanding of them, they design and test communications in a similar way and they can do things like behavioral economics experiments. They can have experimental evidence of, when I had these variants, this is the decisions that got taken. I've got behavioral evidence that they're taking appropriate decisions, I'm protecting them from nudges that might manipulate and that kind of stuff. And ongoing helping with tracking to ensure the products continue to be suitable to need, ensure that customers continue to understand what they are being sent to take appropriate actions. Then, quite a regulated environment in the UK. But, nevertheless, one of the great things I find when I help businesses



with this kind of work, is if you bake customer insight into all those processes, the way you do strategy, the way you do proposition design, the way you do communications marketing and it doesn't become ominous, it's just the way that you do it, and that in itself brings the evidence you'd need if the FCA come knocking.

LEAH: Some of those things we've had similar regulations in the States and Canada with different things. It's easy to just focus on providing the evidence that the regulatory agencies want but an alternative is to try to say, if we're going to take the time to collect this and analyze this, how can we use it and with particularly like this, like you said with customer insight, there are a lot of benefits that can come from understanding this data if we act on it.

PAUL: Absolutely, I completely agree on that and I think that the big mistake to view it and say regulatory checklist you got to complete. It's actually an opportunity that the mitigation of conduct risk has tremendous commercial benefits. If you use customer insight to be treating your customers fairly and really understanding them, you understand your customers better than your competition. You can make money out of that. It's a commercial benefit as well.

If you use customer insight to understand your customers better and treat them fairly, you can make money out of that.

LEAH: The big part is, when we talk about how they behave and how they respond to some of the choices that we as businesses make, it is easy to make sometimes policies and procedures that have unintended consequence on our customers. The horror stories are out there, where one little change had very troublesome consequences on our customers that were never intended in the first place. Doing both, I think the data analytics side to try to observe patterns of things that are happening unintended, but then also, it involves reaching out to the customers and talking.

PAUL: Absolutely, and listening.

LEAH: Yeah, key factor. What tips can you share to help customer insight teams most effectively mitigate this risk?

PAUL: I'd say start to focus on different parts of that. Start probably right at the beginning if you can, it depends where your business is at but work on that consumer market segmentation. If you can get a clear segmentation into the language of the organization, then that can flow downstream, if you like, to the propositions, communications, and the actions of all the different functions of the business. But you need to work on internal marketing, work quite a bit on making sure that you've got visually engaging ways of personifying your segments. You need visually engaging ways of continuing to share the insights you learn about your customers.



Getting that out into the continual communication flow in your organization, having fun events that engage people at all levels with what you're learning and why it matters, that engenders it. That's why I think in many ways the FCA's right to have such focus on, we want to look at your culture and your governance, because if you can build an understanding of your customers and caring about getting it right for them, into the culture, all the other things you need to get right; you'll get sorted because everybody's on the same page. If you don't, then all the other procedural and checklist things you try will ultimately fail, because they don't really buy into it.

You need visually engaging ways of continuing to share the insights you learn about your customers; getting that out into the continual communication flow in your organization.

LEAH: I think where we start with is our internal clients first. I worked in omni-channel retail so often we found that the analytics were definitely being done in the IT department and then you have the marketing and sales and other departments who we're just kind of waiting on IT to give them the stuff and there was often. Well what end up happening is this, you know you talk about communication, and you have a bunch of very technically oriented people in IT. I think I ended up migrating across through the years because I wasn't originally IT. I kind of snuck my way in there at one point. I loved my IT counterparts, but many of them didn't communicate much and the language that was used in IT was very foreign to other departments and so trying to communicate between the two departments even within the company, never mind our customers, was often a real challenge. So we're going to talk about what are some of the soft skills that we need and it becomes important in order to break down those silos and have a business that actually work together well.

PAUL: Sure. Sure.

The Soft Skills Needed for Customer Insight Success

LEAH: Now in order to manage customer insight we need employees with, like what we're talking about, with the skills to collect and analyze and act on that customer insight. With quickly changing technology there's always a pressure for tech training. In order to do this we need to build databases, we have to be able to have the tools to analyze it and everything else, but the need for training in the soft skills is often overlooked. What are some of the soft skills that our teams need in order to provide quality customer insight and why are they so essential to success?



PAUL: Okay, I think I'd first refer us back probably to that Nine Stage Model. So I structured that in order to pull out some of those softer skills so, skills in questioning, skills in getting to the underlying business need, skills in planning, skills in influencing and managing stake holders and that relationship management piece, skills in communication, and skills in being able to work collaboratively with the other parts in the organization to get action to be taken as a result. So deliberately, each of those are pulling out different softer skills.

I think one of the problems I see in organizations where they don't actually end up investing in these kind of skills are caused by I think one of two problems. Firstly, roles are designed in the first place just based on technical criteria. So what ends up happening, I think partly sort of influenced by what others are doing in market as well, is you start advertising an analyst or worse still these days everybody wants a data scientist, whether it's actually a data scientist they need or not, and you start appetizing that what we need you to have for this role is these technical programming languages, this software package, maybe this degree and all of its different technical skills and hardly any emphasis on you need to be an effective communicator, you need to be able to influence others, you need to be able to work collaboratively, you need to be creative and show us your evidence for those skills. I think that can translate into the people you get are really going to struggle with the development of those skills. Sometimes you are not recruiting the right people in the first place.

I structured the 9-Stage Model to pull out some of those softer skills to be able to work collaboratively with the other parts in the organization to get action to be taken as a result.

The other thing that can happen is a bit a neglecting of ongoing career paths for people in customer insight or analytics roles. I've seen too many businesses where you might have more mapped out career paths in finance or marketing or those more traditional functions but people are left to muddle along with the org changes that happen over the years and getting on is generally getting to a management role and sort of going up the greasy pole, that way sort of thing. But not well mapped out is different seniority of different types of technical roles within customer insight and these are the skills we need for them including the softer skills. This is what we would think of as the competency in questioning or the competency in communication and visualization of your insight at different types of roles, at different levels of seniority. So going in and doing that kind of competency training, those kind of career skills structure that can really help a business. A lot of time it isn't that anybody would disagree if you sat down and explained that these softer skills matter, but it hasn't been baked into the way you do performance management, the way that you do the design of roles and the ongoing progression of those roles.



LEAH: Definitely, I think you could even start as far as when we look at IT degrees.

PAUL: Absolutely. I found that in Economics as well, which are often roots for people coming into the analytics side of customer insight. I've done some work and colleagues of mine have, to go into universities and try to talk to students about, this is what you'd actually end up doing in the real world, because I find particularly now with a lot of buzz around data science. You've got a lot of people choosing to go into computer science or choosing to go and do statistics, and thinking they'll be doing cracking really sophisticated scientific leading, bleeding edge type work and then they end up working for a large bank or insurance company and that isn't the most challenging side of their role. The technical side is pretty mundane compared with what they might choose to do in academia, although the data is bigger and better on the hole. Actually the bit where they could really develop their skills and find it quite exciting is the softer skill on how to apply that kind of technical understanding to make a difference in business and they weren't expecting that. They'd never heard it before.

LEAH: When I've gone into companies it's usually the people who end up in more of the customer insight, business intelligence side of things, they didn't come from IT. They often came from marketing or other things and they happened to have a technical knack, because it gave them both the soft skills and then they kind of picked up the technical skills along the way. So making sure that people are aware in coming into the career, into the field, that this is what it's really like so that people are choosing the right career path and then making sure that they are getting the skills. It's easy to say, oh they'll get us the tech stuff and this other group will do all the other things and we can leave them in their cubicles and have them do the technical things, but you do get a break down if you don't have across the board.

PAUL: Yeah, agreed. And I don't mean to undermine the importance of the technical skills, so I think generally the concert of both is needed to build up and customer insight and data science needs to be more of an actual professional discipline. So I do some training with the Institute of Direct and Digital Marketing in the UK, but what I am trying to do there is professionalize this discipline, get us to a stage where we all agree, these are the skills that people ought to have because customer insight has been around long enough. It's starting to have real influence at senior levels in organizations. It needs to become a proper profession.

Developing the Soft Skills You Need

LEAH: Definitely. Now, what are some of the challenges businesses commonly face in trying to develop the soft skills within their business and what tips can you share to overcome these obstacles?



PAUL: I think I'd probably come back to those points that they either designed the roles wrong in the first place and they haven't hired people for the softer skill side as well as the more technical side, or they haven't made clear how they will in the development to those roles have clear career paths and have clear expectations for, if you're going to progress to the next level you can be performing at a certain level, this is what we want to see and will help to find that.

But maybe one other thing I'd add to that is I don't see enough mentoring within organizations. A number of organizations have struggled to equip the right people. They've got a number of junior analysts, but they have got other people in the organization who might not have all of the technical skills, but may be masters of some of the softer skills that you want those people to work with. Many times in businesses you get great value by breaking down the barriers. I'd encourage setting up mentoring relationships with people in other business functions who are very skilled at communication, are very skilled at stakeholder management and influencing, are very skilled at questioning and challenging, and get those people to mentor some of your technical analysts to develop that particular softer skill.

I don't see enough mentoring within organizations.

Practical Strategies for Fostering a Good Employee Experience

LEAH: That's a great idea because ultimately we're, hopefully we're always learning. It's easy to talk about the importance of a good employee experience in order to lead to a good customer experience but can you share a few practical strategies for fostering a good employee experience within a business?

PAUL: Sure. I guess I'd probably start with honestly mean it? I think some organization fall into the pitfall of assuming that their employees are stupid or gullible and they're not. I think most

Don't try and pretend to be customer-centric if it isn't really what you are seeking to do.

people have at some point in their careers worked for organizations where the mission statement had all the right words in it and it sounded all lovely when the CEO spoke and you thought, great we're going to be focused on the customer, and you know what, you still heard so

and so on the phone who was given the steer to rip off that customer or knows that we still sell that product with an unacceptably high margin. If behavior like that continues, it will undermine credibility and just don't bother. Don't try and pretend to be customer-centric if it isn't really what you are seeking to do.



But if you are an organization that's genuinely saying, you've got to build a long term relationship and trust with your customer so you mean this. I'd encourage lots and lots of internal communication. Be communicating honestly with people about where you are at the moment. Face up right from the top to 'at the moment we're not there, we want to get here, we want to be here for our customers, but this is where we are at the moment, this is what we are choosing to prioritize now'. Encourage belief that will cause you to get accurate feedback, because once people will believe you want to get there, you'll get the feedback of 'well, I've seen we're doing this. I'm worried about that.' And continually to share things. This is where again customer insight can help. Customer insight that feels emotionally warm, feels like you're getting a growing understanding of your customers, and mix it in with some of the positive stories about how we've actually improved that bit of experience and launch this better product. So people will see a continual drip by drip progress. We are understanding our customers more, we are fixing that, we're understanding, fixing, understanding, fixing. That will cause continued belief and more and more feedback about what's really going on.

Share customer insights that feel emotionally warm and show a growing understanding of your customers. Also mix it in with positive stories about how we've actually improved that bit of experience.

LEAH: It's interesting because as you described it, in understanding your customer, getting feedback, and listening to the feedback, we need to do it both for our external customers, and in order to do it for our external customer, we need to do it first for our internal customers. If you want to build trust with your customers, we need to build trust with our employees and that's kind of what you're describing. You say you're going to do something, you say this is your mission statement, but if we're not creating policies and procedures that support that, we do lose trust.

Recommendations for Better Empowering Your Employees

LEAH: What are some common recommendations for better empowering our employees?

PAUL: I think identify some very practical areas where you know it's safe to give more freedom. So if you've done the analytical work to understand for instance ***** margin, then empower the people who are on the phone talking to customers about pricing to have that amount of flex. Do the work and literally to understand that. Then also decide where in the customer experience roles or in product design roles you can allow a certain amount of freedom to



people to respond to what's the interaction they're having with the customer. In the past if you look back to the bad old days of assuming we could all save millions by outsourcing everything overseas and just scripting. We need to move increasingly away from assuming you script, assuming you just heard a directive as if it's a monkey on the phone, then get to thinking about human to human conversation and share for instance, I think back, I think CRM systems were built in the past to say this is the next best action, you must sell this. More shared information for people at the front line and trust them to make judgment calls. So share. Okay our models and triggers say there are a number of things here which are organizational priorities and this is what we understand about the customer. Please capture where you override what our recommendation is and let us know why. Let's get that learning looped continually so that we value the interaction you actually have in a conversation with a customer as much as our backroom modeling that says the thing to do now is this.

Identify some very practical areas where you know it's safe to give more freedom.

LEAH: Yes I think a couple of things that come out as you talk about that to me are, one, you talked about trust. We need to trust our employees, but sometimes businesses don't trust their employees to give them that flexibility and that empowerment, but usually the reason why businesses don't trust their employees is because they haven't given them the training they need.

PAUL: Yes quite right. They haven't structured pilots to actually test it. Don't go wild straight away and say let's throw out all call time and all scripts for the whole school center, have at it boys. But perhaps structure pilots where you actually test, let's see if it works, let's do some A/B testing of whether if you didn't have a structured call time and you have some amount of freedom, what does the outcome prove to be compared to their common set up?

LEAH: I think also in talking with the customers when we have our frontline employees you talk about not using the script so much and I think that's important. We talk about the customer journey, all these different things about the customer, but often that is focused on the ideal customer journey, but unfortunately the ideal customer journey doesn't always happen. So we need to better equip our employees so that they can in fact adjust to what's happening and be informed enough to make good decisions and give our customers a personalized service.

PAUL: Yes, agreed.



Gain Stakeholder Buy In by Providing Support to Others First

LEAH: Now to wrap up, I like to ask each individual that I interview to share some hard won wisdom with our guests. What's one big mistake you've made that has cost you time and money and what advice can you share to our audience to avoid making that same mistake?

PAUL: The one that brings to mind here is I can remember an executive committee many years ago now. I've got plenty of evidence that what we needed to do was invest in a certain data warehouse to fix a problem. We needed to get more data feeds and build a certain solution. It was my first time going into this executive committee at that level of seniority so I just constructed having a really compelling rational case and went in and thought this makes absolute sense and didn't get it. We got no support at all. We ended up for years really downstream suffering as a result of we hadn't had that investment, we had to do it in another way. What I began to learn over time from that, the mistake I made, particularly I think when you reach that level of seniority that you start being at the top table is I assumed to go in with my own agenda. It was just something about, okay I've got something I know matters, it's on my agenda, so let me just explain to you why it should matter to you. Frankly it rarely works at that level. At that level you are much more likely to be effective if you start understanding what's on their agenda. You have to earn the trust that you can make a difference to things that matter to them at the moment, and then as opportunity arises, begin to introduce, our census has come up and since you trust me now because I made a difference on the other issue, the solution here would seem to be this. It's patience and it's influencing. But it is worthwhile and downstream years later, I've seen that deliver multi-million pound investments because the trust had been there and I focused on helping them with their issues first, not assume they'd come to mine. So a hard won lesson on stakeholder management.

At that level you are much more likely to be effective if you start understanding what's on their agenda.

LEAH: I think interestingly enough, I think it also applies to our customers. Are we trying to just sell what we want to sell or are we really reaching out and finding out what they need.

PAUL: Yes, that's very true. I hadn't thought of that. Thanks, Leah.

LEAH: Where can people find out more about you and the work you do?



PAUL: Okay, two main sites I'd recommend. One is to go to LaughlinConsultancy.com. So that's my corporate site, if you like. That will tell you about the services that we offer as a business, how to get in touch, some of the news of publishing and speaking that has been going on. The other site that I recommend is customerinsightleader.com. I established that deliberately as a blog and a community for customer insight leaders, to share information about the whole topic of customer insight really. Sometimes it might be something more about data analytics research and database marketing, sometimes more about the leadership challenge, sometimes more about the business or changes in customers, etc. But it's a continual supply. It tends to have blog posts at least twice a week of information and content for people to be reacting to. So, I'd recommend those two. The other thing I'd say, I'm at [@LaughlinPaul](https://twitter.com/LaughlinPaul), as a Twitter handle. I'm quite active on Twitter, LinkedIn and Google +, so feel free to connect. As with our customers, I tend to find conversation is the best place to start, so do get in touch.

LEAH: Thank you very much, Paul, for sharing your time and your expertise with us today.

PAUL: Thank you and very welcome. I enjoyed it. Thank you.