Voice of Stakeholders: Towards Best Practices for Continual Improvement

1. WHY IS VOS IMPORTANT?

Most organizations have implemented a Voice of Customer (VoC) program to learn what their customers think about their products and services. The feedback is typically intended to be part of a continual improvement program designed to fix root cause problems that create customer pain points. Often the remedial actions taken by an organization lead to a redesign of the problematic area and a future-state elevated experience for customers.

Organizations with a mature understanding of customer experience best practices know that other stakeholder feedback beyond their immediate customers is necessary to understand and act on insights that lead to positive business outcomes. Many organizations have implemented a Voice of the Employee (VoE) program to capture employee insights and determine improvement areas that can help lift engagement levels. Mature organizations cannot achieve sustainable business benefits by focusing on customer feedback alone. The commercial benefits derived from a successful continual improvement program designed to create new value for users can be significant if implemented properly. The benefits can include:

- Increased lifetime value (LTV) from customers.
- Increased customer acquisition compared to the peer group.
- Reduced customer churn.
- Higher spending by customers.
- Lower cost-to-serve.
- Higher total shareholder return (TSR) compared to the peer group.

At the core of a good continual improvement program is understanding what stakeholders consider valuable for them. Defining value for different stakeholders is often overlooked as a key component in the design and execution of a continual improvement plan. A more holistic view is required to gain the necessary insights that define what different stakeholders consider valuable. The approach would be to create a Voice of the Stakeholder (VoS) program to gather insights and take appropriate actions that lead to a new value outcome that specific stakeholders consider *valuable*.

It's only by understanding the different voices of stakeholders that an organization can begin to focus on solving the right problems that lead to greater internal alignment and external identity that builds brand equity and generates new business value for the organization.

2. STEPS TOWARDS VOS BEST PRACTICES

Several steps can be taken to achieve an effective VoS program that leads to sustainable benefits for all stakeholders. In this section, we outline ten steps to develop a holistic stakeholder program focused on continual improvement and the delivery of new value to stakeholders.

1. **The first step is to map out the key stakeholder groups**. This may be more challenging than it appears because some organizations may have indirect stakeholders that are as important as direct stakeholders. An example might be a charity that helps a segment of the community, but at the same time, the families of the target segment are indirect stakeholders that are equally impacted by the actions of the charity. For most organizations, there are four main categories of stakeholders:

   1. Customer
   2. Employee
   3. Vendors
   4. Shareholders

2. **The second step is to listen to the organization's leaders**. What are their short- and long-term goals? What is the organization's value proposition to the different stakeholders (brand promise)? How does the business aid stakeholders with their goals and improve their lives? Do senior leaders talk about stakeholder experience in town hall meetings or at major gatherings? Most importantly, do leaders see their key stakeholders as their greatest asset? The answers to these questions will help practitioners know how best to transform an existing VoC program into a VoS program.
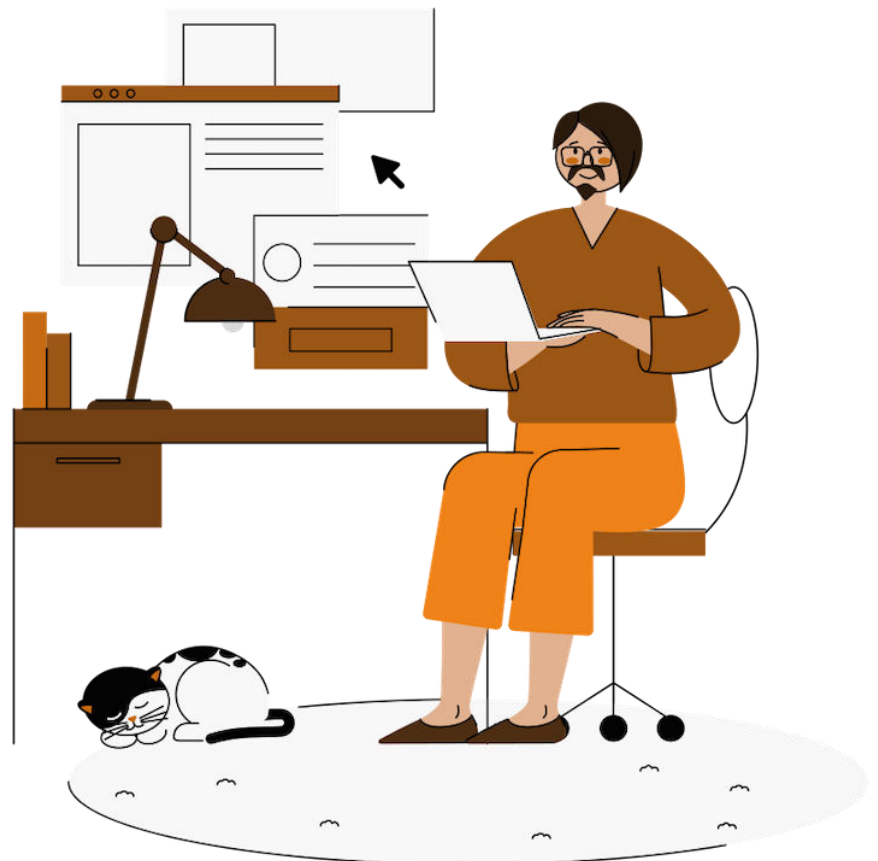
3. **The third step is to communicate the goals of building a VoS program widely throughout the organization**. Create a community around Stakeholder Experience

(SX), typically a combination of people who are assigned and people who are passionate about SX. They become ambassadors within their respective teams, helping drive a stakeholder-centric culture from the "bottom up."

4. **Step 4: Undertake a stakeholder intention mapping exercise** for the key journeys taken by stakeholders. The objective would be to understand the stakeholder's intentions for interacting with the organization and the key pain points preventing them from realizing the desired value. Moving away from journey maps to intention-based maps will provide practitioners with new insights into what is considered valuable for each stakeholder group.

5. **Step 5: determine how, what, and when you will collect stakeholder feedback**. Defining the number of surveys and at which interaction point they are delivered might be impacted by the resources of the organization. What is important is to determine not only the timing of the survey but also what type of questions to ask the stakeholders. Sending a survey at the end of every interaction is likely to lead to survey fatigue and diminish the ability of the organization to capture valuable insights for moments that matter for the stakeholder.

6. **Step 6: Assess the technology required for the VoS program** by answering the following questions:

   o Which internal technology resources are available to assist with data and system integration for the VoS program?
   o What internal systems need to be integrated to create a data dictionary of information to administer the VoS program?
   o What internal databases include stakeholder contact information and are available to administer surveys/connections with stakeholders?
   o What current analytics capabilities are available or will be available to manage the VoS program?
   o What tools will help tell the story and visualize the stakeholder experience compared to their desired goals?
   o What kind of stakeholder experience management tools will be needed to align with the organization's business needs and assist in the management of the VoS program?

7. **Step 7: Design a process for how the data will be analyzed and used to determine experience gaps and any deviations from the standards that the organization sets**. The process should also include

business rules for surveying customers. For example, you will need to create quarantine period rules to avoid over-surveying. Usually, we find that root cause analysis techniques are ideal for determining remedial areas in the organization. The process should be effective in joining the insights from the various stakeholders to form a cohesive story. For example, the surveys may uncover that customers, shareholders, and employees felt strongly about ESG practices and the impact the organization had on their community. A remedial action might be to invest more in ESG practices and take more proactive action to assist local communities.

8. **Step 8: Establish a workflow to facilitate program sustainability and ensure clear accountability for each step**. The challenging aspect of a VoS program is to ensure there is a central analysis platform that enables insights to be gathered for the different stakeholders to identify common themes and unique intentions but to also ensure there are different resources accountable for different stakeholder groups.

9. **Step 9: Take a "baseline" or "before" measurement of selected KPIs before beginning any improvement activities**. Baselines should be taken for any quantitative data, such as scores or sentiment analysis.

10. **Step 10: Activate the VoS program**. Rolling out an effective VoS program will require many of the best practices deployed in a business transformation program. The key is not to attempt to activate it all at once but to progressively roll out the program according to the capacity and capability of the organization.

As technology, like AI, becomes commonplace for analyzing data, more organizations will need to evolve their VoC programs to VoS ones to capture hidden insights about their stakeholders that can be used to drive organizations to deliver new value that leads to sustainable long-term commercial benefits.

Want to learn how we can help with your AI strategy or any other business challenges? Contact Joe Tawfik, CEO of Kinetic CX at help@kineticcx.com

Kinetic CX is a boutique customer experience consultancy providing clients with the full suite of CX services to accelerate growth, build brand value, and achieve market differentiation. Kinetic has offices in Dubai and Sydney Australia.

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