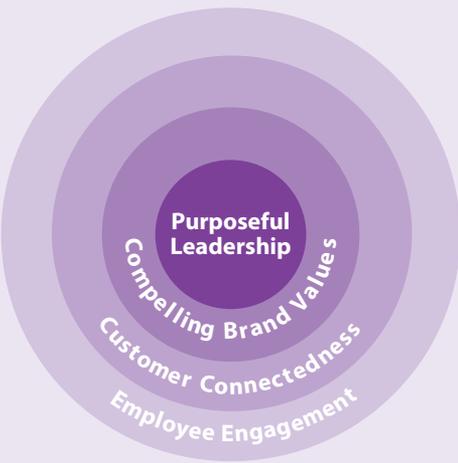# The Four Core Competencies of CX:
Interview with Bruce Temkin

Bruce Temkin is managing partner of the Temkin Group, a Newton, Massachusetts-based research, consulting, and training firm that helps companies become more customer-centric. Prior to launching Temkin Group, he was a vice president at Forrester Research for nearly 12 years, where in his last years there, he focused on customer experience, creating the firm's Customer Experience Index rankings and earning the most-read analyst title for 13 consecutive quarters.

TCS: *You've spoken about four core competencies for a superior customer experience:* **purposeful leadership**, **compelling brand values**, **customer connectedness**, *and* **employee engagement**. *Why do you believe they are instrumental?*

Bruce Temkin: There is a compelling reason for each one. Look at purposeful leadership. Our work is geared towards large organizations. If an organization has tens of thousands of people, it's really important that everyone is heading in the same direction.

Purposeful leadership is about having leaders who share a compelling view of the future and their values so everyone in the organization makes consistent decisions. It's an attitude to the effect of "I'll explain why we're heading somewhere and show you where we're aiming to go," and hopefully all the people in the organization follow.

With a clear purpose, you get alignment, and that makes for a powerful organization.

TCS: *What companies do you consider to be exemplary in purposeful leadership?*
Temkin: You see purposeful leadership in individual leaders, not just in organizations. But USAA is one company where the values are well understood across the organization. No one questions that the organization is committed to making decisions that are consistent with its mission of helping members of the U.S. military and their families attain financial security.

USAA's leaders make decisions that are consistent with those values all the time. That's another element of purposeful leadership: It's not just about saying, "We're heading here, our customers are important, and we operate this way." Purpose truly shines through when an organization makes decisions that are consistent with that mission—even when making them is difficult.

TCS: *What about compelling brand values?*
Temkin: A lot of people have misconceptions about what customer experience really is. You often hear that you must **"wow"** the customer with every interaction. While that sounds great, it's not possible given that no one has unlimited resources. So what's really important is that we create the experiences that live up to our brand. That means defining a set of promises to customers, and prioritizing efforts around keeping those promises.

TCS: *People are so quick to comment on social media about a negative customer experience. It seems easy for companies to say they have to wow customers at every touchpoint or the negative stuff will go viral. Is it difficult for companies to hold to even a minimal standard for the customer experience when a brand can be so easily tarnished?*

Temkin: The ability to share bad experiences across a wider audience through social media is something that you never would have had to deal with 10 years ago.

But the principles for dealing with those issues haven't changed. Every large organization is going to have some customers who have a bad experience. Customer-centric organizations recognize when something doesn't match their values or brand. Then they rapidly rectify those issues and work quickly to keep them from affecting other customers.

Understanding who we are as a company transcends any individual interaction, whether it is a great one or a bad one. I'll make a recently relevant example to make the point. Let's say that an airline has a belligerent passenger who is disturbing everyone, and its employees are able to politely convince him to get off the plane. If that passenger complains, that is not a bad thing. The airline did something consistent with its brand values, which was to not allow one passenger to disrupt everyone else.

Even though you might get a bad tweet and bad press, that shouldn't move you away from your values. Knowing where to focus your energy doesn't mean that you serve people terribly outside of key moments. But you don't need to wow them in every single instance.

TCS: *So social media makes the brand values more important, right?*

Temkin: Yes. It also forces you to move quickly but keep from overreacting to situations. If someone has a bad experience with your company, you want employees and customers to think, "You know, that doesn't sound like the company I've dealt with."

If they think that way, then they'll discount what they hear on social media, since they don't believe it's indicative of who that company is.

Companies that are customer-centric also earn a lot more forgiveness. That helps them stay consistent with their brand values even when there are individual incidents.

There are two components. One is having a continual flow of information about what customers are seeing, thinking, and feeling—not just once from some survey you send out every year. The other is basing decisions on that information.

TCS: *What does 'customer connectedness' mean?*
Temkin: Customer connectedness is about making sure that insights about customers are driving decisions across the organization. There are two components: One is having a continual flow of information about what customers are seeing, thinking, and feeling— not just once from some survey you send out every year. The other is basing decisions on that information.

Lots of companies have elaborate 'voice of the customer' programs and dashboards full of data. But they don't act on the insights they have.

They behave as if the constraint is getting data about customers. The more difficult thing is having an organization that is prepared, ready, and able to change its way of doing things based on the insights it gets—that is, putting in place nimble operations so that when a company learns something about customers, it can quickly do something about that insight.

One technology company that we're working with has a lean development process, where it breaks product releases into shorter development cycles. The company applied that mentality across the organization. Every six weeks it kicks off a new customer experience improvement process based on the top three customer insights its managers have learned over the previous six weeks. This creates an organizational 'muscle' for change. It also forces the company to actively and continuously examine customer feedback.

TCS: *Let's move to your fourth competency: employee engagement. You're very careful to differentiate it from the employee experience. Tell us why.*
Temkin: Anything you're trying to do in a large organization is very difficult, but it will be impossible if employees aren't engaged. And by engaged, we mean that they are committed to the success of the organization.

When people use the term 'employee experience,' they're often focused on making the work environment positive. I'm not saying this is a bad thing, but it should not be an organization's ultimate goal with employees.

Companies must create an environment where their employees commit their energy and passion to the success of the organization. If you just focus on employee experience, you can end up with entitled employees, but they're not necessarily engaged. They come to work because they believe there is an implicit deal that their employer is going to give them all this fun stuff, and their part of the deal is merely showing up.

Employee engagement is about having a richer implicit agreement with your employees. The company will create an environment that allows you to be successful as an individual, and satisfy your intrinsic needs for a sense of meaningfulness, choice, competence, and progress. In return, the company expects employees to help the organization be successful overall. This is a journey for most companies.

TCS: *Which technologies should companies stay on top of in the years ahead because they are going to have a big impact on customer experience?*
Temkin: I'd start with something relatively simple: text analytics and natural language processing (NLP). There is only so much you can learn from customers through their answers to multiple choice survey questions. Text analytics, in combination with speech analytics, provides the ability to gather insights about customers that come in unstructured ways, such as from the call center and comments on surveys.

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Meanwhile, voice as an interaction channel is growing. Whether it's the Xfinity remote, or the Amazon Echo or Google Home, people want to interact with the world in

a way that they are most comfortable. And we are all trained on how to use a voice interface from an early age; it's called 'talking.' Companies need to use NLP to create interfaces that leverage voice, but also figure out how to act based on what people say.

That gives rise to predictive analytics. As companies gain more meaningful data from newly mined unstructured sources like voice and text, and as they combine it with the growing amount of structured data, their ability to understand and predict what customers need—and to act on that—is going to grow.

Not only are the analytics technologies getting better, companies are also getting better behavioral data, whether it's from the digital footprints people leave, or the customer data they collect. Predictive analytics models operate much more effectively when they can provide rich near-term data, rather than relying on a thin layer of historical data.

Lastly, the Internet of Things will give people more control and information to manage their lives. This technology is going to advance much more quickly than it will be adopted by individuals. Consumers will adopt devices like the Echo more quickly than other devices, because coming home and asking for the weather is something people already ask of other people. People tend to more quickly engage in behaviors that they're familiar with.