

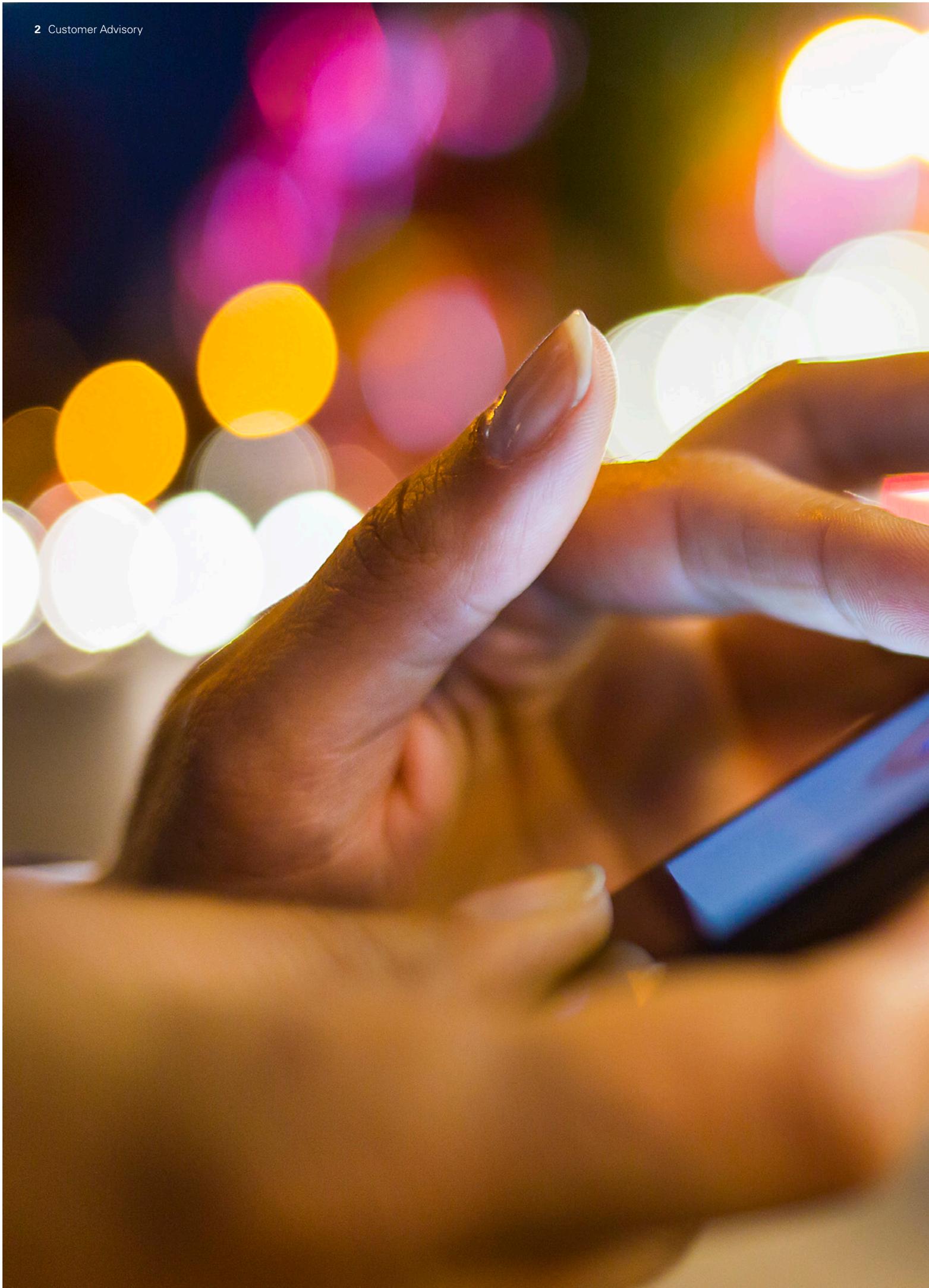


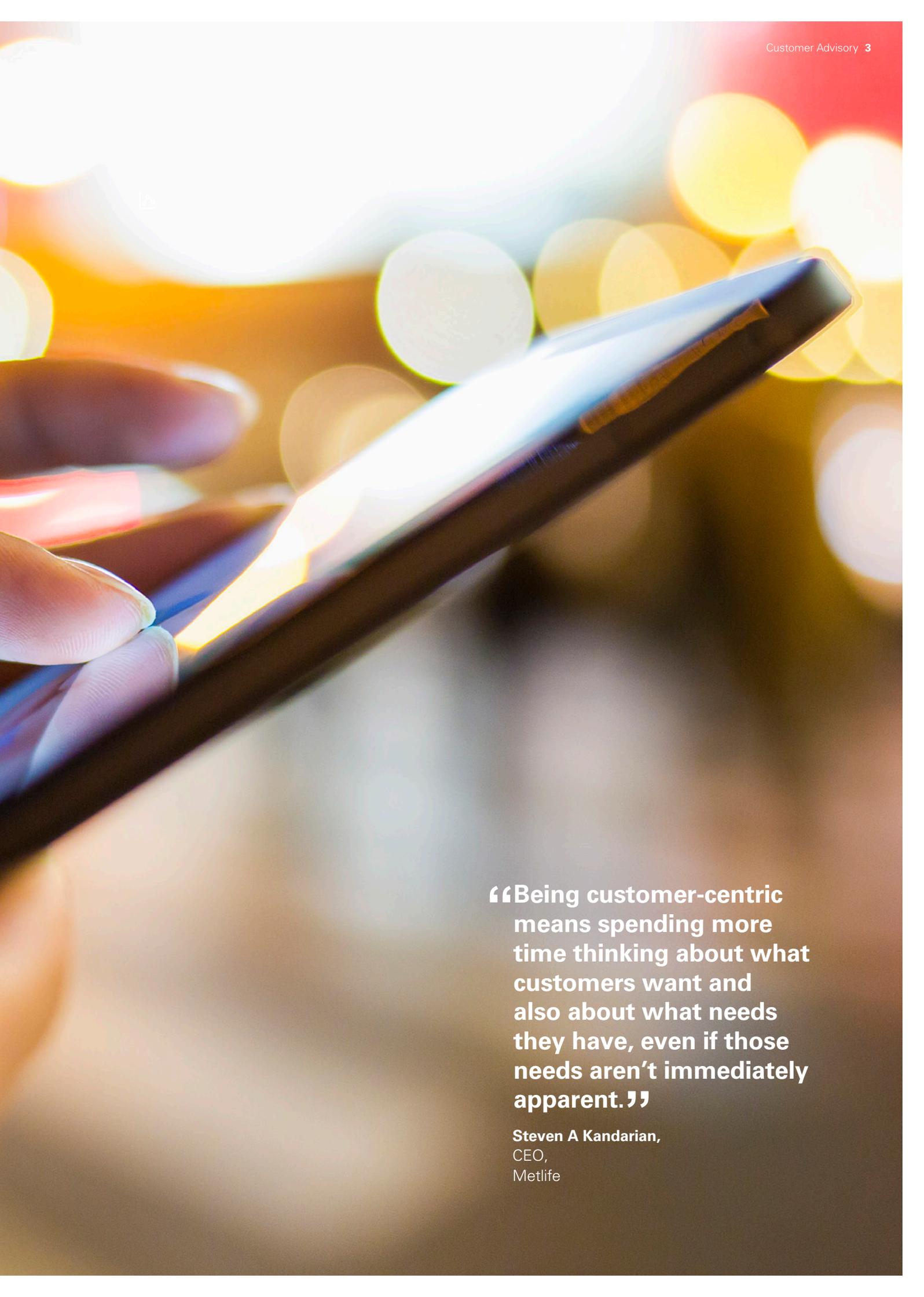
# Customer first

Creating a customer centric business

[kpmg.com/be](http://kpmg.com/be)





A close-up photograph of a hand holding a dark-colored smartphone. The phone is held vertically, with the hand's fingers visible on the left side. The background is a soft, out-of-focus bokeh of warm, golden-yellow and white lights, creating a bokeh effect. The lighting is warm and directional, highlighting the edges of the phone and the texture of the hand.

**“Being customer-centric means spending more time thinking about what customers want and also about what needs they have, even if those needs aren’t immediately apparent.”**

**Steven A Kandarian,**  
CEO,  
Metlife

# Foreword



**Adrian Clamp**  
Head of Customer Advisory  
KPMG in the UK

**“Success in achieving customer centricity and customer loyalty is no longer a differentiator. It has become a matter of survival.”**

Most markets aren't facing disruption. They've already been disrupted.

Demographic and economic shifts coupled with game-changing advances in digital technologies are changing customer behaviour faster than many large companies can respond. These changes create significant opportunities for the most agile and forward-looking businesses.

More informed and sceptical consumers are holding businesses to increasingly higher standards. A company's success in achieving customer-centricity and customer loyalty is no longer a differentiator. It has become a matter of survival.

To remain at the forefront, leading companies are transforming their businesses into customer-centric, digitally enabled enterprises capable of responding to customer needs and creating new sources of customer value.

How to put the customer at the heart of your business? In this short booklet we share some of the keys to unlocking customer value in the digital age.

In this age of digital disruption, there has never been a better time to create value for customers. At KPMG we aim to help our clients achieve profitable growth.

A handwritten signature in black ink that reads "Adrian", with a long horizontal line underneath it.

We look forward to helping you achieve success



# Creating customer value in a digital age

**“In the digital age the consumer has never been more interested or more informed with information.”**

**Emma Walmsley,**  
CEO, Consumer Healthcare,  
GSK

At a time when many successful businesses have lost touch with their customers many leading organisations realise that in order to reconnect with their customers and to create exciting and valuable new propositions they don't need a digital strategy, but a customer strategy suited for the digital age.

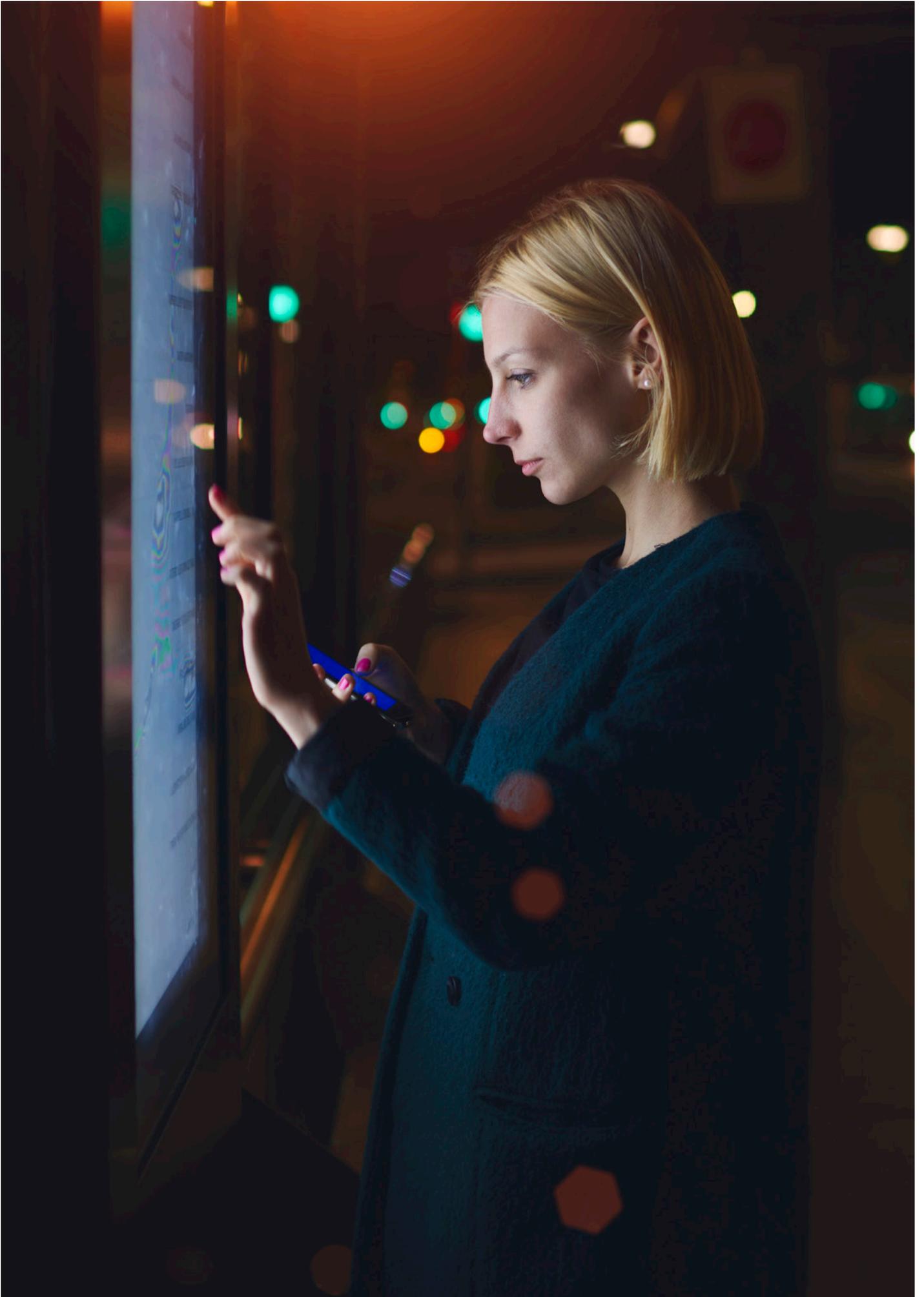
To create value in the age of digital disruption successful businesses now create their customer strategies by re-visiting a set of core questions that are simple, yet deceptively smart.

Who are my customers? What do they want and need? How do they behave? What is on their mind? What is driving their behaviour? What type of experience will delight? How can we reimagine our products and services? How do we position ourselves versus established competitors and new nimble start-ups? Which external companies should we collaborate with? How do we achieve maximum economic return from our investments?

Recent innovations in data and analytics help businesses to develop the customer insight required to answer these questions, so that new sources of value can be identified. Some use technology which tracks and anticipates consumer behaviour in near real-time. Others use predictive analytics to understand more detail about customer preferences and propensities. All are laser-focussed on the task of discovering the real needs and values and behaviour of their customers.

At KPMG, we enable our clients to capture and integrate data sources into a single, integrated ecosystem of customer data. We then apply advanced analytics to this data to develop the customer insight needed to define highly valuable customer strategies.

Finally, by collaborating with innovative ecosystem of digital alliance partners we help our clients to design and develop a new generation of innovative new products and services. Our north star is to help our clients to find new ways which delight their customers, transform their businesses and achieve profitable growth.



# Mastering the economics of customer experience

**“By analysing the economics surrounding customer expectations, and focusing on the behaviours that define leading customer experience brands, organisations can deliver better experiences that improve the bottom line.”**

**Julio Hernandez,**  
Head of Global Customer  
Centre of Excellence

Many businesses find that their investments in improving customer experience don't generate enough value or provide an acceptable return on investment. Responding to the evolving needs of customers is critical but at KPMG we believe that organisations also need to understand the value those customers bring and ensure enterprise cost structures do not become untenable.

At KPMG, we believe that successful transformation of customer experience starts with a bold, differentiating vision. A clear vision helps everyone in the organisation behave towards customers in a consistent, effective way. It is the basis for creating emotional engagement with customers. We work with leadership teams to help define this vision and create a sophisticated toolkit which helps them to design improved customer experiences while simultaneously modelling the financial impact of these decisions on revenue and cost.

All customer experience work should be informed by the brand identity and values of a company. Successful customer experience projects enable those values to be demonstrated to customers every day in the marketplace. From that brand vision we then work with teams to create experience design principles and behavioural frameworks. These are highly practical, showing how experiences can transform and create better emotional connections with customers. They are designed to guide frontline training, journey redesign and support all future governance decisions.

We find that most organisations have many different customer experience strategies, isolated pockets of thinking, disparate initiatives, projects and views about what is right. We help to ensure the strategy is integrated through a collaborative process.

A powerful way to reinforce the need for change is to look outside the organisation. Our data bank of customer interactions offers meaningful examples of industry best practice, which can be tailored to each organisation as well as highlighting the clear voice of the customer.



# Becoming a customer centric business

**“Fewer than 10 percent of companies consider their own supply chains to be fully integrated with other parts of the business.”**

**Gartner**

Operating in today’s customer centric business environment requires a supply chain that’s fit for purpose. One that is fully integrated with all the departments in your company. One that doesn’t have any unnecessary processes or hidden costs. And, one that is flexible enough to react to constant change in customer needs and market dynamics.

Technology and digital innovation are enabling a new type of supply chain. However it’s the rising expectations of consumers that is really driving a need for change. They expect more from businesses than ever before. They want experiences with products, services and interactions that are seamless, responsive, relevant and consistent. The speed and agility of the whole value chain of a business needs to accelerate to meet the expectations of customers.

To meet these demands, organisations must get closer to customers, understand the economics and adapt accordingly, in a sustainable way. Balancing costs and aligning capabilities in a way that makes seamless delivery a reality.

A Gartner study found that fewer than 10% of companies consider their supply chains to be fully integrated with other parts of the business\*. To begin the process of supply chain transformation and to start meeting customer demands, organisations must get closer to customers, understand the economics and adapt accordingly. Balancing costs and aligning capabilities in a way that makes seamless delivery a reality.

At KPMG, our specialist teams use a range of techniques to help you create that balance and identify the mix of channels that’s right for your organisation and your customers. We can help your sales, marketing and customer service team work seamlessly together across the enterprise with supply chain and manufacturing to create a fully integrated customer centric business. This not only puts your customer at the heart of your business but also drives shareholder value.

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\*Committing to Digital, Gartner 2015



# Extracting customer insight from smarter data and analytics

Customer data holds the key to unlocking massive new opportunities for growth and revenue expansion for many major businesses and yet nearly 60% of today's CEOs say they don't have a high level of trust in their data and analytics accuracy.\*

The sources of data businesses have at their disposal are vast. Circumstantial data, situational data, demonstrated behaviour data, motivational data and so on. All this 'big data' presents endless opportunities to uncover patterns of customer behaviour, relevant social media influencers, channel preferences so you can personalise your propositions, your channels, your marketing communications and the experiences you offer to your customers.

All sectors are pushing the boundaries of their data and analytics with the use of increasingly complex algorithms. In many areas these are replacing traditional customer relationships and human decision making.

At KPMG, we believe that investment in big data and associated technologies is crucial. Smarter analytics can help identify opportunities to accelerate customer growth by creating tailored services to customers, expanding into new markets, creating new products, and doing a better job of serving existing customers. Trusted analytics solutions also have the potential to create value and help build trust.

But which big data is important for you to invest in? What are the smarter technologies and analytics that are important for your business and most importantly how do you use these to differentiate against your competitors?

We can help you put the right technologies and data platforms securely in place. We'll work with you to create a master data management strategy, and importantly, strive to put the right governance around it. This is as critical as your data to ensure you have the level of trust in how data is shared; how data is managed and stored, if the analytical approach is context-appropriate, if you can trust the insights and opportunities that the data is generating.

In a customer driven business environment complex analytics will underpin the most important decisions you will make. At KPMG we can help you to unlock the value of your data to build a competitive edge and create value for your business and customers.

\*KPMG Global CEO Outlook 2016

**“Few businesses have the richness of transaction data to truly understand the choices their customers are making. The future offers exciting times with the blending of new open data sources with organisations' own data allowing them to win in a competitive landscape.”**

**Clive Humby,**  
Former Chairman  
dunnhumby



# Deploying the right customer technology solutions

To engage the next generation of tech-savvy customers, most companies are starting to recognise the need to extend digital transformation throughout their customer operations.

In KPMG's 2016 survey of UK CEOs, 80% said they were worried about their organisation keeping up with new technologies. Only five years ago, the idea of digital seemed to require companies to act like a start-up or go out of business. But things have changed rapidly and CEOs now see digital technologies and the digitisation of their organisation as just good business. This stops digital being seen as a promising project incubated in one part of the organisation. Instead, it informs a better conversation between a business and its customers. It should be used to engage customers and create value for them in new ways, and will ultimately require a wholesale transformation of the company.

At KPMG we believe that the choosing the right customer technology solutions is a strategic decision for a large business. The right solution should be thought of as a new digital platform that can enable new and improved capabilities in marketing, sales and service processes. We help our clients to select the right customer technology solution platforms and then, crucially, to transform customer operations to exploit the capabilities of this new technology.

Increasingly CEOs and boards of major businesses are choosing these strategic customer technology platforms as a way of tapping into the accelerating pace of digital transformation, without creating undue complexity in the technology estate. At KPMG we believe there are four important digital technologies which must be part of any customer technology solution platform, to enable a successful customer centric business.

First is mobile technology. The staggering growth in mobile phone use over the past five years has dwarfed that of the personal computer. Mobile is now the preferred channel of many consumers, with business customers (consumers in their own right, of course) not far behind. These days, 80% of transactions with government are on mobile, while 70% of banking is conducted via mobile.

Next is cloud computing. Organisations can now buy computing power for a fraction of the price it used to be. Many are moving their technology estate onto the cloud because it helps them respond more quickly to change. It's more cost effective, too.

Third is social media. Social networks have grown at an exponential pace and can significantly help or harm a brand in a matter of days.

The fourth technology is data analytics. The mass of digital data that organisations and consumers create every day, and the computing power to analyse it, is revolutionising commercial activity, especially in the ability to personalise customer interactions at scale.

“Digital Darwinism is unkind to those who wait.”

**Karl-Heinz Streibich,**  
CEO,  
Software AG



# Empowering talent and creating a customer centric organisation

**“Taking a change-management view that went far beyond simply plugging into new technology, in order to consider future processes and roles and skills, was crucial to our success.”**

**Fiona Cicconi,**  
Executive Vice President, HR,  
Astra Zeneca

The edges of the organisation are blurring. Being in the midst of a customer and digital revolution is impacting every aspect of our personal and work lives. The pace of innovation and adoption is accelerating and we are starting to see early signs of digital labour, artificial intelligence, robotics and automation across different sectors in equal measure.

These modernised ways of working are raising many questions about our future and how to prepare the next generation of leaders for a closer relationship with technology. How do we keep up with the latest developments? How do we seamlessly integrate people and machines?

The way we want to work and engage with our colleagues and the convergence of robotic process automation, machine learning, cognitive computing, and advanced analytics are driving unparalleled business model transformation.

For many organisations, this is uncharted territory. We can help to seamlessly integrate people and machines, while simultaneously harnessing the technological disruption into competitive advantage. As you embrace automation, we can help you look closely at your talent strategies and think about where you should pilot new technologies to reorganise around your customer.

Resistance is inevitable and comes in many forms. It can quickly turn to active disengagement in the face of new technology that threatens jobs and sends ripples through your organisation. Leadership may fear lack of control as they potentially transition from managing people to managing bots.

At KPMG we take a holistic approach - from strategy through execution. We can identify priority areas for technological transformation to develop a multi-faceted strategy and roadmap for your workforce of the future. To mitigate risks we proactively work with your human resources department to develop a plan that is manageable and empowering. And through our global network of alliance partners we can source and select the right providers and help you to establish a governance strategy to realise value and benefits.



# At a glance How can KPMG help your business transform?

“By employing talented, experienced people – and creating innovative, practical solutions – we can help you achieve maximum customer growth and true business transformation.”

**Adrian Clamp,**  
Head of Customer Advisory,  
KPMG in the UK

## **Customer strategy & digital innovation**

We want to help you reduce costs and grow your enterprise. We'll work integrally with your business to define which innovative customer and digital propositions will drive enterprise value and optimum customer engagement.

## **Customer experience**

We bring an outside-in perspective to help you understand what your customers are experiencing. By spotlighting your most critical customer journeys underpinned by customer insight we'll help you to define relevant and engaging omni channel customer experiences to drive customer retention, positive word of mouth, services, and ultimately, sales.

## **Marketing sales and service transformation**

The front office is being revolutionised by digital disruption and higher customer expectations. We can help you envision the ecosystems and platforms you can leverage and design customer centric service processes.

## **Customer data and analytics**

Understanding and leveraging your customer data is vital to business transformation. This starts with a master data management strategy which we'll help you define alongside the governance and tools you'll need to manage data securely across your enterprise.

## **Customer technology solutions**

The ecosystems of technology that are the backbone of your business are more important than ever. We can help you source, develop and integrate technology solutions to complement existing business capabilities and create commercial value.

## **A customer centric organisation**

The edges of the organisation are blurring and digital is revitalising the way we want to engage in the workplace. We can help you create a modern, digitally enabled organisation structured around your key customer journeys.



# Key contacts

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