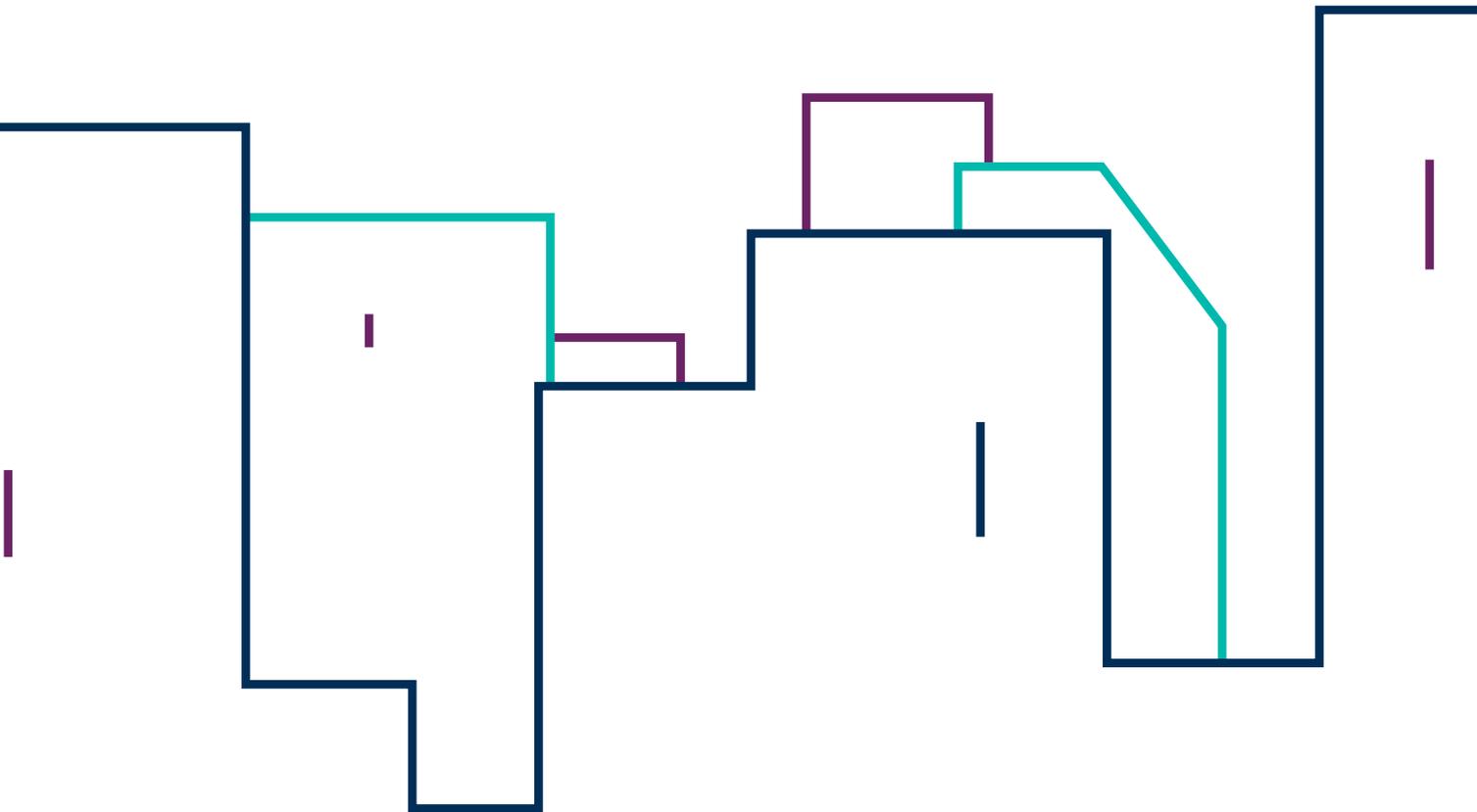

What Does Organizing around the Customer Experience Mean for Financial Services?



The Increasing Importance of the Customer Experience in Financial Services

It's time for consumer financial services organizations to refocus, defining the customer experience as equal to product performance and features. Hiring a chief customer experience officer (CCO) will have the greatest immediate impact, letting the organization know that the customer experience is a strategic priority.

Throughout the financial services industry, product development and distribution have long been prioritized over the customer experience. Consumer banks in particular have won business based on the quality of product offerings, reward programs, and the strength of the branch network and other distribution channels – rather than on customer interactions with the firm.

The success of this product-centric model in growing and retaining customers has depended primarily on firms' ability to differentiate themselves. Larger, more established financial institutions have naturally had the advantage, given their superior access to resources.

Yet the industry today has changed. Rapidly evolving digital technologies are destroying barriers to entry. As a result, FinTech players are exploding onto the scene, using superior experience and technology to offer the same products that legacy firms took years to develop. FinTech platforms also bring a speed of service that is difficult to match.

The end result is not only a more crowded marketplace, but consumers who are far more demanding. These consumers are increasingly shopping around for the best experience, rather than the best product. When quality and value are comparable across products, why would customers settle for anything less than a seamless, interactive experience?

In the face of this customer-experience evolution, financial institutions are at a crossroads: they can prioritize the customer experience or watch their customers scatter towards more progressive firms or their FinTech alternatives.

An essential step towards the appropriate prioritization is the appointment of a **chief customer experience officer**. Appointing a CCO makes a strong statement of commitment to the customer experience and a rallying cry for the organization to follow.

THEN, NOW AND WHAT'S TO COME



What Next?

As the conversation intensifies around the customer experience in financial services, so too will the need for creative solutions. At Russell Reynolds, we have seen demand for new customer-experience roles emerge and steadily increase from what was previously a non-existent market a decade ago. As a result, institutions must ask themselves some difficult questions, including:

1. Who owns the customer agenda?
2. Does that person have a specific vision laid out, with performance metrics and execution steps?
3. Is there clear alignment among the digital, marketing and IT departments around go-to-market strategy?

After answering the tough questions, firms can begin to think about finding and hiring the right customer-experience talent. Where should they look, and what are they looking for?

Look to other industries

Look for customer-experience knowledge and skills in retail, travel, leisure and other consumer-facing industries.

Be open-minded and prepared for “cultural collisions”

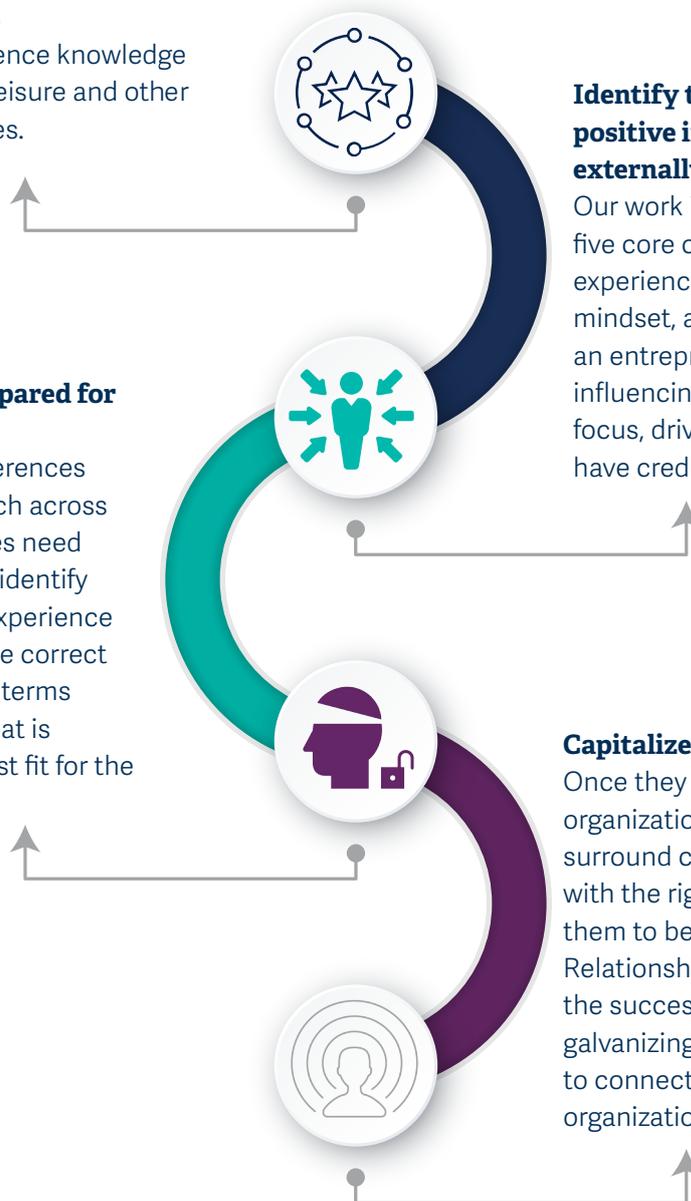
Given the substantial differences in experience and approach across this talent pool, companies need to make an extra effort to identify and on-board customer-experience executives. There is no one correct way to address the role in terms of structure or culture; what is essential is finding the best fit for the organization.

Identify talent that will have a positive impact, both internally and externally

Our work in this space highlights five core competencies for customer experience leaders: a strategic mindset, a customer-centric approach, an entrepreneurial nature, strong influencing skills and an operational focus, driving the ability to execute and have credibility at the front line.

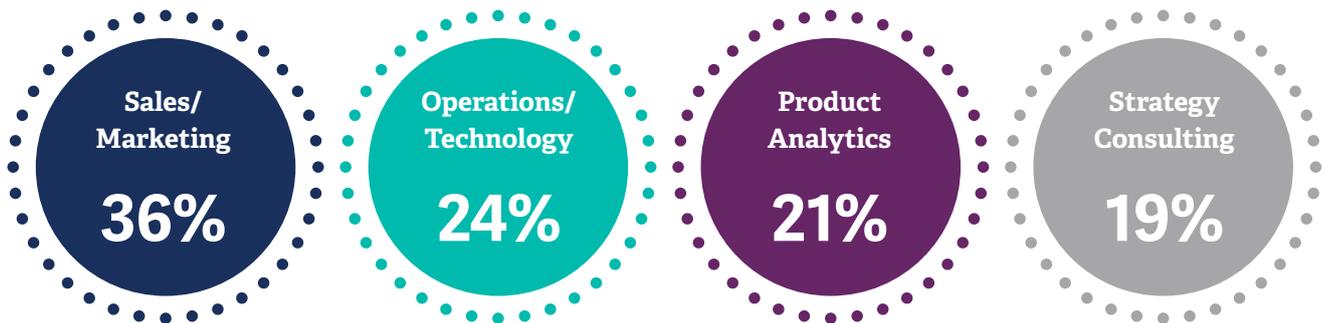
Capitalize on strong influencing skills

Once they are brought into the organization, companies should surround customer experience leaders with the right teams and tools to enable them to be true difference-makers. Relationships and influence are key to the success of this role: leaders must be galvanizing and demonstrate the ability to connect the different pieces of their organization together.



What to look for?

To learn more about the ideal customer-experience executive, RRA conducted an analysis of 43 individuals in customer-experience leadership roles across a sampling of global financial firms. We observed four predominate archetypes that lead to success in this role. Each archetype has inherent strengths and potential weaknesses. In the right context, each of these leadership types can be successful; however, it is essential for companies to think about their strategic needs and their current operational makeup and how they align with the talent available in the market. Since many firms today are treating the CCO role as an expansion of marketing, sales and marketing backgrounds are most prevalent. This balance may change over time as firms begin to experiment with different talent options. Given the inherent digital nature of the evolving customer experience, it's important to note that digital knowledge and skills cut horizontally across all archetypes.



Leaders who have risen up through the ranks of sales & marketing, holding roles centered on customer relations and branding

Leaders who have run large technology teams in an executive capacity, or who have held other operational or general management roles within the enterprise

Leaders who have spent their time developing and innovating around the products themselves, with hands-on experience

Leaders with expertise in an advisory capacity, guiding teams around strategic direction; many began their careers at a "Big 4" consulting firm

STRENGTHS

Strong in **customer acquisition and retention**

Ability to **leverage firm's brand** with the customer on the front lines

Understand B2C in an omnichannel context

Many have **strong general-management experience** with a proven ability to lead organizations

Can bring **accrative skills** in terms of process discipline (e.g., Lean or Six Sigma) and IT

Ability to **draw out insights** from quantitative customer data and build that into product delivery

Understand pain points in terms of interacting with products

Strong **strategic acumen** and corporate-development orientation

Tend to be **highly analytical**, good problem solvers, adaptable

Good at **"seeing around corners,"** anticipating change

WEAKNESSES

May lack previous **senior management experience**

May be too much of a **pure marketing or sales expert**, rather than multi-dimensional

Many have not had **direct P&L responsibility**

Some are **"jacks of all trades"** and lack depth in any specific area

May be less effective in **corporate development**

Career background may be predominantly in **back-office roles**

May lack experience **working collaboratively** with larger teams

May lack depth around **technology-related topics**

May lack experience **managing large teams**

Many not have had **direct P&L responsibility**

Authors

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Russell Reynolds Associates is a global leader in assessment, recruitment and succession planning for boards of directors, chief executive officers and key roles within the C-suite. With more than 400 consultants in 47 offices around the world, we work closely with public, private and nonprofit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today's challenges and anticipate the digital, economic, environmental and political trends that are reshaping the global business environment. Find out more at www.russellreynolds.com. Follow us on Twitter: [@RRaonLeadership](https://twitter.com/RRaonLeadership)



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