

Building a CX Business Case for Your CFO (or Anyone Else!)



Let's be frank—establishing a customer experience (CX) program's ROI is one of the greatest challenges that CX practitioners (and the organizations they serve) face in the modern experience landscape. Across all businesses, the entire C-Suite leadership team is looking to validate an experience management program by asking one question: what is the financial impact of my CX investment? This question is most pertinent to Chief Finance Officers (CFO) and other key stakeholders who are tasked with signing off on initiatives—and their budgets.

At InMoment, we recognize that this buy-in is crucial to kicking off any experience initiative, so it's imperative to understand the financial leader mindset.

THE FINANCIAL LEADER MINDSET:

If you serve as CFO or in another financially-minded position, your highest priority is to protect enterprise value. The nature of your role means that you are typically direct, results-oriented, and focused on the quantifiable impact of any business investment. And whilst you are happy to fund new business ventures for the organization, in order to approve a business case for a new technology, you'll have a series of hard-hitting questions to vet a proposition before investment is made.

Whether you are a CFO or a CX-minded individual making a business case to the financial leaders of your company, you want to be prepared to answer any value-based questions you might have thrown your way. To help you on your journey, we've collected the most common business case FAQs from our experience to help you communicate the impact of experience initiatives to your organization. Check them out below!

+ Like many organizations in today's climate, we have limited budgets. Why should I invest in customer experience?

Focusing on the experiences of your customers is one of the most impactful investments you can undertake during a time of uncertainty. By putting the customer at the center of your organization's universe and listening to valuable feedback from every point in their journey, your business is empowered with consumer intelligence that leads to business growth through cost saving and revenue generating opportunities.



CUSTOMER STORY: ARBY'S



Arby's is a fast-casual restaurant brand that has become a household name with its unique blend of quick, convenient service and mouth-watering menu items—and it's also seen tremendous success with its CX initiative. Since partnering with InMoment to get a better understanding of their experience and where they can take effective action to improve it, their OSAT score has increased by 34%. Additionally, the brand saw 4% revenue growth in just one year after implementing their new solution!

In addition to identifying opportunities for action from customer feedback, having the capability to listen to your employees will help you to determine internal inefficiencies and opportunities to invest and divest in existing systems and processes. As business models adapt to today's climate, this source of the employee experience data is crucial to strengthening and validating the benefits of other business cases that land in your inbox for prioritization.

+ In some cases, focused initiatives have trouble proving direct value, making them more of a 'nice to have' than a business-critical program. How is customer experience an exception?

In an increasingly competitive marketplace, your brand's customer experience will ultimately be a key long-term strategic differentiator and advantage. But, the only way experience software can be considered a 'must-have' capability is if, at its core, the software enables the business' strategic objectives. Of course, those will vary by industry and brand, but the functionality that makes a superior experience initiative a must-have is that it enables you to turn understanding into action.



DESIGN



LISTEN



UNDERSTAND



TRANSFORM



REALIZE

It's important to understand that businesses can't manage what isn't being measured—but measurement alone doesn't effect change. When a business decides to put the customer at the center of the organizational universe, it needs leading technology to collect their feedback, analyze patterns, and, most importantly, act on consumer feedback so you can realize the business benefits.

In North America, our consumers have some of the highest expectations in the world. In an economic climate where customers are typically expecting more for less, acting on consumer intelligence is a must-have for businesses to succeed. Feedback will show you who is a detractor and how to recover them so you can hold onto valuable customers. It will show you systemic themes to prioritize and problems to solve before they become too overwhelming. And finally, feedback will expose ways to reduce costs across the business, adding to growth and profitability.

THE BUSINESS IMPLICATIONS OF CUSTOMER EXPECTATIONS¹

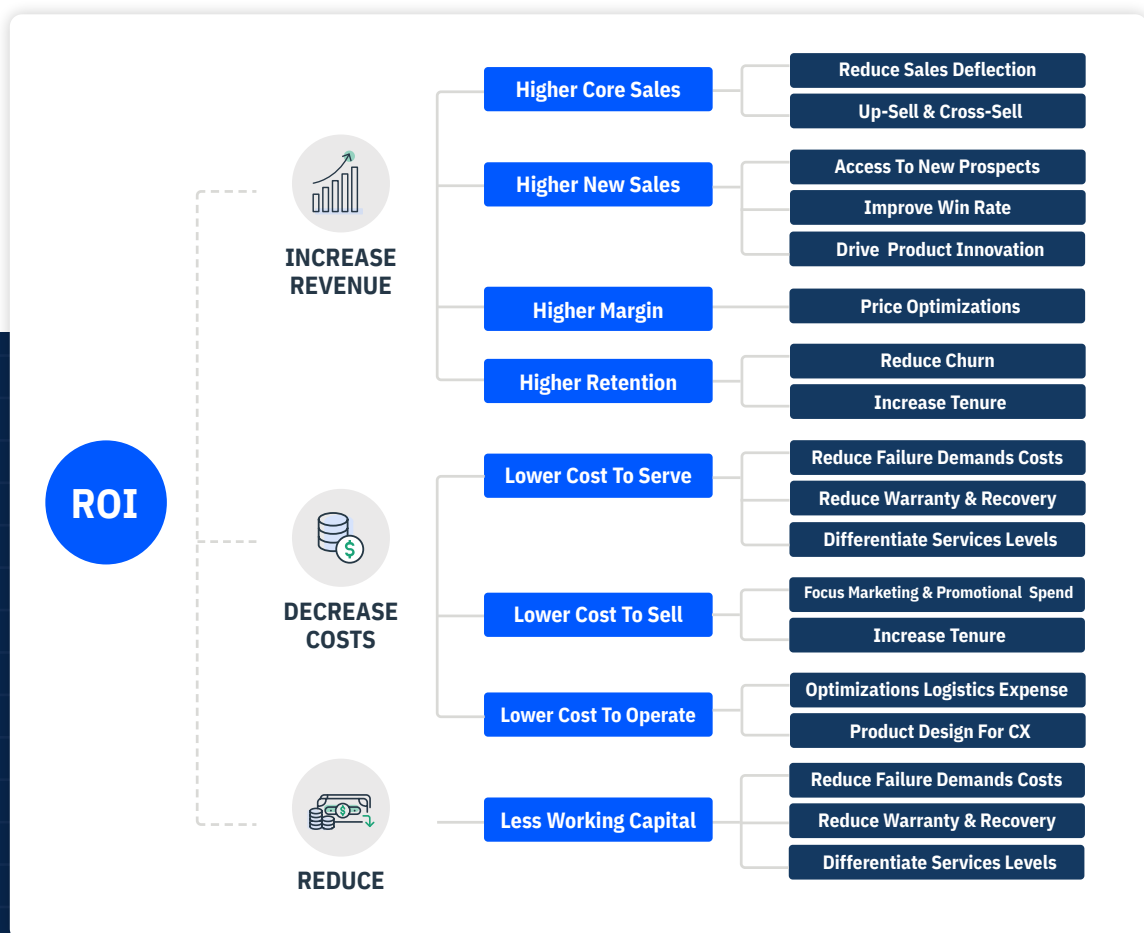
- **62%** of customers have stopped doing business with a brand due to a poor customer service experience
- **56%** of customers have higher expectations for customer service now than they had a year ago
- **66%** of customers have a more favorable view of brands that offer or contact them with proactive customer service notifications
- **95%** of customers believe organizations should give the opportunity to provide feedback

Source: [CX Network CX Trends Report: North America](#)

+ I've seen many other organizations struggle to draw a connection between tangible value and their experience initiative. How do I make sure my business realizes the full potential of our program?

It's no secret that many customer experience programs haven't quite reached best practices. In fact, many businesses transition to a new Platform—even after they've harvested the quick wins from simply measuring customer experience—because they haven't been able to take action and actually improve experiences, let alone directly link them to business outcomes, like growth, retention, and new customer acquisition.

Experts should be able to help you prioritize business outcomes from the very beginning, helping you intentionally design a framework that outlines the Return on Experience Investment (ROXI). The financial impact of the CX capability should be outlined in the onboarding process, tested and controlled along the way, and measured and reported against quarterly. And as your experience management solution matures, there are multiple business benefits that can be realized!



Technology alone won't activate a successful experience, but the most effective programs have an experienced strategic partner to help map the initial CX framework and discover those opportunities to take action. You need a motivated team behind yours to design the roadmap for success.

+ I need to be fiscally cautious this year. How quickly can I get to ROI and justify this spending?

In a post-pandemic landscape, businesses are going to be expected to make more of an impact with less resources. CFOs need to be hyper-selective with investments moving forward, and in most cases, ROI is the only conversation that truly matters.

For most of our clients, it takes about 6-9 months to see a return on investment. In the example below, one way to show return on investment is to show the impact of a closed-loop feedback program. By saving one customer per month and per store by contacting their detractors, a retailer was able to value the cost of each customer and arrive at a total ROI of +\$2.5m saved to this particular business, which is about 10x.

The cost of the program is absorbed by the amount of money saved through reduction of customer churn, increase in first-call resolution, reduction in repeat calls and the ability to use root cause analysis for identifying systemic issues that cause businesses to lose revenue opportunity over time.

EXAMPLE OF COSTS SAVED BY REDUCING CUSTOMER CHURN

Save One Customer per Month with Closed Loop Process	12
At Each of Our Top 1000 Locations	1000
Total Customers	12000
Average Customer Value	\$210
Annual Revenue "Saved"	2,520,000

Another opportunity for ROI is to consolidate multiple legacy platforms such as survey platforms, dashboarding, case management, text analytics, outdated Voice of Employee software, market research functions, analytics functions, and more.

The best way to drive bottom line profitability is by saving money at the top line. That gives an organization additional resources to then invest at the bottom line. Top line growth from an experience management perspective looks like retaining existing customers, finding new customers, discovering opportunities to cut the costs involved with serving customers, and establishing sustainable, recurring revenue.

Through the automated, closed loop feedback program, you can use churn propensity modeling to identify and save those customers who are showing signs of discontentment.



CUSTOMER STORY: AMERICA'S LARGEST CABLE AND HOME INTERNET PROVIDER

In an attempt to limit customer churn, the telecom giant partnered with InMoment to identify at-risk customers and immediately reach out to understand the issue and retain their business. The company installed InMoment's customer listening technology within several of its regional customer care centers to enable immediate feedback following each interaction. Customers who give negative responses are asked if they would like to speak with a manager regarding their issues. Using real-time alerting, managers are notified of customer callback requests immediately. Three percent of all respondents request a callback, totaling 1,000 customer recovery opportunities each month (12,000 per year).

With the average cost of a triple-play package (phone, cable, Internet) being \$160 per month, the average annual value of each customer is \$1,920. Using this formula, InMoment presented the company with the opportunity to recover \$23 million in annual revenue by implementing a streamlined process for identifying and rescuing dissatisfied customers.

A voice of customer program shines a light on actions that need to be taken to rectify systemic areas of failure, the best areas to save on costs, and the best drivers of customer satisfaction that will reduce cost to serve.

DATA

TECHNOLOGY

PEOPLE



ROI

FINANCIAL	CUSTOMER EXPERIENCE	EMPLOYEE ENGAGEMENT	REPUTATION & MARKET
Increased Revenue Profits Growth in Value Cost Savings Increased Productivity	Efficient Service Empathetic Memorable High Satisfaction Fewer Complaints Repeat Customer	Engagement More Ideas Reduce Churn Satisfaction Improved Internal Communication Improved Customer Relationships	High Trust Advocacy & Brand Loyalty Competitive Advantage Positive Image

+ Do I need to be prepared for unanticipated costs with an experience management investment?

You should always be looking for a partner that allows you to run your experience management program in the most flexible and scalable way possible, which reduces operating costs from the start.

Whilst many do-it-yourself platforms require hiring a full analytics team to help you get from listening, understanding to action, this capability should be included within your program investment. Don't hesitate to ask your partner whether they can be a self-service solution, fully managed or a hybrid of the two, depending on your unique business needs. This will help eliminate unanticipated costs and avoid expensive change requests.

A progressive approach to enabling a full closed loop feedback capability across the company can minimize the gap between initial software investment and obtaining returns from an improved experience for customers. For example, starting with one known area where customers are indicating experience issues and the outcomes they are getting, then scaling from there to include other customer touchpoint areas (i.e. inbound, outbound call centres, branch/retail, chat, or digital enablement).

Another and perhaps more important question is what unanticipated costs will surface if customer feedback is not collected, not considered and not implemented. The opportunity cost of not having an experience management platform in place should be carefully considered, as customer-centricity has become a non-negotiable lens for businesses across all industries.



So, what's the next step?

Reference checks are one of the most powerful tools for validating the full capability of our platform, so we are happy to provide access to current clients of InMoment's largest brands to showcase the power of improving customer experiences first-hand.

InMoment serves an impressive list of award-winning clients that includes over 50% of Fortune 500 companies; 90 percent of the world's automotive companies; eight out of 10 of the leading banks; nearly 20 percent of the top 50 retailers and 40 percent of the top hospitality companies. We would like to bring our decades of expertise and superior technology and become your partner in improving experiences for your customers, employees, and other market contributors.

If you find this article useful, here are similar resources:

- > **Infographic:** [The Four Pillars of Customer Experience ROI](#)
- > **Thought Leadership:** [How to Prove the Business Value of your CX Program](#)
- > **Point of View:** [How CX Intelligence Can Drive Product Innovation](#)

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About InMoment

InMoment™ helps organizations deliver more valuable and inspiring experiences to their customers and employees at every moment in their journey. Our clients gain the wisdom of our experts—who bring deep domain knowledge in experience design and delivery—coupled with our award-winning Experience Intelligence (XI)™ platform that continually analyzes and evaluates enterprise experience data and customer feedback. Recognized as a leader and innovator in our sector, we collaborate with the world's leading brands to attract, engage and retain their customers. We are fiercely proud that our clients continually tell us they love the experience of working with our company, as we constantly stretch to exceed their expectations. Take a moment, and learn more at inmoment.com.

