

Customer Journey

## Successful complexity management along the customer journey

Managers describe growing complexity as a major obstacle to successful market development. Read on to see how to deal systematically with complexity.

TEXT

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The majority of companies today are in the process of transforming to a digitalized business model. Everything needs to be done faster and more efficiently, as well as better aligned with customers' wishes. Ultimately, it's not just a matter of being a bit more or less competitive, but about the company's very survival.

### Complexity hinders digital transformation

If we can believe the study «Accelerating the Pace and Impact of Digital Transformation» published in the Harvard Review (2016), only one in five companies is successful when the rubber hits the road on its digital strategy. A good 40 percent of managers say they have problems with change management. The same number of executives see departmental silos and risk aversion as insurmountable obstacles. Not even half are able to launch digital experimentation projects rapidly. Unsurprisingly, complexity is the key factor here, with a proven negative

impact on successful market development.

### The link between complexity and performance

It is well known that complexity can be caused by a variety of factors, such as the organisation, processes, or products. But complexity per se is not negative. The challenge is to find the right level of complexity.

In market development - i.e. in sales, marketing, communication and services - complexity is generated above all by the growth in the number of different touchpoints. Almost every week brings new ways to interact with (potential) customers. But being present at every conceivable point of contact with an «as much as possible» strategy will not achieve any goals. This is well known. It is also a fact that companies can quickly find themselves managing over 200 touchpoints along the customer journey. That's too many, and would overwhelm any organization.

### Complexity needs change

Effective change management should be geared towards the comprehensive measurement, control and reduction of complexity. Central to success are:

#### — Putting corporate culture before technology:

For a long time, the focus of digitalization projects was primarily on technology. We now recognise that successful change processes depend to a very large extent on the involvement of employees. Change comes through cultural adjustment and the abandonment of old ways of thinking.

#### — Clear goals and measurability:

Successful change management starts with the formulation of clear and verifiable goals. Aligned with this, reliable bases on which to take decisions are a prerequisite for efficient target and success management.

#### — The customer as the orientation point:

Having a concrete orientation point is extremely helpful for all participants: what or whom do we want to focus on? Processes, costs, or customers? For a market-oriented company management, this point of orientation should be the customer. Looking through the customer's eyes gives a better understanding of how they perceive products or communications. Since the process is primarily about decisions, it is highly advantageous that this perspective provides a holistic picture and can be validated via customer research. Working from such a customer perspective is also extremely inspiring, and can quickly generate many fresh ideas with a lot of

potential.

#### — Coordination and alignment:

It is vital to consistently orientate the activities of individual departments and employees towards a common customer picture.

Personas, target groups, and market segments are proven management instruments. These tools should be underpinned by empirical customer research as a core basis for decision-making.

#### — Entrepreneurial action:

We live in times of upheaval, radical change, and many new opportunities. Change can only be achieved if acceptable risks are taken and we have the courage to fill in the gaps.

Entrepreneurial activity needs to be promoted.

#### — Simplicity as the key to successful implementation:

Complicated strategies and campaigns with many touch-points and messages have it hard from the start. Einstein's well-known saying sums it up: «Everything should be made as simple as possible, but not simpler.»

Managing complexity and shaping change are tasks that will always be with us. But companies can be significantly more successful if employees are closely involved in the process, and we listen to the authentic voices of our customers.

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