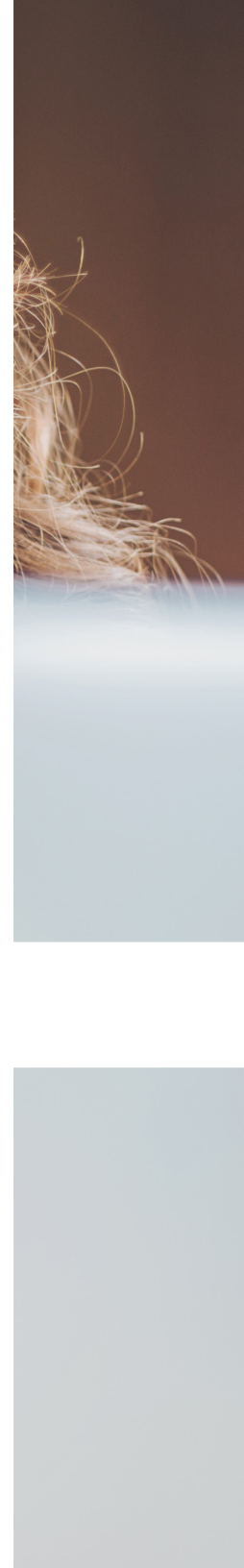


qualtrics<sup>XM</sup>

XM HORIZONS

# The future of ~~CX~~ XM

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SECTION 1

# 2020 — A catalyst for modern XM

## 2020 — A catalyst for modern XM



*XM is all about understanding, responding to, and ultimately anticipating, the needs of all human beings that we touch.”*

### **Bruce Temkin**

*Head of Qualtrics  
XM Institute*

2020 was a year of unprecedented adversity. But organizations found ways to navigate through the difficulties. Humans are incredibly resilient and we have shown for centuries, whether in a recession, a global pandemic, or as we saw last year, a combination of the two — a remarkable ability to adapt and bounce back.

2020 saw two types of Experience Management (XM) responses:

**Switch it off, quick!** Organizations that saw XM as a ‘nice to have’ made the decision to cut their programs in the face of economic uncertainty. In effect, they went dark — shut it down, stopped listening, and hunkered down.

**Focus and attack** Organizations that understood the transformative potential of XM expanded their programs beyond CX, applying the same principles to their employees, suppliers, and other stakeholders in the ecosystem.

In 2030, we’ll look back on that second group as those that outpaced their competitors by tapping into the true value of XM and creating the playbook for how modern businesses operate.

It’s the next phase in the evolution of CX, taking the same principles of understanding and responding to the needs of customers, and expanding it to every human being, and every process, across an organization.

They listened more to employees to ensure they were set up to work remotely, felt connected to customers and the company, and knew what they needed to do; they listened to suppliers and took action as supply chains came under immense pressure; and they listened to customers in new ways, taking action more frequently and with more insight to adapt their products and services throughout the year as customer needs changed.

And that is modern XM. In this guide, we'll explore how the lessons learned in 2020 will shape the next decade as the skills CX professionals have honed over the last 10 years are enhanced, and expanded to touch the entire ecosystem.



SECTION 2

# Reassess your metrics in 2021

## Reassess your metrics in 2021



*If the metrics  
you are looking  
at aren't useful in  
optimizing your  
strategy—stop  
looking at them.”*

**Mark Twain**

*Author*

Last year, many organizations hit ‘pause’ on their XM metrics. From tracking historical NPS or CSAT scores, to comparing year-on-year employee engagement metrics, it became very clear in the early days of the pandemic that there wasn't much value comparing what was happening in this unique environment to what came before.

After all, these are unprecedented times. The reference points for peoples' experiences were quite different from what they needed in the moment, so smart organizations switched to focus on critical areas that needed immediate action — for example, asking questions like ‘are you okay?’ and ‘what do you need?’.

“Historical metrics help you track where you've been and maintain a steady course. But how important is that in times of change?”

**Bruce Temkin**, Head of Qualtrics XM Institute

As you start to think about turning your metrics back on, evaluate them and ask if they're still fit for purpose.

We recommend simplifying your program to focus on metrics that drive action in the organization, rather than continuing to measure progress towards a historical objective. And consider switching to a [relative metric](#), which can provide even more actionable insights.

## Relative vs absolute metrics

Traditional CX metrics like NPS and CSAT are often referred to as ‘absolute’ metrics — that is they track a measurement in isolation. An alternative and more useful metric is one that tracks performance relative to your competitors. This compares how customers see and interact with you against how they view the rest of your market. [Learn More.](#)

As you look to design the experiences people want next, improve your existing experiences to meet new demands, and differentiate yourself from the market, your old approach to metrics might not be up to the task.

But whether you stick or twist in 2021, make sure that you always ask—and can answer—these two essential questions:

- + *What have we learned?*
- + *What improvements are we making?*



SECTION 3

# **XM in 2030**

## XM in 2030

Compared to the programs of today, there are three main areas that will evolve to take us from traditional CX to true XM — and remember, these are capabilities that will be applied across the entire operating fabric of an organization from suppliers, to employees, customers and partners.



*In 2021, prepare for the future instead of recreating the past.”*

### **Bruce Temkin**

*Head of Qualtrics*

*XM Institute*



### **Continuously listen**

Rather than repetitive surveys and static listening posts, organizations will adapt their approach to listening over time as they learn and their needs change, rather than asking the same questions over and over.



### **Propagate insights**

Instead of just publishing standard dashboards and reports, organizations will deliver tailored insights to individuals throughout the company that are designed to drive action at every level.



### **Rapidly adapt**

Instead of just identifying hopeful improvements to a prioritized list of projects, organizations will tap into a flow of insights that will automatically trigger workflows embedded within key processes enabling companies to respond quicker.

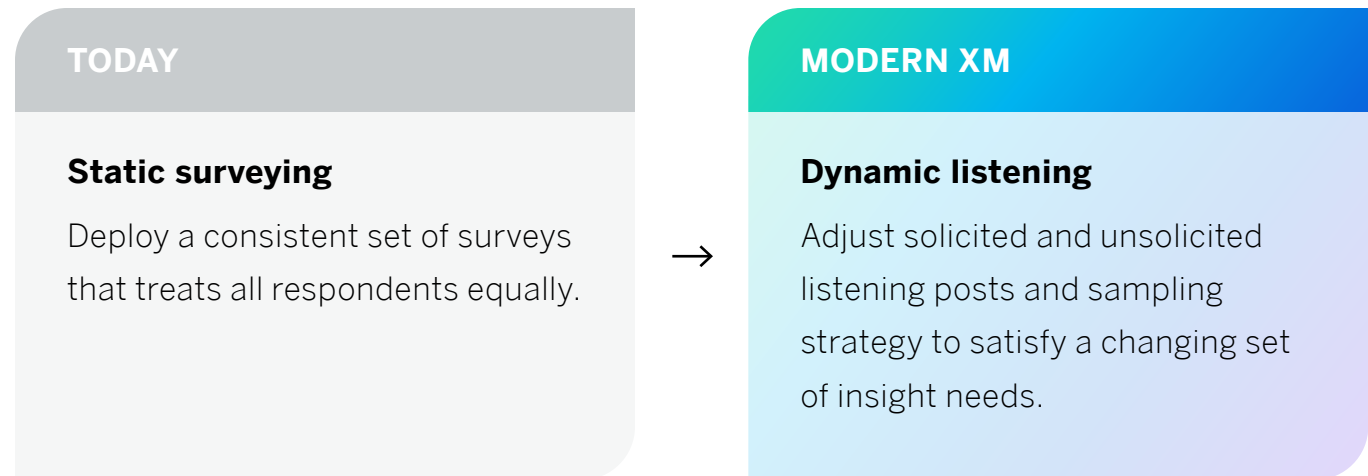
The ability to deploy many of these capabilities exist today, but mindsets need to shift from traditional CX to modern XM. While some organizations will get to modern XM quickly by adapting and adjusting their existing programs, others are at the start of their journey, bringing in the people and processes needed to drive their business forward through XM.



SECTION 4

# Continuously listen

## Continuously listen



Source: XM Institute, 2021



*Most people do not listen with the intent to understand; they listen with the intent to reply.”*

**Stephen R. Covey**  
American educator

When you really think about it, the way we listen to customers today is limited. Traditional relationship studies and census surveys ask the same questions and repeat the construct over and over again.

If you're asking the same questions, it assumes you've learned nothing — otherwise why keep asking it?

A classic example is a hotel loyalty program — how many times have you checked in to the same hotel group (who have access to all your experience and operational data) only to be asked once again for your name, address, and other details like what newspaper you'd like in the morning?

A modern XM program asks once. It remembers. And it moves on.

The hotel knows your name, address, and the fact you like the New York Times every morning and a wake up call at 8am. So they never ask again - they listen, and they remember.

And if they happen to be planning to redesign their check-in experience, they may shift their listening posts to support that effort. For a targeted group of customers, they'll skip post-stay satisfaction tracking in favor of a MaxDiff set of questions to uncover preferences for different service alternatives.

Modern XM programs dynamically change who they listen to, what they listen for, and the channels they listen on. They'll tap into a wide variety of data sources, whether that's unsolicited experience data from channels like social media, voice calls, or third party websites, or operational data from websites, UX research, or from operational systems being used throughout the organization.

This purposeful approach helps them uncover the insights that they need to drive improvements, rather than just asking the same questions time and time again.



## Listen + Remember

### **A single database for all customer and employee experience data**

Listen to and remember everything customers and employees tell you and record it into an institutional memory, accessible to the entire organization.

- + A single view of every interaction, in a single system of record
- + Combine experience and operational data for every stakeholder
- + Design personalized experiences with rich, dynamic segmentation

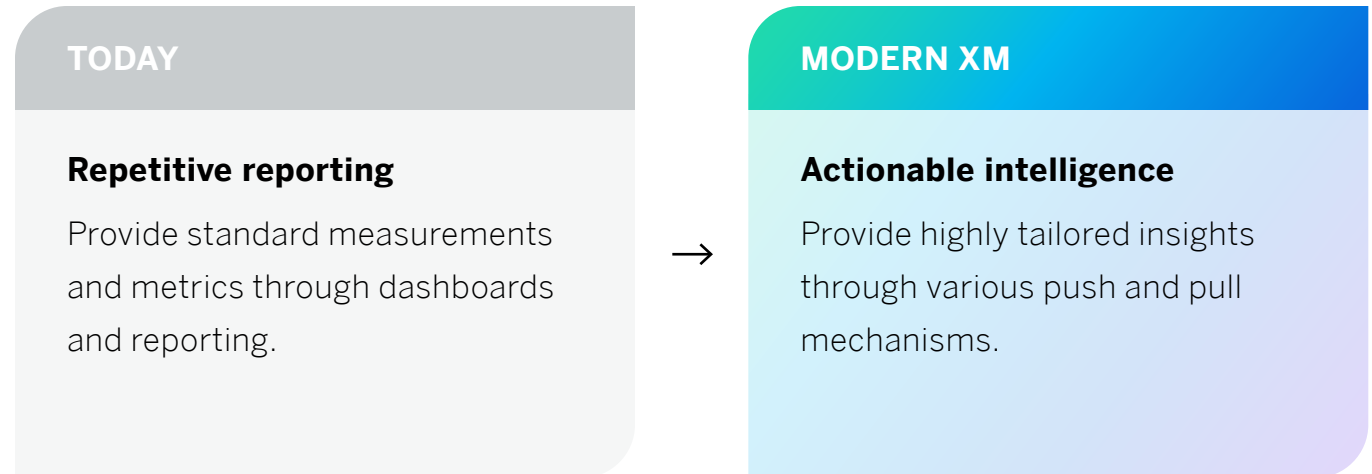
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SECTION 5

# Propagate insights



## Propagate insights



Source: XM Institute, 2021



*A powerful idea is absolutely fascinating, and absolutely useless until we choose to use it.”*

**Richard Bach**

Author

With the evolution of CX, people across the organization have never had so much access to data and insights.

Dashboards, presentations, Tableau reports... the list goes on. In the last year, that's accelerated too with executive leaders keen to keep a close eye on the data as stakeholder needs changed at lightning pace.

That's great — but what are you doing to make those insights actionable? Generic reports about how the business is doing are 'nice to know' — in order to deliver on the expectations of your stakeholders, you need to translate them into tailored insights that help them make decisions.

For a traditional CX program, this phase is resource intensive. There's considerable energy put into producing the reports, dashboards etc. and then there's the manual work of cascading them, deciding on the action to take, and then seeing it through to completion.

Modern XM efforts streamline that, and focus the entire organization on action. So they automate the analysis and generation of insights, sharing them with the right stakeholders, alerting the right people to signals in the data, and then crucially, recommend the actions to take.

It's about using a combination of 'push' and 'pull' mechanisms to deliver insights, and deliver them in such a way that they focus on action, not metrics and measurement.

Yes, all those reports, analysis and dashboards are still there for those that need to see them. But to individuals at every level of the organization XM is all about the recommendations delivered directly to them, on the channels they use day-in-day out, to drive action to design and improve the experience.



## Process + Understand

### Powerful, predictive intelligence

Go from mountains of data to an unrivaled understanding of the experience with predictive intelligence that automatically tells you what's happening and what you need to do next.

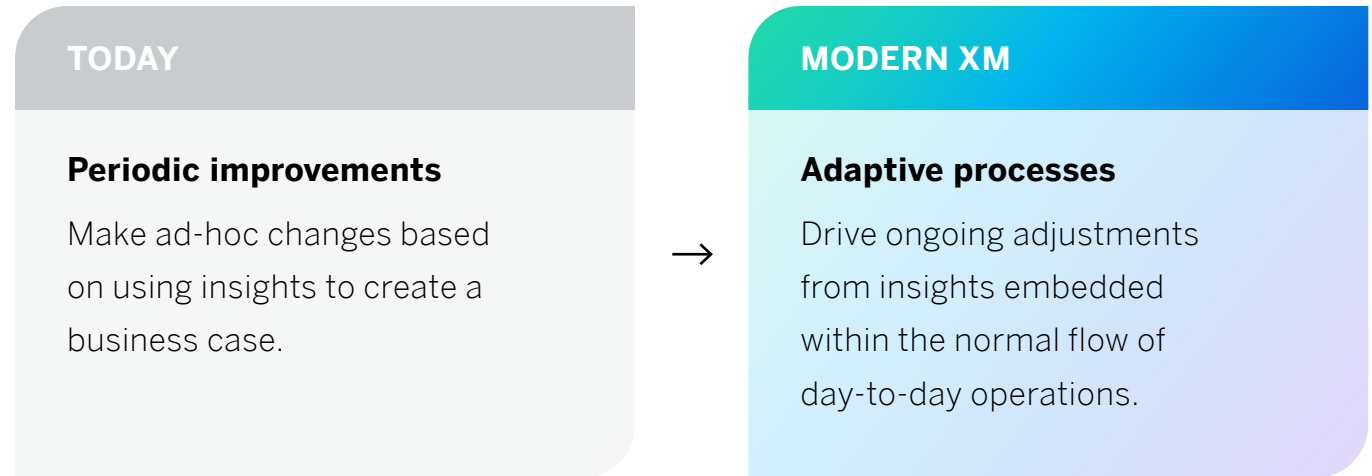
- + Analyze stats, text, voice and more automatically
- + Build powerful data models to predict what people will do next
- + Automatically deliver tailored recommendations to teams and individuals on the actions to take next

[LEARN MORE](#)

SECTION 6

# Rapidly adapt

## Rapidly adapt



Source: XM Institute, 2021



*Speed, agility, and responsiveness are the keys to future success.”*

**Anita Roddick**

*Human rights activist*

As CX programs have matured over the past decade, they've provided more and more insights. But most organizations don't yet have the capacity to take advantage of those insights in an ongoing, repeatable manner.

A key challenge over the next decade will be, how do we scale action?

To date, CX programs have used insights as the basis for identifying and justifying improvement projects. But that's just the start — those organizations that differentiate themselves over the coming decade will be those that can respond more rapidly to the increasing flow of insights.

The answer is embedding XM into the day-to-day operations of the organization.

Intelligent, automated workflows will take the recommendations coming from the mountains of data organizations are generating, and automatically route them to the right people, and into the systems they're using day-to-day.

Beyond that, modern XM programs will execute them on their behalf.

For example, reacting to signals in the organization's experience and operational data to adjust contact center scripts in real time, re-designing employee benefits packages based on a combination of employee feedback and usage data, automatically closing the loop with high value customers after a complaint, or adjusting supply chain orders based on new insights from an emerging market segment.

These automated workflows will move traditional CX away from a reactive activity, to a dynamic one, proactively executing tasks at every level of the organization to improve the experience for every stakeholder, personalize their interactions, and differentiate those organizations with the right XM capabilities.

# xflow

## Build a culture of action

### Weave XM into the fabric of how your organization operates

The nerve center for how you design and improve experiences, xFlow is a set of rules and workflows for everything from listening, to alerting people in the organization to what's happening, and then automatically taking action.

- + Build any workflow to take action on experience data automatically
- + Trigger actions in the systems you already use
- + Respond quickly with real-time actions to adjust operating processes, and scale your improvements

[LEARN MORE](#)

SECTION 7

# 7 bold XM moves for 2021



## 7 bold XM moves for 2021

While the evolution to modern XM is well underway, first there's the small matter of the upcoming year to tackle. As the pandemic starts to ease with vaccination programs underway, organizations will need to adapt by repositioning their existing offerings and messaging and create forward-looking operating norms.

As you plan out the next 12 months, here's seven recommendations from Bruce Temkin, Head of Qualtrics XM Institute, to keep you on the path to modern XM in 2021.

### 01 Scrap your old metrics

Replace whatever metrics you've been using that aren't driving answers to two essential questions: What have you learned? What improvements are you making?

### 02 Stop asking people what they like

Technology has made it much easier to identify more detailed preferences using analytical approaches like conjoint, MaxDiff, kano and more.

### 03 Keep executives huddling

Many organizations established regular meetings with senior stakeholders in 2020 to review XM insights — keep these going as you settle into a new normal.

#### **04 Shift from big data to little signals**

Rather than relying on analytical models that smooth out inconsistent data, look for critical leading indicators about your stakeholders (customers, employees, partners etc).

#### **05 Flex your qualitative muscles**

Expand learning about stakeholders beyond quantitative analysis from mechanisms like open-ended questions, contact center interactions, customer advisory boards, journey mapping, and focus groups.

#### **06 Focus on employee resilience**

Invest whatever you need to keep your team engaged in your mission, aligned with your efforts, and feel supported — even if it means slowing down once in a while.

#### **07 Stay uncomfortably positive**

This marathon challenge will take its toll on just about everyone. You need to maintain your physical and mental well-being and stay as positive as possible. It will have an enormous impact on all of the people around you.

**Explore the XM Institute's  
recommendations in detail**

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