

# **Systems Level CX: Growth for the New Normal**

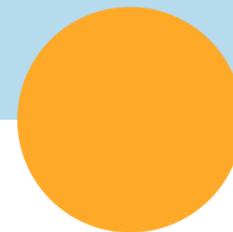
A customer-centric approach for adding value  
throughout your business ecosystem

LVG & Co **WHOLE**

In 2020, the product or service you sell is no longer all that customers want or need from you.

In this 'next new normal', customer experience (CX) has no clear beginning or end, but extends across the business ecosystem, offering vast opportunities to build a deeper relationship with your customer. Customer-centricity now refers to value delivery throughout a much broader range of stakeholders and touchpoints.

**In the following pages, we offer a brief model for applying systems-level CX. In short, how can values drive value throughout your business to help realize growth?**



***"Companies that make the right investments now could build an enduring advantage in serving customers." - McKinsey & Co. (May 2020)***

# The customer definition of value is changing and expanding

Customers increasingly want more from businesses than just the product or service they are sold. They've evolved to have a keen sense for how companies understand and respect their wants and needs beyond traditional branding, and care deeply about how businesses fit into their lives and match their values. The result is an extended and nuanced definition of brand value.

***"52% of US consumers- consumers across all generations- factor values into their purchase choices." - Forrester***

Further Reading: [The value of value creation](#) | [The value of values: Setting the course](#)

# What customer-centricity means for businesses must change, too.

Customer-centricity means putting your customer first. As expectations grow, companies must think more comprehensively about delivering value. How a product or service answers a customer's need remains its primary competitive advantage, but more than ever, customers expect brands to do more. From offering clarity amidst the noise and chaos of an attention-based economy, to delivering in a way that is consistent with the brand story being told, values determine value.

***"Delivering value to our customers. Investing in our employees. Dealing fairly and ethically with our suppliers. Supporting the communities in which we work. Generating long-term value for shareholders."***

***- Business Roundtable, CEO commitment***

Further reading: [Elevating customer experience in the next normal; 12 essential tips for businesses to improve CX today.](#)

# **Systems-level innovation – that which adds value throughout the business ecosystem – is the biggest growth opportunity for companies today.**

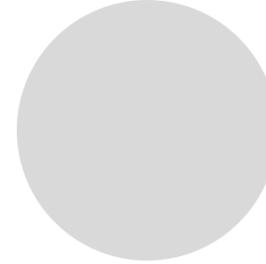
Expanding the definition of CX to reach beyond a direct product or service interaction and adding value for diverse stakeholders across the model is a new business imperative. By looking up and down the supply chain, as well as within internal policies, processes, and beyond-businesses open infinite possibilities for value creation. Even in the face of an uncertain marketplace, this will deliver greater efficiency, engagement and competitive advantage.

***"Changes in our behaviors, values and priorities are affecting all areas of business and design...This is a once-in-a-lifetime opportunity to innovate business models, services and products around new definitions of value. One thing is likely: Those who embrace the long-term view—starting with their impact on the world and society and embracing the systemic complexity of the world—will emerge as winners." - Fjord Trends 2020***

Further Reading: [In crisis, ecosystem businesses have competitive advantage](#); [Rethinking customer journeys](#); [Purpose: Shifting from Why to How](#)



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definition of 'value' is  
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**What  
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# What is “value add” ?

## A quick overview of value

- Historically, value has been measured by the economic difference between how much a company sells a product or service for versus how much it costs them to deliver.
- In a consumer context, value is defined more in terms of what the product or service does for the consumer. More precisely, the ‘value’ provided minus the cost paid.
- Increasingly, however, value is more than a list of features for a preset cost. Customers are challenging companies to add value throughout the business ecosystem.

## Adding value

- A more comprehensive offering beyond the product or service includes:
  - For the customer - trust, leadership, convenience, education, a relationship
  - For stakeholders - corporate commitment to brand values, employee engagement, supply chain transparency, vendor/partner management
  - For the planet - sustainability, reduced risk, social impact

# What does your customer value? What are your business values? And what is common between the two?

Values drive value. Make sure your business' values align with your customer, and your customer aligns with your values.  
To do so, consider the entire business ecosystem.

## CUSTOMER

1. First, list what your customers most value and on what they base their decisions.

Example : Protecting the environment



## CORPORATE

2. Next, list your business and/or brand values.

Example : Trustworthiness



## INTERSECTIONAL / GLOBAL

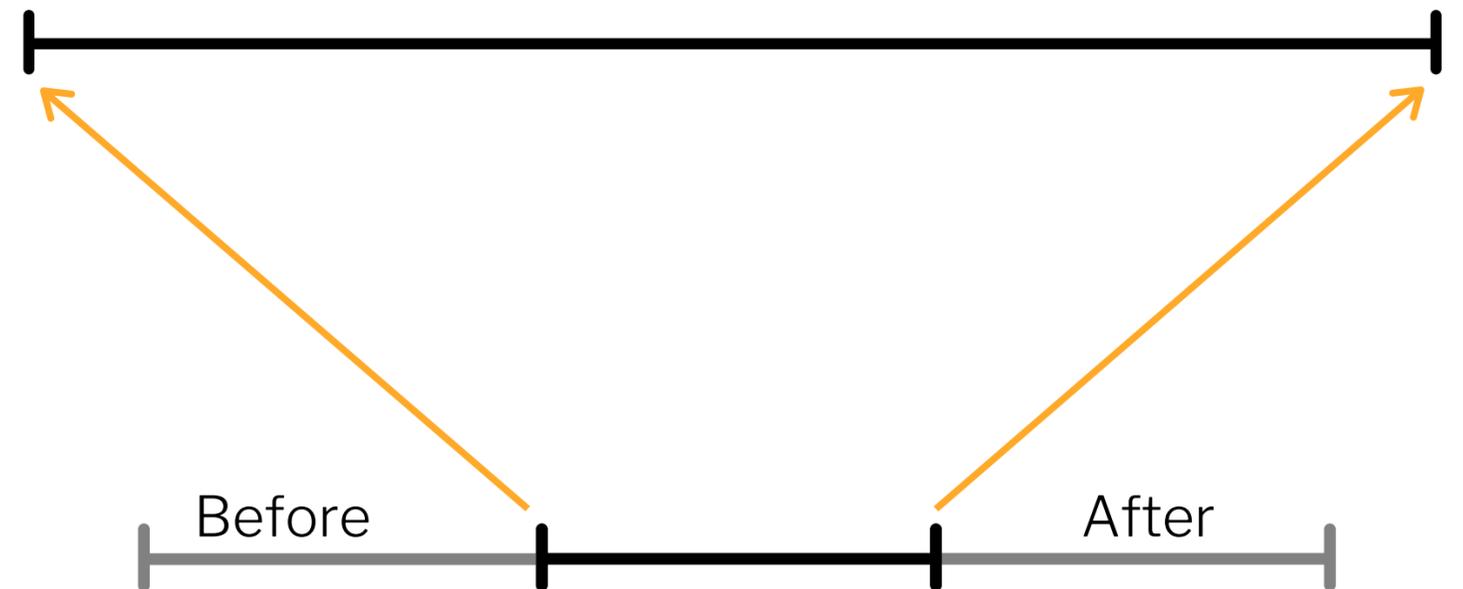
3. Lastly, identify the intersectional value between what you believe and what your customers want.

Example : Circular supply chains

4. This is a great time to talk with your customers. Listen to them to test your assumptions, and ask for their input to ensure these intersectional values portray a meaningful innovation opportunity.

# Where does your customer gain value from their interaction with you in their current customer journey?

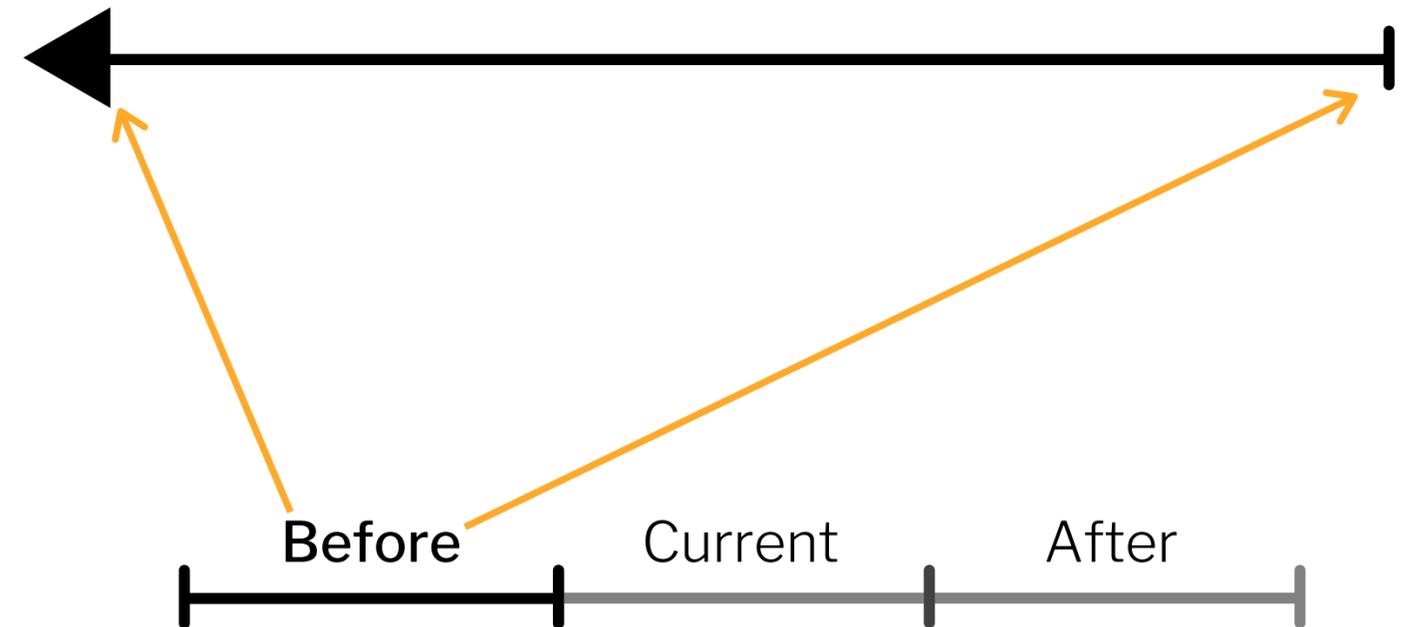
1. Keeping in mind that value for the customer today is more than completing a task, plot out and label each interaction point your customer has with your product or service along the line that represents their current customer journey. Use a blue dot ●.
2. Based on the intersectional values you identified in the previous exercise, score each interaction from 1-10. (1 delivers low value, 10 delivers high value.)
3. Anywhere with a score of 6 or less identifies a value gap. Mark this with a red ✕.



# Value can also be built before the first customer touchpoint. Identify opportunities to extend the value preceding the current customer journey.

Plot out and label the following:

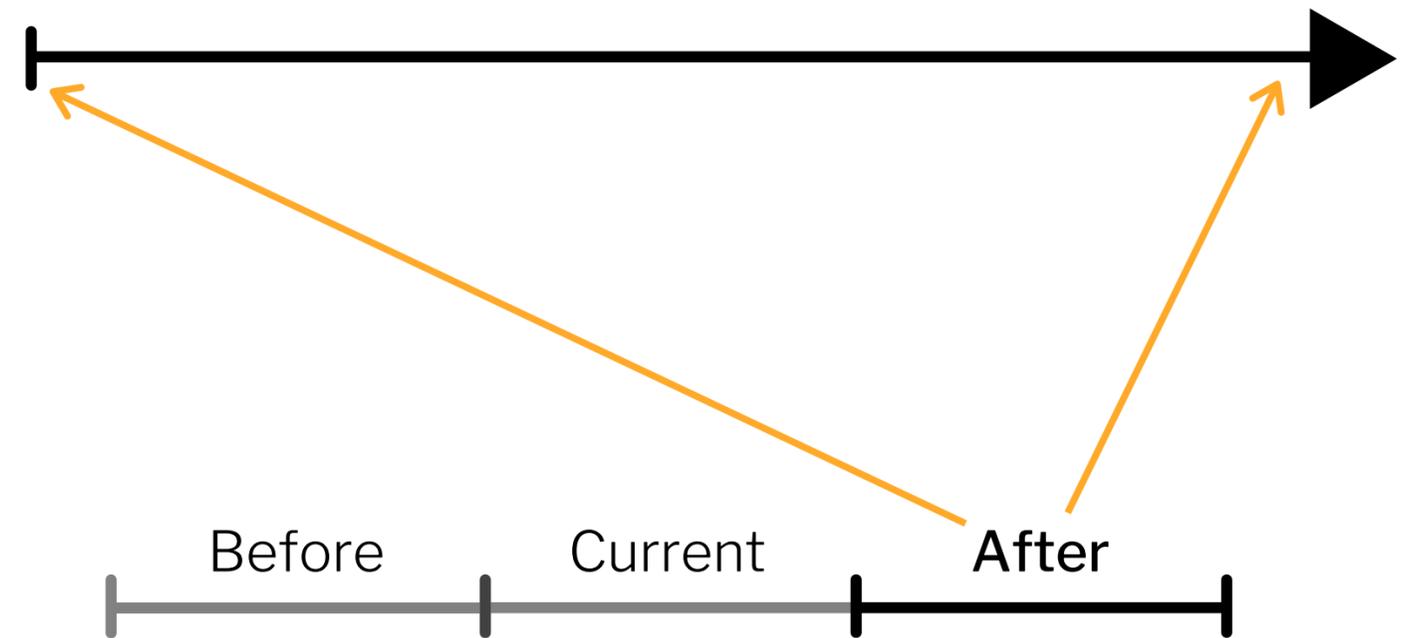
1. Key steps or motivators that lead to a customer engaging with your business. Use a blue dot ●.
2. Key operational inputs or resources allocated into the business build and delivery. Use a green dot ●.
3. Based on the intersectional values you identified in the previous exercise, score each interaction from 1-10. (1 delivers low value, 10 delivers high value.)
4. Anywhere with a score of 6 or less identifies a value gap. Mark this with a red ✕.



# Value can also be extended beyond delivery of your product or service. Where can you add value after the customer currently engages?

Plot out and label the following:

1. Key actual engagements after a customer purchases your product or service. (Use a blue dot ●).
2. Key potential engagements after a customer purchases your product or service. (Use a green dot ●).
3. Based on the intersectional values you identified in the previous exercise, score each interaction from 1-10. (1 delivers low value, 10 delivers high value.)
4. Anywhere with a score of 6 or less identifies a value gap. Mark this with a red ✕.



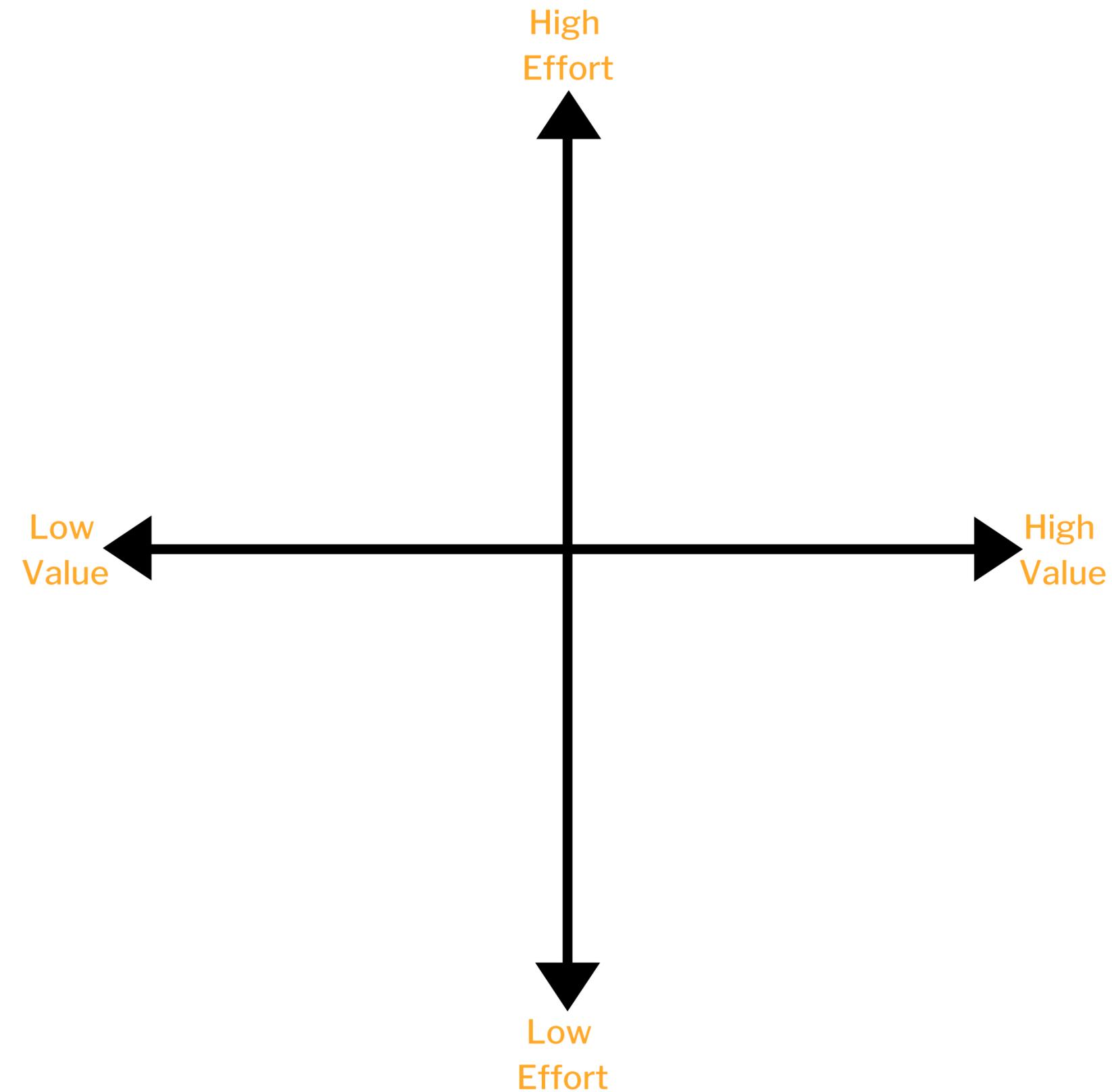
# Plot Out & Prioritize Value Gaps

List out the Xs you've identified as gaps in the customer experience. Make sure to note whether each is an opportunity to improve a current offering, or if it would be new.

Using the value scores from the previous exercises, plot each **X** - in the chart here based on the level of effort and the value to your customer. Treat current offerings with a blue **X** and new initiatives with a green **X**.

Low effort means it is easily achievable. High effort typically means that it's not a resource you already have or would need to significantly invest in to create.

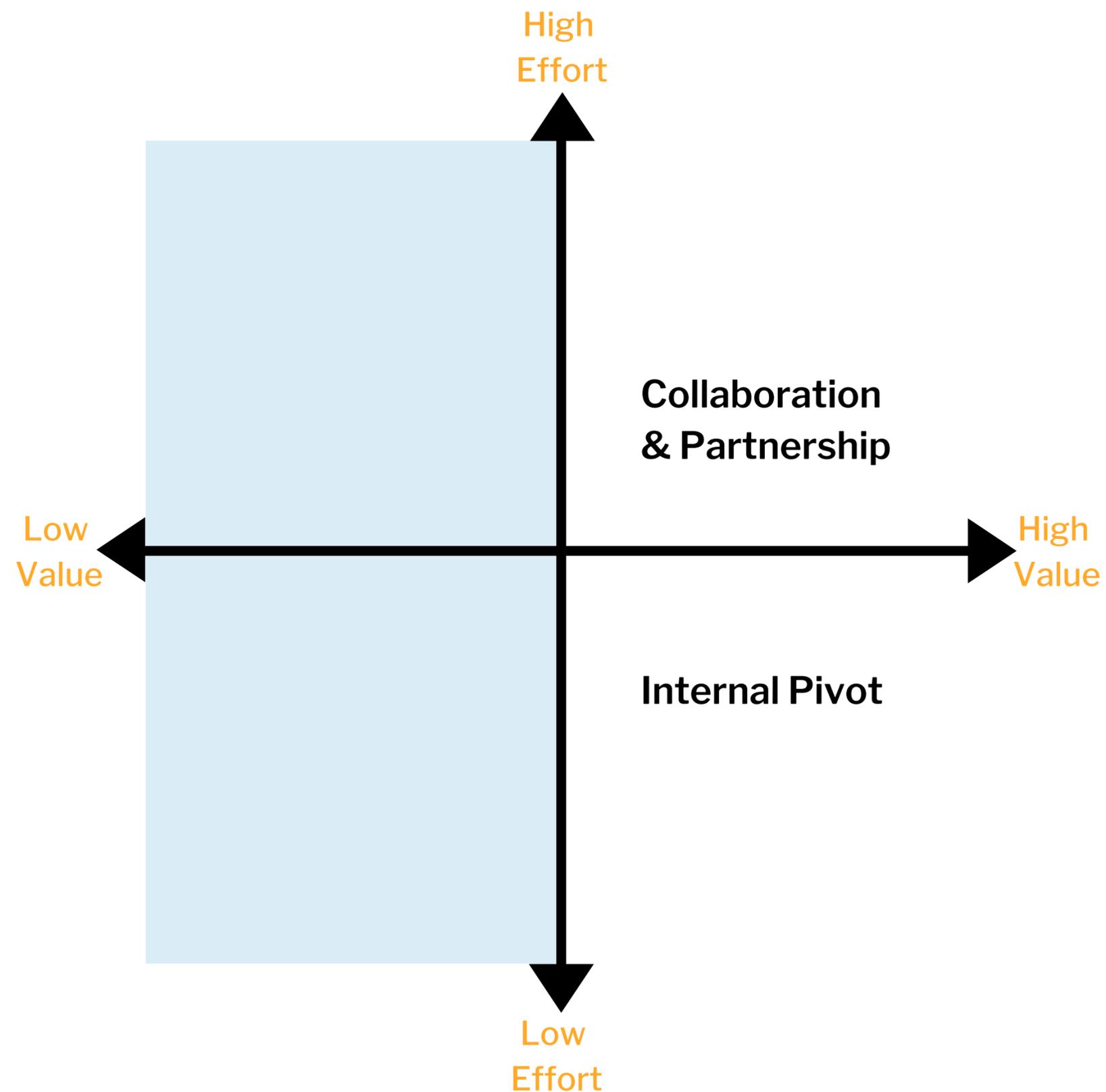
Take a moment to retrace your steps through the exercise to see if anything else comes to mind.



# Assess the Opportunities

Having populated this matrix chart, you can now visualize opportunities that offer the highest customer value and distinguish by required effort. Whereas lower effort initiatives can feasibly be done internally, higher effort initiatives may warrant external partnership and collaboration. Due to the complexity of today's technology and markets, partnerships may be more compelling than in the past.

***"Stop relying on do-it-yourself. It's now high time to mobilize whatever resources you can from inside and outside your organization. Partner up to provide solutions to the new marketplace." - HBR***



# Systems-level Innovation: Adding Value

Think back to how we defined added value today. Working from the prioritized chart, list out the opportunity and whether it would be an internal or collaborative initiative. Follow the provided prompts to brainstorm and map additional considerations and next steps.

Opportunity (see page 11)	Internal Pivot or C&P (see page 12)	Intersectional Value (see page 7)	Get creative; explore all possible delivery mechanisms to add value at this point in the customer experience	Detail why & how this matters to your customer	Determine feasibility & business requirements to execute

**There is a seismic shift underway in terms of what customers expect from businesses. This is forcing reflection and change - calling on companies to both look inward at their policies, processes and values - and outward to the customer experience and broader stakeholder ecosystem. This change presents one of the more significant innovation opportunities of our time. Values determine value, and those businesses who invest in integrating their values throughout the business- extending far beyond a specific customer interaction- can forge new and deeper connections that will drive lasting performance and sustained growth in a changing world.**

## LVG & Co

LVG & Co. is a strategy consultancy dedicated to supporting growth and transformation through values-led Business Planning, Brand Positioning, Go-to-Market Strategy, and Implementation.

Learn more: [lvg-co.com](http://lvg-co.com)

Contact: Lisa Gralnek, Principal & Founder

[lisa@lvg-co.com](mailto:lisa@lvg-co.com)

## WHOLE

Whole Innovation & Design is a strategic design practice that delivers insights and strategy for values-driven transformation.

Learn more: [wearewhole.co](http://wearewhole.co)

Contact: Lauren Sinreich, Principal

[lauren@wearewhole.co](mailto:lauren@wearewhole.co)