
White paper

The road to CXM:

Managing your transformation from CCM to CXM

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The Road to CXM: Managing your transition from CCM to CXM

FOREWORD



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Customer Communications Management (CCM), the industry term for managing omni-channel communications at scale, has seen a surge of interest in recent years. Driven by a need for better customer experience (CX), many businesses have started to transform their communication processes so they can connect with their customers in their channels of choice.

However, just modernizing your customer communications by upgrading your composition platform is no longer sufficient. Today's consumers not only expect seamless omni-channel communications, they want to engage and interact with brands in meaningful and deeply personalized ways. This requires that customer communications and digital interactions flow out of a centralized customer experience management (CXM) strategy, which is based on having a full understanding of how customers think, feel, and behave.

This shift from CCM to CXM goes deeper than just investing in new technology. Organizations typically need to find new ways of working together. While new technology is emerging that enables organizations to overcome siloes and give control to business users, the transformation to CXM often also requires organizational and culture changes.

In this white paper sponsored by Quadient, advisory firm Aspire provides its perspectives on how organizations can evolve their CCM practices into CXM. We have included a **CXM maturity model** that helps you understand where you are in the evolution to better CX and lists practical next steps in terms of what you can do to advance the transition.

KEY RECOMMENDATIONS

- With the majority of businesses identifying improving customer experience as a top boardroom priority¹, the time is now to think how customer communications can be evolved into customer-centric interactions to improve customer loyalty and profitability.
- The CCM-to-CXM maturity and value assessment models are excellent tools for business leaders to understand where they are in their transformation, help them define forward-looking vision, and discuss where they want to go next.
- While upgrading to modern technology may be required, it is equally as important to think through organizational structures, information flows, and team culture. CXM requires organizations to define customer value holistically, understand what sequence of interactions (or customer episodes) is most crucial, and create communications and interactions from a position of insight.

¹ Source: The State of CCM-to-CXM Transformation, Aspire, 2019

THE EVOLUTION OF CCM TO CXM

HISTORIC CCM: DOCUMENT-CENTRIC

Customer Communications Management has historically been associated with the practice of producing high-volume transactional document communications. To enable these communications, document composition software was developed that allows organizations to produce high-fidelity, mission-critical documents in printed or electronic (i.e. PDF) formats. Composition platforms were traditionally purchased by the IT organization and little thought was given to how the information was presented to the customer. Compliance was the main driver for sending out the customer communications.

MODERN CCM: COMMUNICATIONS-CENTRIC

With the rise of the Internet and mobile devices, multi-channel delivery requirements compelled CCM software to evolve from being outbound, document-centric to support bi-directional and dynamic communications. In addition, the shift to browser-based design, interactive edits, and content management enabled organizations to place control of the documents into the hands of the business user. Purchases of modern CCM platforms were increasingly driven by the Line-of-Business (LOB) or marketing organizations, which needed to shift communications to more modern channels to meet their business goals.

CCM AS PART OF CXM: OMNI-CHANNEL-CENTRIC

“CXM means putting the customers in control and let them decide how brands should communicate and interact with them”

Today, CCM has become part of CXM, which is all about improving the perception that customers have about a brand. While this can be accomplished in different ways, for many organizations, especially in regulated industries where products and prices are fixed, customer communications are an essential component of CXM.

The term omni-channel communication is often used in this context: the ability to ensure frictionless, consistent, and personalized communications, and interactions across all channels with a goal to drive higher retention and



profitability. To do this well, organizations need a common understanding of customer value and have insight into what the meaningful moments are in a customer relationship. Data analytics, journey mapping, and channel preference management are aspects that are important to achieve this purpose, as well as to have centralized coordination between multiple Lines-of-Business or departments. Customer-centricity means that it is the customer who is ultimately in control.

MATURITY MODEL

WHY A MATURITY MODEL IS USEFUL

As technology and consumer behavior are constantly evolving, so are successful organizations never content with maintaining the status quo. Transformation of CCM into CXM tends not to be a single rip-and-replace activity, but an ongoing process that materializes in incremental ways. A maturity model helps to visualize steps, understand where you are in the transition process, and plan what to do next. Assessing your CCM-to-CXM maturity is useful for the following reasons:

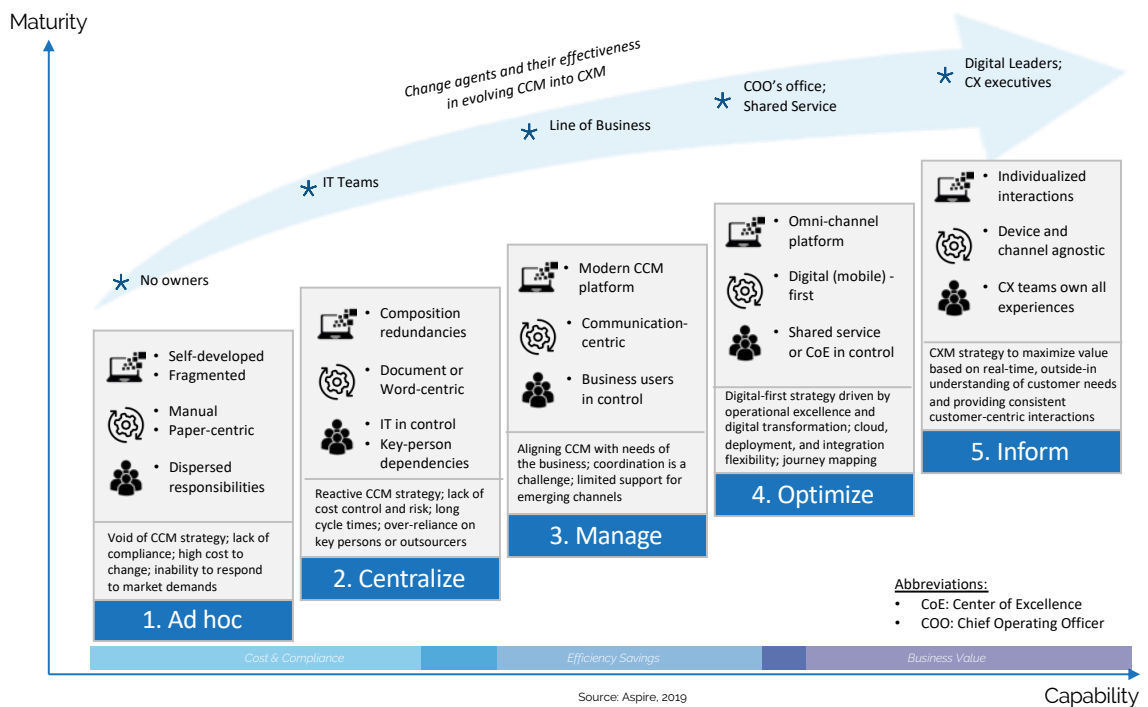
1. It enables you to discuss, educate, and socialize within your organization the importance of evolving your customer communications into omni-channel experiences.
2. It maps your current capabilities against what is needed to drive increased business value.
3. It creates a common vision of “future state” that is shared by other members of your organization.
4. It creates a roadmap that helps you to execute and stay on target.

CCM TO CXM MATURITY MODEL

There are five distinct phases companies go through (see Figure 1), when evolving their outbound, structured customer communications into agile, bi-directional customer interactions. Each step is further divided into three main sections, which describe in more detail the why, who, and what:

1. **Strategy:** Why are we doing this? What are our investment drivers?
2. **Control:** Who is driving the change? What are the new buyer personas?
3. **Tactics:** What changes in technology, processes, and people do we need to make to evolve into a higher maturity?

Figure 1: CCM to CXM Maturity Model



LEVEL 1. AD HOC

Businesses categorized in Level 1 (Ad hoc) typically do not have a defined owner for customer communications. Oftentimes, communications are self-developed with content and business rules being hardcoded in the applications themselves. They tend still to be very paper-centric and organizations find it difficult to change, driven by the high costs associated with manual change processes and inconsistencies across the organization.

LEVEL 2. CENTRALIZE

Businesses in Level 2 (Centralize) have placed responsibility for CCM in a centralized IT department. They typically work with several composition platforms for historic reasons, and may have a sizeable share of mainframe or legacy output as well. While they have evolved from print to a more document-centric worldview, they tend to see CCM primarily as structured, outbound communications that are driven by regulatory standards. Investments in CCM are made by purchasing on-premise, licensed software. While there is interest in moving to the cloud, this is frequently accomplished by shifting the entire IT infrastructure to the cloud, often in virtual private clouds that keep rendering behind the firewall.

LEVEL 3. MANAGE

Level 3 businesses (Manage) have made some strides in evolving their customer communications and are at the inflection point where strategy is no longer defined by cost and risk reduction alone but is tipping over to delivery of business value. The cost to deliver business value, however, is justified by realizing efficiency savings as projects tend to be more tactical in nature versus driven out of corporate-wide transformation programs. As a result, LOB executives look to release business-as-usual (BAU) spend that can be redirected into developing new capabilities that drive the needs of the business. Print suppression, call center volume reduction, business user enablement, more efficient job approval, and change management are examples of cost reduction strategies employed. At the same time they bring business benefits, such as

more control, higher agility, and a higher customer experience by supporting more digital channels.

Since control of CCM sits at the LOB level, organizational siloes and coordination challenges remain. The LOB as buyer is more interested in buying software as a subscription or fit-for-purpose solution; and hybrid solutions where management and control is handled in a hosted or cloud environment and composition is performed on-premise are popular options for Level 3 companies.

LEVEL 4. OPTIMIZE

Level 4 businesses (Optimize) have made the transition to a communications strategy that flows from the agenda of a corporate change agent, often the Chief Operating Officer (COO), the Chief Executive Officer (CEO), or another top executive. The result is a strong focus on digitization, operational excellence, and a data-driven mindset focused on the customer. Customer communications are transformed into digital-first (mobile-first) experiences that improve the ease of transacting with the customer and remove friction between channels.

Organizationally, a centralized team is responsible for managing communications and experiences, often in the form of a Center of Excellence (CoE), Shared Service, or even sometimes a marketing operations team. This team uses journey mapping technologies to discover where customer experiences are broken and uses browser-based technology to empower their internal LOB customers to be fully in control while staying compliant with corporate brand and regulatory guidelines.

LEVEL 5. INFORM

Level 5 businesses (Inform) are very similar to Level 4 businesses with one major difference – they have matured in how they use data to drive truly customer-centric interactions. Digital leaders collect large sets of data and have turned that into useful insights through the help of common data models, Artificial Intelligence (AI), and big data analytics. As a result, they have real-time insights into customer behavior, where customers are in the customer lifecycle, and use

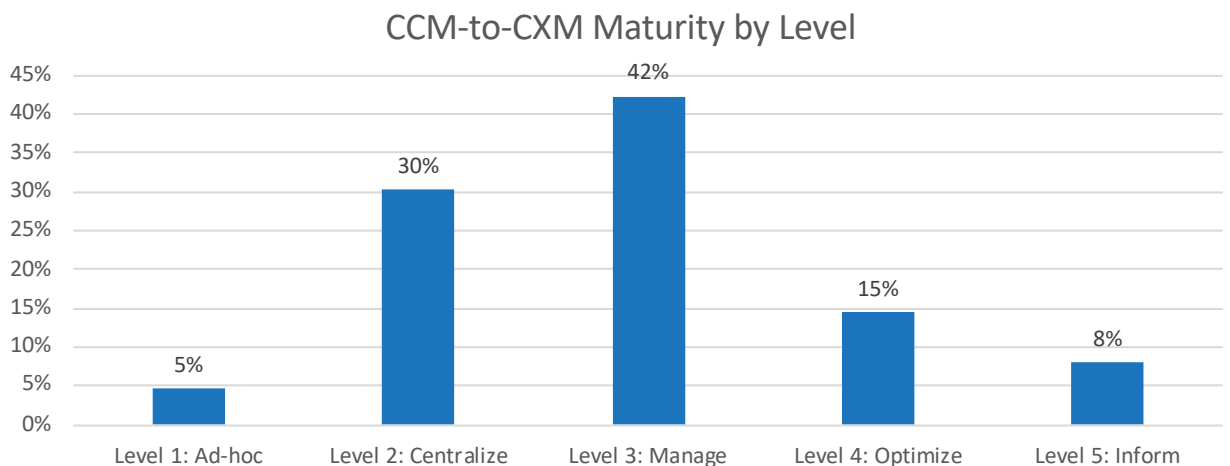


those insights to determine what message at what point in time should be sent to what recipients.

Businesses at this level tend to innovate and experiment and are not afraid of working closely with their legal counterparts to find ways of overcoming perceived regulatory restrictions. They focus heavily on linking customer interactions to customer experience economics, by understanding how improvements in customer experience drive incremental business growth. They also tend to be first movers in emerging technologies, such as speech recognition, chatbots, and intelligent virtual assistants, but also focus heavily on using AI technology and robotic software automation to make continuous improvements on the backend.

Level 5 businesses often build their own application ecosystem by connecting API-based micro-services that are provisioned through pure cloud models. This allows them to innovate much faster than their non-digital peers. However, the biggest change at level 5 is that organizations enable the customer to be in control of their interactions – choosing how and where they want to connect – while engaging with only the data and information they find most valuable as part of their experience.

Figure 2: Industry Adoption



Source: Aspire, internal analysis based on 2019 research data

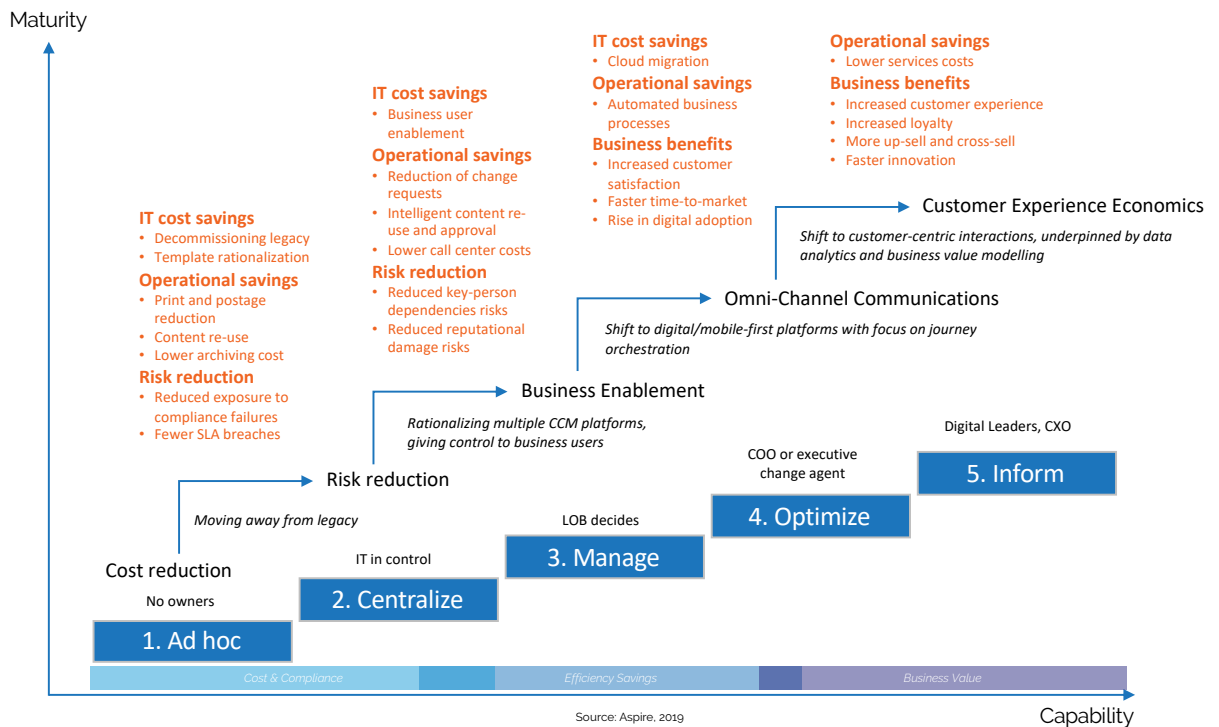


VALUE ASSESSMENT

CREATING A VISION THAT MOVES YOU FORWARD

Once a maturity level has been determined, the organization needs to create a vision on how to go forward. Value assessment overviews, such as depicted in Figure 3, can help in that they provide areas to focus on when evolving your maturity.

Figure 3: CCM-to-CXM Value Assessment Overview



For example, moving from level 3 (manage) to level 4 (optimize) often involves migrating your on-premise software to a hybrid or pure cloud IT infrastructure. According to IT optimization provider, TSO Logic (recently acquired by Amazon and now part of AWS), migrating your enterprise IT infrastructure to the cloud



brings savings of up to 43%². Your technology vendor, delivery partner, or specialized advisory firm can help with quantifying those savings when you put your plans together.

Quantifying business benefits may pose a challenge since there is not always good historic data available to demonstrate how investments in centralized customer communication and experience platforms will lead to a rise in business outcomes. For example, if the goal is to improve customer experience, operationalized by using the Net Promotor Score (NPS) metric³, one may find that an increase in NPS might have multiple causes and is, therefore, hard to pinpoint to customer interactions alone. As a result, we see businesses operating at higher maturity levels embracing more of an agile development approach (in line with their digital culture) where they rapidly deploy a new feature or new type of interaction, test it with a handful of customers, and then scale up to hundreds, thousands, and eventually to all of their customer base.

TURNING YOUR VISION INTO A ROADMAP

Evolving your maturity is an incremental process that takes into account your current maturity, your future state, the drivers (reasons) of why you are evolving, and the needs to conclude with analyzing how you currently operate and what your target operating model will look like. A roadmap is needed that helps you address the following questions:

1. What technology gaps do we need to address?
2. How do we organize ourselves?
3. What skills do we need to have? Is this something that we have in-house or do we need to acquire those skills from outside providers?

² Source: The Economics Behind Cloud Migration and Enterprise Transformation, TSO Logic, 2018

³ Just an example; NPS is popular with marketers and CX professionals but other departments may use other metrics to measure overall CX

While five-year plans were useful in the past, today we see companies starting to build much shorter-term plans; up to three years high-level and up to 18 months in more detail. Given the pace of technological change, the arrival of potentially highly disruptive technologies such as AI and distributed ledgers (blockchain), and the fact that those technologies can be distributed and adopted so rapidly as result of cloud distribution, it is hard to plan for more than three years out. Having “living” roadmaps that constantly evolve is a practice that makes more sense for organizations that are moving into higher maturity.

NEXT STEPS

Aspire conducted a large primary research project in 2019 to understand more about the transition of CCM into CXM and found that the majority of businesses have identified customer experience as their top corporate priority. The time is clearly now to take the next steps and having discussions on where you are in this transition is an excellent first step.

ABOUT THIS PIECE

ABOUT QUADIENT

[Quadient](#) is the driving force behind the world’s most meaningful customer experiences. By focusing on four key solution areas including Customer Experience Management, Business Process Automation, Mail-related Solutions, and Parcel Locker Solutions, Quadient helps simplify the connection between people and what matters. Quadient supports hundreds of thousands of customers worldwide in their quest to create relevant, personalized connections and achieve customer experience excellence. Quadient is listed in compartment A of Euronext Paris and belongs to the SBF 120 index. For more information about Quadient, visit [quadient.com](https://www.quadient.com).



ABOUT ASPIRE

Aspire Customer Communications Services ([Aspire](#)) is a technology strategy firm with offices in the UK and the US that works with enterprise customers to realize high-impact customer communications transformation. We are seen as trusted advisors who work client-side to bring deep industry expertise to your team and help you navigate the complexities of the changing CCM industry. We are also the producers of the [Aspire Leaderboard](#), our digital-first CCM vendor insights portal.