How IT Can Strengthen Customer Experience Governance

Don Scheibenreif, Distinguished VP Analyst
Michael Chiu, Senior Director Analyst
Cassandra Nordlund, Director, Advisory
Ed Thompson, Distinguished VP Analyst
How IT Can Strengthen Customer Experience Governance

Published 16 September 2020 - ID G00728141 - 17 min read

By Analysts Don Scheibenreif, Michael Chiu, Cassandra Nordlund, Ed Thompson

Initiatives: CRM Strategy and Customer Experience

Customer experience increasingly relies on technology — leading IT to become more involved in CX strategy and governance. Application leaders supporting CX can bring unique skills from IT to increase a CX steering committees’ chances for success.

Overview

Key Challenges

- Without consistent execution and operational standards, end-to-end management of customer experience (CX) across the enterprise is almost impossible.
- Ownership of CX can be hard to pin down, particularly in organizations that lack a formal customer experience group or department.
- Leaders of functions and business units are often unaware of completed CX projects and the value that they create for their functions and others, especially at lower levels of CX maturity.

Recommendations

Application leaders responsible for customer experience should:

- Select the right IT associate to assist the CX steering committee by partnering with the CIO.
- Support the development of CX operating standards by capitalizing on IT’s expertise in technology operating standards.
- Drive consistent execution of enterprise customer-focused initiatives by sharing IT’s expertise in process management.
- Show the leader of the CX initiative how IT drives cross-departmental coordination for large technology initiatives.
- Collaborate with the leader of the CX initiative and prove the business value of CX using approaches that have been effective in demonstrating the business value of IT.

Introduction
Customer experience (CX) increasingly relies on technology — leading IT to become more involved in CX strategy and governance. Respondents to Gartner’s 2020 Customer Experience Innovation Survey expect the percentage of CX projects making use of IT will continue to increase into 2021, up from an average of 58% of CX projects in 2019, to 68% in 2021 (see Survey Analysis: Customer Experience Maturity and Investment Priorities, 2020). Most business areas contribute to CX, but they often operate in competing siloes. This creates the risk of uncoordinated initiatives and an inconsistent CX. IT may be caught in the middle of different approaches to CX and even competing budgets (such as IT versus non-IT). Governance can help manage these common challenges.

Governance is a crucial element of CX maturity. Gartner defines CX governance as the set of intentionally-adopted, formalized internal processes, policies, and agreements designed to ensure the effective management of the customer experience across the business. Governance seeks to affect actions and decisions by setting operational standards, prioritizing projects and clarifying responsibility or accountability for tasks that are critical to driving improved customer experience (see Four CX Governance Models).

Coordinating and leading CX projects across the organization was noted as a top five priority for over 33% of respondents to Gartner’s 2020 Customer Experience Innovation Survey. For the majority of organizations, CX maturity is still low. We estimate that 65% of B2C and 75% of B2B firms operate in the ad hoc or establishing levels (see Survey Analysis: Customer Experience Maturity and Investment Priorities, 2020). Creating a principled way for leaders to discuss and prioritize stepwise improvements to the organization’s CX capabilities will help the organization move forward and become more customer-centric (see The Gartner Customer Experience Maturity Model for IT Leaders).

IT governance is considered one of the most critical leadership disciplines required to enable organizations to execute on their operational and strategic goals (see Enterprise IT Governance, Part 1 — Obtaining a Mandate and Establishing the Scope). A consistent, well-defined approach to IT governance does two things:

- It guides shareholders and other stakeholders in decision making to ensure organizations accomplish their desired business outcomes.
- It determines how those goals and objectives are accomplished.

This research assumes that your organization is establishing a CX governance capability or has one up and running with a defined charter, especially if a new CX leader is appointed (see The Customer Experience Leaders’ First 100 Days: How IT Can Help). Regardless of what model is in place or how mature it is, the core goal of CX governance is efficient decision making, which ultimately leads to consistent execution. Four main mechanisms support these two goals (see Figure 1). We will describe how you can effectively contribute to each element of the CX governance process.
Your organization may not have a dedicated CX function or any CX governance in place. In that case, Gartner has a step-by-step method to help CIOs work with their peers to create one (see Ignition Guide to Building a Cross-Functional Customer Experience Steering Committee).

**Figure 1: How IT Can Strengthen CX Governance**

**How IT Can Strengthen CX Governance**

![Diagram showing how IT can strengthen CX governance](source)

Business partners working on CX may not be aware of IT’s governance experience or the unique capabilities they can bring to a CX steering committee. As an application leader supporting CX, this research can help you become an informed, active and invaluable contributor to a successful CX steering committee. It will help you to connect IT’s governance strengths to the goals of CX governance and, ultimately, it will help you to create a meaningful customer experience.

**Analysis**

**Select the Right IT Associate to Assist the CX Steering Committee by Partnering With the CIO**

A CX steering committee includes representatives from the functions and business units that are most critical to the enterprise’s CX strategy. These include:

- Those with decision-making or budgetary authority over customer-facing functions.

Gartner, Inc. | 728141
In addition to these requirements, the IT representative should also have:

- An innate curiosity or affinity for external customers and how technology influences behavior.
- The ability to represent the range of IT initiatives and resources across the enterprise.
- A holistic perspective on the relationship between technology and business strategy.
- A mandate to make decisions on behalf of the IT organization.

Gartner has seen various IT roles involved in CX steering committees (including managers, directors, and VPs). Application leaders responsible for CX should consider including:

- **CIOs** — In a Gartner Poll, 21% of responding CIOs think they should sit on a CX steering committee and 6% believe they should lead the CX initiative. The rest think they should support CX initiatives by allocating people and resources. ²
- **Relationship managers** — This role is already focused on sales, marketing or customer service.
- **Heads of enterprise architecture** — This role can bring an innovation and consultant mindset to the group.
- **Heads of IT strategy** — This role can represent the organization's technology strategy and convey how it could impact customers.
- **Heads of applications** — This role can influence the development of customer-facing applications or employee applications that support customer activities.

**Recommendations:**

- Assess whether your CIO needs to play a vital role in CX governance. This will depend on how important CX is to corporate strategy.
- If the CIO decides to appoint a delegate, work on a shortlist of IT associates who can best represent IT and which decision rights they can carry on behalf of IT. Identify individuals who have a preference for working with customers, and on customer-facing technology strategy and challenges.

**Related Research:**

*CIOs: Make Your Mark on the Customer Experience Initiative*
Support the Development of CX Operating Standards by Capitalizing on IT’s Expertise

End-to-end management of the customer experience requires consistent execution across the enterprise. Application leaders responsible for CX must drive common standards around foundational CX principles. Customer experience teams do not own these standards. Rather, they broker and document agreements among stakeholders across the company. To do this, leading organizations drive consensus around simplified, easily embedded standards and practices. This is achieved with operational standards and checking for customer impact.

To develop operational standards for CX, the CX lead and functional delegates (from customer service, sales, marketing, and other areas) should be involved. The delegates represent their operational teams and ensure that proposed operational standards are acceptable given their respective teams’ responsibilities. Key activities include:

- **Developing a CX governance charter, purpose and strategy** — This should connect directly to the organization’s goals.

- **Creating an “operating agreement”** — This should establish roles and responsibilities for members of a central CX team, as well as the committee.

- **Developing a framework for CX metrics and the use of customer data** — Examples might include customer data governance standards, an enterprise voice of the customer (VOC) program, and measurement standards.

IT can help strengthen this aspect of CX governance by sharing its experience with the following:

- Development of IT, data governance and application governance charters.

- Technology operating standards.

- Establishing key performance indicators (KPIs) with the business.

- Adherence to data governance standards for the enterprise.

**Recommendations:**

- Bring relevant artifacts of IT, data, and application governance as examples to consider. Of particular value are operating plans for the implementation of a key technology project that impact multiple functions.

- Assess how the current status of customer data projects impacts the CX steering committee’s operating goals and what additional points of collaboration are needed.
The second part of driving consistent execution of CX is checking for customer impact. Customer experience teams have an interest in ensuring that everyday operating procedures and decisions consistently take customers into account. As a result, some CX organizations look to add controls, like a CX stage gate or ratification step, onto initiative workflows or enterprise processes that impact customers. Leading CX organizations focus less on evaluating each work product and instead use three techniques to serve as guardrails that prevent damaging (though unintended) employee behavior:

- **CX tools** — Such as prescriptive CX execution guidance around customer-centric language or user experience standards.

- **CX checklists** — Such as questions, prompts or checklists to remind employees to consider downstream consequences or ensure mitigation plans are in place. An example would be some form of employee certification.

- **CX-defined processes** — Such as self-service VOC or user-centered design tools deployed into existing workflows.

IT can help strengthen this aspect of CX delivery capabilities by sharing expertise in these areas:

- Process expertise that IT uses to manage complex technology projects like an enterprisewide rollout of a new employee collaboration platform.

- Software development principles such as agile development, where there are continuous product releases with design and testing to assess customer impact at different phases of development.

- Data governance principles to help determine what data is available to what group, and the usage guidelines.

- IT’s network of external contacts, who can help bring potential obstacles, best practices and innovation possibilities that could impact execution to the attention of the CX steering committee.

**Recommendations:**
Lead a discussion on your organization’s most recent enterprisewide technology rollout or upgrade, such as the implementation of a knowledge management system. Have a member of the project management office (PMO) join you. Be candid about what has worked and what has not in terms of employee adoption or compliance. Brainstorm how this approach can be used to accelerate implementation of CX initiatives.

Invite the CIO to discuss how the organization’s IT investment decision-making process works, and coach the CX team as they pitch for investment to an executive committee or a business unit director.

Introduce agile or design thinking principles as methodologies that can help accelerate initiatives resulting from customer journey mapping.

Invite consultants, analysts, advisors and academics to speak at the CX committee meeting.

**Related Research:**

- **Democratizing VoC Data to Drive Customer Experience Improvements**
- **Ignition Guide to Planning a CX Initiative**
- **Driving Customer-Centric Decision Making**
- **Fusion Teams: Cross-Functional Collaboration for the Digital Era**
- **Demonstrate How IT Drives Cross-Departmental Coordination for Large Technology Initiatives**

The other core goal of CX governance is efficient decision making. Leading CX teams use a governance model that presents a deliberate method for decisions, starting with insight and going through to execution. They use cross-functional leaders meetings to uncover and resolve potential conflicts and share decision making for complex, cross-functional projects. While customer information and insights (from the operational standards part) serve as the foundation of the work, this aspect of governance focuses on the purpose, process and decision making that gets things done.

The elements of a high-performing CX steering committee that is able to make efficient decisions are:

- **Structured processes to steward CX projects:** There are four clearly defined stages and related activities for participants and CX team members. These are:
  - **Discover:** The committee considers direct, indirect and inferred customer feedback; employee feedback; and operational data. The goal of this process is to validate the input and guide the group through the process.
- **Analyze:** Here, the team validates customer needs, analyzes the root cause of current issues, and measures the impact on operations. For organizations with higher maturity levels, you may address innovation opportunities. The goal here is to prioritize the decisions to be made.

- **Design:** The committee incorporates cross-functional workshops and experience prototyping to test plans and approve actions.

- **Implement:** Puts the previous steps into action.

- **Defined group decision-making methods:** Transparent accountability and decisions rights are an important part of the approach. There are consistent general criteria for prioritizing projects or initiatives. Potential projects are submitted from across the organization. They are sized, evaluated for potential customer and organization impact, and then prioritized for the short term or long term, or backlogged.

IT can help strengthen this aspect of CX governance particularly in these two processes:

- **Enterprise technology decision making** — From scoping to vendor selection to implementation.

- **Project portfolio management** — Including prioritization of enterprise technology projects and escalation of issues.

**Recommendations:**

- Share examples of enterprise IT projects that require extensive organization collaboration, such as a new ERP system. Discuss what has worked and what has not.

- Ask the CIO to talk to the group about the organization's stakeholder management challenges and how IT deals with prioritization. Discuss conflicts between IT and non-IT budgets and how they are addressed.

- Address how IT manages a situation where a decision needs to be escalated. Describe the trigger points and rules of engagement for the next level.

- Consider the competing interests and ownership of other tech investments that are not governed by IT decision making, such as those within business-unit led IT.

**Related Research:**

- [How to Prioritize Customer Experience Projects Using a Six-Point Framework](#)

- [What to Do When Your Customer Experience Budget Gets Cut](#)

- [What to Do When the C-Suite Endorses Customer Experience, but the Next Level Pushes Back](#)
Prove the Business Value of CX Using Approaches That Have Worked for IT

The second part of efficient decision making is making sure the organization understands the value of CX investments and how the portfolio of initiatives is connected to delivering business outcomes. One of the problems is that functional and business unit leaders are often unaware of in-flight or completed CX projects initiated in other departments.

There are benefits when everyone is aware of initiatives that make the end-to-end customer experience better. First, the knowledge of new investments and capabilities developed in other parts of the business can help shape the priorities of functional leaders and minimize duplication. Second, greater awareness of the status of projects can help leaders position their priorities against a broader understanding of the larger enterprise goals. Finally, sharing best practices from one function’s CX project (from development through in-market performance) can help other departments with their customer-focused projects.

In this part of CX governance, members of the steering committee who are working on cross-functional collaboration will document and share information related to their CX initiatives’ progress and impact in specific functions. Such information may include:

- Project status and tracking documentation, such as an intranet-housed library of CX project plans.
- Internal best practice documentation, such as collaboration sites where associates that support CX can ask questions and help each other implement the enterprise CX standards.
- Internal communication campaigns (for example, the rollout of a new set of customer communication materials supporting a new marketing campaign).
- Metrics dashboards that combine data to prove how customer satisfaction drives business growth and margin.

IT can help strengthen this aspect of CX governance using the following:

- A business value of IT (BVIT) framework — where the meaning of value is determined by the words and outcomes of the business partner. For example, most CIOs need to defend 70% to 90% of their business-as-usual budgets as part of their BVIT efforts.
- Internal IT communication — where the CIO and the IT communications team actively discuss the value IT creates for the organization.
- Metrics dashboards — where by bringing together customer feedback data and transactional data at the customer level, IT can use its data skills to help demonstrate that more satisfied customers buy more and engage more frequently. They also have a lower cost to service, refer more business and have a higher lifetime value.
Recommendations:

- Assess how good the CX steering committee is at measuring the business value of CX before offering to help.

- If you sense that an external perspective on business value could help, invite your CIO or IT communications leader to explain how IT guides the business value of technology across the organization.

- Use the frameworks for CIOs and IT to help shape the internal communication plan for the CX steering committee and broader CX initiatives.

Related Research:

Effective CIO Communications: How to Develop a Communications Plan

4 Ways to Quantify the ROI of Your Customer Experience Projects

Tailor Customer Experience Data and Metrics to Improve Customer Centricity, Drive Action and Validate Business Outcomes

Justify Customer Experience Initiatives Using 4 Approaches

What to Do If C-Suite Executives Stall the Launch of Your Customer Experience Initiative

The 9 Rules for Demonstrating the Business Value of IT

A Practical Guide to Stakeholder Management

Acronym Key and Glossary Terms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>BVIT</td>
<td>business value of IT</td>
</tr>
<tr>
<td>CX</td>
<td>customer experience</td>
</tr>
</tbody>
</table>

Evidence

1 Gartner's 2020 Customer Experience Innovation Survey was conducted online with 238 CX leaders from 17 January through 24 February 2020. The aim of the survey was to explore CX maturity levels and discover the challenges to CX maturation. The survey also examined the actions organizations are taking to increase CX maturity, and aimed to identify the role that technologies play in CX initiatives.

A follow-up was conducted after the beginning of the COVID-19 pandemic, from 28 April through 1 May 2020. We recontacted the original respondents to check if their answers to three questions...
had changed as a result of the pandemic, with 119 respondents participating.

Participants came from a wide range of industries and company sizes across seven countries in North America, Western Europe and Asia/Pacific. Respondents’ companies were screened for having a minimum of $50 million worldwide annual revenue in FY18 and a minimum of 250 employees worldwide.

To qualify for the study, respondents had to be leading the setting of strategic objectives and priorities for at least one CX-related project activity (85%) or be on a team responsible for meeting strategic objectives and priorities (15%). They also had to be knowledgeable about the business priorities or business benefits for at least one CX project in the past year. Respondents had to spend more than 25% of their typical work day on CX improvement projects.

Quotas were applied for countries, industries, roles, involvement in CX and annual revenue.

The results of this study represent the views of the respondents surveyed.

2 Gartner CIO CX Initiatives Poll — Results were derived from a poll of 29 Gartner Research Circle and Gartner Peer Connect members, which was conducted in August 2019. We asked 35 CIOs, “As the CIO, how involved do you think you need to be in your organization’s CX initiatives?”

Research Circle is a Gartner-managed panel of global business leaders. Gartner Peer Connect is a trusted private community for business leaders to connect and learn from each other’s experience.

**Recommended by the Authors**

*Survey Analysis: Customer Experience Maturity and Investment Priorities, 2020*

**Recommended For You**

*How to Prioritize and Delegate Like a Veteran Tech CEO*

*How Utility CIOs Build and Maintain the Business Relevance of IT*

*2020年前提 働き方 エコノミータイム シフト 调查报告书 ：第1部 Computer Systems*

*Tool: Critical Terms to Negotiate in Your Oracle Cloud Contract*

*Toolkit: Improved Geographic Expansion Selection Accelerates Scale for Tech CEOs*
Learn more. 
Dig deep.
Stay ahead.

Gartner’s expertise in technology, business and IT management uniquely equips us to be your trusted guide along your journey. Learn more and view resource: 
gartner.com/en/information-technology

Become a Client
Get access to this level of insight all year long — plus contextualized support for your strategic priorities — by becoming a client.
gartner.com/en/become-a-client
U.S.: 1 800 213 4848
International: +44 (0) 3331 306 809

About Gartner
Gartner is the world’s leading research and advisory company and a member of the S&P 500. We equip business leaders with indispensable insights, advice and tools to achieve their mission-critical priorities today and build the successful organizations of tomorrow.

Our unmatched combination of expert-led, practitioner-sourced and data-driven research steers clients toward the right decisions on the issues that matter most. We are a trusted advisor and an objective resource for more than 14,000 enterprises in more than 100 countries — across all major functions, in every industry and enterprise size.

To learn more about how we help decision makers fuel the future of business, visit gartner.com.