

unlocking **growth**

Customer Journey Optimisation



Learn about common problems startups experience and how to stop your customers from falling between the cracks.

7 Growth Problems

Before getting into the nuts and bolts of Customer Journey Optimisation, it's important to understand the key drivers behind its importance for startups and scale-ups.

Once we've outlined those, we'll describe the key factors of the Customer Journey Optimisation methodology.



Growth Problem #1:

The Bottleneck

There is one role in a startup that is constantly a bottleneck for forward movement. That's the role of the software developer. Not because they are bad at their job, but because they have way too much to do. There's always a huge backlog of work to do for the developer.

So, any new task that comes up needs to be reviewed in light of this backlog and prioritized accordingly.

This brings an opportunity: how can we reduce the tasks that fall into the developer's domain? What are the types of tasks a developer is doing that perhaps should not really be in their purview?

Let's get back to that in a bit.





Growth Problem #2: The SaaS Tool Minefield

How many SaaS tools has your company signed up for? Intercom, Mixpanel, Salesforce, Mailchimp: the list can go on and on. And how much are you spending on them?

Now, think about how many of these tools you're truly getting value from. Are you paying for 100% but really only using 20% of the features? More importantly, did you actually choose the right tool for your business? How would you know?

There are so many tools out there in each space that it's impossible to spend enough time to test out and review all of these tools, so often you just choose what your buddy is using in his company.

But how many of these tools has he bothered to try out? Are his company's needs similar to yours? And what about the types of tools that you don't even know about, and could solve a need that you're currently building software to solve?

The reality is there's not enough time in the day to do a thorough analysis and match up between your needs and what is in the marketplace, and to do everything else that is demanded by your startup.

So the opportunity here is: who can help you to figure out the best tools to implement for your needs?

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Growth Problem #3:

The Business Logic Engulfment

Back when we designed and built software for corporates who had plenty of time and money to throw at this, we spent time identifying all the business rules that applied to the software we were building in advance of starting to code.

And then, we might even find ways to set those business rules up so they were editable by the business people, perhaps through a business rule management system or by setting up a configuration module to manage a set of values and rules, so that the business could change these rules at will.

Fast forward to today.

In our efforts to move fast for our startups, we've reverted back to engulfing our business logic into code. The irony is, that in doing so we are actually slowing down the velocity of our startup because once again, we are relying on the developer to make any changes to our business rules.

So how can we put this business logic back in the hands of our business people so they can make changes to them, using modern methods?

Growth Problem #4:

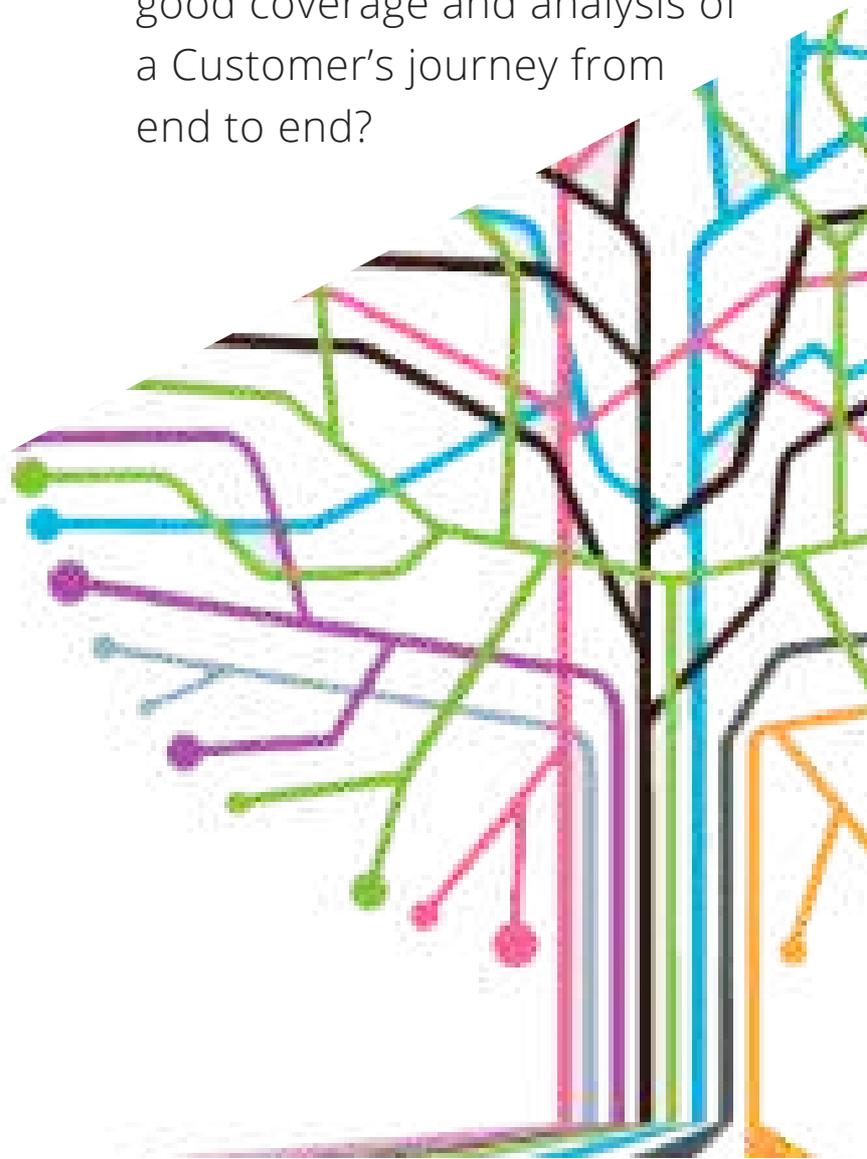
The Cohesion Vacuum

Previously, we would draw up process flow diagrams that would show the flow of a business process from a trigger in one system and how that data was meant to flow through other systems, what was required to be instrumented in each system and what data was required.

Nowadays, as we leverage various different fit-for-purpose tools in addition to our custom software, we neglect to go through this process and arrive at a big picture flow for our systems, end-to-end. In the absence of this key task, and in our scarcity of time and resources, we let things fall through the cracks, assuming that someone, or something has it covered. It usually is not.

Lost customers, lost revenue, and missed opportunities are all consequences of not creating an end-to-end process view of a customer's journey.

So how do we ensure we get good coverage and analysis of a Customer's journey from end to end?



Growth Problem #5:

The Chicken & Egg Dilemma

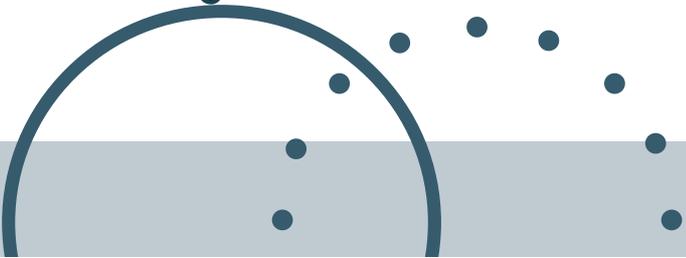
Many new startups train their focus in their early days on Customer Discovery – where the world learns about your product. They often spend a considerable amount of their hard-raised money on acquiring eyeballs for their startup.

But it's often the next steps of the customer journey where they fail to invest a good proportion of their attention (and funds): converting the customer, and retaining the customer. Without focus on these key steps, a startup's Customer Acquisition Cost will soar through the roof.

But in order to figure out what works to convert your customers, you need to acquire some users.

And this is the dilemma that startups with limited resources are faced with – focus on attracting users or focus on converting them.

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Growth Problem #6: Untapped Free Revenue

There's another area of focus that is neglected by many startups, and that is seeking ways to increase revenue from existing customers.

The acquisition cost for this additional revenue is nil, so it's essentially free money – all a startup needs to do is present the offer to their users.

Increasing Lifetime Value should be a key priority for every startup.

So why, you ask, don't startups focus on doing this more? Well, partly the answer goes back to Startup Problem #1: The Bottleneck.

However, if we could enable our business-focused team members to act on this, without having to rely on a developer, it's entirely likely they would spend more of their time on this goal of getting more revenue from existing customers.

REVENUE

Growth Problem #7:

The Missing Role in your Company



Have you ever felt like there was a disconnect in your Startup between your CTO, Product Manager, Customer Success team and Marketing team? Each of these roles has a specific focus and whilst everyone is putting out fires and moving fast, there is often a lack of consideration for how everyone can work together seamlessly.

Moreover, your Customer Success person sees problems that the customer is experiencing, but isn't empowered to stop those problems from recurring. Your Product Manager is struggling to capture information in the right way to know if new features or other experiments are effective in achieving goals.

- Your Marketing Person would like to send emails to a certain segment of customers but hasn't got the data to support that segmentation, and doesn't know how to acquire that data without bothering the developer, who is over-allocated.

Enter the role of the Customer Journey Architect.

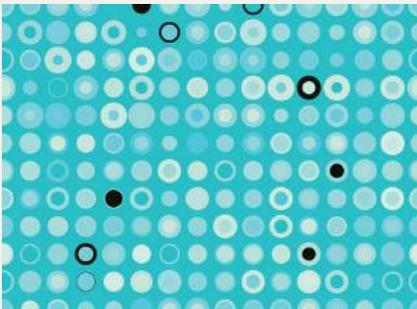
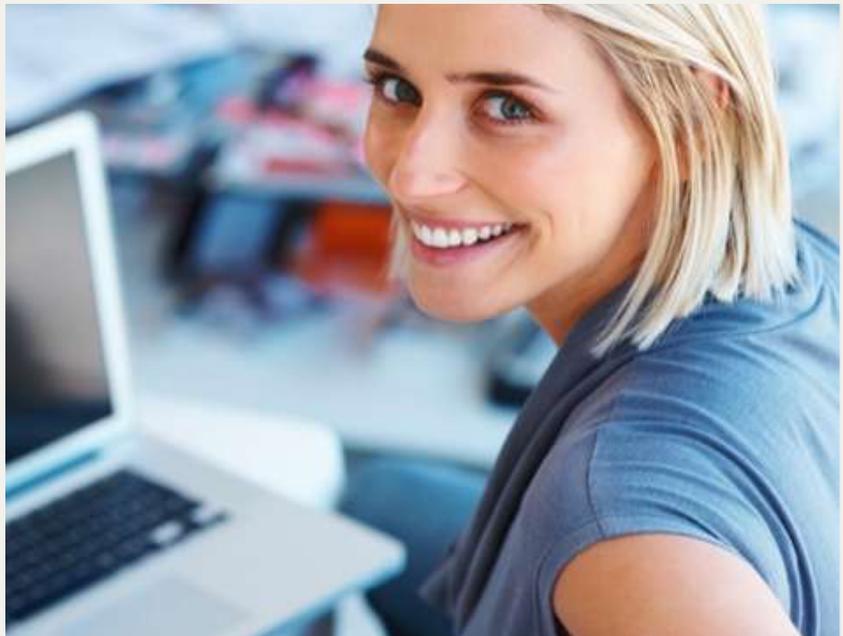
A Customer Journey Architect has a goal that is very different from all of these roles. A Customer Journey Architect's primary focus is to implement the underlying infrastructure to enable each of these roles to do their job better.

To empower non-technical team members to experiment and iterate without developer involvement.

This may sound like it's too good to be true, but with a little bit of up front effort, you can change the entire way your startup operates, and enable it to move faster.

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So what is Customer Journey Optimisation?



It empowers non-technical team members to move fast and iterate without developer involvement

Customer Journey Optimization reduces the cost to acquire and retain a customer and increases lifetime value.

Customer Journey Optimisation

The one underlying principle of Customer Journey Optimisation is empowering your non-technical team members to move fast and iterate without developer involvement.

In so doing, your team members feel unencumbered when experimenting and iterating on their funnel initiatives.

This is extremely powerful.

Startup Problem #1: The Bottleneck is one issue that everyone I talk with, from startups to corporates, connects with.

Have you ever met a developer who is sitting around trying to figure out what work to do because they have nothing on their plate? Probably not. How many times have you come up with an idea you want to implement and then the second thought you have is that you don't have the developer resources to implement it?

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You've probably lost count. We all have.

And that's where the Customer Journey Architect's toolkit comes in. It removes business logic from code and puts it back in the hands of the people that make decisions about it – so they can make changes to it without writing code, without deploying a software release (solving Startup Problem #3: The Business Logic Encapsulation).

All it requires is access to the right tool(s) in the Customer Journey Architect's toolkit.



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The Customer Funnel

The toolkit includes an 8-stage funnel that applies to almost any business. Its power is that it provides a framework and a common vocabulary for discussing what needs to be done.

The common pitfall that many startups fall into is focusing primarily on this Discovery phase.

They drive a whole slew traffic to their site through various Growth Hacking tactics, and then they lose most of their leads in the next 4 stages of the funnel (Familiarity, Trial, Support, Purchase).

This has the impact of driving up their Customer Acquisition Cost (aka CAC) which doesn't look good to their bottom line or to their prospective investors.

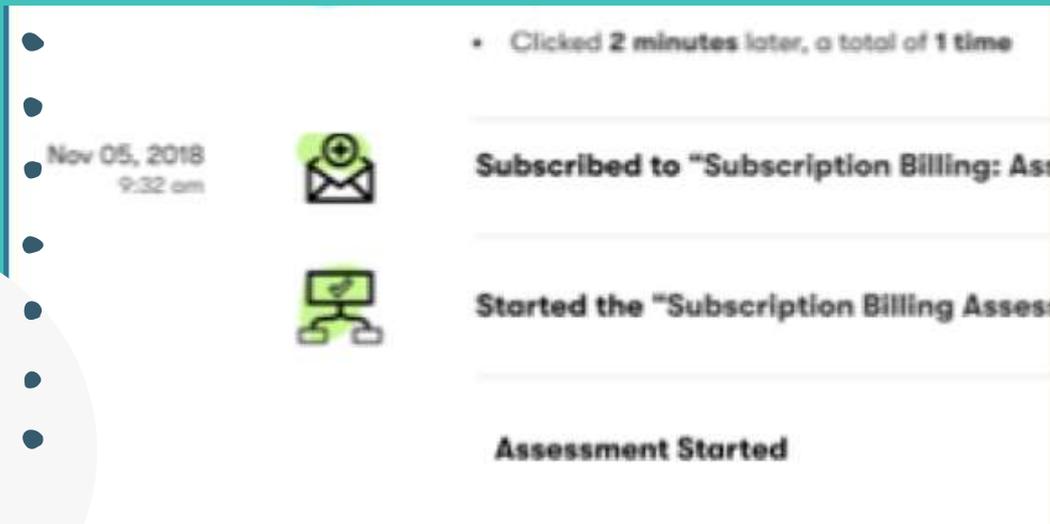
Then once they've successfully acquired a customer, they forget to maximize their revenue from this customer, who has already demonstrated purchase intent. So in the final 3 stages of the Customer Funnel (Upsell, Retain, Refer), they miss out on their opportunity to maximize customer value. This restricts the potential of their Customer Lifetime Value (LTV).

A good Customer Journey Architect keeps abreast of the best of breed tools out in the marketplace and understands the strengths and weaknesses of each (solving Startup Problem #2: The SaaS tool Minefield).



Complete View of a Customer

in all Customer Journey Tools



The concept of being able to collate everything about a customer into a cohesive view is not new. It's been a goal for many years, if not decades. But it has always seemed somewhat out of reach, especially to startups that are relatively cash-strapped.

Now that we can integrate our systems via integration tools like Segment and Make, this goal is no longer out of reach.

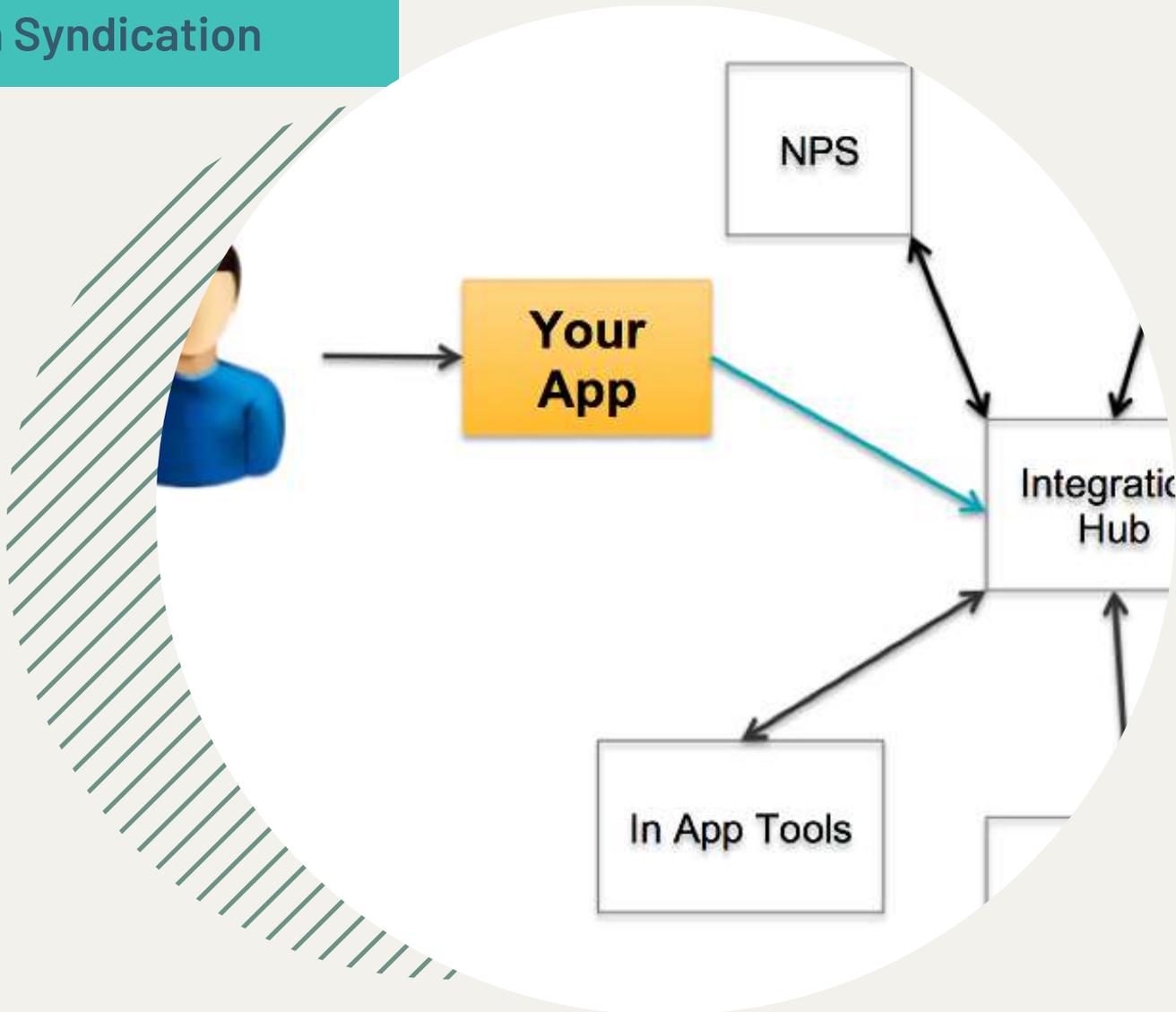
The key here is to make this complete customer data available to all the tools being used to craft the Customer Journey.

By collating all of a customer's actions and their profile data into these tools, we're now able to build highly personalized flows that can achieve any number of the goals in our customer funnel including the following:

- .convert a customer during trial
- .upsell an existing customer
- . re-engage and retain a customer
- . ask a customer for a referral.

Integration Hub

for Data Syndication

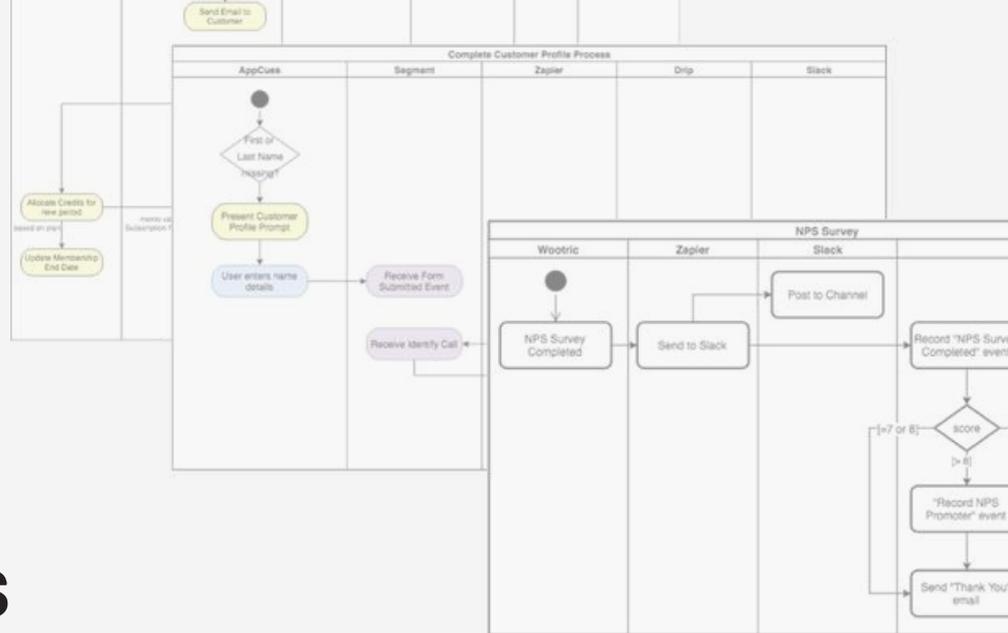


The key to Customer Journey Optimisation is being able to choose the best and most suitable tools for your business. The less attractive alternative is to choose one of those monolith applications that claim to do everything but don't do anything very well.

So if we want to use the best of breed tools AND create a complete view of the Customer in each of these tools, we need a mechanism to syndicate that Customer data between all of these tools.

We do that by leveraging an integration hub that transmits this data between tools without a lot of developer involvement. In fact, once the initial data is extracted from your app into this integration hub, the developer's job is over. We simply need to connect any applicable tool to the integration hub and the data will flow.

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Playbooks

Connecting the Dots

A playbook is a way to document a process to achieve an outcome for one or more stages in the Customer Funnel. A playbook will show the end-to-end process and how each of the tools interact with each other (solving Startup Problem #4: The Cohesion Vacuum).

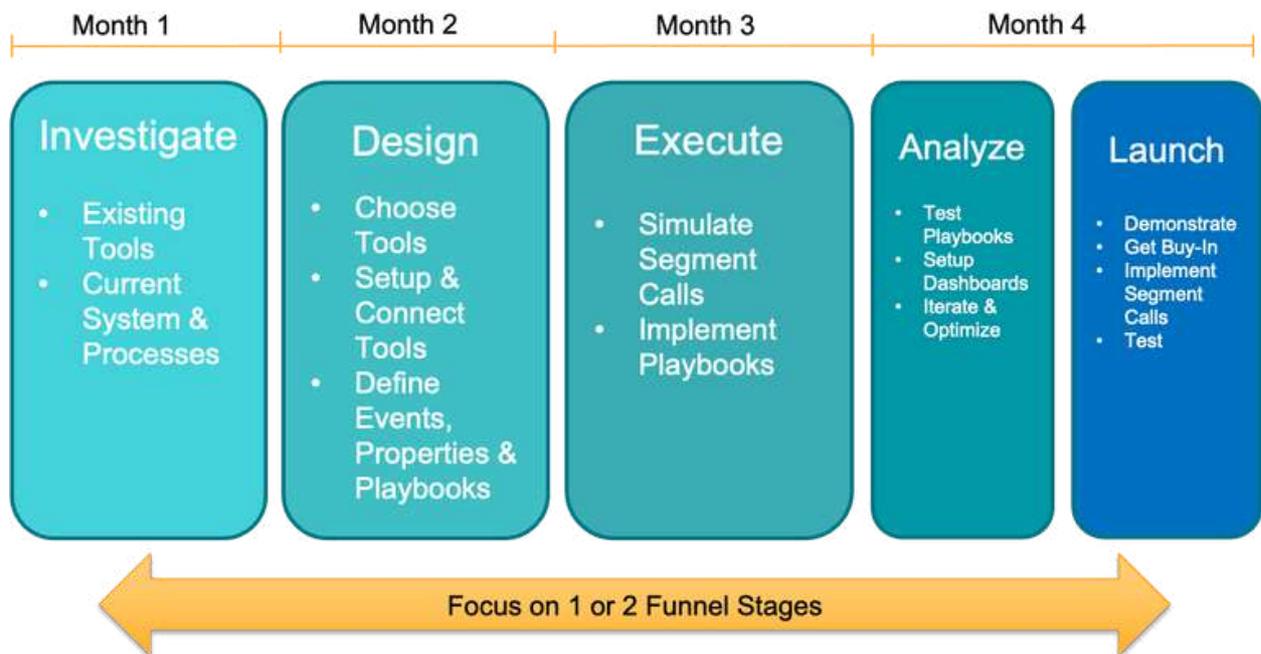


All playbooks are triggered by a specific event. This triggering event is most likely sourced by an event coming out of your platform, but it may also be sourced from one of your key tools, like your billing system or NPS tool.



The IDEAL Setup Process:

What a CJO Project looks like



What's involved?

These are the typical phases involved in a Customer Journey Optimisation Project.

Phase 1: Investigate

Product Review.

Familiarization of your software product. Understanding your Customer and Users.

Existing Tool Assessment.

Review of all the existing tools used and their usage.

Data Review.

Investigation of the current data structure and quality of data, identifying any issues that will impact on execution.

Identify Target Metrics.

This is where we choose the key KPIs that we want to track and improve as part of this project and subsequent projects.

Implement behavioral monitoring tools and review existing behavioral statistics.

Phase 2: Design

The following steps will focus on establishing process flows for the Trial and Purchase stages of the Customer Funnel, in light of target metrics.

1. **Identify Tools.** We select a suite of tools to enable Product Led Growth. Pros and cons of each tool will be provided to give the choice of retaining incumbent tools or moving to a more appropriate tool.
2. **Define Data & Events.** We define the data that we need to capture and each event that is required to be tracked from your product with the required properties of each event.
3. **Flows.** Definition of process flows relevant to the chosen stages of the Customer Funnel. These process flows will include actions to be implemented to guide and convert the customer such as onboarding flows and emails.

Phase 3: Execute

The following steps will focus on implementing the designs created in the previous phase.

1. Simulate API calls. We use Unlocking Simulation to simulate event data from your app.
2. Implement Trial and Purchase Flows. Implementation and testing of process flows in selected tools relevant to the Trial and Purchase stages of the Customer Funnel.

Phase 4: Analyse

1. Test Playbooks.
2. Set up Metrics Dashboards.
3. Flow Optimisation. Based on observed results, we adjust the flows to optimise the process.

Phase 5: Launch

1. Implement Integration API calls. This is where your team pushes profile and event data from your app.
2. Test.

Making your Team more Effective

- Roger is able to complete some stories without developer involvement, accelerating delivery
- Roger is able to create reports and leverage data not previously available for his decision making



Product



Customer Success

- Joanna is able to access more information about her users for real time response.
- Joanna is able to leverage more information for sending pertinent automatic messages that convert and retain users.

- Paula is able to segment between signed up users and subscribed users for different marketing messages.
- Paula is able to test different email text and make changes like this immediately.



Marketing



Engineering

- Marcus is able to focus on building the product, not on making incremental changes to convert the customer.
- Marcus is able to reduce the developer bottleneck because of reduced demand for his team.

Who does it impact on my team?

Typical effort requirements are generally minimal (<2-3 hours per week) for marketing team or product team members. When it requires actual implementation within your core product, it may require 1-2 sprints, which is normally absorbed within your existing sprint cycles.

Some other companies who've done a CJO project:



More Practices & Outcomes

- Behavioral Emails
- Transactional Emails
- Lead Nurturing
- Drip Email Campaigns
- In App Onboarding Engagement Methods
- Account Based Calculations
- Account Based Journeys
- Account and Customer Scoring
- Customer Segmentation Approach
- Split Testing
- Predictive Suggestions
- Contextual Help
- Chatbots
- Financial Metrics Dashboards
- Behavioral Metrics Dashboards
- Data Warehousing



Need help with your Customer Journeys?

Get in Touch

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