



Confidential Information

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This material is made available in confidence to members of the CX Maturity Initiative for discussion purposes and must be used only for that purpose and the internal management purposes of member firms, in accordance with the Terms of Membership of the CX Maturity Initiative.¹



1. CX Maturity Initiative Terms of Membership 📄 <https://www.accomplish.world/wp-content/uploads/CX-Maturity-Initiative-Terms-of-Membership.pdf>

Summary



Introduction

- We know from the November 2019 Accomplish CX Maturity Benchmark that the EMEA Institutional market has a particular weakness in CX Governance and KPIs.
- These survey findings are the second step in the CX Forum's R&D project to identify the most valuable CX KPIs and develop best practice guidance on the governance arrangements asset managers should have in place to oversee them.
- This research project matters because it will enable member firms to choose appropriate measures against which they can set their ambitions for improving CX.

Sample population

- 12 members of the CX Forum contributed to this survey.
- These firms already recognise the importance of CX.
- As a result, Accomplish does not expect these findings to be representative of the broader market, whom we expect to have lower levels of recognition of the significance of CX.

Relevant. Brief. Gone.

- On average, this survey took the respondents 4 minutes to complete.

Key findings

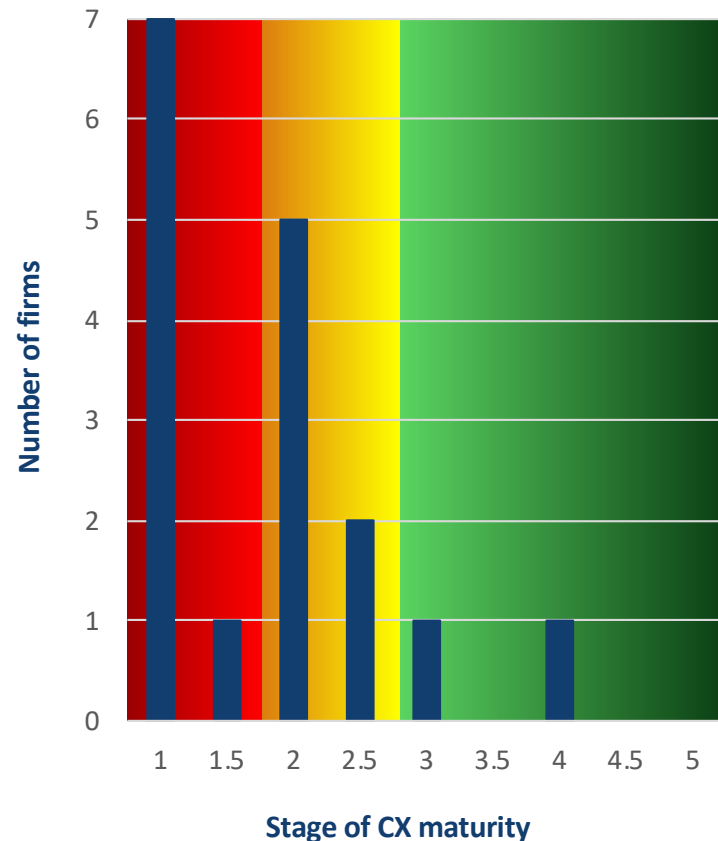
- 75% of respondents reported that their current CX Governance and KPI arrangements have no positive effect.
- This implies they receive no benefit from the effort invested or, worse, they may receive false comfort.
- There is a general lack of design and we hypothesise that this is linked to strategy and is an important reason why firms are reporting ineffective KPIs.
- Only 25% of firms are tracking their CX for a deliberate strategic reason.
- Respondents reported a mix of CX metrics as well as gaps in their measurements, particularly concerning external data.
- As firms' CX maturity increases, they tend to track a broader mix of measures enabling them to understand how they relate to each other and interact.
- 3/4 of the firms at the leading edge have CX Transformation Teams that analyse, interpret and share CX KPI performance data with all members of staff.
- The firms using analytic tools driven by consolidated pools of data were all either at or near the leading edge in terms of their CX maturity.
- Most respondents defined CX as being end-to-end and all-encompassing and assigned it broad collective responsibility.

Initial signs of the issue

"Individual teams track performance by process, but it's not connected so we don't look into trends in the data. I want change here."



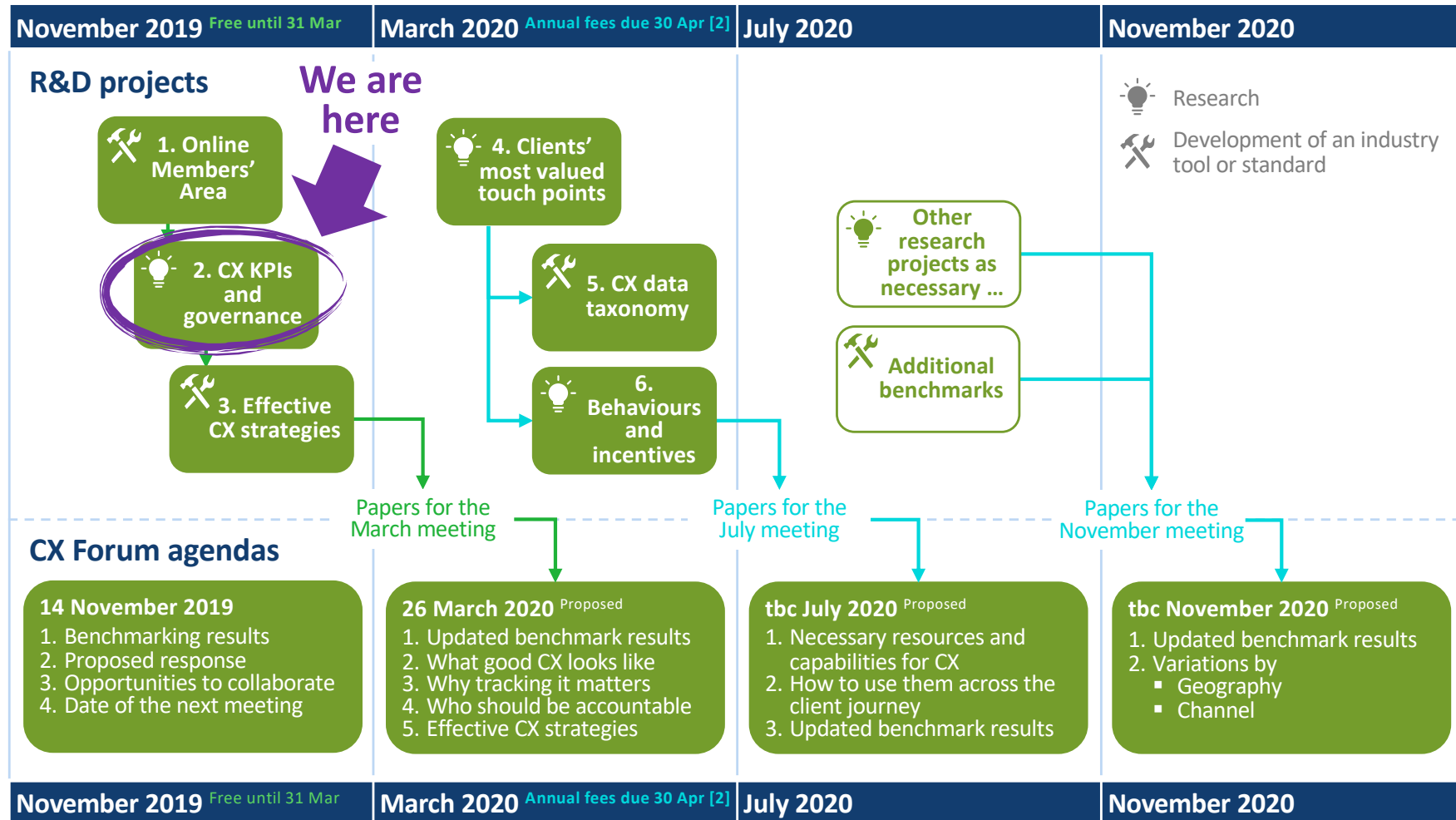
CX Governance building block scores (mode = 1)



- We know from the November 2019 Accomplish CX Maturity Benchmark that the EMEA Institutional market has a particular weakness in CX Governance and KPIs
- Common obstacles identified were:
 - CX KPIs not defined and delegated, so MI may be incomplete
 - Management information is unconnected
- This raises the risk that on-the-ground reality may diverge from firms' official policies
- Discussion at the November 2019 CX Forum determined the need for further research to identify the most meaningful CX KPIs and associated governance arrangements
- This research matters because it will enable member firms to choose appropriate measures against which they can set their ambitions for improving CX



CX Forum R&D plan v1.1, 8 November 2019 **Confidential Information¹**



2. CX KPIs & governance

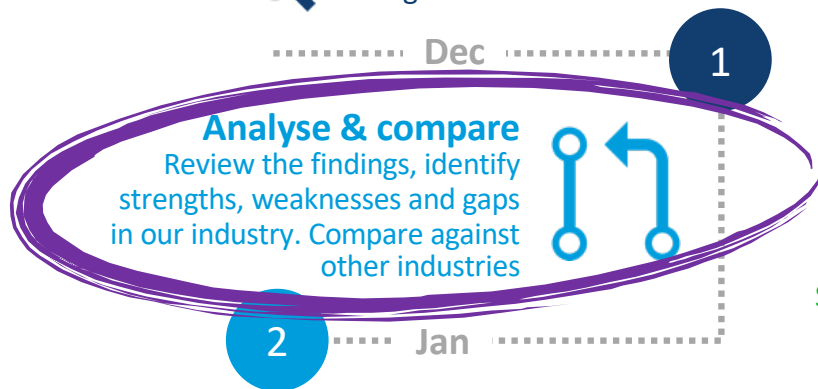
Objectives and approach

Accomplish will identify the most valuable CX KPIs and develop best practice guidance on the governance arrangements asset managers should have in place to oversee them.



Baseline

Survey CX member firms to verify current internal and external KPIs and governance arrangements



Analyse & compare

Review the findings, identify strengths, weaknesses and gaps in our industry. Compare against other industries

2

Jan



Principles

Define the principles that should guide key success criteria for the most effective CX KPIs and governance arrangements

Jan

3

We are here

Stress test

Stress test the KPIs and governance arrangements with volunteer member firms



6

Mar

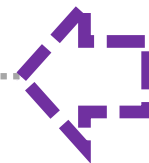


Codify

Publish research findings and best practice guidance on the Members' Area

5

Feb



Interested?

Design

Assess the existing and potential KPIs to identify the most meaningful CX KPIs and the governance arrangements asset managers

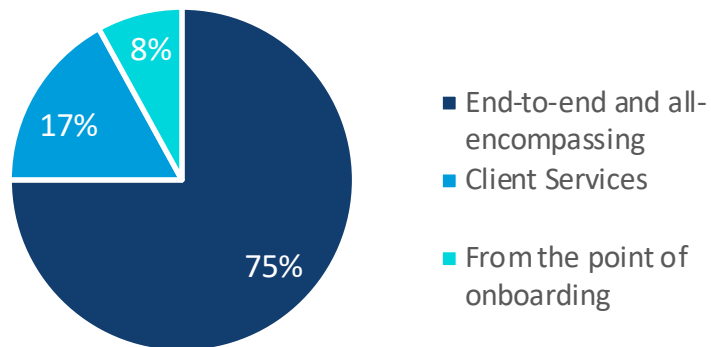


4

Feb

CX definitions and accountabilities

How does your organisation define CX?



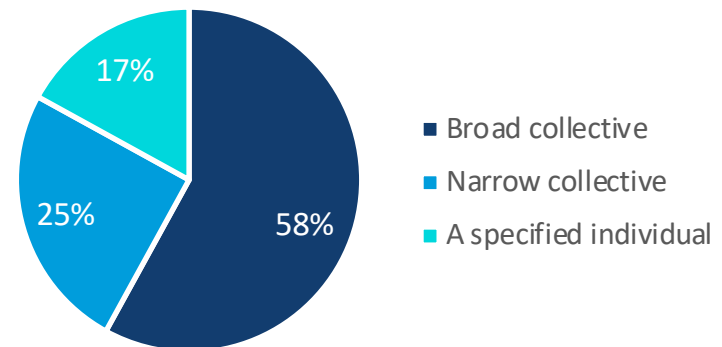
What the data says

- 75% of firms have defined CX as being end-to-end and all-encompassing
- 17% defined CX as being synonymous with 'Client Services'
- 8% of firms defined CX as being from onboarding through to reporting and invoicing

Leading edge firms¹

- All of the firms at the leading edge define CX as end-to-end and all-encompassing

Who is accountable for CX?



What the data says

- In 58% of firms, accountability for CX rests with everyone or with a firm-wide internal committee
- 25% had assigned responsibility to a narrowly defined function, e.g. CX Team, Client Services, or Distribution
- 17% had nominated a specific person to be accountable for CX

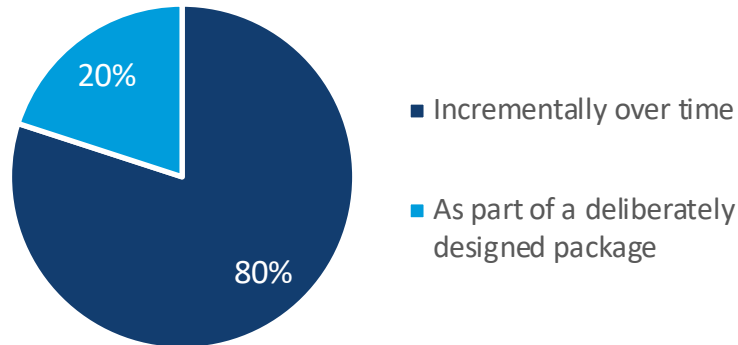
Leading edge firms

- 3/4 of the firms at the leading edge had assigned broad accountability

These points appear to be linked

A general lack of design

How were the metrics designed?

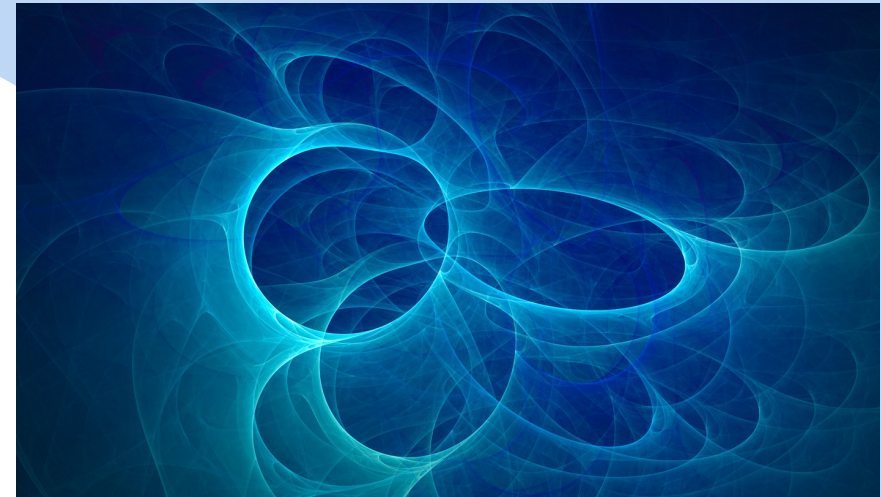


What the data says

- 80% of firms have developed their CX KPIs incrementally over time.
- 20% designed them as part of a deliberate package

Leading edge firms

- The firms at the 'leading edge' of CX stand in both camps: some have developed their KPIs over time, others through a deliberately designed package

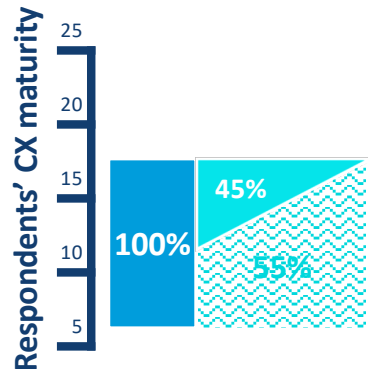


Working hypothesis

- We also know from the CX Maturity Benchmark that what links the firms at the leading edge is that at some point they adopted a deliberate CX strategy.
- It is our hypothesis that the lack of design of metrics is linked to strategy and is an important reason why firms are reporting ineffective KPI.
- This hypothesis assumes that the leading-edge firms who developed their CX KPIs incrementally over time may be under-valuing certain 'step changes' in their KPIs as being mere 'increments'.

Mix of CX metrics and gaps

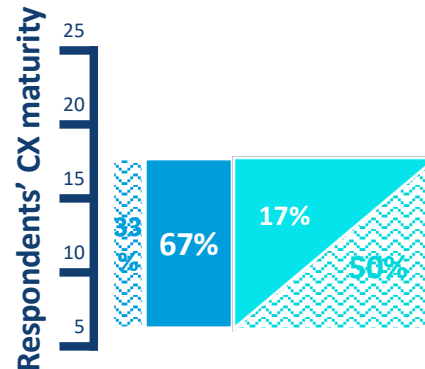
Internal metrics



Measures in use

Service KPIs¹
Sales KPIs
Internally-predicted client sat'n
Retention rate
Segment-specific metrics
Employee 'client first' score

External metrics



Measures in use

No external measures
Externally-verified client sat'n
Net Promoter Score
Greenwich market intelligence
NMG brand data
Client effort
Insticube experience feedback
Share of wallet

■ Majority of respondents ■ Leading edge firms % of respondents

Health warning

- Readers are reminded that we embarked on this research because the benchmark found that, on average, CX KPIs were incomplete and unconnected
- This may be a reason why respondents contributed key examples of metrics, rather than exhaustive lists.
- This creates a challenge of combining qualitative and quantitative answers, which we have attempted to solve through these infographics.

What the data says

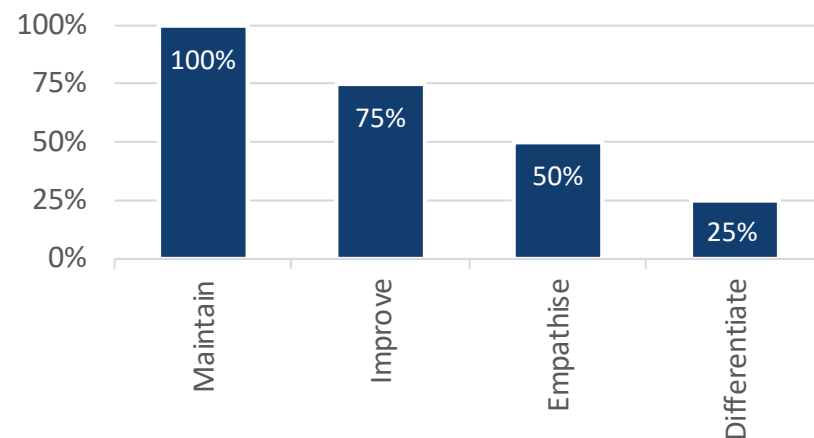
- 55% of firms are only tracking sales and service KPIs
- 33% are not tracking any external measures
- 50% are only tracking client satisfaction and advocacy

Leading edge firms

- As firms' CX maturity increases, they tend to track a broader mix of measures enabling them to understand how they relate to each other and interact.
- Every firm at the leading edge is tracking external measures of CX.

Objectives and design

What is your purpose in tracking these metrics?



Working hypothesis

- We intend to explore the assumption that the limited design behind how firms are measuring CX is linked to the limited strategic intent demonstrated here.



What the data says

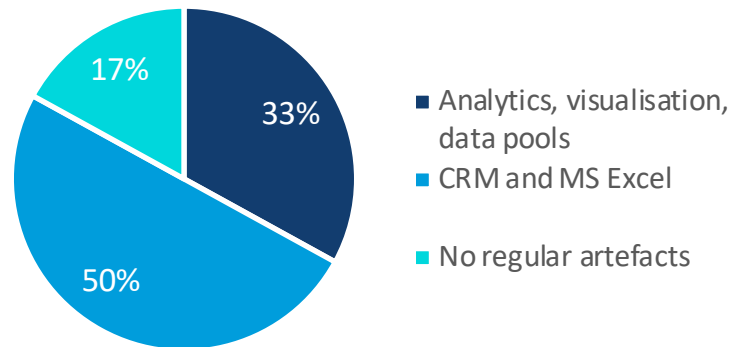
- Only 25% of firms are tracking their CX for a deliberate strategic reason: to differentiate their firm vs. competitors.
- 50% of respondents use CX KPIs an opportunity to see themselves from their client's perspective – empathise.
- 75% reported they use KPIs to resolve issues, improve and prioritise resources.
- Every respondent said or implied they tracked these metrics in order to maintain the performance of the various components of their workflow.

Leading edge firms

- The firms at the leading edge of CX are intending to use it to secure competitive advantage of their peers through differentiation

Artefacts and audiences

What artefacts or tools are used to track progress against these metrics?



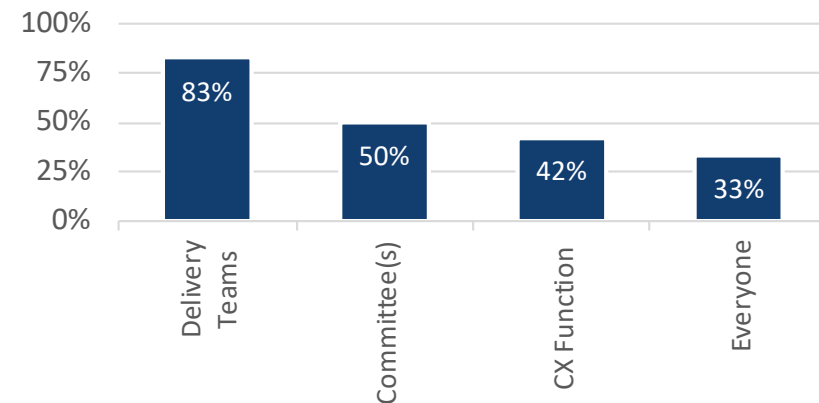
What the data says

- 33% reported using analytics and data visualisation tools¹, with most of these respondents saying they supplied this process with data from a consolidated source
- 50% of firms used only a combination of their CRM reports and MS Excel-driven management reports and dashboards
- 17% of firms reported they produced no regular artefacts on CX

Leading edge firms

- The firms using analytic tools driven by consolidated pools of data were all either at or near the leading edge in terms of their CX maturity

Who is the target audience(s) for the metrics?



What the data says

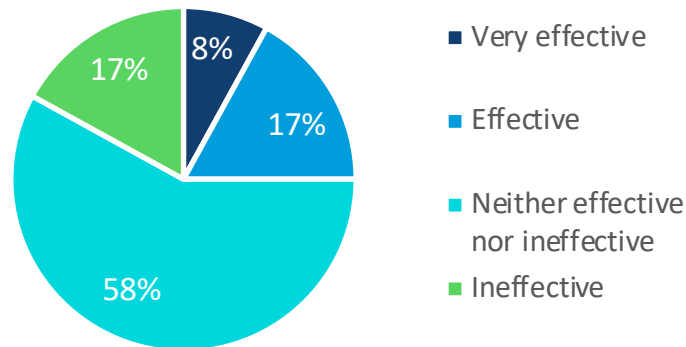
- In 83% of firms, the functional delivery teams are a key audience of CX KPI reports
- 50% share CX metrics with an internal committee(s) of business leaders
- 42% of respondents also reported having a CX Transformation function that would also generate / receive this data
- 33% of firms share their CX KPI data with everyone

Leading edge firms

- 3/4 of the firms at the leading edge have CX Transformation Teams that analyse, interpret and share CX KPI performance data with all members of staff

How effective and why?

How effective are these CX governance and KPI arrangements?



What the data says

- 75% of respondents reported that their current CX Governance and KPI arrangements have no positive effect.
- This implies they receive no benefit from the effort invested or, worse, they may receive false comfort.

Leading edge firms

- Only firms at or near the leading edge of CX felt they were gaining value from their CX KPIs.

Referring to your view of how effective the CX Governance and KPIs are, why is this the case?

- | | |
|-------------------------------|--|
| ✓ Accountability | ✗ Adoption still to happen |
| ✓ Transparency | ✗ Data is fragmented / incomplete |
| ✓ Measuring drivers of change | ✗ Team-by-team reporting precludes key items |
| | ✗ Struggle to quantify standards |

What the data says

- 75% of firms reported that 'adoption was still to happen'. This is manifesting itself in multiple ways:
 - Unclear governance
 - KPIs still under development
 - New KPIs still bedding-in and being interpreted
 - Reorganisations taking priority
 - CX seen as a concern for client-facing staff
- Over 50% noted that making the right decisions would be easier if they were able to interrogate and visualise the data but this is hampered when it is fragmented.
- 25% said that the volume or structure of reporting was precluding key items by crowding them out or cutting across them. For example, when we monitor KYC, contracting, onboarding and transitions separately, we are measuring things the way we see them, not the way clients see them.