

# Effective asset management CX strategies

*"The unfavourable macro-economic environment makes client retention a top priority for asset managers."*



*If you don't already have one, a strategy for the experience you give your clients should be part of your response."*

## A best practice guide

Confidential Information

**Accomplish**  
Research and Development

# Executive summary

## The problem with the industry status quo

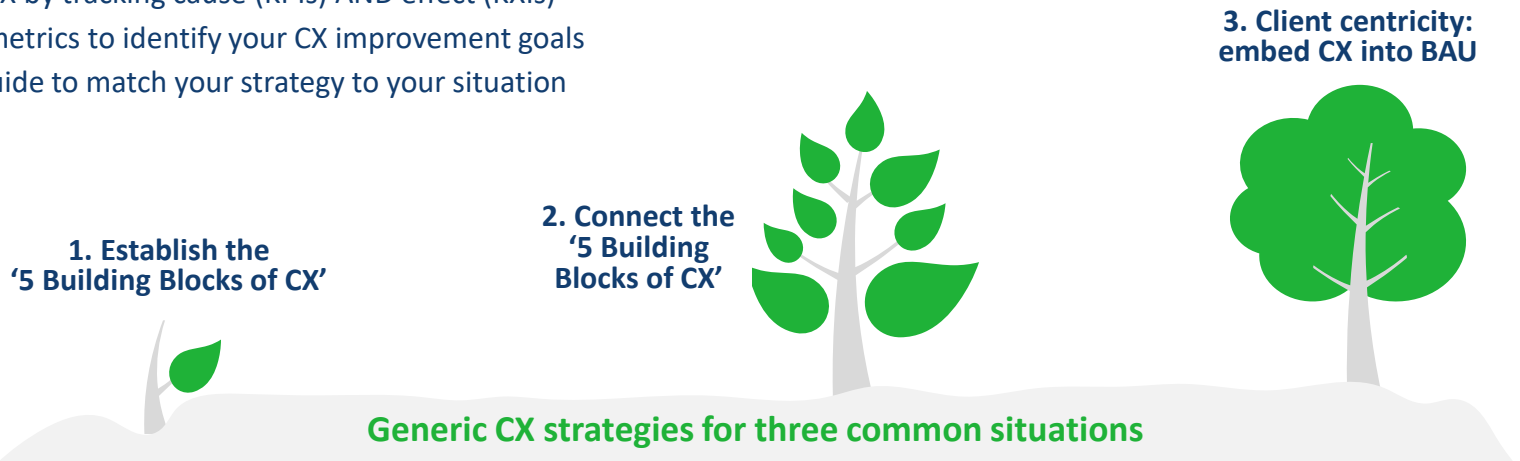
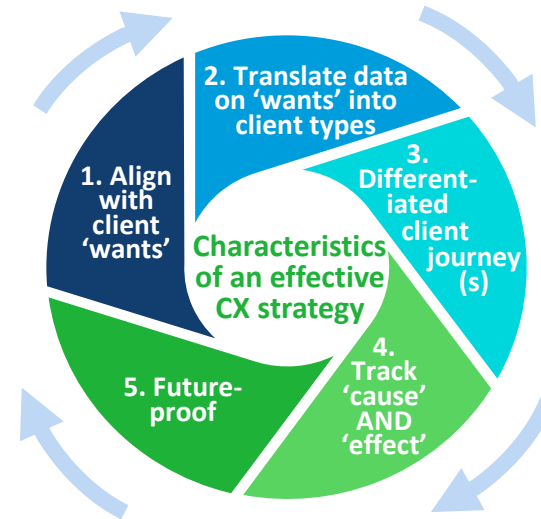
- Sustaining a superior CX requires a strategy
- Yet, ~70% of asset managers lack one

## This project helps firms solve the problem, by outlining:

- The characteristics of an effective CX strategy
- How to diagnose your situation and where to start
- Generic asset management CX strategies for common situations

## Use this guide in conjunction with KXIs

- Measure CX by tracking cause (KPIs) AND effect (KXIs)
- Use your metrics to identify your CX improvement goals
- Use this guide to match your strategy to your situation



# The minority of firms with a CX strategy dominate



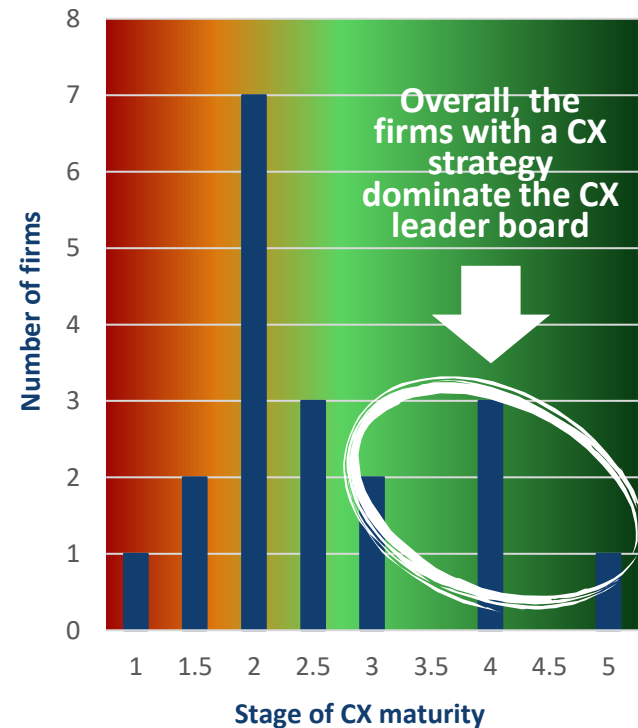
## Sustaining a superior CX requires a strategy

The ~30% of firms that have a CX strategy also dominate the leader board of overall CX maturity.<sup>1</sup> These companies:

- Are set-up to meet the 'wants' of different types of clients
- Allocate budget and resources accordingly
- Evolve and re-align as their clients 'wants' change

## The problem with the industry status quo

- The remaining ~70% of firms have no clear CX strategy<sup>1,2</sup>
- Without vision and direction, these firms reported common obstacles:
  - 'Customisation-as-standard'<sup>1</sup>
  - No segmentation, or it is not followed
  - Resource and budget inconsistencies
  - Activities of different teams feel reactive and tactical
- A lack of design and strategic purpose behind their CX monitoring, from which 75% of firms gained no benefit<sup>3</sup>



# Characteristics of an effective CX strategy

## Clients 'wants' change, so a CX strategy must be an ongoing cycle

### 1. Align with client 'wants'

- Research demonstrates that firms that drive their strategies around serving the wants of their clients deliver a superior experience.<sup>1,2</sup>
- Base your primary client segmentation on what THEY want.<sup>4</sup>

### 5. Future-proof

- CX is dynamic and clients 'wants' change over time.
- Be disciplined about listening to clients, and involving them in developing new aspects of CX.
- To sustain a superior experience, firms need to analyse patterns of exceptions for signs of evolving client 'wants'.

### 4. Track cause AND effect

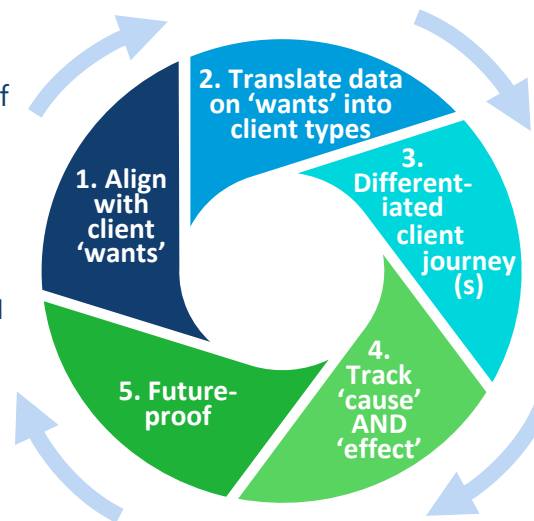
- Consistent performance is vital, so you should standardise as much as possible. A single misstep can bring the whole package into question.<sup>1</sup>
- The more consistent your internal performance the higher the confidence interval of your KPI data.
- To make sense of your CX, you should compare 'cause' (KPIs) against 'effect' (KXIs). KXIs track observable client behaviours.<sup>4</sup>

### 2. Translate data on 'wants' into client types

- The best firms resist the urge to deliver a one-size-fits-all CX.<sup>3</sup> Instead, they strive to understand what their clients want, how they want to receive it and why.
- This goes beyond traditional segmentation and focusses on individual and corporate level 'wants' from both a rational and emotional perspective – clients do not leave their emotions at home.
- Target the 'client types' that are most commercially attractive to you, understand them through 'personas', and allocate resources accordingly.

### 3. Differentiated client journey(s)<sup>3</sup>

- To ensure they create the desired impression, firms should design each touchpoint to serve the client's rational and emotional 'wants'.
- To serve their own needs, firms should be deliberately extraordinary at the points where they want to be remembered ... or they WILL be forgotten.
- The firms at the leading edge of CX deliver blended experiences rather than delineated digital and non-digital ones.<sup>1</sup>



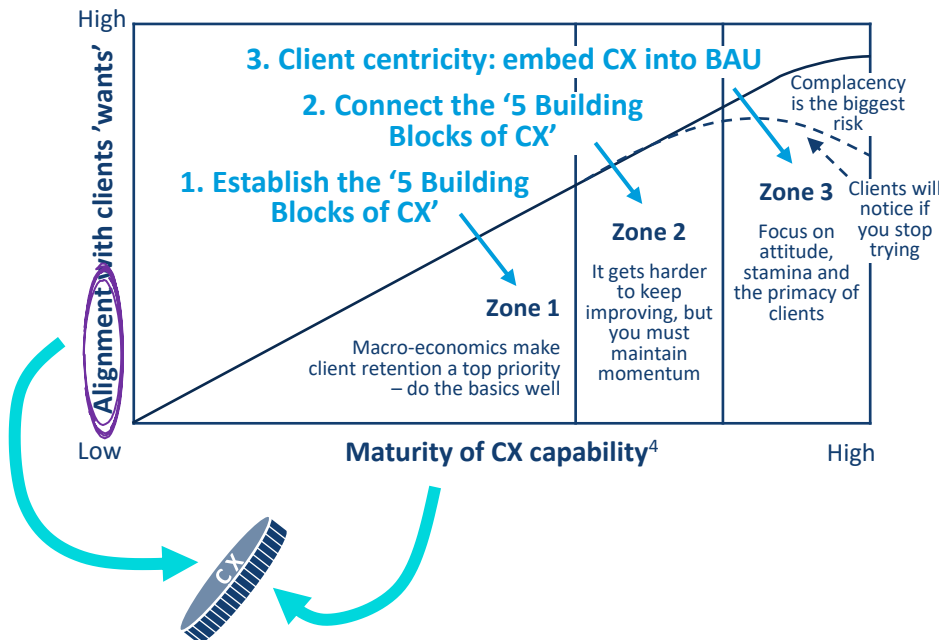
**In April and May 2020, we will upload premium 'resources' on each of these topics onto the Members Area at [www.accomplish.world](http://www.accomplish.world)**

# Match your strategy to your situation

Your firm's current CX may be extraordinarily good, indifferently forgettable, or an unconnected and inconsistent mix. To choose the right strategy, you must choose accurately assess your situation.

## 1. Diagnose your situation <sup>1,2</sup>

## 2. Be honest with yourself about what you can achieve <sup>3</sup>



'Flip sides' of the same coin – alignment and capability

**Conclusion: no matter your situation, you will still need a CX strategy**



# A strategy for Zone 1: Establish the '5 Building Blocks of CX' \*



Tailor this strategy to your specific needs

Accomplish is giving a free training session to all CX Forum member firms



| Challenges   | Opportunities   | Tasks  |
|--|---|--|
| Lack of organisation-wide understanding of how to define, measure and explain CX   | Developing industry-level best practices, and increasing awareness of what good can look like | Train your teams in the fundamentals of CX: how it works, why alignment with 'wants' drives value, what good looks like, and why now   |
| Your sphere of control may be limited  | Start small if you have to: establish the '5 Building Blocks of CX' in your own area          | Gather data on what clients want, use it to segment them into 'client types', design your touchpoints, manage queries transparently, and track cause AND effect (KPIs vs. KXIs) **   |
| Questioning stakeholders: "Why CX?*** And why now?"  | Social proof: increasing evidence of industry-wide adoption of CX                             | <ul style="list-style-type: none"> <li>Share information about CX developments in the industry.</li> <li>Bring in outside speakers to amplify your message and create alignment</li> </ul>   |
| Low level of recognition that the commoditisation of investment performance will impact the balance of internal structures and relationships | Your allies will collaborate with you in areas that bring mutual benefit                      | <ul style="list-style-type: none"> <li>Prioritise the issues that impact clients most and get their feedback</li> <li>Run awareness sessions on your touchpoints for those in your sphere of influence</li> <li>Look for opportunities to collaborate</li> </ul> |

Very well done! But remember that "good is forgettable", so keep moving to Zone 2.

\* See the appendix for the 5 Building Blocks of CX.

\*\* A Key Experience Indicator (KXI) tracks an observable and measurable effect your firm causes in clients. See Accomplish's 'Key Experience Indicators – the missing piece of the puzzle', March 2020.

\*\*\* Every waiter or waitress knows the answer to this question: clients have options and make choices.

# A strategy for Zone 2: Connect the '5 Building Blocks of CX' \*



Tailor this strategy to your specific needs



## Challenges

Ingrained behaviours that brought success pre-commoditisation may slow the organisational roll-out of CX

Lack of sponsorship or sense of urgency at the top of the house

Mis-perception that CX may be just a one-off initiative when, in practice, clients 'wants' evolve over time

## Opportunities

- CX champions exist now, they have built pockets of strength, and their different spheres of control will likely be collaborating
- Exploit early successes and broaden collaboration

You are part of a growing movement now with successes under your belt: use this and industry-level action (e.g. at the CX Forum) to secure senior level support

Asset management is a service industry that provides an experience to it's clients day-in day-out

## Tasks

- Connect the '5 Building Blocks of CX':
- Consolidate and exploit CX data
  - Embed the 'wants' of different client types into team goals and resources
  - Confirm accountability for each touchpoint, join processes, break down siloes and eliminate inefficiencies
  - Track cause (KPIs) AND effect (KXIs) via a consolidated dashboard

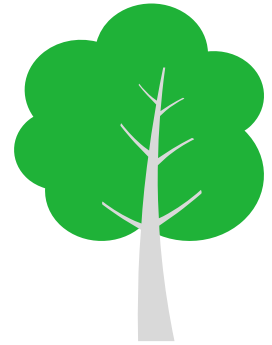
- Designate named accountability for CX
- Empower employees
- Involve your clients

- Roll-out regular training on the fundamentals of CX: how it works, why alignment with 'wants' drives value, what good looks like, and why now.
- Find examples that reinforce the need to keep CX as a priority.
- Identify CX activities that should be conducted regularly and assign them to BAU

**You're almost there – keep going to Zone 3! Easing off on CX once your clients start saying "we like you" is like turning off the aircraft engines because you've reached 35,000 ft.**

# A strategy for Zone 3:

## Client centricity: embed CX into BAU



Tailor this strategy to your specific needs

Complacency is our biggest risk – we need to focus on attitude, stamina and the primacy of clients



### Challenges

- Distraction, fatigue or complacency may tempt your colleagues to assume past successes indicate future alignment with what clients want.
- In fact:
  - Clients wants evolve all the time
  - They will notice if you stop trying

### Opportunity

- By this point, you should have:
- A strong team that appreciates the primacy of clients
  - A track record and knowledge of lessons learned

### Tasks

- Focus on attitude and stamina:
- Incentivise behaviours needed for serving clients
  - Institutionalise a learning culture
  - Encourage flexibility to ensure you remain aligned and relevant in a world in which clients' needs are no longer static.

**Congratulations!**  
You have embedded CX into BAU, which is where it should be



# Executing your CX strategy

“Without execution, all you have is a good idea sitting on a shelf.”



A good start is pivotal, so think before you act.  
~90% of the solutions to the most common problems with executing strategic change are best addressed near the start, before detailed planning <sup>1</sup>

- **Diagnose the extent of the change ... will it:**
  - Change the way people work
  - Require them to adjust their mind-set
  - Call on them to change the way they behave across the board. For this, they will need:
    - A purpose to believe in
    - Reward and recognition structures
    - The skills required for change
    - Consistent role models leading by example
- **Consider teams' readiness for change**
  - Conduct a team-by-team impact assessment
  - Understand their in-flight initiatives
  - Assess their available bandwidth
- **Adopt a change management framework**
  - Here's the [Accomplish Framework of Strategic Change](#)
  - There are other good ones too
  - The crucial thing, though, is to stick to your chosen framework, which will give your initiative the rhythm it will need

## Accomplish Framework of Strategic Change



# Accomplish

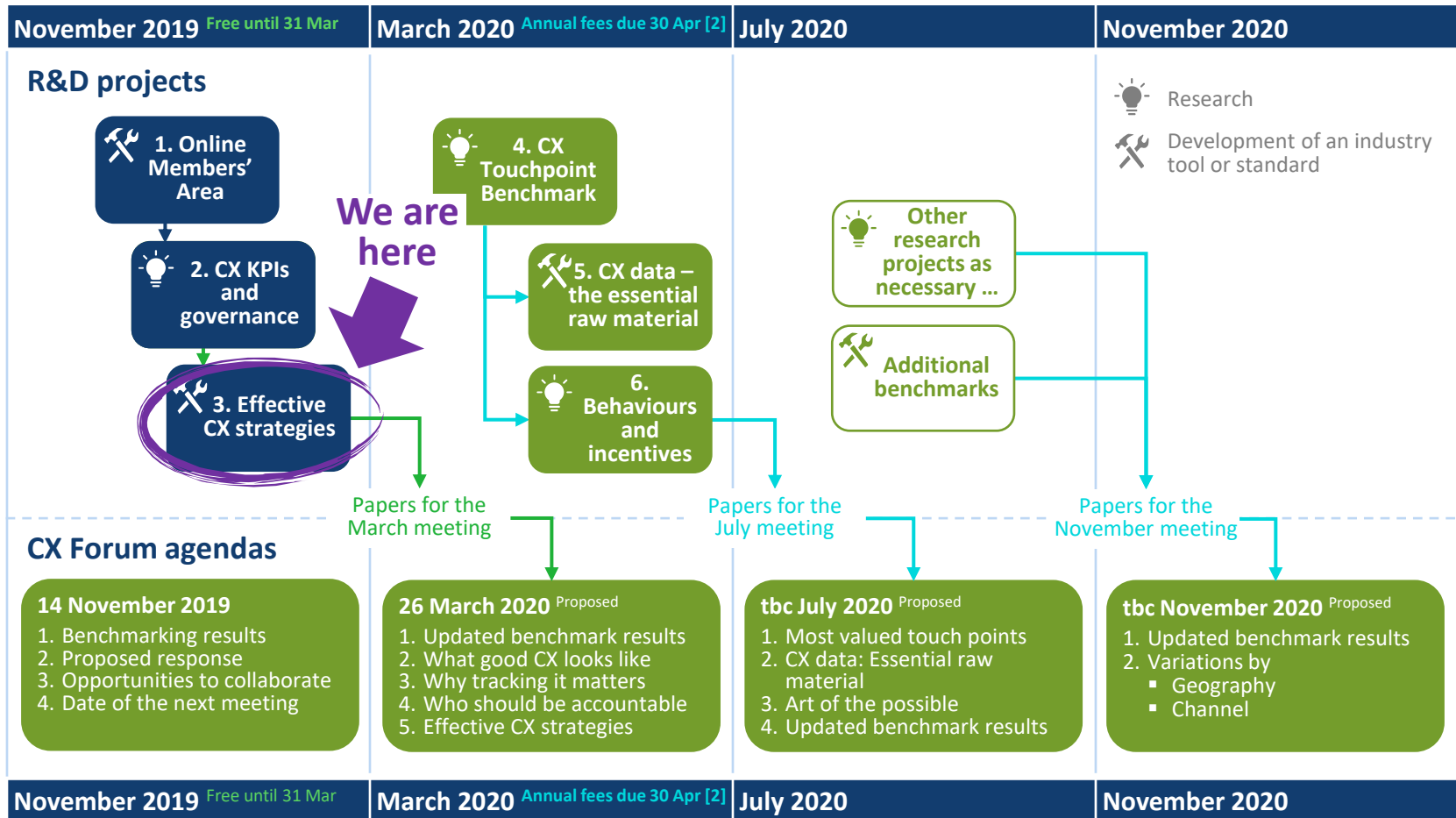


## Appendix



# CX Forum R&D plan v1.2, 19 Feb 20

Confidential Information<sup>1</sup>

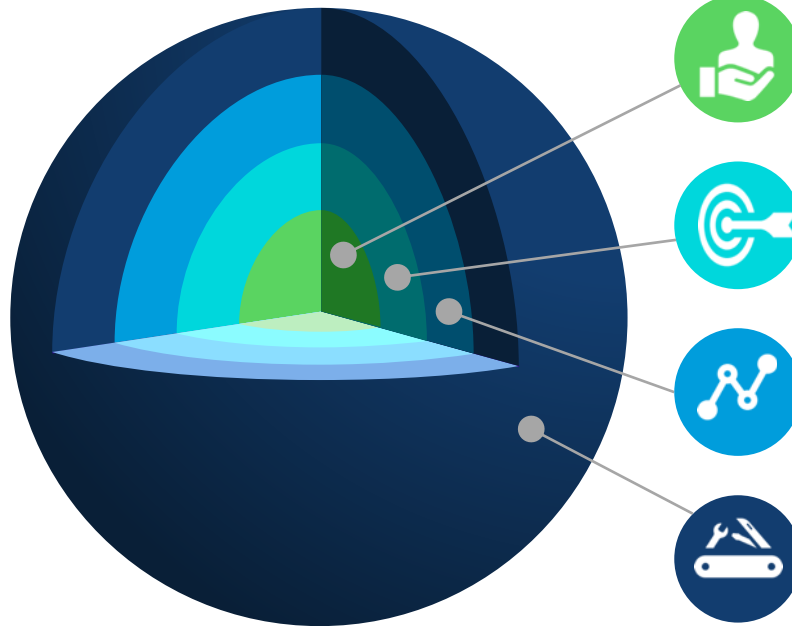


# Project definition Nov 19

## Objectives and approach

Accomplish will develop a best practice guide to effective and value for money CX strategies, and how to make the case.

- **Dec – Jan:** draft a “Strawman” guide
- **Feb – Mar:** engage with a sample of volunteer member firms to test and refine the “Strawman”



### Understand the needs of the client

This will explain the importance of leveraging CX data & analytics to understand clients’ changing behaviours and needs, and how to identify the most appropriate KPIs for your client base.

### Define the CX strategy objectives

This will clarify what effective CX objectives look like, how to articulate ambition, and how this should relate to the other aspects of a firms strategy. How convince stakeholders to act?

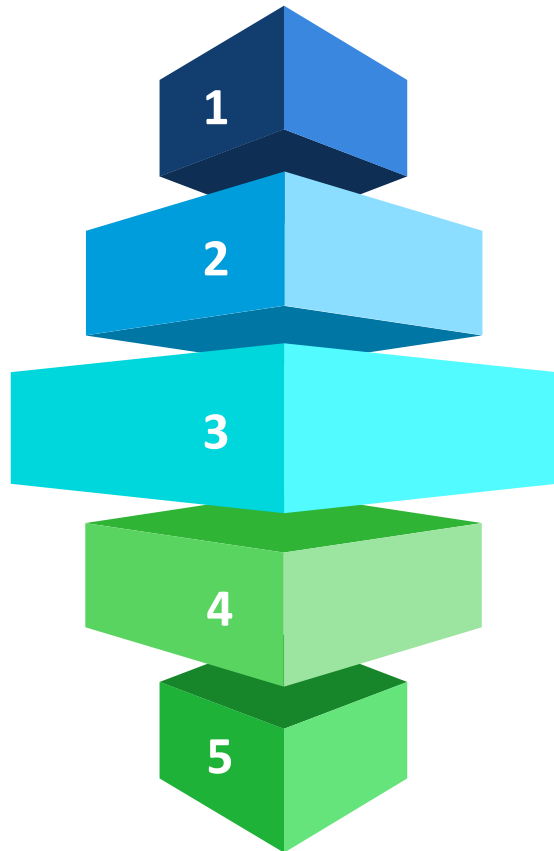
### Determine the ways to deliver the objective

This will explain how to combine the building blocks of CX into an implementable strategy.

### Identify the means required to execute the plan

This will help members identify the resources (human, data, technology and budget) that are required to execute their CX strategy.

# The 5 Building Blocks of CX



**1. CX data & analytics** – The essential raw material for maintaining up-to-date data and insight into clients' wants and needs

**2. CX strategy** – a strategy of client centricity that aligns your organisation with what your clients aim to achieve


**3. Client journey** – an end-to-end client journey that is relevant, explainable, and memorable

**4. CX culture** – the cultural recognition of the primacy of listening to clients and serving their changing needs

**5. CX Governance** – a framework of accountabilities that monitors the effects you have on your clients and why

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