Business Architecture and the Customer Experience:
A Comprehensive Approach for Turning Customer Needs into Action

A Business Architecture Guild Whitepaper

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Date: October, 2016

Executive Summary

Customer experience (CX) can be defined as your customers' perceptions – both conscious and subconscious – of their relationship with your brand resulting from all their interactions with your brand during the customer life cycle[i]. These interactions include the stages of attraction, awareness, discovery, cultivation, advocacy, purchase, use of a service, retention, and departure. An organization's performance with regards to CX is typically measured by the individual's or organization's experience across all points of contact with the business against their experience and expectations.

Long viewed as a niche area championed by the design community, CX design was not seen as something that would evolve into a critical part of a business's value proposition. But growing customer demands and the perception of the digital business has brought this into the forefront of business transformation. Organizations such as Gartner and Forrester are defining new ways to measure CX; standards organizations (i.e. The Open Group) are developing and publishing standards; tool vendors are now integrating it, and large organizations such as Facebook, General Motors, Capital One, and USAA are acquiring, building, and integrating it across the entire enterprise.

Business architecture has a natural affinity to CX. They both provide valuable insights and create clarity on who, what, where, when, and how businesses create and deliver value to stakeholders, even if from somewhat different perspectives, focus, and scope. Business architecture represents the overall business and is ecosystem-wide in scope, and CX design takes a detailed focus on the experiences and emotions throughout each journey stage. For example, let's say a business is looking to add a new capability to help both streamline the order fulfillment process and reduce the number of shipping errors. To accomplish this, the business will engage a partner to bolt on their services onto our processes. A business architecture practitioner, from a practical perspective, will ensure the identification, (re)alignment and deployment of the necessary capabilities to meet the business's needs, while the CX designer must ensure that the new stages meet customers' expectations, to not only meet their needs, but seamlessly integrate with the existing journey.

Although business architecture includes elements and considerations of the customer's experience throughout their journey, this whitepaper explores how the CX and business architecture disciplines can work together to create additional value to the business and its customers. Through expanding the business perspective and bringing customer insights to life, both strategies and capabilities can be shaped across the entire value production process and bridge any gaps that may exist between customer and business. Additional white papers will be published in the future to provide further depth on various aspects of this topic.

Introduction

Organizations are finding themselves at a crossroads, the world of digital transformation and growing demands of customers are vastly changing the business landscape. Customer behavior and the growth of new market entrants are putting greater pressure on established organizations to not only continue to deliver the right things but also respond to changes in a very agile way. The challenge for established organizations has always been around complexity, and knowing where to start. Historically, organizations have driven change from the inside-out and the customer perspective was, in most cases, not fully represented. Business architecture has already made great strides in helping visualize stakeholder engagement and environmental factors (i.e., external industry forces such as regulatory, third parties, etc.) from the outside-in perspective, enabling a business to envision external as well as internal engagement. With CX providing the customer focus, aligned to business architecture's external and internal business perspectives, businesses have the ability to maximize customer value delivery.

Business architecture provides a clear view on scope and value creation and is proving to be a valuable tool in businesses' armories. However, the boundaries between customers and businesses are almost becoming blurred. It is no longer only about understanding from a business perspective, but more importantly also about delivering the right capabilities at the right place and time, and in a cohesive way from the customer's perspective.

Creating clarity and synergies between these two perspectives is becoming a more common challenge organizations are needing to quickly address. Whether part of a new digital strategy, expanding channels or reacting to a market disruption, we could agree with almost confident certainty that customer experiences are establishing themselves as a core component of a company's value proposition.

The Value of Customer Experience (CX)

Adopting a customer experience perspective is starting to be a clear differentiator across many industries. Companies who put the customer at the heart of their decisions are not only driving up profits but also increasing the level of satisfaction of both customers and employees. This is resulting in positive word of mouth, which due to social media can result in a significant impact relatively quickly. By focusing on the needs and experiences of people, traditional start-ups as well as established players have been able to not only deliver meaningful outcomes but in some cases even disrupt existing business models.
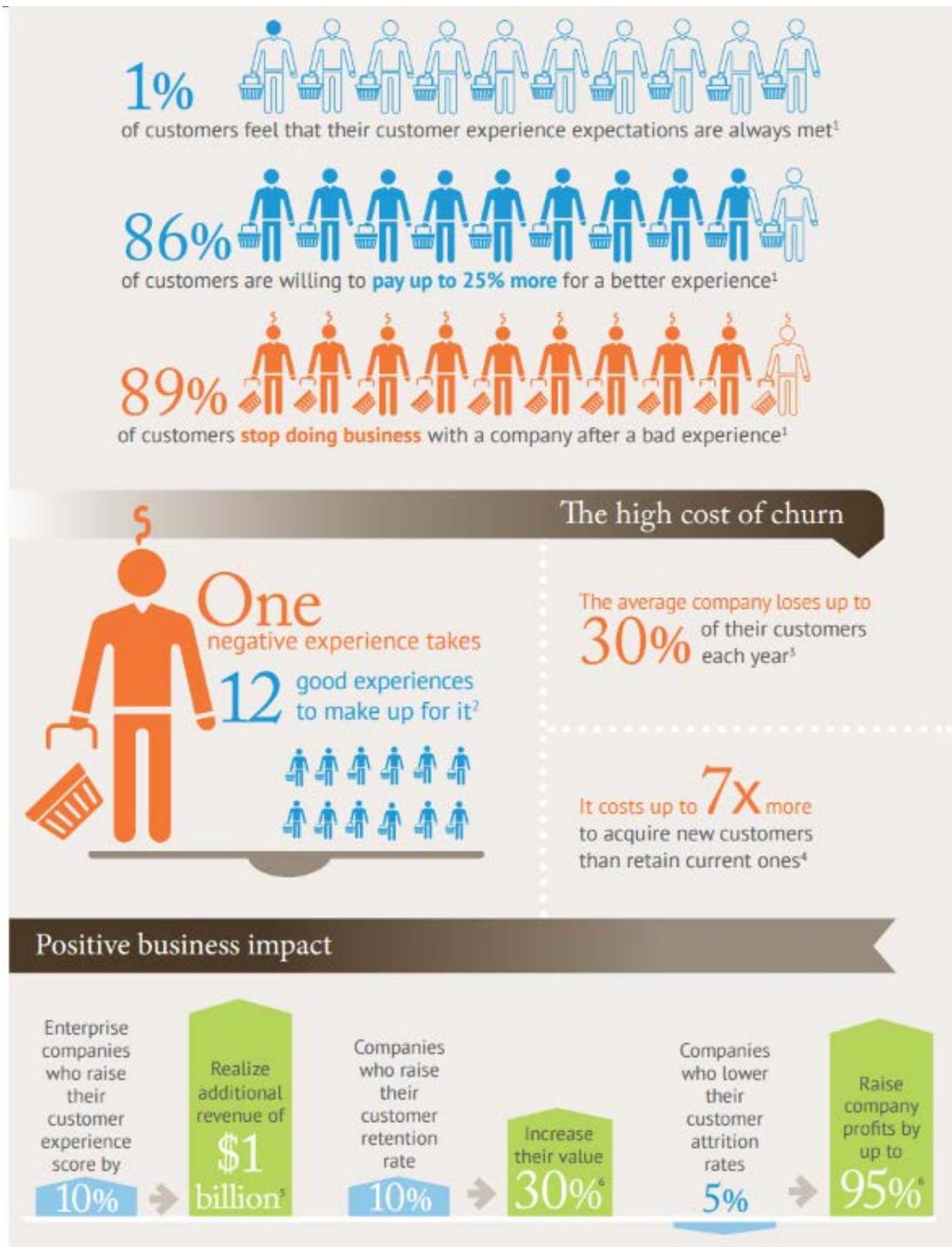
Figure 1 – The Importance of a Positive Customer Experience[ii]

The Customer Perspective

By focusing on the customer's journey, we not only start to shift the focus of design, but we are also able to zoom in on the parts of the business necessary to cater to the needs and emotions

of the customer. When the end-to-end journey is used as a framework and coupled with business architecture, organizations will be able to build a more complete picture of what structures, interactions, capabilities, and information are required at the right place and time.

This holistic view also highlights real gaps across the journey to include: information flow, channel hops, and painful experiences, as well as provides the organization with a common vision of what the experience should be from a customer's perspective – both holistic customer segments and specific customer personas.

Through the alignment to business architecture, we are able to drive change from these key touch points into the heart of the organization, while maintaining traceability to the core customer needs. Business architecture translates the defined customer experience into actionable capabilities (both customer-facing and enabling), which will deliver the right things at the right place and time for customers. This includes business changes as well as technology related dependencies and impacts, assuming that the business architecture is aligned with the IT architecture. Business architecture provides a top-down approach to both designing and planning the changes required to make the customer experience real. An understanding of the customer experience not only helps shape the right capabilities but also helps highlight the information customers may require to achieve a specific outcome. This knowledge provides the inputs needed to not only drive capability change but also the creation of new capabilities that continually delight customers.

As a result, teams can focus their efforts each day on what truly matters to customers, enabling organizations to not only deliver on their promise but also deliver services that remain relevant and consistent.

Connecting Business Architecture and CX

Context is king. But, actionable context is like having the keys to the kingdom. Whether an accountable stakeholder funding a business investment, a product manager interpreting trend data, or a customer determining the right provider that meets their needs, the value of context cannot be underestimated.

Business architecture and CX design have brought the realization of context value to the forefront. Through creating the ability to visualize and trace conceptual and potential scenarios across multiple domains and levels of engagements across the ecosystem, decisions can be both more informed and directly traceable to those outcomes being pursued.

Using the definitions and mapping benefits stated in the *BIZBOK® Guide* as our baseline, we will take a broad look across four core business architecture domains and provide some perspective

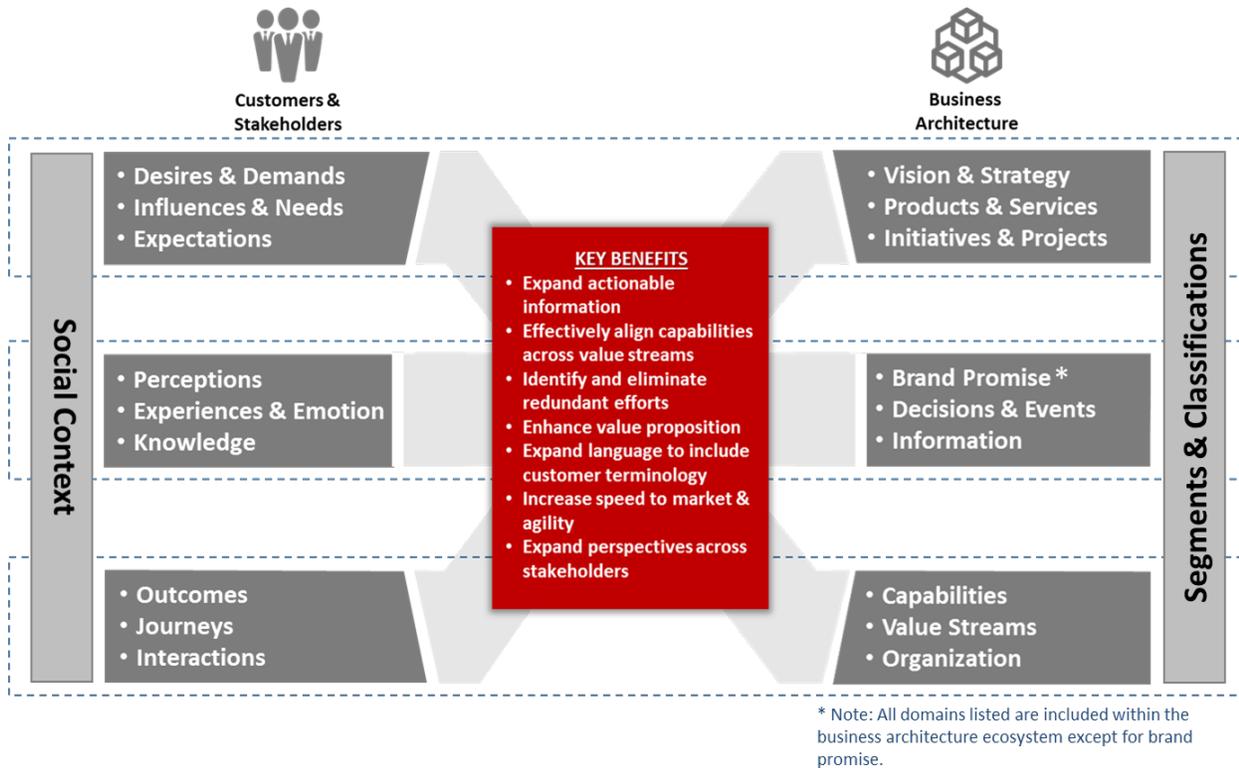of the complementary values these disciplines create for one another.

Figure 2 – Key Benefits of Aligning CX and Business Architecture [iii]

Capabilities

A capability map in its entirety delivers a concise, non-redundant, business-centric view of the business at its most basic level, and it encompasses a complete picture of what the business does in a common vocabulary[iv].

Benefits of Capability Mapping to CX Design	Benefits of CX Design to Capability Mapping
• Establishes the core language, terminology, and definitions of an organization's fundamental business concepts. • Provides alignment and consistency of capabilities required to deliver end-to-end stakeholder value. • Creates a foundation for automation and digitization.	• Broadens the scope of required capabilities (both customer-facing and enabling) to include specific touchpoints, interactions and associated outcomes with those touchpoints to deliver a branded customer experience across business stakeholders. These can represent holistic customer segments, or personalized customer needs. • Identifies potential misinterpretation of

Benefits of Capability Mapping to CX Design	Benefits of CX Design to Capability Mapping
	established internal business or technical terms and describes them from the customer's perspective. • Illuminates gaps to help further refine the capability map and capability / value stream cross-mappings.

Figure 3 – Reciprocal Benefits of Aligning Capability Mapping and Customer Experience Design[v]

Organization

Organizational maps provide the business blueprint that depicts business units, organizational decomposition, and other types of organization-oriented relationships and collaborations (i.e., ecosystems) from a business unit or business entity perspective[vi].

Benefits of Organization Mapping to CX Design	Benefits of CX Design to Organization Mapping
• Provides the alignment, relationships, and connections between capability deployment and capability ownership within the business ecosystem. • Incorporates external partner perspectives essential to the business ecosystem and value delivery.	• Provides additional insights on potential issues, based on engagements and interactions, to organizational areas that are negatively impacting desired outcomes. • Provides additional insights on transforming and reorganizing business structures and capabilities to meet customer-driven demands and disruptions.

Figure 4 – Reciprocal Benefits of Aligning Organization Mapping and Customer Experience Design[vii]

Information

The information map is a representation of the business objects and relationships that are required to manage or participate in the activities of the capabilities[viii].

Benefits of Information Mapping to CX Design	Benefits of CX Design to Information Mapping
• Provides organization of information at domain, capability, and relationship levels. • Leverages a common business vocabulary versus IT-centric language and acronyms to define information concepts.	• Enhances and expands the level of decomposition of domain concepts to include specific customer segments and personas. • Enhances and expands the level of detail on distinguished business objects. • Expands information concepts associated with experience-based capabilities.

Figure 5 – Reciprocal Benefits of Aligning Information Mapping and Customer Experience Design[ix]

Value Streams

Value streams are an end-to-end collection of activities that creates a result for a customer, who may be the ultimate customer or an internal end-user of the value stream[x].

Benefits of Value Streams to CX Design	Benefits of CX Design to Value Streams
• Identifies a business's stakeholders, their perspectives, and the value derived proposition. • Provides the business's baseline value streams and, by extension, routing maps for envisioning how to deliver high visibility stakeholder value. • Identifies, allocates, and aligns capabilities (both customer-facing and enabling) across value delivery perspectives. • Decomposes each value stream stage into specific capabilities required to deliver and maintain stakeholder value.	• Introduces the customer journey map that connects the stages and associated emotions stakeholders go through to achieve a specific outcome. • Assists in the identification (both customer-facing and enabling), prioritization, configuration and deployment of those capabilities required to satisfy experience requirements. • Provides additional insights into the definition of a company's value proposition and their ability to deliver upon it. • Provides additional insights to the specific needs and outcomes for each customer segment and persona. • Illuminates gaps to help further refine value

	streams and capability / value stream cross-mappings.

Figure 6 – Reciprocal Benefits of Aligning Value Streams and Customer Experience Design[xi]

Investments in CX

Due to the significance and growing demands of the modern day customer, businesses are starting to not only invest in customer experience as a discipline, they are also expanding their business portfolios through either partnerships or a clear Merger & Acquisition strategy.

From large banks to traditional management consultancy firms, customer experience teams are finding their way into change and strategic teams, helping to move the direction of the organization from an inward looking focus to an externally driven change culture.

Some firms have even gone beyond just the customer experience and consider the experience as a whole for all stakeholders (e.g., partners, employees) as well. As a result, they have made significant investments in user experience and broader design as a way to compete in a growing marketplace.

The importance of customer experience is also slowly finding its way into a number of traditional enterprise architecture modeling tools. The ability to clearly associate value streams, stakeholders, and capabilities to each journey step is becoming an increasing trend in the latest updates from enterprise architecture tool vendors.
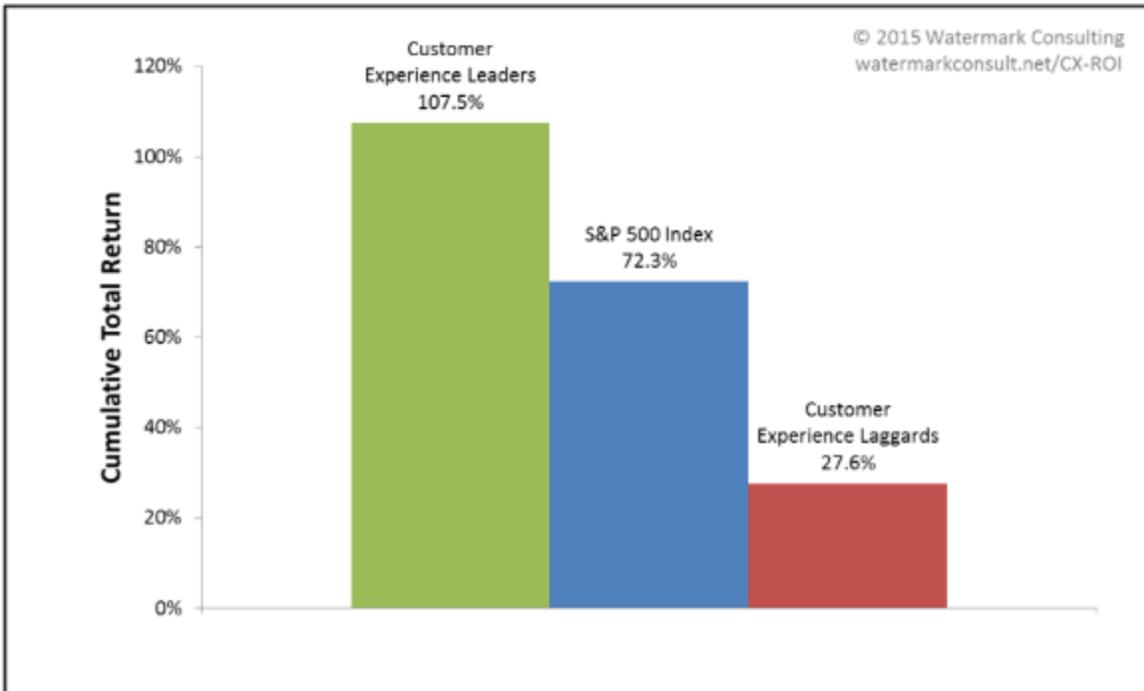
Figure 7 – Customer Experience Leaders Outperforming the Market[xii]

Outlook and Potential

The past five years have marked the beginning of the "Age of the Customer," in which technology and economic forces have put customers in control of their interactions with businesses. For organizations to continually position themselves to respond to the shifting needs of customers, they must start to focus on the aspects of the organization that makes the biggest impact.

Today, the heart of most businesses discussions revolve around the "digital" question.

- What does it mean to the business model, marketplace, and the organization's ability quickly adapt the operating model?

- How relevant are themes like personalization, customer empowerment, social responsibility influencing strategy, and the overall value proposition of the business?

These questions are indeed transformational by nature and are providing a unique opportunity for businesses to rethink how they engage their customers, empower their employees, optimize their products and transform their products.

Understanding where customers are in their journey and what interactions are required will help shape when a capability needs to be present in a customer's digital life. The opportunity for customer experience and business architecture in this space is significant and will help guide how business models will need to evolve in order to deliver the right experiences to customers.

Through the combination of business architecture and customer experience design, organizations will gain more insight as to where and how to align and transform their business models in order to focus on the ongoing needs of their customers while driving organizational efficiencies. This alignment will lead to business architecture practitioners and customer experience teams working hand in hand, helping to shape and evolve the business architecture, which will create maximum customer and business value.

Looking longer term, as we enter the era of smart cities and smart homes, continuous feedback loops, sensors in products, aftermarket services, and customer feedback across a variety of channels will become the norm. The future of business will belong to the businesses that respond quickly to changing needs, and the combination of customer experience and business architecture will enable stakeholders to not only respond but lead in the evolving digital economy.

About the Business Architecture Guild®

A cadre of leading industry experts formed the Business Architecture Guild® to develop *A Guide to the Business Architecture Body of Knowledge® (BIZBOK® Guide)* and to promote best practices and expand the knowledge base of the business architecture discipline. The Business Architecture Guild® is a member-based and member-driven not-for-profit organization dedicated to growing and disseminating authoritative information on Business Architecture. Contact us at info@businessarchitectureguild.org or at www.businessarchitectureguild.org.

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[i] "Customer Experience Management. What it is and why it matters." Retrieved on July 20, 2016. http://www.sas.com/en_us/insights/marketing/customer-experience-management.html

[ii] http://www.catalystinc.com/wp-content/uploads/2015/03/Customer-Experience-Infographic.pdf

[iii] Mike Clark, Whynde Kuehn, Chalon Mullins, Eric Spellman. *"Business Architecture and the Customer Experience: A Comprehensive Approach for Turning Customer Needs into Action – A Business Architecture Guild White Paper,"* Oct. 2016.

[iv] Business Architecture Guild®*, A Guide to the Business Architecture Body of Knowledge®,* v 5.0 (*BIZBOK® Guide*), 2016. Section 2.2

[v] Mike Clark, Whynde Kuehn, Chalon Mullins, Eric Spellman. *"Business Architecture and the Customer Experience: A Comprehensive Approach for Turning Customer Needs into Action – A Business Architecture Guild White Paper,"* Oct. 2016.

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[vii] Mike Clark, Whynde Kuehn, Chalon Mullins, Eric Spellman. *"Business Architecture and the Customer Experience: A Comprehensive Approach for Turning Customer Needs into Action – A Business Architecture Guild White Paper,"* Oct. 2016.

[viii] Business Architecture Guild®, *A Guide to the Business Architecture Body of Knowledge®,* v 5.0 (*BIZBOK® Guide*), 2016. Section 2.3

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[xii] http://www.watermarkconsult.net/docs/Watermark-Customer-Experience-ROI-Study.pdf