The Experience Management Handbook

Blueprint for Building and Maturing a Successful XM Program

October 2024

EXECUTIVE SUMMARY

The environment in which organizations operate is changing. The ever-increasing flow of information is shifting power from institutions to individuals. At the same time, new technologies are redefining business models and shortening product lifecycles. To compete in this fast-changing environment, organizations need to build a new set of capabilities, one that allows them to rapidly deliver on what people really care about – their experiences. We call this approach **Experience Management** (XM). This handbook introduces the discipline of XM and provides details around:

+ What is Experience Management?
+ Why should organizations invest in XM?
+ How to build a successful XM program
+ Using a Maturity Model to Advance Your Program
+ The Future of Experience Management

What Is Experience Management?

Organizations today must navigate an increasingly complex and unpredictable landscape. Disruptive technologies are redefining business models. Product life cycles are shrinking, and global economic concerns are rising. Most notably, consumers and employees are becoming more discerning and demanding. To succeed in this rapidly evolving environment, leaders need to rethink how their organizations operate by adopting a more flexible and human-centric approach to doing business.

This requires them to develop a new set of organizational capabilities, one that allows them to continuously sense, interpret, and respond to changes in their environment and deliver on what people actually care about – their experiences. This approach is called Experience Management (XM). Formally, XM is defined as:

> *the discipline of driving actions based on an ongoing flow of insights about how human beings are thinking, feeling, and behaving.*

XM isn't about delivering amazing experiences at every touchpoint, it's about delivering the **appropriate** experiences that will help the organization achieve its goals. It encompasses any effort to systematically understand and optimize the experiences people have with an organization, including the management of customer experiences, employee experiences, brand experiences, product experiences, patient experiences, citizen experiences, and many more. Regardless of the target audience, there are some elements of this definition that are critical to every XM program:

- **Discipline**. The word "discipline" here is both essential and often overlooked. Organizations regularly make changes to improve the experiences they deliver, yet many of these efforts don't stick. Why? Because they tend to treat poor experiences as the ultimate problem instead of as a symptom of deeper, more fundamental issues. The experiences an organization delivers are a reflection of its culture and operating processes and require a more systematic approach to ensure consistent success. Rather than deploying a set of independent XM projects, organizations must weave XM throughout their entire operating fabric.

- **Actions**. Actions are what transform insights into **value**. Many organizations collect feedback and analyze data for reporting purposes. But pretty graphics and trendy metrics aren't useful on their own. Those data only create value when they help people act in ways that lead to experience improvements. Rather than just collecting and distributing data, organizations need to purposefully inject insights at key decision points. The value of XM lies in its ability to generate a constant stream of insights about the world around it and then translate that information into smarter, faster decisions in a way that collectively builds trust and fosters long-term loyalty.

- **Human Beings**. Experience Management is about **people**. It requires understanding what human beings do from both a logical and emotional standpoint. The better an organization understands the human beings at the other end of the experience, the better it can generate meaningful insights and create lasting relationships. This can be tricky as people are complicated and each individual has their own set of needs and preferences. However, there are some [common traits](#) that all people share and that affect their perceptions and behaviors. Understanding these traits and the [Human Experience Cycle](#) – a simplified view of how people process experiences – will help you consistently deliver the types of experiences that drive value-generating behaviors and ultimately improve your bottom line.

Why Should Organizations Invest in XM?

In today's uncertain environment, organizations need to rethink how they operate, adopting a more flexible and human-centric approach to doing business. This requires them to be able to capture an **ongoing flow of insights** from their environment and be prepared to take swift action based on that information. Which is exactly what XM is all about!

XM Enables Three Critical Capabilities

As organizations get better at Experience Management, they become increasingly responsive to changes and shifts across their ecosystems, increasing [operational agility](#). That's because XM enables three critical capabilities:

- **Continuously Learn**. XM enables organizations to continuously learn what the people around them – including customers, employees, prospects, partners, etc. – are thinking and feeling. This establishes the infrastructure necessary to collect and analyze an ongoing stream of feedback and behavioral signals across their environment.

- **Propagate Insights**. Companies who practice the discipline of XM share relevant insights in tailored formats with the people across the organization who are best equipped to take action.

- **Rapidly Adapt**. Finally, XM doesn't just help organizations capture and distribute valuable insights, it empowers businesses to quickly and meaningfully act on that information.

The Business Value of XM

As XM programs improve these capabilities, they become increasingly strategic assets for their organizations. They help everyone – from the C-suite to the frontline – make faster, smarter decisions that will help each person succeed in their role.

When organizations consistently use XM insights to drive rapid, data-driven decisions and actions, they naturally reap a number of financial benefits – though the exact economic value will show up in different ways depending on the organization and the goals of its XM program. We've outlined five categories of XM business value:

- **Increase Revenue**: XM can accelerate customer acquisition while getting customers to spend more and stay customers longer. Our research shows that customers who report having a better experience are considerably more likely to spend more with an organization and recommend it to others. Every year, we also produce a Sales-at-Risk Index, and in 2024, we found that organizations put $3.7 Trillion of global sales at risk due to bad customer experiences.

- **Reduce Costs**: XM can increase the efficiency with which your organization acquires and serves its customers and employees. There are many ways in which XM can help you reduce costs, such as increasing customer adoption of lower cost digital channels or employee self-help portals. It is also well established that employee experiences lead to higher productivity and lower employee turnover, reducing costs and increasing efficiency.

- **Mitigate Risks**: Systematically identify and remediate threats to business continuity, reputation, and assets, or the likelihood of adverse events that may result in harm to the organization. There are some events that can be extremely costly such as product recalls, regulatory actions, and employee lawsuits. XM enables organizations to more quickly identify and rectify (and even prevent) these potentially catastrophic situations.

- **Accelerate Innovation**: XM can help quickly spot unmet needs and design solutions that satisfy key target stakeholders. XM provides the ability to understand and prioritize the needs of different segments of people you care about whether they're your customers, patients, employees, or partners. With this insight, organizations can identify high-impact employee benefits, differentiated product offerings, and unique service experiences.

- **Enhance Brand**: XM can help cultivate and reinforce an organizational persona that attracts target segments and aligns internal mindsets and behaviors. The experiences an organization delivers end up driving the attitudes that people have about that organization. For instance, XM Institute's global research shows that the customer experience is highly correlated to trust. For some organizations like government agencies, enhancing brand can be one of the most important components of value for their XM efforts.

5 Categories of XM Business Value:

|	CX-related business KPIs	EX-related business KPIs
1 Increase Revenue	+ Conversion rates + Average order value/size + Frequency of repurchase	+ Overall sales quota attainment + Salesperson cross-sell/upsell rate + Customer success retention rate
2 Reduce Costs	+ Problem incidence rate + Self-service adoption rate + Contact resolution rate	+ New hire ramp time + Voluntary attrition rate + Self-service adoption rate of tools
3 Mitigate Risks	+ Time to resolve legal infractions + Impact of data privacy breaches + Revenue loss due to disruption	+ Frequency of workplace incidents + Frequency of ethics violations + Frequency of health/safety violations
4 Accelerate Innovation	+ % sales of newly launch products + # of new products introduced per year + Product launch success rate	+ Employee innovation participation rate + Suggestion commercialization rate + Idea-to-implementation ratio
5 Enhance Brand	+ Level of trust + Share of voice + Social media/PR mentions	+ Candidate quality + # applicants per opening + Referral rate from employees

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How to Build a Successful, Sustainable XM Program

Long-term XM success requires a systematic focus on driving enterprise-wide change over multiple years. To help guide these efforts, XM Institute created the [XM Operating Framework](#) (XMOF), a blueprint organizations can follow to master the discipline of Experience Management. It provides companies with a curriculum they can follow to build XM knowledge and expertise across their business. This Framework has three elements:

- **Competency**: *The skills and actions required to design and manage a successful XM program*
- **Technology**: *The platform that allows XM practices to scale consistently across an organization*
- **Culture**: *The mindsets and beliefs that encourage and nurture XM-centric behaviors across an organization*

The XM Operating Framework (XMOF)
The blueprint organizations follow to master the discipline of XM

COMPETENCY
The skills and actions required to design and manage a successful XM program

TECHNOLOGY
The platform that allows good XM practices to scale consistently across an organization

CULTURE
The mindsets and beliefs that encourage and nurture XM-centric behaviors across an organization

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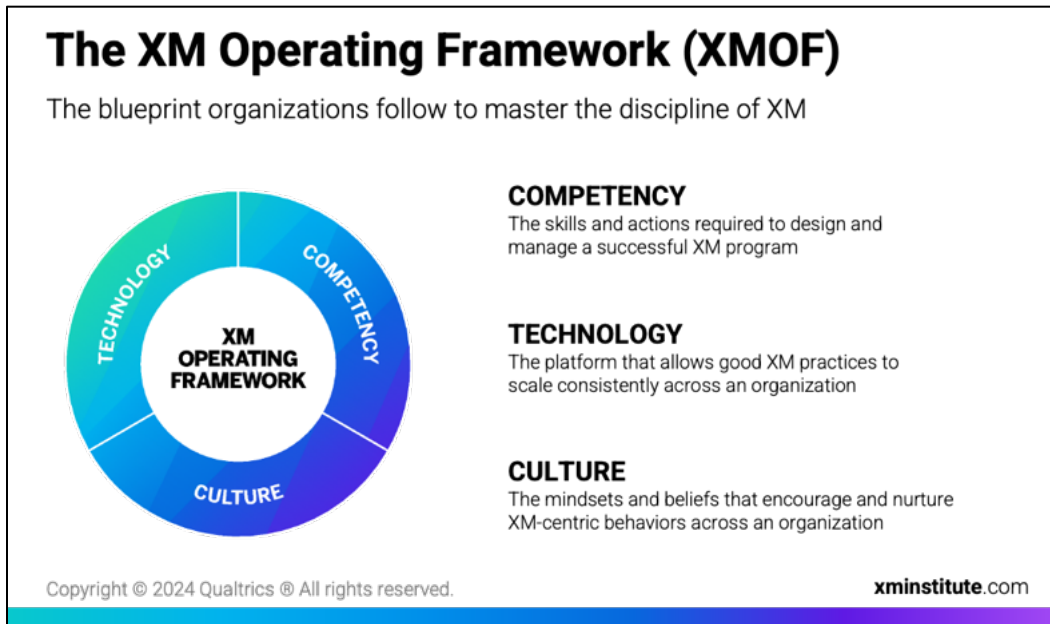
While all three elements of the XM Operating Framework are important, Competency is the focal point of the model. A good way to think about it is that organizations go about mastering the discipline of Experience Management by mastering a set of XM Competencies, which are enabled by Technology and supported by the organization's Culture.

Competency

Competency refers to *the skills and actions required to design and manage a successful XM program*.

The experiences an organization delivers reflects its culture and operating processes. Today, most organizations try to improve experiences by fixing isolated problems as they emerge in different parts of the business. While this type of fragmented approach may lead to *some* incremental improvements to *some* individual touchpoints, it doesn't address any of the deeper, systemic issues that lead to poor experiences, such as misaligned incentives or fragmented operations. It also leads to problems like inconsistent experiences, wasted resources, and siloed insights.

To truly harness the power of XM, organizations must shift their mindset and embrace a more systematic approach. Delivering consistent, on-brand experiences – especially across complex ecosystems – requires XM to become an organizational habit, with human-centric insights infused into decision-making and operating processes across the organization. This requires organizations to alter the way they operate in a number of different ways – everything from how they collect and use insights, to how they design experiences, to how they engage leaders and employees in their change efforts.

To help organizations drive the necessary changes and embed XM into their everyday operations, XM Institute has identified a set of six XM Competencies, which – again – should be the focal point of any XM program:

- **Lead**: *Architect, align, and sustain successful XM efforts.*

   To effectively and systematically manage people's experiences, an organization needs to articulate a clear XM strategy and then coordinate the execution of that strategy across a number of different people and projects over multiple years. This type of change is hard and requires strong leadership, not only in the form of senior executives and those in dedicated XM roles, but also through a clear vision and plan that aligns XM priorities with the organization's overall business and brand priorities. The Lead Competency is critical for securing executive commitment, facilitating collaboration with stakeholders in the development and delivery of XM activities, and embedding XM priorities and resource needs into functional business plans. The XM Skills that make up this Competency are *XM Strategy*, *Program Roadmap*, and *Governance*.

- **Realize**: *Track and ensure that XM efforts achieve well-defined business objectives*.

   This Competency ties XM activities directly to the business priorities of key stakeholders and then provides them with an objective method for evaluating the success of these efforts. It also gives XM teams a framework they can use to track, quantify, and articulate the value their activities produce and allows them to show how changes in experience delivery drive desired business results. Rather than just thinking about value when there's a need to justify an investment in XM, XM efforts should have a continuous focus on value. The Realize Competency is critical for securing XM investment through stronger justification, prioritizing and validating activities, and building stronger alignment across the organization. The XM Skills that make up this Competency are *Value Planning*, *Metrics Management*, and *Value Delivery*.

- **Activate**: *Make sure people have the appropriate skills, support, and motivation to achieve desired XM results.*

   This Competency combines a number of approaches for engaging employees, partners, and other key players in the XM ecosystem, so they consistently deliver on the XM vision. XM is about driving change, which is difficult as people are inherently resistant to change. The Activate Competency is critical for overcoming organizational inertia, involving the entire organization in XM efforts in role-appropriate ways, supporting employee contributions to XM success, and expanding the network of internal XM advocates (e.g., XM Ambassadors, executive champions, functional leaders who embrace XM). The XM Skills that make up this Competency are *Ecosystem Communications*, *Expertise Building*, and *Role-Based Enablement*.

- **Enlighten**: *Capture, analyze, and distribute actionable insights.*

  This Competency enables the organization to capture and process an ongoing flow of [XM data](#) – including experience, operational, and behavioral data – and then translate them into valuable, actionable insights that are shared with people across the organization through a variety of highly tailored and timing formats. The skills and actions in this Competency supply employees and leaders with the XM insights they need to make faster, smarter decisions. The Enlighten Competency is critical for developing a strategic XM listening portfolio, continuously uncovering actionable insights, and then delivering those insights in a personalized and curated form. The XM Skills that make up this Competency are *BOX Data Integration*, *Experience Monitoring*, *Insights Discovery*, and *Insights Distribution*.

- **Respond**: *Build the organizational mechanisms to continuously take action based on XM insights*.

  Sharing insights is not enough. **Action** is what transforms insights into value, leading to experience improvements and driving business outcomes. This Competency allows organizations to close the loop by quickly absorbing and reacting to the XM insights flowing in. The [Respond Competency](#) is critical for embedding XM-centric decisions and behaviors in the operating rhythm of the business, automate insights-driven actions, and drive personalized experiences. The XM Skills that make up this Competency are *Immediate Response*, *Continuous Improvement*, *Process Integration*, and *Strategic Decision-Making*.

- **Disrupt**: *Identify and create experiences that differentiate their organization*.

  The discipline of Experience Management is about more than simply identifying existing problems and responding to feedback. While this might help deliver satisfactory experiences and make incremental improvements, it does not lead to the type of innovative, emotionally engaging experiences that earn long-term loyalty or to an organization standing out in the market. This Competency allows the organization to embed the XM insights it's generated into a repeatable, human-centric design approach, like Design Thinking. The [Disrupt Competency](#) is critical for building deep emotional connections, translating people's unmet (and often unexpressed) needs into desirable solutions, systematically innovating new or improved experiences, and delivering those experiences in a consistent, dependable fashion. The XM Skills that make up this Competency are *Experience Visioning*, *Experience Development*, and *Experience Integration*.

XM Competencies & Skills

The six competencies and twenty skills required
to design and manage a successful XM program.

COMPETENCY	SKILLS
LEAD Architect, align, and sustain successful XM efforts	+ **XM Strategy**: Develop and maintain a clear and shared vision for XM efforts. + **XM Program Roadmap**: Translate XM vision and strategy into a plan with well-defined streams of effort. + **XM Governance**: Establish and maintain organizational structures that provide appropriate decision-making, alignment, accountability, and conflict resolution.
REALIZE Track and ensure that XM efforts achieve well-defined business objectives	+ **Value Planning**: Forecast the business value of your XM efforts. + **Value Delivery**: Track metrics that are explicitly connected with value. + **Metrics Management**: Ensure that value is created and recognized.
ACTIVATE Make sure people have the appropriate skills, support, and motivation to achieve desired XM results	+ **Ecosystem Communications**: Keep employees and partners informed about the value and progress of XM efforts. + **Expertise Building**: Create organizational mechanisms to build, spread, and enhance key XM skills across the organizations. + **Role-Based Enablement**: Ensure that people have the knowledge, training, tools, and motivation to successfully adopt XM-centric behaviors.
ENLIGHTEN Capture, analyze, and distribute actionable insights	+ **BOX Data Integration**: Combine behavioral, operational, and experience data to generate more actionable insights. + **Experience Monitoring**: Identify and capture appropriate signals from the appropriate audiences at the appropriate times. + **Insights Discovery**: Analyze BOX data to uncover actionable insights and prioritize the most valuable actions. + **Insights Distribution**: Distribute BOX data insights in the right form at the right time and tailored to the people who can take action on them.
RESPOND Build the organizational mechanisms to continuously take action based on XM insights	+ **Immediate Response**: Systematically follow up with people who are affected by an experience and fix problems that are uncovered. + **Continuous Improvement**: Make changes to operational processes based on ongoing BOX data insights. + **Strategic Decision-Making**: Infuse BOX data insights into key operating processes and systems. + **Process Integration**: Make strategic decisions based on BOX data insights.
DISRUPT Identify and create experiences that differentiate their organization	+ **Experience Visioning**: Uncover opportunities for breakthrough experiences. + **Experience Development**: Apply a repeatable, human-centric approach to create or improve experiences. + **Experience Integration**: Develop the processes, systems, and training to enable the organization to deliver new experiences in a consistent fashion.

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Technology

Technology refers to *the platform that allows XM practices to scale consistently across an organization*

Organizations rely on numerous enterprise applications to manage their core operational functions, like finance, HR, and sales. Similarly, to manage people's *experiences* at scale, organizations need a dedicated XM Platform capable of monitoring and streamlining relevant XM data and activities. Insights from this platform should be available to every person and integrated with processes across the business. Without this level of adoption, organizational understanding of experiences will be fragmented and delayed, making it difficult to scale and sustain XM-centric skills, behaviors, and processes across the business.

An XM Platform is the central nervous system for Experience Management. It enables the organization to continuously sense and respond to signals from its environment. It serves as a unified hub, consolidating diverse [XM data](#) – regardless of its form or source – into a single, accessible repository. Through powerful analytics and AI enhancements, it transforms this raw data into actionable intelligence, which is then disseminated in tailored formats to the right people and processes at the right time. This intelligence empowers both human decision-making and automated workflows for real-time experience optimization. To fully unlock these competitive advantages, the XM Platform must seamlessly connect with the organization's existing enterprise systems, such as CRM/HCM platforms, data warehouses/lakes, and workflow management tools.

To help organizations understand the capabilities that make up an effective XM Platform, XM Institute has identified four technology pillars, which must all work together in harmony:

- **Listen**: *The Platform capability to capture and aggregate XM data about people's experiences from various touchpoints and channels*.

  Data fuels Experience Management, so a robust XM Platform must be able to collect and house the data required to understand people's experiences, including information about their expectations, perceptions, attitudes, and behaviors. While organizations can collect this information in ad-hoc ways through a variety of technologies, an XM Platform provides a systematic way to identify *who* to listen to, *when* to listen, and *what* to listen for. It enables the design and deployment of a wide variety of listening posts to collect that information, along with access to mechanisms that ensure consistency and controls exist across an organization. By consolidating and standardizing this data, the platform lays the groundwork necessary for meaningful analysis and actions. Important platform capabilities for the Listen pillar include *Flexible Collection*, *Scaled Listening*, *Experience Database*, and *AI-Powered Listening*.

- **Understand**: *The Platform capability to transform XM data into actionable insights tailored to specific users*.

An effective XM Platform doesn't just serve a handful of data analysts; it enables people at all levels of the organization to make quick and informed decisions based on XM insights. To do this, it leverages a suite of analytics capabilities to extract meaningful, actionable intelligence from collected and stored data. It proactively delivers those insights to relevant stakeholders, providing them with timely, role-specific insights that are easy for them to understand and act on. By continually uncovering and sharing XM insights, the platform converts collected data into a strategic asset that empowers every person and process with the information needed to anticipate and respond to a constantly changing environment. Important platform capabilities for the Understand pillar include *Powerful Analytics*, *Role-Based Delivery*, *Insights Prioritization*, and *AI-Powered Understanding*.

- **Act**: *The Platform capability to drive impactful actions across an organization based on XM insights*.

  An XM Platform is an enabler for organizational and individual improvement, innovation, and initiative. As the volume, velocity, and veracity of XM insights increases, it needs to enable efficient mechanisms for putting this intelligence to use, such as automated workflows that are triggered by data elements and analytics. This can't happen sporadically; the platform must embed these insights into the organization's daily operating rhythm by integrating with other business systems and processes. By scaling and enabling XM-centric actions, the platform drives timely and relevant experience improvements that not only improve experiences but also enhance the operational efficiency of the organization. Important platform capabilities for the Act pillar include *Inner-Loop Management*, *Outer-Loop Management*, *Action Orchestration*, and *AI-Powered Actioning*.

- **Operate**: *The underlying technical foundation that enables an XM Platform to scale from small feedback programs to complex environments*.

  Like other enterprise applications, an XM Platform must support the scale and performance required by any organization. Most XM data today are scattered across various desktop and departmental systems, which not only limits their value but also poses data security and privacy risks. As organizations mature and expand their Listen, Understand, and Act capabilities, the volume of data, the number of users, and the complexity of integrations increases. The XM Platform provides the core infrastructure, security measures, governance tools, and extensibility that allows it to grow and evolve alongside their XM efforts. By providing the necessary management and controls, the platform ensures the sustainable growth and evolution of the organization's XM program, enabling it to adapt to changing needs and deliver long-term value. Important platform capabilities for the Operate pillar include *Administration & Governance*, *Security & Compliance*, *Adaptability & Growth*, and *AI-Powered Operations*.

XM Technology Pillars

The four pillars and sixteen technological capabilities
of an effective XM Platform

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PILLAR	CAPABILITIES
LISTEN The capability to capture and aggregate XM data about people's experiences from various touchpoints and channels	+ **Flexible Collection**: Ability to systematically gather a wide array of XM data types through various collection methods. + **Scaled Listening**: Ability to capture and consolidate XM data from a diverse range of interaction channels and devices, both solicited and unsolicited. + **Experience Database**: Ability to consolidate, centralize, and store XM data from different sources (e.g., surveys, call transcripts, social, CRMs, HCMs) to create a unified record for each individual person. + **AI-Powered Listening**: Ability to leverage AI and machine learning to augment, tailor, or automate various aspects of its listening activities.
UNDERSTAND The capability to transform XM data into actionable insights tailored to specific users	+ **Analytics Suite**: Ability to apply a comprehensive set of analytical tools and techniques to explore, analyze, and interpret XM data, uncovering hidden patterns, trends, and relationships that support informed decision-making. + **Role-Based Delivery**: Ability to tailor the presentation and delivery of actionable intelligence to specific users and roles, ensuring that the information is relevant, accessible, and actionable for everyone across the organization. + **Insight Prioritization**: Ability to effectively manage and prioritize the vast amount of insights generated by the XM Platform, ensuring that the most valuable and actionable information is surfaced for users. + **AI-Powered Understanding**: Ability to leverage AI and machine learning to automate and enhance data analysis and reporting.
ACT The capability to drive impactful actions across an organization based on XM insights	+ **Inner-Loop Management**: Ability to trigger immediate, automated actions in response to data, analytics, or feedback – following up with people who have been affected by an experience. + **Outer-Loop Management**: Ability to translate XM insights into strategic, data-driven decisions and actions that systematically improve experiences across the organization. + **Action Orchestration**: Ability to seamlessly integrate the XM platform with other business systems and automate workflows, ensuring that insights are embedded into the daily operations of groups across the organization. + **AI-Powered Actioning**: Ability to leverage AI and machine learning to automate, personalize, and optimize actions based on XM insights.
OPERATE The underlying technical foundation that enables an XM Platform to scale from small feedback programs to complex environments	+ **Administration & Governance**: Ability to efficiently manage user access, system configurations, and data to ensure secure and compliant operations. + **Security & Compliance**: Ability to protect the privacy and security of XM data, ensuring compliance with relevant regulations (e.g., GDPR, CCPA) and ethical data handling practices. + **Adaptability & Growth**: Ability to flex and expand alongside the organization's evolving XM needs, ensuring the platform remains performant, flexible, and capable of integrating with new technologies and data sources. + **AI-Powered Operations**: Ability to leverage AI and machine learning to proactively manage, secure, and optimize the underlying XM platform.

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Culture

Culture refers to *the mindsets and beliefs that encourage and nurture XM-centric behaviors across an organization*

Organizations that want to embed XM as a discipline need to foster an environment that instills XM-centric mindsets and behaviors in their leaders and employees. That's why culture is so important to XM success – it can either accelerate or inhibit the spread of XM Competencies and actions. It's an organization's culture that ultimately determines whether XM efforts gain momentum or fizzle out and whether XM actions happen consistently across the organization or only occur in isolated pockets.

Simply defined, culture is about how employees [think, believe, and act](#). It represents a set of norms that synchronizes how groups of people behave – even when no one is looking. There is no perfect recipe for a single, ideal culture, as culture can look completely different across organizations. So it's important to examine it across a couple of different dimensions. The first dimension of culture is its *attributes*, which are the nature of the shared thoughts, beliefs, and actions that happen across an organization, like sales-oriented or mission-driven. The second dimension is *cultural intensity*. This is the strength and consistency of the attribute across the individuals in the group. At the low-end of intensity, cultural attributes have little impact on employee behavior and end up as just "words on the wall." At the high-end of intensity, the attributes are deeply rooted in the minds of employees and modeled at every level of the organization.

To help organizations nurture an XM-centric culture, XM Institute has identified four attributes that are important for XM success. While every company's cultural values should be unique, there are common attributes that we have observed among strong XM cultures. These attributes can complement an organization's existing cultural values, map (directly or indirectly) to these values, or fill existing cultural gaps that are preventing people from truly embracing XM mindsets and behaviors:

- **Purpose-Led**: *The organization operates consistently with a clear direction and a well-understood set of values.*

  Having a shared organizational purpose will align, motivate, and empower people across the business. In a Purpose-Led culture, the organization's mission drives decision-making and its stated values drive behaviors, allowing people to understand and anticipate how decisions will be made and adjust their behavior accordingly. Importantly, people across the organization must know the mission and values and understand how their work directly contributes. This is largely driven through constant communication about the company's mission and values and modeling by leaders. Important characteristics of a Purpose-Led organization include *Mission*, *Values*, and *Consistency*.

- **Human-Centric**: *The organization demonstrates empathy for its customers and employees.*

Experiences are created and consumed by human beings (customers, employees, partners, etc.), so organizations must cater to how people actually think, feel, and act. In a Human-Centric culture, the organization recognizes that business success is driven by engaged employees and loyal customers, so it prioritizes employees, who need to feel engaged, and customers, who need their emotional needs met. Organizations that are human-centric also understand that in order to create committed and loyal customers for the long term, they must start by creating a committed and loyal workforce. Important characteristics of a Human-Centric organization include *Caring*, *Inclusive*, and *Responsive*.

- **Change-Minded**: *The organization regularly makes improvements without significant internal resistance*.

   For any major XM initiative to succeed, many employees will inevitably have to continually change their behaviors over time. In a Change-Minded culture, people embrace the idea that adjusting is a way of life and actively seek to learn from successes and failures, applying what they uncover to future attempts. This cultural attribute aligns well with other common values such as "taking calculated risks", "failing fast", "continuous improvement". Important characteristics of a Change-Minded organization include *Learn*, *Improve*, and *Adapt*.

- **Evidence-Minded**: *The organization relies on data and analysis to make key decisions*.

   Fundamentally, Experience Management is about making smarter, faster decisions with data. For XM practices to take root, people across the business need to embrace the potential of data insights to help them in their everyday roles. In an Evidence-Based culture, people make decisions based on facts rather than intuition and constantly look for ways that data analysis can provide more useful recommendations to guide their decisions and behaviors. Important characteristics of an Evidence-Based organization include *Decisions*, *Transparency*, and *Access*.

XM-Centric Culture Attributes

The four attributes and twelve characteristics of a culture that nurtures XM-centric mindsets and behaviors.

ATTRIBUTE	CHARACTERISTIC
PURPOSE-LED The organization operates consistently with a clear direction and a well-understood set of values	+ **Mission**: Employees are motivated by the organization's mission. + **Values**: Employees use the organization's values to guide their decisions. + **Consistency**: Leaders behave consistently with a clearly articulated set of organizational values.
HUMAN-CENTRIC The organization demonstrates empathy for its customers and employees	+ **Caring**: Leaders actively seek to understand what customers and employees are thinking and feeling. + **Inclusive**: The organization treats all employees as valuable members of a single team. + **Responsive**: The organization treats customers differently based on their individual needs.
CHANGE-MINDED The organization regularly makes improvements without significant internal resistance	+ **Learn**: Employees treat mistakes as learning opportunities, rather than assigning blame or punishment. + **Improve**: The organization regularly makes improvements to the way that it operates. + **Adapt**: Employees demonstrate a willingness to embrace new ideas and adapt to change.
EVIDENCE-BASED The organization relies on data and analysis to make key decisions	+ **Decisions**: Leaders engage in data-informed decision-making, rather than relying on intuition. + **Transparency**: The organization shares data and insights that enable transparency and collaboration. + **Access**: Employees have access to the data and tools they need to make well-informed recommendations

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Ambition

Outside of the XM Operating Framework, a successful, sustainable XM program relies on executive Ambition. Maintaining an enterprise-wide focus on driving XM-centric change over multiple years requires strong, persistent commitment from executives, who play an instrumental role in helping XM programs overcome the obstacles and inertia that inevitably set in during any large-scale transformation. To help XM professionals facilitate these discussions, we have identified [four drivers of XM ambition](#):

- **Business Need**: *Senior leaders believe that the organization needs to adapt how it operates to succeed in a changing and uncertain environment.*
  Because XM embeds the capability to continuously learn, propagate insights, and rapidly adapt throughout all operational processes, it enables organizations to sense and respond to changes more quickly than their competitors can. While the exact opportunities presented by XM will vary depending on a number of factors – like industry, region, and regulatory environments – the ability to better understand and adapt to an ever-evolving business landscape is always crucial for long-term success. Executives will demonstrate stronger ambition when they recognize this link between XM and their organization's ability to stay competitive. Important characteristics of Business Need include *Improvements*, *Agility*, and *Innovation*.

- **Value Clarity**: *Senior leaders can clearly articulate where and how XM can transform their organization*.
  Even if executives recognize the potential business value of XM efforts, they may lack ambition if they don't have a good sense of how these efforts will translate into success. Leaders need to have and communicate a compelling vision of the desired future state, explaining how exactly XM will help different processes, teams, and business operations perform better going forward. Important characteristics of Value Clarity include *Impact*, *Narrative*, and *ROI*.

- **Strategic Fit**: *The organization embraces XM within its core operating model*.
  Since XM success requires organizations to maintain a systematic focus on driving change over multiple years, leadership ambition needs to last for an extended period of time. This sustained focus will only persist if executives – and people across the business – see XM as integral to the organization's critical efforts and not as a standalone set of activities. Important characteristics of Strategic Fit include *Vision*, *Values*, and *Strategy*.

- **Executive Advocacy**: *Senior leaders actively support the organization's strong focus on XM*.
  Even if leaders believe that XM is important, their endorsement is meaningless unless it consistently shows up in their own decisions and actions. Because people naturally gravitate toward the status quo, if executives don't demonstrate XM behaviors themselves – if they don't highlight, encourage, and reward XM adoption – the rest of the organization won't change the way it operates either. Important characteristics of Strategic Fit include *Mindset*, *Evangelism*, and *Ownership*.

Drivers of XM Ambition

The four drivers and twelve characteristics of executive ambition for long-term XM success.

DRIVER	CHARACTERISTIC
BUSINESS NEED Senior leaders believe that the organization needs to adapt how it operates to succeed in a changing and uncertain environment	+ **Improvements**: Senior leaders recognize a business need to improve broken experiences because they are costly or competitively problematic + **Agility**: Senior leaders recognize a business need to improve the organization's ability to adapt to changing environments that it is currently facing or will be facing in the future + **Innovation**: Senior leaders recognize a business need to accelerate the pace and success of its innovations to meet its growth and market share objectives
VALUE CLARITY Senior leaders can clearly articulate where and how XM can transform their organization	+ **Impact**: Efforts that improve XM are viewed as a requirement for the organization to succeed in the future + **Narrative**: There is a compelling story about how an improvement in XM will change how the organization operates in the future + **ROI**: There is an accepted model for estimating the value of improving XM
STRATEGIC FIT The organization embraces XM within its core operating model	+ **Vision**: The organization's vision statement includes a clear connection to XM + **Values**: The organization has well-defined values that can clearly be connected to XM + **Strategy**: The organization's strategic plans include specific areas that focus on XM
EXECUTIVE ADVOCACY Senior leaders actively support the organization's strong focus on XM	+ **Mindset**: Senior leaders view XM as a multi-year cross-functional transformational program + **Evangelism**: Senior leaders actively evangelize the importance of XM + **Ownership**: Senior leaders allocate resources and promote XM-related activities within their organizations

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Using a Maturity Model to Advance Your Program

Building a successful, sustainable Experience Management program does not happen overnight. It requires a multi-year strategy focused on simultaneously maturing XM [Competency](), [Technology](), and [Culture]() – along with the continued support of strong executive [Ambition](). As organizations progress up the maturity curve, they will move from scattered, reactive experience improvements to cross-functional, proactive experience orchestration and, ultimately, competing on experience as their core differentiator. The more mature an XM program is, the more it will be capable of delivering on the [business value]() and [transformative potential]() of Experience Management.

To guide organizations along this journey, we've created a series of maturity models that lay out what the future state of the XMOF elements should look like. These frameworks provide organizations with a roadmap they can follow to build the capabilities they need to achieve their XM vision and goals.

The benefits of using a maturity model include:

- **Clarity**. Gain a clear understanding of the essential capabilities required to derive value from your XM program
- **Alignment**. Use an established framework to create internal alignment around the design execution of XM Program.
- **Structure**. Have a structured approach to identify the strengths and weaknesses of your XM program.
- **Action**. Develop concrete plans for making progress towards your ultimate XM goals

Best Practices for Assessing Program Maturity

How exactly you use these frameworks to mature your XM efforts will depend on the unique situation of your program and organization. If you're looking for where to get started, we recommend first taking the [Competency Assessment](), as it is the heart of any XM effort and typically owned by the XM team. Then, supplement with the [Technology Assessment](), [Culture Assessment](), and [Ambition Assessment]() based on the priorities of your program and organization.

These frameworks should provide insight into the strengths and weaknesses of your XM program and enable you to track progress to higher maturity levels. They can also be used to build stakeholder alignment and help demonstrate the value of XM in order to gain buy-in and resources for ongoing improvements. To get the most out of your maturity assessments, we recommend the following:

- **Involve key stakeholders throughout the process**. People from finance to engineering to operations play a role in delivering quality experiences. That's why everyone — not just the

core XM team — needs to develop XM skills. Involving leaders from across the organization before, during, and after maturity assessments is an important way to gain support for that work. It introduces them to a common language and framework for XM and increases the likelihood they'll buy into the assessment methodology and findings. Direct involvement also improves the chances stakeholders will take ownership of improvements that need to be made in their part of the organization. For instance, a core CX team may invite partners on the contact center and digital teams to complete the Competency Assessment, or the Head of People Analytics may invite the Chief Human Resources Officer and PeopleOps leaders to take the Ambition Assessment. To identify the best way to engage key stakeholders, conduct a stakeholder mapping exercise.

- **Focus on improving XM capabilities and driving business results**. People have a natural tendency to obsess over assessment scores rather than the actual objective: understand and improve XM maturity to drive better business outcomes. Keep people focused on that goal by making it the starting point for all of your assessment-related communications. Whether you're preparing people to complete an assessment or to hear the findings from one, start with a reminder that the ultimate goals are to 1) identify and close XM capability gaps and 2) improve business outcomes resulting from better experiences.

- **Coach assessment participants in XM basics**. Most people you'll ask to take an XM maturity assessment aren't familiar with the discipline of XM — especially if your organization is early in its XM journey. Think about requiring participants to review background material (such as our Launchpads). This helps people complete evaluations more reliably and also begins the process of introducing them to XM basics. You should also clarify the scope of what you're asking participants to evaluate (e.g., their group or business unit), how the information will be used, and how you'll communicate maturity findings, improvements, and progress.

- **Connect findings to XM maturity and organizational goals**. When you deliver assessment results to stakeholders, start with a refresh about the purpose of the evaluation. Focus the bulk of the conversation on XM capability strengths and gaps and connect recommended improvements to their support of organizational goals. For example, if the Competency Levels assessment revealed low maturity in areas like Insights Discovery, Insights Distribution, and Immediate Response, advocate for improving those capabilities to drive a key business objective like increasing customer satisfaction and retention. Connect key findings from the assessment to the maturity framework and to your business objectives in order to gain alignment on key areas to focus on over the next 6 to 24 months.

- **Track improvements and drive alignment with a roadmap**. Following the discussion of assessment results, build a program roadmap that includes key objectives, tasks, and action item owners. Look for opportunities for stakeholders who were involved in the assessment process to take a leadership role in actions tied to their part of the organization. Review the roadmap and update progress and priorities on a defined cadence. Plan to repeat the XM assessment every 12-18 months. Position and integrate roadmap updates and assessments into an overall process of progressing the organization through the five stages of XM maturity. Here are step-by-step guides you can follow to build Customer Experience or Employee Experience program roadmaps.

The Future of Experience Management

Over the last several years, we've seen organizations increasingly invest in efforts to better listen and respond to the needs of customers and employees. While organizations often prioritize these XM activities to drive short-term value, we've observed that they are actually part of a much larger transformation happening across every industry and geographic region… one that many leaders haven't yet recognized. As organizations gain better access to human insights, they start embarking on an evolution:

- **From: Passive Market Research**. Looking back just five years, most organizations had little insight into what people were thinking and feeling. If they wanted to learn about customers, prospects, or employees, they would deploy a research project. These were either ad-hoc projects or periodic activities like annual or bi-annual customer satisfaction or employee engagement studies. These efforts were led by an internal or external research group who – after a few months of survey design, execution, and analysis – would deliver the results in the pages of a report. A handful of people would review this static document… and then set it aside.
- **To: Embedded Human Empathy**. As we look ahead over the next decade, organizations will be collecting and analyzing human-centric insights from their key stakeholders on an ongoing basis and delivering actionable insights within the normal workflow and systems that employees use as part of their day-to-day operations. People across an organization will not only have access to a deep understanding of what customers, prospects, and employees are thinking and feeling, but these insights will be merged with operational and behavioral data to deliver recommended actions. Every enterprise system will use these insights to either automate activities or empower employees.

The Evolution Towards Embedded Human Empathy

		PASSIVE MARKET RESEARCH		EMBEDDED HUMAN EMPATHY
Collection and distribution of human insights	FROM	Periodic	TO	Continuous
Decisions based on human insights	FROM	Limited	TO	Pervasive
Active users of human insights	FROM	Analysts	TO	Everyone
View of Experience Management (XM)	FROM	Standalone Capability	TO	Strategic Enabler