CARNEGIE-MELLON UNIVERSITY
Heinz College of Public Policy and Management

Managing the Customer Experience
Summer 2017

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Managing the Customer Experience

Course Description

This course provides participants with an understanding of the principles associated with managing the customer experience, quality, and employee engagement. The leadership skills needed to drive customer engagement and loyalty, and develop a culture that focuses on and enhances the customer experience is a key component of the course content. Students will have the opportunity to learn and experiment with the analytic and leadership skills associated with managing the customer experience, product and service quality, employee engagement and to formulate personal approaches to their application in the work environment.

No prior familiarity with the theory or practice of customer and employee engagement or quality management/improvement are required as a prerequisite for this course; students who have been exposed to these principles and practices will benefit from the opportunity to place these experiences into an integrated context.

The course is designed to be intellectually stimulating and professionally useful for students at any phase of their career development.

Course Overview

Although the state of the US economy has changed substantially since 2000, the thinking behind the customer experience has not. It is no longer good enough to have satisfied customers and employees. Engaged customers and employees and the overall customer experience provide the vital competitive advantage for the US and organizations that survive in the new customer experience environment.

There are three areas of focus for organization change in this course:

Strategy:
- External: focus on the Brand and understands the customer and regulatory environment
- Internal: builds a strategy for culture change and quality and service delivery

Quality and Service Delivery
- Product Quality: exceeds customer expectations and error free
- Service Quality: manages service recovery and is helpful in solving problems
- Predictive Analytics: use of data and tools/analytics techniques to improve the customer experience

Culture:
- Mission, vision and values
- Customer and Employee Engagement
- Leadership and managing cultural change
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Participants in this course will have the opportunity, during each week of the semester, to review a theoretical principle behind quality, customer and employee engagement, analyze and apply those principles, and apply methods associated with the design and delivery of an enhance customer experience.

Students will have the opportunity to test theoretical principles in out-of class exercises. Brief written reports on these experiences will represent a major contribution to the assessment of student achievement.

Faculty Background

Joseph J. Balestreire is a forward-thinking and results-driven executive, with demonstrated expertise in performance improvement, organizational development, education, customer and employee engagement, and quality planning and implementation. As Senior Vice President and Manager, Retail Bank Quality and Service Delivery at PNC Bank, Mr. Balestreire has led retail bank quality and service delivery strategy, driving problem reduction and improving problem handling, resulting in increased customer and employee satisfaction and engagement. He oversaw multiple cross-functional work groups in all retail product, channel, and operations areas charged with facilitating changes, resulting in improvement from customer viewpoint.

Mr. Balestreire received his MS in Education from the University of Pittsburgh in 1976. He has over 30 years’ experience in Management and Organization Development in both Finance and Health Care and eight years teaching in public education. He has been a faculty member at the Heinz College for Public Policy and Management since 1994. He is a past examiner for the Pennsylvania Quality Leadership Award and has presented nationally at the Institute for Healthcare Improvement National Forum and at a number of local quality conferences, and has consulted with several Health Care Systems.

Learning Contract

The attached outline reviews the overall approach to the educational dynamic of this course; it is designed to be highly interactive, with substantial student engagement in and out of the classroom.

Learning objectives have been established for each class session; students should be familiar with these expectations, and guide their personal preparation efforts in order to achieve those objectives.

Reading assignments are specified for each class meeting, with the assumption that students will have read the materials and be prepared to critically analyze them in class, as well as to apply the principles in practical exercises. Students are encouraged to contribute suggestions concerning relevant readings during the conduct of the course.
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Course participants are expected to attend each class; in the event that class attendance is not possible, it is the responsibility of the student to notify the instructor and obtain from other students, lecture notes, discussion materials and handouts from the class.

Course participants are expected to participate constructively in class discussions, contributing to the learning of others through the sharing of relevant insights from professional experience and readings.

The instructor’s primary responsibility lies in obtaining and structuring learning materials for the personal growth of each participant. The instructor is also responsible for evaluating each student's progress toward the attainment of the specified learning objectives. This evaluation will be conducted collaborative with the student, with frequent opportunities for constructive feedback on student progress. Primary sources for evaluation of student performance will be written project reports, and the quality of class participation. Grades of A (+/-) will be awarded only for superior performance.

Students are referred to the University policy on cheating and plagiarism. It will be the policy in this course to discourage cheating; in fairness to all, cheating will be treated severely wherever it occurs. Because a large part of the learning experience comes from interaction with peers, students are encouraged to discuss assignments with each other. Materials submitted for grading must, however, be the product of individual effort.

Student Assignments

Discussion Questions

Each week you will be assigned readings in the core texts and articles for the course. You are expected to prepare answers to several discussion questions based on those reading, prior to class. You will use your prepared answers as reference during class discussion and then turn them in at the end of class. Following are guidelines for preparing these answers:

- Prepare clear and succinct answers; use an outline form if you wish, so long as the key concepts are conveyed
- Implement critical thinking; analyze the readings
- Prepare answers on one page only
- Do not use a cover sheet

Required Texts

<table>
<thead>
<tr>
<th>Juran:</th>
<th>Quality by Design</th>
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<td>ISBN: 0-02-916683-7</td>
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Required Articles:

- Manage Your Human Sigma
  - John H. Fleming, Curt Coffman, and James K. Harter
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Lessons from the Leading Edge of Customer Experience Management
Harvard Business Review Analytic Services
Sponsored by SAS

Primer on Quality
Roberts – Reprint 99509

Your Employees Don’t Get Your Brand
Gallup Business Journal

The Business Impact of Customer Experience
Forrester Research, Inc.: Maxie Schmidt-Subramanian

Reinvent the Customer Experience
Forrester Research, Inc.: Rick Parrish

Suggested Readings:
Buckingham, Coffman: First Break All The Rules
ISBN: 0-684-85286-1

ISBN: 0-385-26095-4

Hsieh: Delivering Happiness: A Path to Profits, Passion, and Purpose
ISBN: 978-0-446-56304-8

Blanchard, Bowles: Raving Fans
ISBN: 0-688-12316-3

Project Report

During the course, each student will submit an individually developed analysis of the application of a quality, customer or employee engagement technique in an actual work environment to study and how it applies to improving the overall customer experience. Each student will choose a concept, principle or technique, which has been review in class, and apply it in a real situation in work or school. The project report will have two elements, as describe below.
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Students are encouraged to identify a technique and a process early in the semester and submit a one-paragraph prospectus by June 26, 2017.


Report Elements

Descriptive:

- The key customer
- The setting/environment in which the customer experience/improvement opportunity takes place
- The analysis (technique(s) and/or process applied
- The process used to introduce and apply the technique
- The outcomes of applying the technique

Analytical:

- The effect the technique had on customer engagement and/or employee engagement
- The impact the technique or process has on the overall customer experience
- What you learned about the technique and/or process and its application

Note: the application of the technique does not have to be successful; if it is not, explain what impeded its effectiveness, and what might have been done to improve its implementation.
## COURSE OUTLINE

<table>
<thead>
<tr>
<th>Session</th>
<th>Date</th>
<th>Content</th>
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<tbody>
<tr>
<td>Week 1</td>
<td>5/22</td>
<td>Lecture Topic: Purpose and Content Customer experience evolution and trends in management theory Course requirements and expectations Process Technique: Group roles/simulation</td>
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### Quality and Service Delivery

|--------|-----|---------|
### Managing the Customer Experience

**Week 5  6/26**  
**Lecture Topic:** Managing Process Capability  
**Analytic Skill:** Predictive analytics  
**Process Technique:** Applied statistics: Histogram and Control Charts  
Deming: process outcomes and service quality  
(Blue Beads)  
**Reading:** Juran: *Quality by Design*, pages 299-406  

6/26  
**Project Prospectus Due**

### Culture and Strategy: Purpose, Brand and Leadership

**Weeks 6/7  7/3 & 7/10**  
**Lecture Topic:** The Learning Organization  
Organizational Values and Behaviors  
**Analytic Skill:** Purpose: Mission, Vision and Values  
Net Promoter Score – week 7  
**Process Technique:** Deep Dive: Vision and Values Exercises  
Force Field Analysis  
**Reading:** Pausch "Last Lecture" YouTube  
[https://www.youtube.com/watch?v=ji5_MqicxSo](https://www.youtube.com/watch?v=ji5_MqicxSo)  
1 hour 16 minutes

**Week 7  7/10**  
**Lecture Topic:** The Learning Organization, cont.  
**Reading:** CX Blog: *Why Spock would reject NPS*  
Mark Eduljee, Feb. 10, 2016

**Week 8  7/17**  
**Lecture Topic:** Surfacing Conflict for Positive Change  
**Analytic Skill:** Attitude toward change  
**Process Technique:** Left Hand Exercise  
The Abilene Paradox  
Inquiry and Advocacy  
**Reading:** *Your Employees Don’t Get Your Brand*  
Gallup Business Journal

**Week 9  7/24**  
**Project Due**  
**Lecture Topic:** Understanding the Organization as a System  
**Analytic Skill:** Systems Thinking tools and templates  
**Process Technique:** Systems templates and case study  
Developing System Archetypes

### Bringing it all together

**Week 10  7/31**  
**Lecture Topic:** Synthesis/Project Review and Summary
Managing the Customer Experience

Week 1: Purpose and Content
Customer experience evolution and trends in management theory
Course requirements and expectations

Required Reading:
None

Session Objectives:
1. Identify major trends in customer experience management theory.
2. Identify continuities of these trends with customer experience strategies and quality improvement strategies.
3. Identify principles and characteristics of a culture that drives success using customer and employee engagement and quality improvement and its foundation.
4. Understand the value of team/group dynamics, communication and decision-making

Additional References/Resources:
Synergistic Decision-Making

Process Technique:
Group Simulation: Medicine Wheel
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Week 2: The Relationship between Business Processes and Customer Experience

Required Reading:
Juran: Quality by Design, pages 1-115

Study Questions:
1. Differentiate with specific examples among quality planning, quality control and quality improvement. Are these three implemented in your work environment (describe)?
2. How is “field intelligence” applied to the improvement of quality and the customer experience? How can the acquisition of field intelligence be enhanced?

Session Objectives:
1. Defining the relationship between business processes and the customer experience.
2. Identify management responsibilities in design and implementing customer experience and quality improvement strategies
3. Develop a journey map to illustrate process steps and analyze the cost of poor quality in the customer experience
4. Understanding root cause analysis
5. Identify methods of enhancing interactive participation in small groups

Additional References/Resources:
Samples of process flows and journey maps

Analytical Skills Exercise:
Understand, develop and analyze a journey map and its impact on customer and employee engagement

Process Technique:
Use nominal group process and multi-voting to obtain group consensus
Week 3: Understanding Customer and Process Outcomes

Required Reading:
Juran: Quality by Design, pages 116-217

Study Questions:
1. Select a problem for the work/academic environment. Select a “level” from the Pyramid of Units of Measure from which you will measure improvement in the process where the problem occurs
2. Select a specific measure and evaluate this measure in terms of the “Ideal Unit of Measure”. Does it meet the suggested criteria?

Session Objectives:
1. Identify key quality indicators
2. Develop a cause and effect diagram to identify variation in processes and the customer experience
3. Identify methods of arraying and presenting data
4. Use run, pie and bar charts to visually organize and analyze data

Additional References/Resources:
Samples of cause and effect diagrams and run, pie and bar charts and their impact on customer and employee engagement.

Analytical Skills Exercise:
1. Review journey map assignment – learning perspective
2. Array a set of data in the most appropriate display
3. Synthesize data analysis with a short fact

Process Technique:
Complete an opportunity statement regarding the education process at CMU. Apply root cause analysis principles using the 5 why process.
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Week 4: Managing Process and Customer Experience

Required Reading:

Roberts: *A Primer on Personal Quality*
Juran: *Quality by Design*. Pages 218-298

Study Questions:
1. What methods may be used to measure the capability of a process?
2. Identify error-proofing techniques in actual work/academic processes.
3. What do we mean when we say “capability measures”?
4. Provide examples of dominate variables.

Session Objectives:

1. Apply data collection techniques and analysis to work processes
2. Apply the principles of Pareto analysis in problem identification
3. Develop a scatter diagram using a prepared case study
4. Draw conclusions based on data analysis
5. Identify opportunities to improve the customer experience using Pareto and scatter diagrams.

Additional References/Resources:

Sample Pareto charts and Scatter diagrams and their impact on the customer experience.

Analytical Skills Exercise:

1. Develop a Pareto charts and Scatter diagrams using a prepared case study
2. Draw conclusions based on data analysis – impact on the customer experience
3. Identify opportunities for the application in real work.

Process Technique:

Case studies
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Week 5: Managing Process Capability

Required Reading:

Juran: Quality by Design. Pages 299 - 406

Study Questions:

1. What is a macro-process and why are they important? Support your answer by providing several examples for you work/academic environment.
2. SQM approach is a top-down model for planning quality improvement. What is your perspective on the value of this approach and its impact on quality, customer and employee engagement?

Project Prospectus Due

Session Objectives:

1. Identify the use of the scientific method as the structure for problem solving
2. Apply the three strategic questions to analyze improvement efforts
3. Using Histograms to show relationship between similar data elements
4. Apply the theory and control chart techniques to situation data
5. Predictive analytics and Big Data.

Additional References/Resources:

Nolan T. and Batalden, MD: Knowledge for the Leadership of Continual Improvement in Healthcare
Langley, K. Nolan and T. Nolan: Foundation for Improvement (Part 1 and 2)

Analytical Skills Exercise:

1. Use a histograms diagram to show relationships between similar data elements
2. Apply the theory and control chart techniques to situational data and its impact on customer and employee engagement

Process Technique:

Using Deming’s Blue Bead simulation to illustrate how we can bridge data, management and cultural to improve customer and employee engagement.
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Week 6: The Learning Organization

Assignment: View Randy Pausch “Last Lecture” YouTube video

https://www.youtube.com/watch?v=ji5_MqicxSo
1 hour; 16 minutes

Study Questions:
1. What messages or lessons can be taken from the “Last Lecture”?
2. How can these messages or lessons be applied in your organization, your work, your life, our nation, …?

Session Objectives:
1. Identify the qualities and characteristics of a Learning Organization
2. Identify the role of mission, vision and values in defining organization purpose and alignment
3. Apply the concept of vision to establish the foundation of continuous improvement, customer engagement and employee engagement
4. Understand the impact of values on organizational behavior
5. Apply the for field analysis technique for planning and implementing change

Additional References/Resources:
Joel Barker: The Power of Vision

Analytical Skills Exercise:
Use and apply various models for change.

Process Technique:
Vision Exercises
Values Exercises
Force Field Analysis
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Week 7: The Learning Organization

Required Reading:

CX Blog: Why Spock would reject NPS
Mark Eduljee, February 10, 2016

CX Blog: How to build an experience map
Niall O’Connor

Study Questions: Why Spock Would Reject NPS
1. What is your perspective on the relevancy of NPS (Net Promoter Score) and customer loyalty and are they still relevant?
2. Are there alternatives to NPS and Loyalty?

Session Objectives:

1. Identify the qualities and characteristics of a Learning Organization
2. Identify the role of mission, vision and values in defining organization purpose and alignment
3. Apply the concept of vision to establish the foundation of continuous improvement, customer engagement and employee engagement
4. Understand the impact of values on organizational behavior
5. Apply the for field analysis technique for planning and implementing change

Additional References/Resources:

Joel Barker: The Power of Vision

Analytical Skills Exercise:

Use and apply various models for change.

Process Technique:

Vision Exercises
Values Exercises
Force Field Analysis
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**Week 8: Surfacing Conflict for Positive Changes**

**Required Reading:**

Gallup Business Journal: *Your Employees Don’t Get Your Brand*

**Study Questions:**

1. Differentiate between Brand Alignment and Vision. Are these implemented in your workplace or environment? (Describe)

**Session Objectives:**

1. Identify and apply the “ladder of inference” that make up our perceptions and beliefs
2. Surface individual perceptions using the left hand exercise
3. Understand the principles being the “Abilene Paradox”
4. Practice using the principles of Advocacy and Inquiry to resolve conflict

**Additional References/Resources:**

Jerry Harvey: *Harvard Business Review*  *The Abilene Paradox*

**Analytical Skills Exercise:**

- Left Hand Column Exercise
- Inquiry and Advocacy

**Process Technique:**

- Exploring the use of the “left hand exercise” as a way to surface perceptions

**Additional References/Resources:**

Senge: *The Fifth Discipline*
Agris: *The Defensive Organization*
Boehm: *On Dialogue*
Week 9: Systems Thinking

Project Due

Session Objectives:

1. Identify the elements that comprise the organization as a system
2. Apply system thinking tools and methods using a simulated learning experience
3. Apply system archetypes to school/work related problems

Additional References/Resources:

Senge: The Fifth Discipline
Senge, Kleiner, Roberts, Ross and Smith: The Fifth Discipline Fieldbook
Innovation Associates: System Thinking
Application of system thinking tools and methods: case study, Zorg's Cave

Analytical Skills Exercise:

Apply of and understand the system thinking tools

Process Technique:

Explore the use of system thinking tools through direct application
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Week 10: Synthesis/Project Review and Summary

Session Objectives:

1. Use of team learning as part of completion of project assignments
2. Provide examples of skills and techniques that are most applicable at each stage of the quality improvement process
3. Clarify major questions or concerns regarding the principles and application of quality improvement
4. Recognize achievements by course participants
5. Evaluate the course and identify improvements for future offerings