

Putting the Customer First, Managing Projects from the Outside In^{1, 2}

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Introduction

While managing projects, project managers use a number of tools and techniques to deliver projects on time, on budget and within the scope defined for success. As a project evolves, multiple stakeholders will influence the project, and time and budget constraints could influence the outcome and success of the effort. One key stakeholder may fall to the wayside as projects evolve, the customer. This could be an external customer, for a new product, service or technology, or an internal customer who will be impacted by the project.

In recent years, a new focus has evolved in business, Customer Experience. Once upon a time, customers and businesses had limited interactions. A customer might hear about a business from a friend, stop by a brick-and-mortar shop, make a purchase, and move on with their life. But in the digital age, customers are bombarded constantly with data and have to make choices about which businesses to patronize in-person and online. They'll base those decisions on the customer experience with certain brands, social media and web reviews. The opinions and reviews customers have are readily available and these can have a significant impact on the perception of your product and service.

This newfound focus has evolved into a profession and a key component in developing corporate and product strategy. The field of Customer Experience has led to new organizations and C-Suite roles such as Chief Customer Officer or Chief Experience Officer. Like all professions, Customer Experience professionals have a set of tools and techniques. These tools and techniques provide ways to understand customer behavior, and design solutions with the customer in mind. Businesses are managing the strategy and product development from “the outside in”. Putting customers first in how they operate.

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Project Managers have the opportunity to do the same thing. Manage projects from “the outside in” and put their customers or end users first in the design and development of their projects. This paper will cover a number of tools and techniques Project Managers can use to deliver projects which will exceed the expectations of the customers, whether internal or external and deliver unique and innovative solutions which put the customer at the center of the design. It will also discuss the field of Customer Experience and the new era of the Experience Economy which has greatly impacted customers’ expectations.

What is Customer Experience?

At a minimum, Customer Experience (CX) can be defined as all the interactions customers have with your company at all stages of the customer journey—even if it doesn't result in a purchase. It focuses on the relationship between a business and its customers.

Good customer experience involves building a relationship by understanding what people want, need and value. It goes beyond the act of using the product or service itself: The full experience includes pre-purchase connections with the brand (via marketing or awareness), the process of researching and making the purchase (either in-store or online) and post-purchase interactions (regarding service, repairs, additions and more). The goal is to create smooth and efficient connections between the brand and the customer.

It's vital that brands remember that every interaction people and other businesses have with them elicits some sort of emotion. Whether good, bad, happy or sad, the feelings brought on by those interactions are then associated with the brand. This can result in your customer asking some all-important questions: To buy or not to buy? To love or not to love? To return or not return?

It's also critical to acknowledge that people's needs, desires and emotions change moment to moment based on external forces. An oversimplified understanding of people's emotional responses is not enough—brands need to see their customers beyond walking wallets and respond to the complexities in their lives.

So why is this important? Positive customer experience is a way of standing out from competitors. As more brands compete for public attention and more options are readily available, CX provides a way to put your product and brand at the forefront.

Consider the following.

- Customer-centric companies are 60% more profitable than companies that don't focus on customers.
- Brands with superior customer experience bring in 5.7 times more revenue than competitors that lag in customer experience.

- 84% of companies that work to improve their customer experience report an increase in their revenue.

Customer Experience organizations generally have a few unique responsibilities. This team advocates on behalf of the customer, driving their voice, sentiment and needs into the organization's strategy and product/service development. Some functions include.

- Gathering and representing the voice of the customer.
- Understanding customer insights and analytics
- Developing customer success metrics
- Defining and improving the customer
- Recommending, implementing, and maintaining relevant tools.

The Experience Economy

The need for a Customer Experience function was driven by advances in technology and the empowerment of customers primarily through the Internet. However, there has been another key factor in the need to put customers first, the advent of the Experience Economy.

What is the Experience Economy? Coauthors and economists B. Joseph Pine II and James H. Gilmore coined the term “experience economy” in a 1998 article about how the next generation of consumers—millennials—would prefer compelling experiences over products. Pine and Gilmore provide the following example (ref)

The entire history of economic progress can be recapitulated in the four-stage evolution of the birthday cake.

1. As a vestige of the agrarian economy, mothers made birthday cakes from scratch, mixing farm commodities (flour, sugar, butter, and eggs) that together cost mere dimes.
2. As the goods-based industrial economy advanced, moms paid a dollar or two to Betty Crocker for premixed ingredients.
3. Later, when the service economy took hold, busy parents ordered cakes from the bakery or grocery store, which, at \$10 or \$15, cost ten times as much as the packaged ingredients.
4. Now, parents neither make the birthday cake nor even throw the party. Instead, they spend \$100 or more to “outsource” the entire event to Chuck E. Cheese’s, the Discovery Zone, the Mining Company, or some other business that stages a memorable event for the kids—and often throws in the cake for free.

Welcome to the emerging experience economy.

In the experience economy, creating memorable interactions with customers is more than a nice-to-have. For brands who want to see results, an engaging and meaningful critical in addition to the product or service.

- 80% of customers report that CX is a key factor in their buying decisions, alongside the quality of goods and services offered.
- 86% of consumers are willing to pay more if they know they'll receive an outstanding customer experience.
- What's more, 61% of customers will switch to a competitor after a single bad experience.

The Experience Economy requires companies to design and build experiences with the customer first, from the outside in. These expectations, we, as consumers, have also influence how we view all interactions with businesses whether as an internal or external customer.

Project Managers should be keenly aware of what is driving customer's perception and their overall experience. Neglecting to understand the end-to-end experience, the customer's overall perception and the impact of the experience economy can make a well-designed project or product fail.

Project Management and Customer Experience

Project teams often focus their full attention on driving each initiative to a successful completion, but there's another aspect of project management that can't be overlooked: the customer experience.

Your customers should have a seat at the table as your project team moves from concept through completion—planning activities, scheduling work disruptions, allocating funds, and measuring performance Without putting the customer in the equation, you may not achieve the best results if you don't provide good service and develop strong working partnerships with the customer base.

Most projects have multiple customer segments. Executives and project sponsors are one core group and end users are another. If the project will deliver benefits to internal departments or work units, then they're likely to be a customer group as well. By taking the time to identify which stakeholders are counting on you to keep the project moving forward and to deliver the outcomes they want, you'll have a better idea of the kind of service they need and the support they expect from you.

The project customer experience has some common themes from one organization to the next, but different cultures will drive different expectations. An architectural design firm may have strong visual elements in their customer communications. Technology companies often incorporate emerging platforms and tools to help customers stay in tune with the project's progress. Consider your company's culture and develop an experience that aligns with your environment.

There isn't one right answer to this question, but there does need to be an answer. If no one is accountable for delivering a good customer experience—for ensuring their questions are heard and their concerns are addressed—then even good project outcomes could fall short of expectations. With one individual or a small group of people accountable for your customer experience, you'll be able to provide more consistent support throughout each project's lifecycle.

Leverage opportunities to make customers part of your team's success. Explore ways to gather more feedback from customers. Take full advantage of any post-project surveys or interviews to get customers' opinions on your performance. There are a number of tools and techniques project managers can leverage to help.

CX Tools that Project Managers can Leverage

In order to bring the customer to the forefront of your project planning, there are a number of tools CX teams use which can help bring your customers voice into the design and delivery of the project.

Design Thinking

Design thinking is a non-linear, iterative process that project teams can use to understand users, challenge assumptions, redefine problems and create innovative solutions to prototype and test.

The 5 Phases of Design Thinking are as follows.

1. **Empathize:** Gain an empathetic, customer or user first understanding of the problem you're trying to solve. Empathy is crucial to a human-centered design process such as design thinking because it allows you to set aside your own assumptions about the world and gain real insight into users and their needs. Put yourself in your customer's shoes and understand the problem or opportunity from their view (Outside, In!!)
2. **Define:** Analyze your observations from the Empathize phase and synthesize them to define the core problems you and your team have identified. Develop problem statements. Understand these problems from an individual perspective

using personas. Personas are semi-fictional characters based on your current (or ideal) customer.

3. **Ideate:** Generate ideas, challenge assumptions and be creative. The solid background of knowledge from the first two phases means you can start to “think outside the box”, look for alternative ways to view the problem and identify innovative solutions to the problem statement you’ve created. Brainstorming, role playing and mock scenarios are helpful in this phase
4. **Prototype:** Start creating solutions. The aim is to identify the best possible solution for each problem found. Your team should produce some inexpensive, scaled-down versions of the product (or specific features found within the product) to investigate the ideas you’ve generated.
5. **Test:** Try it out! Design thinking is an iterative process. Test, learn, refine the prototype and retest.

Overall, you should understand that these stages are different modes which contribute to the entire design project, rather than sequential steps. Your goal throughout is to gain the deepest understanding of the users and what their ideal solution/product would be. Constantly putting your customer and their needs at the center of the design

Journey Mapping

A Customer Journey map is a visual representation of the customer journey (also called the buyer journey or user journey). It helps you tell the story of your customers’ experiences with your project across all touchpoints. Whether your customers interact with you via social media, email, livechat or other channels, mapping the customer journey out visually helps ensure no customer slips through cracks. A journey map is from a *customer’s* perspective. It is not a process flow. It is how a customer interacts with a company, product, transaction – end to end.

Journey Mapping is the process of creating a customer journey map, a visual story of your customers’ interactions with your brand, product, service or transaction. This exercise helps project teams step into their customer’s shoes and see their business from the customer’s perspective. It allows you to gain insights into common customer pain points and how to improve those.

There are 5 Steps to Customer Journey Mapping

1. Set goals

- a. Understand the journey you want to define, be very clear on intent beginning and end points

2. Define your personas

- a. Journeys differ by personas and you will need to understand the personas involved. What are their needs? How do they engage with your product or service?

3. Determine the customer's "jobs to be done" and key touchpoints.

- a. What are they trying to accomplish? What are their goals for using the product or service?
- b. How do they engage with your product or service?

4. Map the current journey

- a. Leverage internal stakeholders to define and map out the current customer journey. End to end understand the jobs to be done and how customers engage with your product or service. This should look similar to a process flow, however it is from a customer's perspective. Always look "Outside, In".

5. Pain Points and Moments of Truth

- a. Analyze the current journey map and determine customer pain points. Where in the journey are they frustrated, lack visibility into status, unclear delivery times or SLAs?
- b. Analyze the journey for moments of truth, key moments in the journey that matter most to your customers. Areas which drive the most satisfaction and contribute to their job to be done.

6. Develop the Ideal Journey

- a. Revisit your current journey and correct pain points and maximize the moments of truth. Develop the future state journey to reflect the ideal customer experience.
- b. This ideal journey should influence your project design and roadmap for future enhancements and development

Measuring Success

Another major focus for Customer Experience teams and a resource for project managers is the task of gathering Voice of the Customer. This is usually done through surveys and there are a number of metrics which can be applied to your projects to determine the impact on customers and their sentiment toward your project, product, or service. Keep in mind, feedback is a gift.

The Voice of the Customer (VoC) is a methodology used to capture customers' needs, requirements, and perceptions about products or services. It helps you understand the drivers behind customer decisions, provides feedback for improved experiences, and facilitates innovation and thinking for new offerings.

While it would be great to have all your customers in a room to ask them questions or get feedback, online surveys are a common approach to gaining customer feedback. Sending customer surveys after a project or interaction is one of the fastest ways to gather feedback.

Asking the right questions matters when surveying customers. For example, Net Promoter Score (NPS) surveys measure customer loyalty while Customer Satisfaction (CSAT) surveys measure customer satisfaction and Customer Effort Score (CES) measures how easy or difficult it is to work with you.

NPS

NPS stands for Net Promoter Score which is a metric used in customer experience programs. NPS measures the loyalty of customers to a company. NPS scores are measured with a single-question survey and reported with a number from the range -100 to +100, a higher score is desirable.

NPS is often held up as the gold standard customer experience metric. First developed in 2003 by Bain and Company, it's now used by millions of businesses to measure and track how they're perceived by their customers. NPS scores determine segmenting between poor and positive feedback.

For Project Managers, this could be an excellent metric to determine the success of your project. Not only the output, but the project management process and team delivery.

CSAT

CSAT, or customer satisfaction score, is a commonly used metric that indicates how satisfied customers are with a company's products or services. It's measured through

customer feedback and expressed as a percentage (100% would be fantastic – 0% would be terrible).

This metric can be helpful for project managers to determine the overall satisfaction with the product or service. This metric can be transactional or milestone based and may be a good checkpoint for how customers or stakeholders are feeling.

CES

Customer Effort Score (CES) is a metric derived from a survey that measures a project, product or service's ease of use to customers. A Customer Effort Score reflects the amount of effort a customer had to exert to use a product or service, find the information they needed, or get an issue resolved.

This is a great metric for stakeholder satisfaction, how easy was it work with your project team?

Measuring this at key milestones can help you course correct and make it easier for your customers and stakeholders to work with you.

A warning

Managing projects from the Outside In is critical in delivering projects that will exceed the expectations of your customers. However, there is a warning. Doing this should not stifle innovation. Your customers may not really know what they want or may not be able to envision a product or service due to their expertise. Most of us never knew we needed a cell phone until we had one. Putting your customers at the center of your project should be centered around empathy. Understanding your customer's needs, challenges and opportunities.

Conclusion

Customer needs are constantly evolving and in the new experience economy, these needs go beyond just a product or service, but encompass the end-to-end experience. Customer Experience has become a major focus for corporate strategy and Customer Experience teams are being formed to deliver on this new focus. Project Managers can leverage many of the tools and techniques from CX teams and drive projects from the “outside, in”, putting the customer at the forefront of the design and delivery of the project. By putting the customer first, project managers can deliver projects that exceed expectations and drive the most value to the stakeholders and customers.

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James Fette, PMP is an experienced Customer Insights, Strategy and Planning and Program Management executive with over 25 years of experience and a proven track record of success in building empowered, global, teams, leading organizational change and defining and executing corporate strategy. A driver of improvement vs. change, a recognized leader in improving the customer and employee experience, building disciplined program management offices and managing a portfolio of strategic initiatives. In addition to my corporate career, I enjoy sharing my insights at events, conferences and workshops as a professional speaker and coach. I have presented twice before at the UT Dallas PM Symposium on the following:

- Strategy and Planning techniques for Project Managers
- Leading Transformational Change (also published in the PM World Journal in 2019, which you can see at <https://pmworldlibrary.net/authors/jim-fette/>)