[WHAT'S THE FUTURE] OF BUSINESS?

CHANGING THE WAY BUSINESSES CREATE EXPERIENCES

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VISUALIZATION BY **MEKANISM**

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[WHAT'S THE FUTURE] OF BUSINESS?

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[BUSINESS . . . MEET DESIGN]

As you'll soon see, this book blends the worlds of business and design to deliver intentional experiences. You're going to notice something as you turn the pages. There's a reason the cover is what it is. The shape? That too was not by chance. *What's the Future of Business?* is a visual representation of a simple but powerful formula: business + design = intended experiences.

The book is organized by a traditional table of contents. But, you'll notice a virtual slider on the side of each chapter that visualizes a story arc to help you navigate each important theme as you go.

To help me deliver this experience required the assistance of some friends. First, the team at Mekanism, an award winning creative agency that I've had the pleasure of disrupting markets with over the years, is responsible for bringing the book to life. Next, my dear friend Hugh MacLeod (@gapingvoid) and his team at Social Object Factory transformed the thrust of each chapter into a piece of original art.

Thank you Mekanism.

Thank you Hugh and Social Object Factory.

Thank you too for picking up this book.

Let's go . . .

CHAPTER 0

[TOTAL RECALL]

[TOTAL RECALL]

SORRY, WE’RE CLOSED
THE JOURNEY OF BUSINESS TRANSFORMATION
MEET THE NEW GENERATION OF CUSTOMERS . . . GENERATION C
THE NEW CUSTOMER HIERARCHY
THE DIM LIGHT AT THE END OF THE FUNNEL
THE ZERO MOMENT OF TRUTH
THE ULTIMATE MOMENT OF TRUTH
OPENING A WINDOW INTO NEW CONSUMERISM
THE DYNAMIC CUSTOMER JOURNEY
INSIDE THE ELLIPSE: EMBARKING ON THE DCJ
IMPROVING THE UMOT TO OPTIMIZE THE ZMOT
THE SIX PILLARS OF SOCIAL COMMERCE
THE IMPORTANCE OF BRAND IN AN ERA OF DIGITAL DARWINISM
WHY USER EXPERIENCE IS CRITICAL TO CUSTOMER RELATIONSHIPS
INNOVATE OR DIE
THE DILEMMA’S INNOVATOR
THE HERO’S JOURNEY

Happiness is not something you experience, it’s something you remember.

—Oscar Levant

How do we ensure that our customers have an amazing customer experience? An intriguing question.

In the 1990 movie *Total Recall*, Douglas Quaid's character visits "Rekall," a company that helps people have experiences they wish they could have by implanting memories. For his vacation Quaid selects his dream experience, a trip to Mars with an added espionage package.

During his experience, Quaid is jolted awake carrying the experience back into the real world. It is later discovered that he really is the character he was hoping to become temporarily. Like Quaid, every customer desires a remarkable experience.

Why make customers cope with the ordinary?

Total Recall echoes the focus of this book and my day-to-day work. While implanting desirable experiences is not necessarily a metaphor for this book, creating real-world "customer experiences" is a critical role businesses must create in a new era of consumerism.

The *Total Recall* moment is waking consumers up to expect more from the businesses they support and the products they purchase. They not only expect better experiences, they believe they are entitled to them. This is an *opportunity* for your business to create positive experiences. For it is the experience that will become that measure of satisfaction and success.

[THE VOICE OF THE EMPOWERED CUSTOMER]

Through technology, consumers are experiencing a validating and influential form of empowerment.

Businesses must recognize that the voice of the customer is now more powerful than ever before. Whether Facebook, Twitter, YouTube, Yelp, review sites, product forums, blogs, or Pinterest, your customers are sharing their experiences on platforms where audiences can find what others are saying about you.

So what?

Your customers and prospects will inevitably find the negative experiences others have had. Customers will uncover the one horrendous review rather than the incredible experiences that others have had.

As customers tweet negative experiences, businesses try to respond or address the complaint. The more a company engages, and the more people gain access to social and mobile platforms, interactions accelerate and amplify. Knowing this, companies are spending more money and resources managing their online reputations. Increasingly, businesses are shifting resources until the traditional call center is replicated at social scale. Although that’s inherently a good thing, the downside is that the call center becomes a notable cost center.

Perhaps this is just the new cost of doing business. In an era of connected consumerism, to earn customer attention, trust, and loyalty is a cost and an investment in relevance and relationships.

Yet even with the pervasiveness of technology, and increased customer expectations, businesses are making the same mistakes. We are not designing and implementing incredible experiences; rather, we’re marketing, selling, and serving customers.

What are customers to align with if we don’t first define it? What do we want them to be a part of?

Now’s the time for an investment in something more than price, performance, or value. The future of business is about creating experiences, products, programs, and processes that evoke splendor and rekindle meaningful and sincere interaction and growth.

At the center of this evolution—or (r)evolution—is *the* experience. And, the experience is everything now.

[ARE YOU EXPERIENCED?]

Yes, it’s time to invest in proactive experiences. If we do not, we will be forever tethered to the unproductive dance that is reacting, responding to, and solving negative experiences in real time, over time.

What if I told you that the cost of reacting to experiences is far greater than the cost of proactively defining experiences from the onset? Indeed, companies are investing in reactive engagement. And, for the most part, they can succeed in shifting negative experiences toward positive territory. However, any favorable outcome is weighed against the cost of the initial negative experience—or more importantly, the cost of how that negative experience was shared and how it ultimately impacted others. What’s most startling is that businesses do not measure these numbers today. But that’s about to change.

Businesses must invest in defining not only a positive experience, but also a wonderfully shareable experience.

Doing so influences others to join the fray while offsetting negative inquiries and the damaging viral effects of shared negative experiences.

This is the time to reframe those negative experiences. Pushing a change from responding to negative experiences to proactively creating positive ones is everything. Why? The cost of reacting to negative experiences is completely eclipsed by the upside of creating and nurturing positive experiences at the inception.

To better understand the importance of experience requires that you first acknowledge that you are the very consumer you're trying to reach. You're not looking for just any experience, you're looking for *the* experience. Businesses that recognize and adapt to you and people like you will quickly learn how to entice you through shared values and meaningful affinity hooks . . . while never stopping to compete for relevance.

Experience is everything. And, businesses must create experiences that mean something. If necessity is the mother of invention, then vision is the father of innovation.

#InnovateorDie

CHAPTER 1

[SORRY, WE'RE CLOSED]

How to Survive Digital Darwinism

TOTAL RECALL
[SORRY, WE'RE CLOSED]
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> **People never learn anything by being told, they have to find out for themselves.**
>
> **—Paulo Coelho, *Veronika Decides to Die***

The customer journey is still evolving. How businesses react and ultimately lead the enhancement of relationships is not solely determined by technology.[1] To truly get closer to customers takes a culture of customer-centricity, empowerment, and innovation.

Saying that we need to get closer to the customer is hardly enough to convince business leaders that the customer revolution they hear about is literally steps away from their office door. I know I’m not saying anything here you don’t already know. The difference is, however, that what started as a groundswell for business transformation from the bottom up has hit a ceiling. To break through it requires that someone (*read: you*) has to make the case to bring change from the top down.

Most executives don’t use social networks or smart phones. Many don’t even read their own email. Many won’t ever read this book. So, trying to convince decision makers that this is a war fought on the battleground of technology is in and of itself fighting a losing battle.

The future of business isn’t tied to the permeation of Facebook, Twitter, iPhones, and Droids, pins on Pinterest, tablets, or real-time geolocation check-ins. The future of business comes down to relevance and the ability to understand how technology affects decision making and behavior to the point where the recognition of new opportunities and the ability to strategically adapt to them becomes a competitive advantage.

But make no mistake: This is as much a technology revolution as it is a series of real-world revolutions that will eventually seize organizations, governments, and businesses.

Change boils down to three things:

1. Listening
2. Learning
3. Adapting

[DISRUPTIVE TECHNOLOGY IS A CATALYST FOR CHANGE, NOT *THE* REASON]

Look, I get it. Change is all anyone talks about today and we all know that talk is cheap. We also know that change is inevitable and that it is rarely easy. Among the greatest difficulties associated with change is the ability to recognize that change is needed at a time when we can actually do something about it. All too often, by the time we realize that change is needed and that we must shift to a new way of thinking, it is already too late. Or worse, competitors recognize the need for change before us, and we are by default pushed into a position where our next steps are impulsive or reactive rather than strategic.

The volume of emerging technology is both awe-inspiring and overwhelming. As new technology makes its way into everyday life and work flow, devices, applications, and networks, it disrupts the norm and begins to impact behavior. It is this disruptive technology that over time influences how people work, communicate, share, and make decisions.

The question is at what point does emerging technology or

new behavior become disruptive?

And, more importantly, what systems, processes, and protocols are in place that recognize disruption, assess opportunity, and facilitate the testing of new ideas?

The time to answer these questions is now.

In my last book, *The End of Business as Usual*,[2] I introduced the notion of Digital Darwinism, the evolution of consumer behavior when society and technology evolve faster than our ability to adapt. And the reality is that because of the role technology now plays in our lives, we forever compete for survival to effectively fight off Digital Darwinism.

Humility is a gift and it’s needed in business now more than ever. Disruption not only faces every business, its effects are already spreading through customer markets and the channels that influence decisions and behavior.

A recent advertisement produced by Babson College cited a rather humbling statistic:

> “Over 40 percent of the companies that were at the top of the Fortune 500 in 2000 were no longer there in 2010.”

As we’re often painfully reminded, history has a way of repeating itself. *Forbes* published an article in early 2011 that served as a harbinger for the turbulent and transformative times that lie ahead.[3] The opening line read,

> “The End is Near: Why 70% of the Fortune 1000 Will Be Replaced in a Few Years.”

The author cited a study published in the book *Built to Change* by Edward E. Lawler and Christopher G. Worley. The study found that between 1973 and 1983, 35 percent of the top companies in the Fortune 1000 companies were new to the list. Over the next decade from 1983 to 1993, churn jumped to 45 percent, and then soared again to an astounding 60 percent between 1993 and 2003. If the current trend continues, more than 70 percent of Fortune 1000 companies will turn over from 2003 to 2013. As the author observes, “In other words, over three-fourths of the existing captains of industry will fall from their throne.”

They include:

Blockbuster
Borders
Compaq
CompUSA
E.F. Hutton
Hostess
KB Toys
Kodak
LIFE
Merry-Go-Round
Mervyns
Pontiac
Tower Records
Woolworths

This is about the survival of both the fittest and the fitting. It takes more than a presence in new channels to improve customer experiences and relationships. It takes courage. It takes persistence to break through resistance. But, in the end, it’s how you work with your leaders, or how you lead, to move toward an empowered and customer-centric culture that sets in motion real transformation.