

# CX Closed Loop

Get the most out of this game  
changing methodology.



GAME CHANGERS



# Lets cut to the chase...

Closing the loop with customers – that's is to say directly responding to customer feedback and addressing root cause issues – is (or should be) a core component of effective VoC programmes today.

However, experience shows us execution levels vary significantly.

That's because implementing and running a best in class closed loop programme is not simply a case of ticketing and case management. It requires the co-ordinated mobilisation of people, process and technology, to create a holistic system.

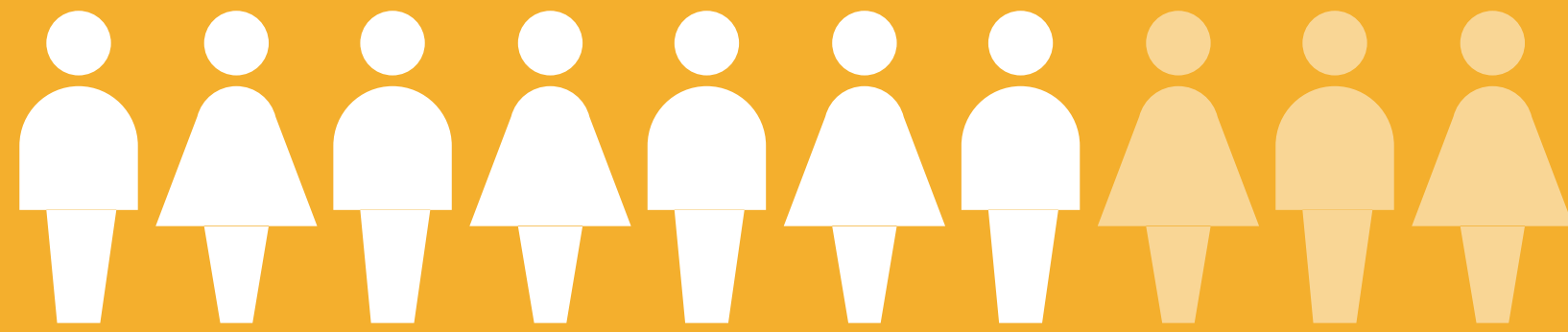
If you're one of the 26% of CX professionals who have 'implementing or evolving closed loop feedback' as one of your top three priorities in the next 12 months<sup>1</sup> – this guide full of top tips is for you.

*Enjoy...*



# Closing the loop well = Win:Win:Win

## Win #1



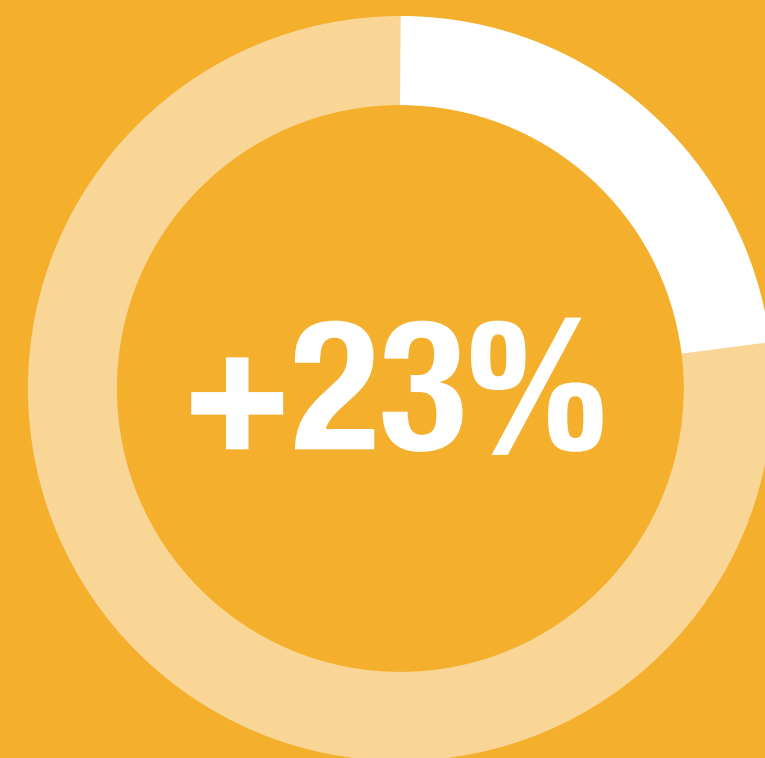
**70% of consumers** would be more likely to do business with an organisation again if their complaint/issue was handled well the first time.<sup>2</sup>

## Win #2



Organisations with highly engaged employees see **+18% productivity**, **+56% employee innovation** and **<40% employee turnover**.<sup>3</sup>

## Win #3



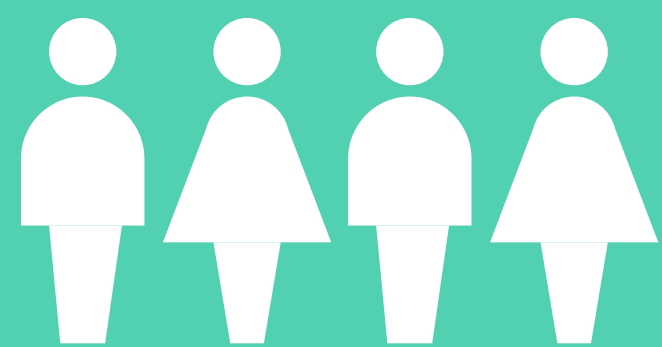
**+23% NPS** for companies that close the loop vs those who do not.<sup>4</sup>  
When mapped to **X NPS = + £X** this is significant!



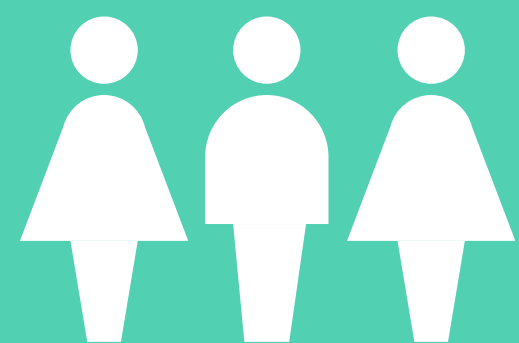


# Implement best in class closed loop to mitigate risk

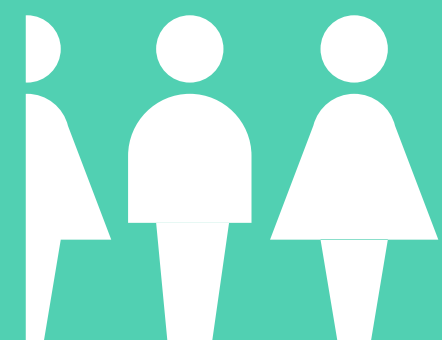
When a customer's effort is higher than a brands in resolving a situation, they are:<sup>5</sup>



**4 x more likely**  
to churn

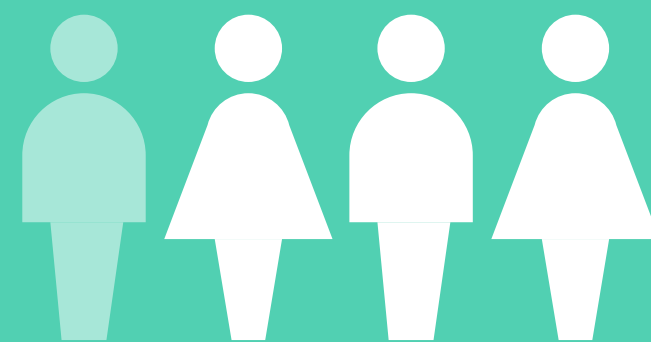


**3 x more likely**  
to share negatively  
on social channels



**2.5 x more likely**  
to tell friends and  
family about their  
poor experience!

In more than 1 in 3 cases, companies are not even aware of a customer issue... and when they are aware:<sup>6</sup>



**in 3 out of 4**  
cases they  
didn't apologise



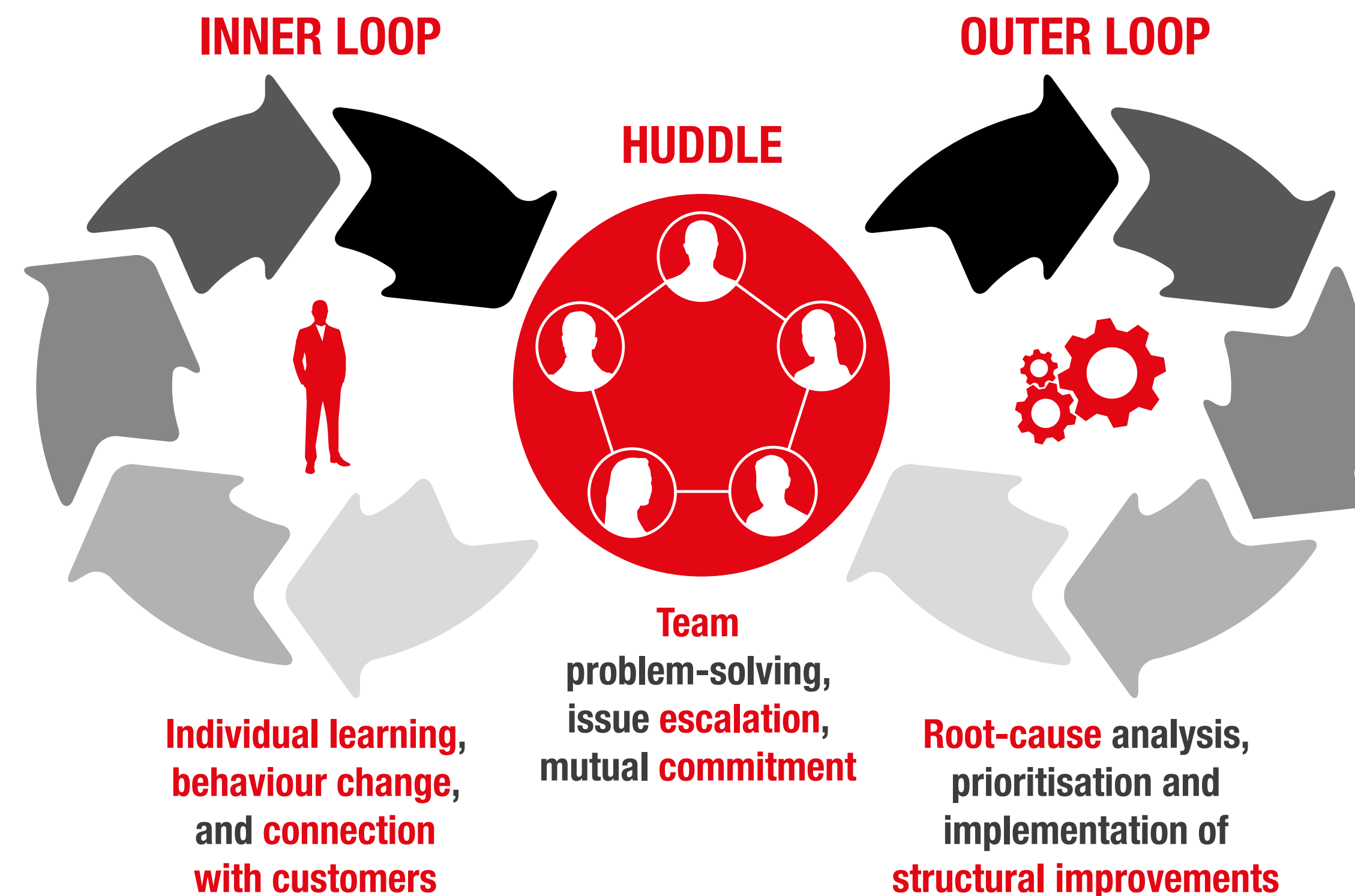
**1 in 3**  
did absolutely  
nothing





# Best practice closed loop systems include both inner and outer loop processes

The inner loop responds to individual customers on a one-to-one basis; and we would always recommend you start here. It will give you the insights you need upon which to base your outer loop approach – by which we mean understanding root cause and fixing systemic business issues.



Bain<sup>7</sup> famously created this infinity loop to showcase the interplay between inner and outer loop systems.

Remember closing the loop isn't exclusively reserved for unhappy customers. You can also take action on positive or neutral feedback to drive promoter status.

# The holy trinity of closed loop design

Yes you need technology to enable effective closed loop – but in isolation, technology is not enough and on its own will fail. People engagement and activation along with process definition and governance are fundamental.

**On the following pages are some starter for 10 considerations...**



# People

- Think about who is impacted by closed loop and identify champions to enable you
- Be crystal clear on the what's in it for the individual and what the organisational gain is for closing the loop
- Identify who should close the inner loop, how and within what time period
- Create a training approach for each audience and establish how you will engage and communicate the new way of working
- Encourage your champions to model and train across the business
- Consider the tools and resources you should provide to enable closing the loop (e.g. authorising refunds and or credits)
- For outer loop - be clear on where the data sits and which teams need to be engaged

# Process

- Map what currently happens with VoC feedback and where closed loop sits
- Lock in your alert triggers. These could be key metrics, topics, keywords, text analytics or groups of question sets
- Understand who owns the feedback – Is it individuals or are there multiple owners?
- Make it clear how alerts need to be directed
- Understand the organisational hierarchy in order to determine escalation processes
- Consider whether a centralised or decentralised approach to case management is best for your business
- Identify touchpoints and forecast volumes; so you start with a manageable workload
- Establish SLA's and escalation points



# Technology

- Know what data needs to be collected and what you already have in order to close the loop
- Think about how should data be reported and where it fits in to current workflows
- User roles and reporting needs: Who needs to see the data and where?
- Consider what functionality is needed – e.g. Mobile app
- Map where closed loop outcomes will be integrated with other tech – e.g. CRM
- Be clear on what feedback channels will be used; surveys/digital/social?
- Identify how to leverage technology to communicate impact to the business



# Time for a closed loop healthcheck?

When looking at your closed loop efforts, ask yourself questions across four key areas...





# 1. Evaluate:

**Benchmark where you are today and what success looks like for your organisation.**

- Do you know the size of the prize for your organisation?
- Are 'experience competitors' setting the standard for your customers?
- What's the feedback from customers who have been through the process and employees who are delivering?

# 2. Define:

**Shape and design your closed loop fundamentals; trigger points, workflows, escalation points, anticipated volumes and required resourcing.**

- Where is it working, where could it be better? (marginal gains matter)
- Is the senior endorsement you need there? Can they verbalise the power of what you are delivering?
- Are champions present and engaged?



### 3. Finalise:

**After defining the approach create a business operating model to activate and realise a return on your investment.**

- Test and learn. Have you got your quick gains? Have you targeted the bigger more audacious wins?
- What does your roadmap look like? Is it achievable and in context with the CX growth you are seeing?
- Is the governance simple? Does everyone get it? Is it working?

### 4. Implement:

**Create a roll out plan and drive adoption to embed the system into business as usual.**

- Have you clearly explained and demonstrated the benefit? Can everyone verbalise the So What?
- Do the team feel empowered and educated so they know what they need to deliver?
- Have you opened your channels to getting feedback from champions and end users to drive continuous improvement?

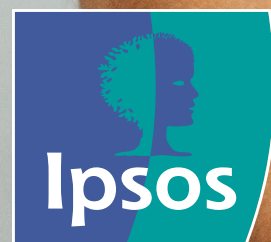


# We've been there, done that and got the T-shirt

## So What? I hear you say

The core of closed loop is now table stakes. We are seeing many businesses implement for the first time and a number refining what they already have. In addition new ways of driving engagement and impact are coming to the fore all the time. For example ask us about double closed loop and executive closed loop.

Lean into Ipsos' experience of designing, implementing, training, and embedding closed loop systems. You can benefit from our advisory support no matter what your level of CX maturity or technology you have in place.





# We're just scratching the surface



Want to find out more?

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#### References

1. <https://www.ipsos.com/en-us/events/ipsos-2022-CX-Global-Voices> 2. <https://www.qualtrics.com/uk/experience-management/customer/closed-loop-cx/> 3. <https://engageforsuccess.org/nailing-the-evidence> 4. Medallia Institute 2017. "The Missing Piece of the Customer Experience Puzzle. Customer-Centric Employees" 5. <https://www.ipsos.com/sites/default/files/2016-06/004.1-Customers-Working-Too-Hard-Feb2016.pdf> 6. [https://www.ipsos.com/sites/default/files/2016-07/Healing\\_the\\_Pain-Feb2016.pdf](https://www.ipsos.com/sites/default/files/2016-07/Healing_the_Pain-Feb2016.pdf) 7. <https://www.bain.com/insights/introducing-the-net-promoter-system-loyalty-insights/>