



AMELIA®

# Reshaping the Customer Experience

Lessons from the Pandemic



Institute for Digital  
Transformation

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# Welcome

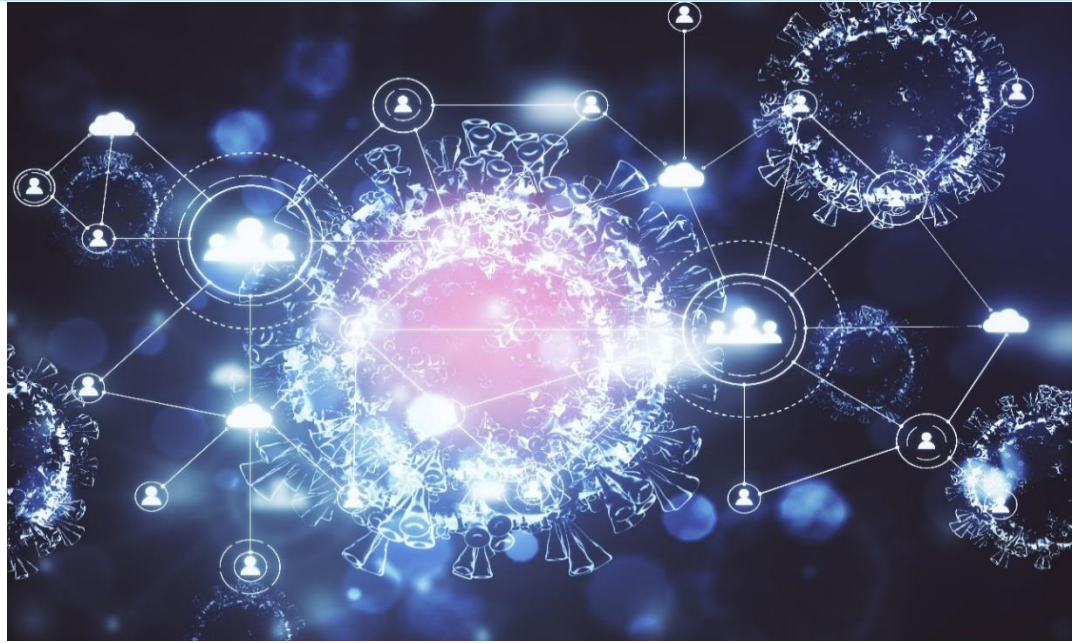
How has the pandemic impacted your customer experience, how have you responded, and how is your company leveraging emerging technologies such as AI to counter the disruption it's caused?

The Institute for Digital Transformation has hosted a series of Executive Roundtables to explore this vital subject. We have used these conversations as the basis of research into how companies like yours have managed during the pandemic.

Our findings have shown that there is a direct relationship between where/how decisions got made and organizational survival. This report can help you answer the question: **"Did you get it right?"**

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## Introduction

The pandemic has significantly impacted the customer experience, both internally and externally, and thus has forced organizations to explore how they could use both traditional approaches and technology to adapt to their changing paradigm.

Our preliminary research has found that the experiential focus during the initial pandemic response was centered around the employee rather than the external customer. The initial impact of the pandemic seemed to be mostly “internal” (decision-making, employee response, etc.), with the focus on the “external” customer experience (students, citizens, etc.) to be secondary.

Most importantly, we found that the digital transformation prompted by the pandemic caused organizations to adjust the employee experience and organizational mechanisms required of remote work and distributed decision making.

Organizations had to step back and examine their employee experiences to achieve the efficiencies needed to operate during the

pandemic, and ultimately serve their external customers. The digital technologies implemented or considered in response to the pandemic included both emerging technologies, such as Conversational AI, but also investments in communication and team tools to allow employees to operate remotely.

There were several important preliminary findings worthy of further examination:

- Digital team tools not only allowed employees to work remotely, but it streamlined decision making and organizational agility.
- The requirement to work remotely amplified the digital divide between organizations that could afford to outfit their employees (or students) with necessary technology and those who could not.
- Organizations decided to invest in their employee (internal customer) customer experience first, and it paid off.

## Our Methodology

The Institute for Digital Transformation is hosting a series of focus groups consisting of Chief Information Officers (CIOs) and other senior IT executives from large enterprises to discuss:

- The impact of the on-going pandemic on the customer, employee, patient, and student experience.
- Their response to these impacts, thus far.
- The potential to use emerging technologies, such as Conversational AI, in current and future response efforts to improve outcomes.

## Conversational AI

For the purpose of our research, we defined a Conversational AI system as an interface that can communicate and interact with users by relying on the automated processing of questions and formulating answers (Aronsson, et al., 2020).

# Our Preliminary Findings

While our research is ongoing, we have identified several key preliminary findings that we felt were worth reporting early so that enterprise leaders may have the opportunity to use this data to respond to the continuing pandemic more effectively:



**Finding #1:**  
**The Employee Experience Pay-off**



**Finding #2:**  
**Pushing Decision-making Deep into the Organization Improves Response Agility**



**Finding #3:**  
**Uncovering an Important Societal Issue**



**Finding #4:**  
**The Powerful Potential of Technology to Change Future Responses**

# Finding 1:

## The Employee Experience Pay-off

The research group agreed that their organizations and people had to adapt and adjust to the realities of social distancing to not compromise customer service or productivity. Only then, could the external customer be addressed. One executive referred to this ordered focus as a “causing no harm” mandate. When taking this approach, most organizations found that external customers were extremely satisfied. It became more about managing expectations of a society in transition rather than quantifiable measures of customer satisfaction. As one executive put it, “if you were not doing bad, you were doing good.”

As it related to the customer experience, making an effort was often enough. In some cases, presenting a better interface to the external customer and the need to be more contactless where contact was usually in person, involved simply hiding the back end “ugliness.” While this emphasis on the employee over the customer experience seemed counterintuitive, organizations that found the greatest success realized that dealing with the backend ugliness was a challenge best saved for later in the response cycle. As one healthcare CIO stated, his organization still received “20,000 faxes a day” – and that was not an issue that was worth tackling during the early response. However, it shows back-end challenges are still an issue.

*While this emphasis on the employee over the customer experience seemed counterintuitive, organizations that found the greatest success realized that dealing with the **backend ugliness** was a challenge best saved for later in the response cycle.*

Companies found themselves scrambling to ensure their employees were situated and empowered to continue operations remotely. Forward thinking firms were able to do this without much cultural disruption. Legacy firms were forced to abandon spurious arguments against remote work, such as productivity, trust, and oversight. The learning experience of organizational agility might have been difficult for some, but the result was an overall paradigm shift that should serve as a powerful lesson to firms that pay attention.

In some instances, organizations found employee “capacity” to be a problem. For example, the health sector experienced a spike in customer interaction that could not be handled with either the staff or technology in place. In these instances, an advanced digital platform like Conversational AI is either being implemented or considered as a viable solution.

## Finding 2: Pushing Decision-making Deep into the Organization Improves Response Agility

The pandemic had two almost immediate effects: it forced most workers to work remotely and, as a result, pushed (sometimes forced) decision-making deeper into the organization. The fact that people could no longer walk down the hall for a management decision, resulted in more distributed decision-making and, therefore, higher levels of agility and productivity. In most cases, this was an automatic and almost forced action.

*people could no longer walk down the hall for a management decision, ... and, therefore, higher levels of agility and productivity*

Decisions were now being made less by senior management, and more by first line management and individual contributors.

Participating executives reported that this shift in decision making resulted in a more agile organization, and further reported that there appeared to be little-to-no negative consequences. Indeed, most reported that they believed it was one of the underlying reasons for increased productivity.

A tangential consequence of the pandemic response is that it has made decision making faster and caused people to be more willing to delegate, proving what organizational theorists have been advocating for some time – that leadership is a behavior or role, not a title. For instance, one executive from what he described as a “legacy company” founded nearly a hundred years ago, claimed that remote work was unheard of prior to the pandemic. However, while it was a big cultural transformation, remote work was readily accepted by both workers and management as a response to the pandemic.

*...leadership is a behavior or role, not a title.*

Likewise, some leaders in our focus groups claimed that decision making within their organizations had already been pushed lower in the hierarchy, and that they were operating in a more agile manner prior to the pandemic as a result. For those that had already adopted agile principles more broadly, it was a smoother and more seamless transition, resulting in an even more positive and resilient response.

While we suspect that almost all organizations are seeing the impact of this phenomena, our findings make it clear that those organizations that embrace this pushing down of decision-making and do it intentionally will reap the benefits of greater agility and productivity, even after the pandemic comes to an end.



## Finding 3: Uncovering an Important Societal Issue

Several participants also raised an interesting societal concern: the pandemic, the response, and digital transformation more broadly has exposed certain societal inequities – specifically, the so-called digital divide. Members of our focus groups agreed this was a heretofore underreported issue.

*digital divide is a social issue referring to the differing amount of access to the Internet*

The digital divide is a social issue referring to the differing amount of access to the Internet (especially high-speed access). High speed access is important because without it video and other high-bandwidth applications are severely limited. Participants reported that they had encountered this issue in various ways during their pandemic response.

Beyond our direct research, there is evidence that the pandemic has negatively impacted the digital divide. Du Preez and Le Grange (2020) point out that in the field of education, students who are used to the contact mode of provision might find it more challenging to adapt to a digital mode of provision; not because they are digitally illiterate, but because they might not have sufficient access to digital platforms. In addition, even if one were to have access to digital technologies some students lack the underlying knowledge to exploit remote delivery. While not necessarily an organizational problem, the digital divide is certainly a societal one, and participants encountered elements that impacted their ability to provide services to employees, patients, and students.

*students who are used to the **contact** mode of provision might find it more challenging to adapt to a **digital** mode of provision; not because they are digitally illiterate, but because they might not have sufficient access to digital platforms.*

An important distinction between chatbots and Conversational AI was also uncovered. Chatbots are much more appropriate for simple interactions that are a more akin to a sophisticated “frequently asked questions” interrogatory. Conversational AI is a technology that is much more appropriate when mimicking human interaction such as identifying customer intent is required. Organizations started to clearly see this digital distinction or divide between these two digital solutions. There is a place for each solution and starting with a chatbot is a good way to introduce the technology and bridge the divide to Conversational AI if needed.

# Finding 4:

## The Powerful Potential of Technology to Change Future Responses

One of the more interesting findings of our research was that most organizations leveraged existing technologies with which they had readily available expertise and resources in their initial responses to the pandemic. This, however, was mostly due to the suddenness of the event and the urgency of the necessary response.

Executives reported that as they had begun returning to a more normalized state of operation, they were beginning to explore the potential of emerging technologies to enhance their response and to be better prepared for future disruptions.

Of particular interest to participating executives was the emergence of Conversational AI and other forms of artificial intelligence that they could use to improve efficiency and address some of their long-standing “ugliness” in the form of backend technologies – particularly those that may impact the customer, patient, student, and employee experience.

*emergence of Conversational AI ... that they could use to improve efficiency and address some of their long-standing “ugliness” in the form of backend*

Most critically, participating executives saw that these technologies would play an important role in the reshaping of work and management models, particularly those that the pandemic disrupted, and which they believe are likely to remain changed in the future.

Finally, there are at least two clear sides to the potential of technology. On the one hand, there is a certain skepticism – they are not clear on the real impact emerging technologies can have on the customer experience. Others are extremely bullish on these technologies and see Conversational AI as a way to revolutionize the customer experience.

# Conclusions

The pandemic has amplified the need for digital tools of all sorts, including emerging technologies such as Conversational AI, as enterprises seek to ensure continuity and sustainability by serving the needs of both their employees and customers. Digital tools, while commonplace, were not fully exploited by many organizations for remote work until the pandemic caused a radical paradigm shift requiring their use. Organizations have been forced to adapt.

The Institute for Digital Transformation has always placed the customer experience at the center of digital transformation. However, this research shows that investments in employees and *their experience* may ultimately lead to a better external customer experience and, particularly in times of disruption, may be the best place to focus the response.

# Future Research

As the Institute looks forward through the rest of this research project and subsequent ones, our findings thus far lead to several further questions:

- Has the pandemic response exposed unintended impacts of digital transformation on organizations and society? Are we finding that most organizational decisions are not critical and somewhat routine and can, therefore, be made in a more distributed fashion or via AI-based technologies?
- Have we been placing too much importance on decisions (governance) and devoting too much organizational brain power to them, thus wasting valuable human resources?
- Can Conversational AI, using avatars, voice, and other intelligent technologies, simultaneously transform the customer and employee experience and the nature of work itself? And if so, what will that transformation look like and what will its impact be on organizations and the experiences they deliver?

As we continue our [Research on the Digital Experience Supply Chain \(DXSC\)](#), we expect to answer many of these questions.

In the meantime, however, the lessons for enterprise executives are clear: invest in your employees, distribute decision-making as deep into the organization as possible, be aware of the impact of the digital divide on your supported constituencies, and aggressively develop capabilities based on emerging technologies to better position yourselves to respond to future disruptions.

# References

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# Sponsor

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## Mission:

Pairing human and Digital Employees to unleash creativity and deliver business value.



*We unlock human creativity by automating routine tasks. We develop solutions that represent the next chapter of human-machine collaboration. We are advocates for the creation of the hybrid workforce. And we innovate on our clients' terms.*

*This research was commissioned by Amelia, an IPSoft Company, who participated in the data collection process. The analysis, findings, and conclusions were conducted independently by the Institute for Digital Transformation. Amelia reviewed the final output but The Institute maintained editorial control of the report and did not accept changes that contradicted our findings.*

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# Authors

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Charlie is a technology analyst and internationally recognized authority on the *Digital Enterprise* and *Leadership in the Digital Era* who advises technology companies and enterprise leaders on how to navigate the transition from the Industrial Age to the Digital Era. Having spent over thirty years in the technology industry, he has been researching Digital Transformation long before it became the uber-buzzword of today, and is now focused on helping Digital Era Leaders prepare themselves and their organizations as the macro trends of the *primacy of the customer* and the *primacy of the algorithm* collide, ushering us into what he calls The New Human Age.

Principal Analyst and founder of [The Institute for Digital Transformation](#), author of three books, and most recently the co-founder (with his wife) of [The MAPS Institute](#), he is a sought-after keynote speaker and has been quoted or published in [CIO](#), Time, InformationWeek, CIO Insight, NetworkWorld, Computerworld, USA Today, and Forbes.

## Dr. Frank Granito



Frank is Chief Scientist and Lead Fellow at the Institute for Digital Transformation. He has over 40 years of experience in the Information Technology field and has successfully implemented IT Service Management transformation solutions for Government and Commercial clients. Dr. Granito holds a Doctor of Management from the University of Maryland University College with a thesis on Organizational Culture.

As Lead Fellow, Frank selects current transformational topics and leads the monthly discussions with all of the Institute Fellows, parts of which are available on our YouTube Show "[Digital Transformation Unplugged](#)". In his role as Chief Scientist, Dr. Granito created the analytical model that is the basis of the Digital Enterprise Readiness Framework. He designs, creates and produces the analysis of our Snapshot Research. He is also one of the hosts of the YouTube Show "[Snapshot Research Brief](#)".

# About the Institute

The Institute for Digital Transformation (“The Institute”) exists at the intersection of a think tank, an analyst/research firm, trusted advisors and system developers. Through our network of [Institute Fellows](#), we explore the impacts on companies and their leaders as we transition from the Industrial to the Digital Era. Based on actual experiences and industry research, we produce a wide range of insightful and thought-provoking tools and content including automated/analytical assessments, white papers / eBooks, interactive development programs, and live events. All of this is intended to prepare leaders for the Digital Era and guide them in transforming their organizations into Digital Enterprises.

We therefore need to create organizations and leaders who are comfortable operating with uncertainty and who can rapidly evolve their operating models to adapt to changing markets and directions. That is a transformational culture. That is transformational leadership.

## **And that’s our mission:**

To help develop the next generation of transformational digital leaders who can transform our organizations for the digital era.

## Our Credentials:

- **Founded in 1997**
- **Focused exclusively on Transformation since 2009**
- **Long before “Transformation” was cool!**
- **Over a decade of experience in helping Fortune 500 companies successfully transform**
- **Our Founder, Charles Araujo, is an internationally recognized expert on digital leadership and transformation and is a sought after keynote speaker**
- **Best selling book about the future of IT, The Quantum Age of IT: Why Everything You Know About IT is About to Change, authored by Founder, Charles Araujo in 2012**
- **Producers of The Transform IT Show, sponsored by The Intel IT Center**
- **Dr. Frank Granito created the Readiness Framework by melding doctoral dissertation, in Organizational Culture, the Institute's decade of experience, and participation in Research Projects**
- **Created first automated, analytical tool to objectively measure a company’s “readiness” to transform**
- **Developed and delivered first training curriculum focused to help organizations successfully transform**



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