

Forrester: Aligning Around The Customer Will Turbocharge Companies' Growth Engines

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Firms with high levels of alignment across customer-facing functions report 2.4x higher revenue growth and 2x higher growth in profitability than those without alignment

CAMBRIDGE, Mass.--(BUSINESS WIRE)--Feb. 21, 2023-- According to Forrester's (Nasdaq: FORR) customer-obsessed growth engine research, outdated short-term growth strategies that focus on extracting value from customers no longer work. Dramatic changes in buyers' behavior, evolving business models, and technology advances mandate a shift in how companies design their strategies and operate their organizations. To drive profitable and sustainable business growth in this environment, alignment across sales, marketing, and product in B2B firms and across marketing, customer experience (CX), and digital in B2C firms is critical to powering a customer-obsessed growth engine. Additionally, technology teams need to be in lockstep to quickly address changing customer needs and market realities.

When internal stakeholders and functions fly in formation, everything moves faster — including a company's growth curve. Not all forms of alignment result in competitive growth, however. Aligning teams around internally focused constructs can result in inefficient processes, excessive collaboration meetings, and irrelevant goals and metrics. To grow revenue, profit, and customer retention efficiently and consistently, Forrester recommends using a journey-centric approach to drive alignment and establish aligned metrics that measure both customer and business value.

Key insights from the research include:

- The B2B marketing, product, and sales power trio must blend competencies to orient their growth engine to buyer value. Marketing leaders tend to have the most experience applying customer insights; sales leaders tend to have the most practice driving revenue growth; and product and technology leaders tend to be the most well versed in leveraging technology. B2B leaders across these functions should encourage and incentivize cross-functional learning to extend customer competency to all relevant functions.
- Alignment across B2C marketing, CX, and digital functions is necessary to operate at the speed of digital consumers. Today's customers expect novelty and speed when interacting with brands. As a result, organizations cannot slow down the pace of digital innovation. Digital leaders must work closely with their marketing counterparts to drive a digital culture across the entire organization. Marketing executives represent the voice of the customer and embody customer attitudes, behaviors, and trends to ground all products, messages, and experiences in customer obsession. By raising digital competencies across key functions, digital teams can propel a behavioral shift toward a customer-led, insights-driven business focused on improving existing and future customer experiences.
- Customer-obsessed companies leverage technology to amp up their growth engine. Firms that have reset their tech strategy to be customer-obsessed see 2.5x revenue growth than those that don't. Customer-obsessed companies make customer value the North Star of technology planning to deliver change at the pace of the business and the buyer. This requires business and functional leaders to work together with their technology counterparts to align on priorities of customer-facing teams.

"Achieving internal alignment is much easier when organizations have a common goal," said Sharyn Leaver, chief research officer at Forrester. "A customer-obsessed growth engine aligns functions that have an outsized impact on customers and growth to set the course and pace. This research has been designed to help companies attain alignment across core customer-facing functions as well as reset their tech strategy to support this customer focus. When customer-facing and technology functions are in lockstep with each other, organizations can establish a collective understanding of customers, create new ways to deliver value, and lean on each other's strengths to move faster and more efficiently."

Resources:

- <u>Download</u> Forrester's customer-obsessed growth engine report (client access required).
- Read more about how to align internal operations around customer value to fuel customer-obsessed growth.

About Forrester

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Shweta Agarwal sagarwal@forrester.com

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