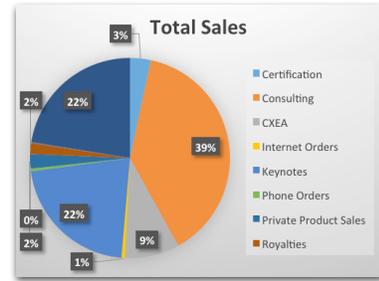


John Dijulius
Dave Murray



Forget Customer Surveys; Learn
the Real CX KPIs you Should be
Measuring

WEBINAR SERIES



CX EXECUTIVE
ACADEMY

TOTAL SALES



Customers

CX EXECUTIVE
ACADEMY



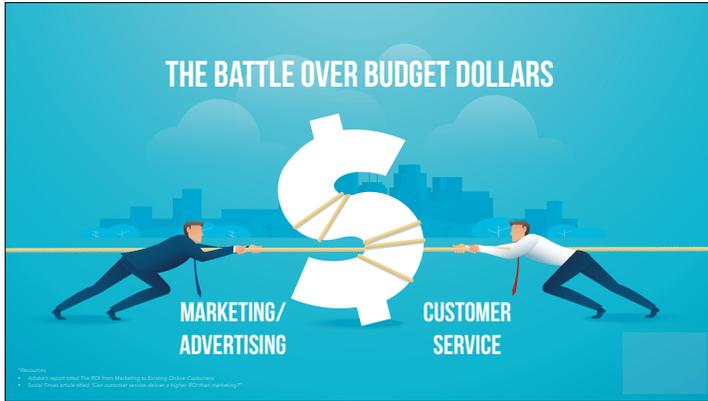
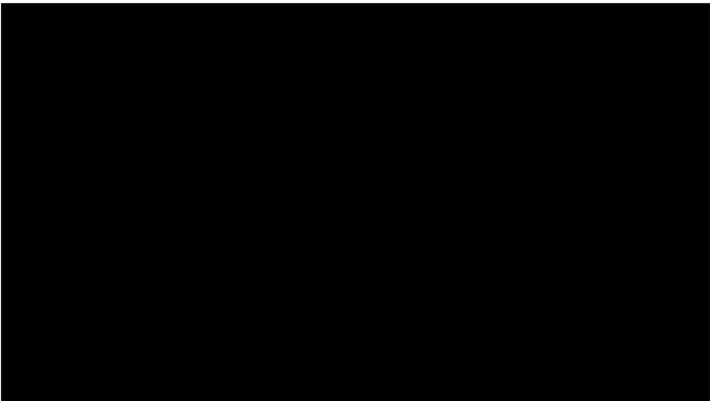
	Chippin Falls		Mayfield		Salon		Strawton	
	Jan-Dec	% of Income	Jan-Dec	% of Income	Jan-Dec	% of Income	Jan-Dec	% of Income
Total Income	855,446.83	100.0%	2,886,841.68	100.0%	1,484,089.70	100.0%	532,013.18	
Expense								
Salon Expenses								
Fixed - Salon								
Cleaning & Maintenance	8,367.38	0.98%	52,122.43	1.82%	21,128.36	1.42%	11,015.00	
Depreciation Expense	5,372.17	0.63%	28,089.22	1.01%	9,910.43	0.67%	8,016.89	
Equipment Rental	0.00	0.0%	1,100.32	0.04%	1,165.12	0.08%	0.00	
Rent	31,025.00	3.63%	153,765.20	5.34%	34,660.00	2.34%	31,020.87	
Security	181.28	0.02%	385.14	0.01%	322.70	0.02%	122.00	
Total Fixed - Salon	44,628.89	5.25%	236,412.31	8.24%	67,196.61	4.53%	50,874.15	
Variable - Salon								
Back Bar	64,128.66	7.5%	216,163.13	7.5%	118,727.18	8.0%	39,875.99	
Hair Extensions	11,522.36	1.35%	62,312.11	2.1%	48,547.03	3.2%	21,228.12	
Bank Service Charges	18,738.79	2.19%	53,360.46	1.86%	31,518.15	2.12%	10,169.07	
Computer Expense	560.63	0.07%	1,513.52	0.05%	888.75	0.06%	1,081.42	
Health Insurance	20,514.15	2.4%	47,000.66	1.6%	27,520.46	1.86%	10,082.25	
Office Supplies	6,659.17	0.78%	20,655.66	0.72%	8,408.31	0.57%	6,657.53	
Payroll Expense	386,018.69	45.25%	1,384,841.25	48.27%	678,229.04	45.7%	246,015.48	
commission	306,656.69	35.85%	1,143,607.15	39.6%	589,217.75	39.7%	179,365.24	
non-commission	3,694.58	0.42%	11,628.74	0.4%	2,185.62	0.15%	26,082.21	
co-designers	22,651.48	2.64%	86,952.25	3.0%	34,548.71	2.4%	8,338.13	
Salmanagement/admin	39,054.16	4.57%	143,442.08	5.0%	51,188.96	3.4%	36,287.90	
Payroll Taxes	32,264.25	3.78%	125,769.24	4.4%	58,089.54	3.9%	19,189.21	
Repairs	9,389.23	1.1%	34,710.01	1.2%	11,777.13	0.79%	2,891.33	
Retail Purchases	89,851.42	10.5%	208,618.82	7.2%	87,822.28	5.9%	37,316.82	
Telephone	3,273.41	0.4%	13,086.45	0.46%	3,817.07	0.26%	1,916.21	
Utilities	9,051.32	1.06%	39,797.93	1.39%	12,464.40	0.84%	11,283.85	
Total Variable - Salon	632,017.36	73.92%	2,202,058.22	76.7%	1,086,807.31	73.16%	408,111.58	
Total Salon Expenses	1,078,946.25	125.7%	4,568,470.53	158.5%	1,764,003.92	118.8%	616,985.73	
Total Expense	676,944.25	79.1%	2,436,370.63	84.5%	1,152,903.65	77.6%	456,796.53	
Salon Operating Profit	178,184.58	20.83%	429,471.05	14.9%	331,086.75	22.3%	74,227.65	
Net Income	178,184.58	20.83%	429,471.05	14.9%	331,086.75	22.3%	74,227.65	

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YOUR COMPANY'S BIGGEST
EXPENSE IS DISSATISFIED CUSTOMERS.

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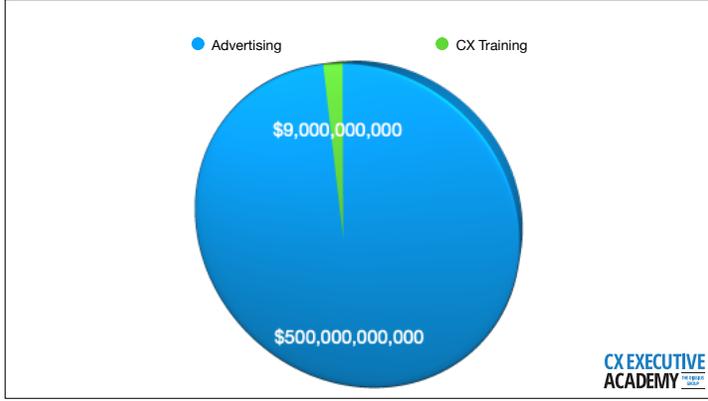
	Chrysler Fiat		Mayfield		Solus		Stratus	
	Jan-Dec	% of Income	Jan-Dec	% of Income	Jan-Dec	% of Income	Jan-Dec	% of Income
Total Income	863,008.83	100.0%	2,869,841.39	100.0%	1,484,089.33	100.0%	593,379.97	100.0%
Expense								
Salon Expenses								
Fixed								
Depreciation Expense	5,373.17	0.63%	20,069.22	0.70%	9,910.43	0.67%	6,016.09	1.01%
Equipment Rental	0.00	0.0%	1,100.32	0.38%	1,185.12	0.80%	0.00	0.0%
Rent	31,023.00	3.60%	153,765.20	5.39%	34,660.00	2.33%	17,707.07	2.98%
Security	361.30	0.04%	385.14	0.01%	322.30	0.02%	121.20	0.02%
Total Fixed - Salon	44,858.29	5.19%	216,412.31	7.54%	116,277.88	7.82%	39,875.99	6.71%
Variable - Salon								
Back Bar	1,000.00	0.12%	215,163.13	7.5%	116,277.88	7.82%	39,875.99	6.71%
Bar Expenses	1,000.00	0.12%	215,163.13	7.5%	116,277.88	7.82%	39,875.99	6.71%
Bar Supplies	18,186.79	2.10%	53,380.46	1.86%	45,515.15	3.07%	10,169.07	1.71%
Bar Insurance	360.85	0.04%	1,513.52	0.05%	0.00	0.00%	1,091.42	0.18%
Health Insurance	174.15	0.02%	47,809.66	1.67%	27,500.46	1.86%	10,082.25	1.70%
Office Supplies	17.00	0.00%	20,655.66	0.72%	8,406.31	0.57%	6,957.53	1.17%
Payroll Expenses	1,000.00	0.12%	146,968.28	5.12%	678,230.04	45.7%	246,076.48	41.3%
commission non-commission	3,375.81	0.39%	142,442.88	4.97%	589,327.75	39.71%	178,306.24	29.89%
co-designers	21,000.00	2.43%	84,065.25	2.93%	35,546.71	2.4%	6,338.13	1.07%
Payroll Taxes	32,394.36	3.75%	142,442.88	4.97%	61,169.96	4.12%	36,287.00	6.1%
Salon Personnel	104,843.36	12.15%	129,790.34	4.53%	66,686.64	4.49%	19,180.21	3.23%
Telephone	3,375.81	0.39%	34,710.01	1.21%	11,777.13	0.79%	2,891.33	0.49%
Salon	6,000.00	0.69%	29,019.88	1.01%	15,462.96	1.04%	11,283.55	1.89%
Total Variable - Salon	232,017.56	26.89%	2,202,958.29	76.78%	1,865,807.64	125.58%	458,111.34	77.2%
Total Salon Expenses	676,844.25	78.3%	2,420,370.60	84.3%	1,152,985.50	77.8%	458,165.13	77.2%
Total Expense	676,844.25	78.3%	2,420,370.60	84.3%	1,152,985.50	77.8%	458,165.13	77.2%
Salon Operating Profit	176,164.58	20.4%	449,470.79	15.7%	331,803.83	22.1%	74,214.84	12.5%
Net Income	176,164.58	20.4%	449,470.79	15.7%	331,803.83	22.1%	74,214.84	12.5%



GLOBAL ANNUAL BUDGET SPENT

Advertising vs CX Training

CX EXECUTIVE ACADEMY



BETTER ROI: ADVERTISING OR CX TRAINING?

75% "don't accept advertisements as truth"

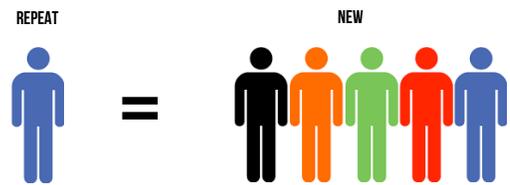
90% "believe brand recommendations from friends"

CX EXECUTIVE ACADEMY

ADVERTISING VS CX

- ★ Repeat Customers spend more than new
- ★ Repeat Customers refer more than new
- ★ Repeat Customers negotiate less than new

ADVERTISING VS CX



3 TYPES OF SALES LEADS

Lead	Origin	Price Sensitive	Close Rate
1. Cold	Reach out to them	Unrealistic	Long shot
2. Warm	Advertising	Best Deal	Medium
3. Hot	Repeat or Referred	Don't care	High

ADVERTISING VS CX

5% increase in customer retention can
increase a company's profit by... **75%**

ADVERTISING VS CX

80% of your company's future revenue will
come from just **20%** of your existing customers

ADVERTISING VS CX

Tesla Tops List of Most Valuable Car Makers

Market capitalization of publicly traded car manufacturers (as of June 17, 2020)



Source: Yahoo Finance

ADVERTISING VS CX



Elon Musk ✓
@elonmusk

Replying to @realDiegoMonroy

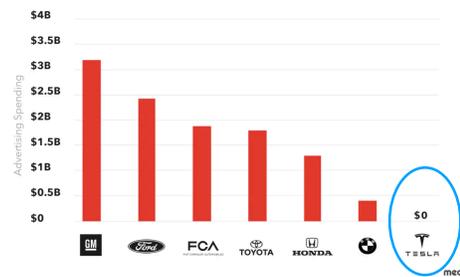
I hate advertising

1:49 PM · Oct 28, 2019 · Twitter for iPhone

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ADVERTISING VS CX

TESLA ADVERTISING SPEND vs COMPETITORS



CX EXECUTIVE
ACADEMY

DON'T PENALIZE BRAND LOYALTY

**NEW
CUSTOMERS
ONLY**

-10%
Discount to all
new customers

**Switch
& Save**

CX EXECUTIVE
ACADEMY

What would happen if we reversed
the spending on Marketing &
Advertising vs Customer Service?

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ACADEMY

TONY HSIEH
ZAPPOS.COM

The companies that don't invest in CX have leaders who don't understand the financial impact it can have

**CX EXECUTIVE
ACADEMY**

Sales is a lagging indicator of the level of the CX your company is providing

**CX EXECUTIVE
ACADEMY**

"If you want to see how a company is doing now, look at their current sales; if you want to know how a company will perform in the future, look at their current customer satisfaction scores."

—Joe Calloway

**CX EXECUTIVE
ACADEMY**

WHY DO TRADITIONAL SURVEYS FAIL?

- Survey Fatigue
- Too many questions
- Too many surveys are marketing campaigns in disguise

Fred Reichheld, the father of the Net Promoter System (NPS), keynoted our summit this week – and emphasized that firms at the top of their industry in NPS outperformed by 5.1x. And he noted that an NPS score is only valid if you get 90% or more of your clients to answer the two simple questions.

**CX EXECUTIVE
ACADEMY**

SUCCESSFUL CUSTOMER SATISFACTION MANAGEMENT

Higher Response Rate

- As close to real time as possible
- Easy to do, few seconds
- Few questions
 1. How did we do?
 2. Why?



**CX EXECUTIVE
ACADEMY**

REFERRALS

Loyal customers are a different breed. They don't just come back, they don't simply recommend you, they insist that their friends & family do business with you.

**CUSTOMER SERVICE
REVOLUTION**

BOUGHT SALES VS EARNED SALES?

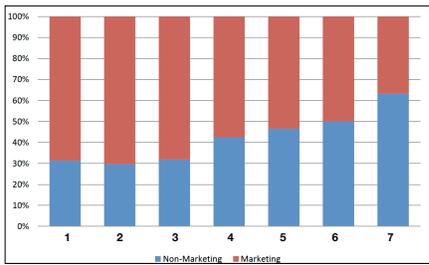
Total Sales – Earned Sales (Repeat & Referrals)
= Bought Sales (advertising)

CUSTOMER SERVICE
REVOLUTION

BOUGHT VS EARNED SALES

Total Sales	100%
Repeat Customers	50%
Referred Customers	32%
Earned Sales	– 82%
Bought Customers	28%

NEW CLIENT ACQUISITION



CX EXECUTIVE
ACADEMY

PRICE MYTH BUSTER

19%

of their customers were leaving, per year, due to lower prices



CX EXECUTIVE
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PRICE MYTH BUSTER

19% - 3% customer attrition

\$80M - \$120M sales



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MAKE THE ONE THING THE ONE THING

*"If we can improve 1%
it will mean millions in profit"*

**CX EXECUTIVE
ACADEMY**

MAKE THE ONE THING THE ONE THING



**CX EXECUTIVE
ACADEMY**

PRICE MYTH BUSTER

Veteran Opt Out = VOOs

Losing **15%** VOOs per month to lower rates

Every 1% = **\$400,000**

NewDay USA

**CX EXECUTIVE
ACADEMY**

PRICE MYTH BUSTER

- ★ AE ghosting Veterans
- ★ Solely focused on next sale
- ★ System AE had to communicate with the Veteran every 5 days

NewDay USA

**CX EXECUTIVE
ACADEMY**

PRICE MYTH BUSTER

Average monthly VOO **15% - 8%**

Reduction of **-7%** in monthly VOOs

\$2,000,000 Revenue per month

NewDay USA

**CX EXECUTIVE
ACADEMY**

ROX

±5% =

Customer Retention Rates

Referrals

Close ratio

Complaints

% of new customers (Advertising vs Referrals)

**CUSTOMER SERVICE
REVOLUTION**

HOW WILL WE MEASURE YOUR CUSTOMER EXPERIENCE?

CX KEY PERFORMANCE INDICATORS

- CSAT Survey/NPS
- Customer Retention/Resign
- Referrals
- Customer Reviews
- New Customer Source
- Lifetime value
- Annual spend
- Customer complaints
- First time call resolution
- Earned Customer Growth



ROX DASHBOARD (RETURN ON EXPERIENCE)

KEY PERFORMANCE INDICATORS

What key performance indicators (KPIs) are you currently tracking as a company, as a team/department, and individually? for example;

- Do you know your client retention/resign rate
- NPS or customer satisfaction scores
- Earned sales versus bought sales
- Who in your company retains the highest % of their customers? Who in your company gets the most referrals?
- Do you know how much a 5% difference in any of those previous mentioned would have on your revenue and profit?

METRICS

Put N/A next to the ones that don't apply to your business model, a **1** next to the ones you are already tracking, a **2** next to the ones you could track and a **3** next to the ones you currently can't track but need to:

- Customer Retention Rates
- Resign rates
- Referrals
- Close ratio
- Complaints
- New Customer Source % (Advertising vs Referrals)
- CSAT Survey
- NPS

- Customer Reviews
- Average Annual spend
- Customer complaints
- First time call resolution
- Customer effort score

ROX DASHBOARD

ROX Dashboard				
5 Weeks Rolling				
Division	% of Pipeline Went to Pimple	% of Pitches with Initial Settlement Set	Pipeline Settlement Update	Referral Leads
Trigger	86%	-	42.9%	0
DM	78%	13.3%	31.8%	1
TV	70%	9.3%	23.4%	0
VXD	75%	-	1.1%	0
Membership	82%	-	12.8%	0
Web	77%	26.7%	35.3%	0

Based on CallMiner Data