

Customer Centricity as a Strategic Choice

Elina Wahl

2023 Laurea

Laurea University of Applied Sciences

Customer Centricity as a Strategic Choice

Elina Wahl Service Innovation and Design Thesis November, 2023

Laurea-ammattikorkeakoulu

Tiivistelmä

Degree Programme in Service Innovation and Design Liiketalouden ylempi AMK

Elina Wahl

Customer Centricity as a Strategic Choice

Vuosi 2023 Sivumäärä 70

Liiketoimintaympäristön jatkuva muutos haastaa organisaatiot miettimään uusia tapoja lähestyä strategioita ja asiakassuhteiden rakentamista. Asiakkaat ajavat muutosta tarkastelemalla omia kokemuksiaan ja vaatimalla organisaatioilta odotustensa mukaisia, yksilöityjä palveluja. Organisaatioiden näkökulmasta asiakkaiden tarpeiden ymmärtämisestä ja huomioimisesta on tullut yhä tärkeämpää, mutta samalla haastavampaa. Tämän seurauksena asiakaskeskeisestä liiketoimintastrategiasta on muodostunut yhä suositumpi tapa navigoida muutoksessa ja täyttää asiakkaiden tarpeet.

Tämä opinnäytetyö keskittyi ymmärtämään asiakaskeskeisyyttä strategisena tapana tarkastella ja ohjata liiketoimintaa. Työn tavoitteena oli selvittää, kuinka organisaatiot voivat kehittää asiakaskeskeisyyttä liiketoiminnassaan. Opinnäytetyön kehittämisprojekti toteutettiin case-tutkimuksena suomalaiselle konsulttiyhtiölle. Projektiin tartuttiin palvelumuotoilun keinoin ja siinä hyödynnettiin yhteistyöskentelyä ja iteratiivisen kehittämisen prosessia. Prosessissa kerättiin, analysoitiin ja validointiin ymmärrystä organisaation toimintatavoista ja asiakkaiden tarpeista.

Opinnäytetyön teoriaosuudessa tarkasteltiin asiakaskeskeisyyden taustaa ja siinä tunnistettiin asiakaskeskeisyyteen liittyvät arvot ja käytännön toimintatavat. Kerätyn ymmärryksen perusteella työssä koostettiin malli asiakaskeskeisen liiketoiminnan kehittämiselle. Liiketoiminnan kehittämisen lähtökohdaksi tunnistettiin organisaation strateginen päätös sitoutua arvoihin ja toimintatapoihin. Tämän lisäksi prosessissa tarvitaan asiakas- ja liiketoimintaymmärrystä ja jatkuvan kehittämisen kulttuurin rakentamista.

Opinnäytetyössä havaittiin, että asiakaskeskeisyys ei ole vain asiakastyytyväisyyttä ja kilpailuetua parantava liiketoimintastrategia. Se on myös organisaation muutos, joka vaatii sitoutumista uusiin arvoihin ja jatkuvaa reflektiota kehittämistoimien, strategisten tavoitteiden ja valitun suunnan välillä. Työn tuloksena syntyi syvempi ymmärrys asiakassuhteista ja merkittävistä tekijöistä, jotka vahvistavat tai haastavat suhteeseen sitoutumista. Tämän lisäksi asiakasymmärryksen avulla tunnistettiin liiketoiminnan kehittämiskohteita, jotka tukevat organisaation muutosta asiakaskeskeisemmäksi. Työssä huomattiin, että organisaation kulttuuri on merkittävä osa asiakaskeskeisyyden toteutumista, mikä tarjoaa mahdollisuuden tulevaisuuden jatkotutkimukselle.

Asiasanat: asiakaskeskeisyys, liiketoiminnan kehittäminen, palvelumuotoilu

Laurea University of Applied Sciences

Abstract

Degree Programme in Service Innovation and Design Master of Business Administration

Elina Wahl

Customer Centricity as a Strategic Choice

Year 2023 Number of pages 70

The constant change of today's business environment challenges organisations to find new ways to approach strategies and manage customer relationships. Customers are seen as the drivers of the change. They constantly reflect their own experiences and expectations and demand personalisation to meet their individual preferences. For organisations, understanding the needs and offering satisfying solutions has become increasingly important but more difficult. As a response for the customer-driven change, customer centricity has emerged as a strategy to navigate the change and meet the needs.

This study focused on the concept of customer centricity as a strategic business approach and aimed to define how organisations can apply the approach in business development. The research and development project was conducted in the context of a case study that was provided by a Finnish consultancy company. Based on service design, the project used a collaborative and iterative process of planning, data collection, analysis, and validation to gather understanding of the organisation's operations and customer needs.

The study examined the relevant theories connected to customer centricity and identified the guiding principles and practical perspectives associated with the approach. The insights were summarised into a customer-centric business development model. The model suggested that customer centricity begins with a strategic choice and can be applied through a process that incorporates both customer and organisational insights and builds a culture of continuous development.

The outcomes of this study emphasise that customer centricity is not just a business strategy that increases customer satisfaction and competitive advantage. It is also an organisational transformation that requires commitment to the customer-centric principles and constant reflection between the development actions, strategic objectives, and the alignment. As part of the results, this study developed a deeper understanding of customer relationships revealing factors that strengthen or challenge customer loyalty. These were used to identify business development opportunities that can support the transformation. Additionally, this study discovered that organisational culture plays a major role in the success of customer centricity, and this can provide an idea for a future study.

Keywords: customer centricity, business development, service design

Contents

1	Introduction		6		
	1.1	Background	6		
	1.2	Context of development	8		
	1.3	Research and development objectives	8		
	1.4	Key concepts	9		
2	Knowle	edge basis	11		
	2.1	Examining the theoretical background	11		
	2.2	Defining customer centricity as a strategic approach	12		
	2.3	Understanding value in customer relationship management	17		
	2.4	Co-creating value in customer relationships	19		
	2.5	Applying design thinking and agile methodologies in development	20		
	2.6	Determining a model for customer-centric business development	23		
3	Research and development setting25				
	3.1	Research and development methodologies	25		
	3.2	Case study introduction	26		
	3.3	Overview of the process and timeline	26		
	3.4	Data collection and analysis	28		
	3.5	Validation of the research findings.	35		
4	Results	s	38		
	4.1	Defining customer centric operations	38		
	4.2	Discovering needs of strategic customers	1 2		
	4.3	Identifying business development opportunities	51		
	4.4	Aligning business development towards customer centricity	53		
5	Conclusion				
	5.1	Discussion of the key findings	59		
	5.2	Limitations and ethical considerations of the study	52		
	5.3	Future considerations	53		
References					
Figu	Figures67				
Tab	Tables67				
۸nn	andicas		ડ Ջ		

1 Introduction

Building business relationships is a lot like building relationships in personal life. Just as individuals invest time and effort to foster long-lasting relationships, businesses strive to create connections with their customers. The commitment and understanding become cornerstones that strengthen the relationship and form emotional bonds. This study explores the concept of customer centricity, where building meaningful, long-term relationships are seen as the key to successful business. Customer centricity is a strategic business approach that seeks competitive advantage through focusing efforts on desired customer groups (Lee, Sridhar & Palmatier, 2015, 1). It places these customers in the heart of business operations, ensuring that their needs and preferences are prioritised in every action an organisation takes (Fader, 2012, 20).

In today's business, customers are seen as the drivers of economic change. People demand more personalised and engaging experiences making it vital for organisations to adopt different customer-focused strategies (Stickdorn et al., 2018, 40). Customer centricity is proposed as an option to address the changing needs of consumer behaviour and business environment. It has gained significant momentum, as many of the world's largest organisations declare to align themselves with the approach (Lee, Sridhar & Palmatier, 2015, 1-2).

As we wander towards an economy of more rapidly changing social trends, understanding customers becomes increasingly important. For organisations, it highlights the emerging need to rethink strategy and make carefully planned actions that are all determined by the customer (Martin, 2021).

1.1 Background

Organisations have constantly looked for new ways to achieve competitive advantage and sustainable growth (McGrath, 2013, 22). Before the digital and global evolution, business strategies and operation models were based on a product-centric approach, where it was believed that customers solely valued the features of a product (Vargo & Lusch, 2004, 12). During this time, organisations were focused on designing and delivering products without considering individual needs. Strategies were formulated to pursue financial success through maximising volume of sales or differentiating with costs (Porter, 2004, 12). With the evolution in people and technology, organisations recognised that offering products was no longer enough to satisfy customers' needs, initiating one of the most fundamental economic transformations. The transformation was a shift from manufacturing to a service-focused

economy, which emphasised creating value through solving customers' problems, addressing their individual needs, and creating personalised experiences (Vargo & Lusch, 2004, 12). Customer-focused strategies become prominent in many industries, emphasising the need to understand and manage experiences, and changing how organisations operate their business (Schmitt, 2003, 9).

The megatrends of digital transformation and globalisation has had a major influence on how customer relationships are perceived today. The evolution has made people more connected and has changed the way organisations interact with their customers (Held et al., 2000, 14). Technological advancements enable customers to have access to more information than ever, empowering them with more choices and influence over the markets (Kartajaya & Setiawan, 2010, 4). As a result, customers began comparing choices and sharing their experiences and opinions on their networks though globally accessible digital services (Robson, 2013, 11). Globalisation and digitalisation increased competition across industries which gave customers more options to choose from (Held et al., 2000, 14). For organistions this made building longterm customer relationships more difficult and forced them to find new ways to differentiate themselves from the competition and succeed in the market. It required a shift in perspective: changing the role of a customer from being solely a consumer to an individual with their own values, preferences, and feelings (Kartajaya & Setiawan 2010, 4). Organisations became focused on customer experience and personalisation as a key differentiator and driver of customer loyalty (Kotler & Keller, 2015, 136). Together, the megatrends shaped the business environment to be more customer focused.

The length of competitive advantage always varies, and organisations are constantly under pressure to renew and transform their operations to hold the advantage (McGrath, 2013, 27-28). During the past few years, the competition in Finland's information and communications technology consultancy industry has increased significantly. There has been a growing market demand for the services, which has increased the number of service providers and created a new demand for differentiation from the competitors (Company X interview 2022). The market demand has been supported by the European Commission's Digital Decade (2021) which promotes the importance of investing in developing new technologies, skills, and infrastructure. The objectives were similar in Finland's Government Programme (2019), which set steered the investments in public sector's digital transformation development, prioritising new initiatives and increasing the need for consultancy and development services. As the service providers face the difficulties of an increasingly competitive market, it forces them to find new strategic approaches to build competitive advantage.

1.2 Context of development

This study is conducted in the context of a case organisation, also referred to as 'Company X' to maintain confidentiality. Company X is a consultancy company operating in the information and communication technology industry (ICT) in Finland. It offers consulting services across various industries. However, its largest customers are organisations in the public sector. The organisation specialises in providing advisory services and digital solutions which support their customers in digital transformation and sustainable change.

The services are based on offering human expertise through consulting. They are delivered through close collaboration with customers, therefore making customer and employee satisfaction fundamental for the business. As the competition in the ICT industry in Finland has accelerated, the company has been exploring different strategic approaches to drive future's growth (Company X interview 2022). In their strategy, Company X has recognised the focus on selected customer groups as a potential growth strategy for the future (Company X Strategy). To achieve the growth plans, the organisation has recognised the need for deeper customer understanding and developing the organisation's customer centricity.

1.3 Research and development objectives

This study focuses on the concept of customer centricity as a strategic business approach. By exploring customer centricity, this study aims to define how the approach can be applied in business development. The case organisation provides this study a context to research the practical applications and reflect the theoretical insights to a real-life scenario. The study is guided by a research question: "How can an organisation apply customer centricity in its business development?"

In addition, this study has three objectives. These define the specific steps the study will take to answer the question. The objectives are:

- 1. Understand the operations that support customer centricity.
- 2. Understand the needs, preferences, and experiences of the most valuable customers.
- Identify business development opportunities that strengthen alignment with customer centricity.

Since the study is conducted through the context of the case organisation, it will generate insights of its operations and customers. As the research involves collecting insights of the case organisation's strategic choices, operations, and customers, ethical considerations are made. To safeguard any sensitive information for its business, limitations of presented data can be made. This can include coding or anonymisation of non-disclosable information. The

confidentiality of data will be evaluated during the research and development process to address confidentiality without limiting the value of the results or academic contributions.

1.4 Key concepts

This study explains the key concepts to give an overview of the terminology used in the study.

Business development

A process of identifying and planning activities that support an organisation's success and growth. The development activities aim to improve an area, function, structure, or process within the organisation or its connections. This may include developing services, business strategy, customer relations, working culture, partnerships, or technology.

Customer centricity

A business philosophy, or a strategic approach that puts customers in the heart of the organisation and prioritises their needs and preferences in all operations and decision-making. By applying the philosophy in its daily practices an organisation aims to increase customer satisfaction and loyalty. The approach involves collecting customer data and using this information to develop products, services, and the organisation's operations to better meet the customer needs.

Competitive advantage

A definition that describes the specific factors that differentiate an organisation from its competitors in its industry. The differentiation gives the organisation an advantage over the competition and a possibility to outperform competitors that offer similar services to similar customer groups. Competitive advantage is planned through business strategies.

Customer experience

A description of a customer's perception or feelings of an organisation or a brand. The experience is created when the customer reflects their own expectations, values, and preferences to the organisation. Customer experience considers all interactions between the customer and the organisation, from the first contact point to long-term engagement.

Customer Relationship Management (CRM)

A business approach to managing customer relationships and experiences, and technology that supports managing customer data. It is used in gathering and analysing customer data which provides insights to sales, customer management, communications, and business development.

Design thinking

An approach to solving problems that combines empathising with users to a step-by-step process. The process involves repeating the series of steps. This includes identifying users' challenges, ideating solutions, and testing them to find best possible outcomes. The approach encourages creative thinking and broad collaboration to design solutions that satisfy the user's needs.

Service design

An approach to designing and improving services. It aims to create solutions that are functional, satisfy customers, and are beneficial for the organisation. It is based on design thinking and uses a human-centric mindset in development. This prioritises the needs from users, customers, or other relevant people in decision-making. The process involves understanding customers' needs and pain points, creating concepts, and visualising the ideas so they can be communicated and tested.

Service-Dominant Logic (SDL)

A theoretical framework that explains an ideological shift. The framework defines that value is created in exchanging services instead of manufacturing products. It proposes that value is created together in collaboration between a customer and an organisation in an exchange of services. The framework recognises that customers have an active role in value creation since they are a crucial part of a relationship or determining quality of a service.

Steering group

A group of people that is formulated to provide advice, decisions, or directions for a specific project or an initiative. Its purpose is ensure that a project is aligned with the goals and schedule and help overcome any challenges. Usually, the group involves people from different backgrounds to increase the diversity of perspectives in decision-making. This can result in more informed decisions.

2 Knowledge basis

As it was stated earlier, to address the changing consumer behaviour customer-focused business strategies have become more prominent across industries. Customer centricity proposes a solution to addressing the issue of understanding the changing customer needs. However, this study recognised that the approach does not follow a common framework. To better understand the concept, this knowledge basis examines the relevant theories and literature, defining the guiding principles and practical perspectives associated with customer centricity.

2.1 Examining the theoretical background

This study identified multiple concepts that have influenced the creation of the concept of customer centricity. These theoretical concepts are multidisciplinary stemming mostly from marketing and business management theories. While examining the theories, an observation was made that the theoretical concepts are interrelated or complementary to each other and share similar principles and methodologies.

The relevant theories and frameworks that have influenced the creation of the concept of customer centricity are Customer relationship management (CRM), Service-Dominant Logic (SDL), and Co-creation theory. These share similar philosophies and fundamental principles that emphasise customer value and collaboration. In addition, this study recognised theories and frameworks that can be discussed to understand the practical perspective of applying customer centricity in a business context. These are Customer Experience Management (CEM), design thinking, and Agile methodologies. The theoretical foundation, perspectives, and the connections between them are visualised to Figure 1.

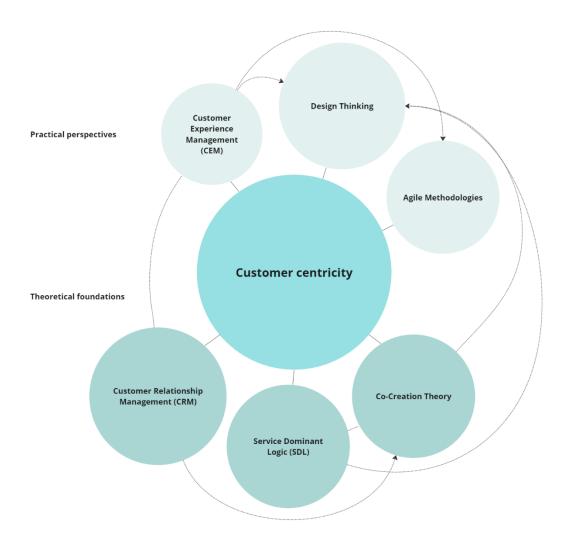


Figure 1: Theoretical framework of this study

This knowledge base will discuss each theory more in-depth and its relevance to customer centricity. Although this study connects the theories together, it is important to acknowledge that they also exist and can be applied on their own.

2.2 Defining customer centricity as a strategic approach

As customer centricity has gained more popularity, it has been a subject for diverse definitions. Fader & Toms (2018, 11) suggest that in common business context the word "centricity" in the approach guides the interpretation towards thinking of prioritising customers' needs in decision-making. They address the misinterpretation and determine a more specific definition: Customer centricity is a business approach that does not consider the satisfaction of the overall customer base. Instead, it focuses on the customers segment that is the most valuable for the organisation. On another perspective, Lee, Sridhar & Palmatier (2015, 1-2) define customer centricity as a strategic approach that can help

organisations understand better its customers, develop deeper relationships, and improve customer satisfaction. This perspective underscores the importance of relationships and aligning products and services with customer needs. Shah et al (2006, 113) propose a broader definition, suggesting customer centricity as a transformative approach. In their definition, customer centricity initiatives a shift that requires redefining strategies, operations, and culture around the customer needs.

Customer centricity takes a different perspective to business success than traditional strategic business approaches. Reichheld (2021, 24) argues that the difference between a traditional strategic approach and customer-centric approach is the hierarchy of values: A traditional approach prioritises organisation's strategic goals and values investors' profit over customer value. Customer centricity shifts this hierarchy of values. Fader & Toms (2018, 11) propose that a key characteristic of the approach is the priority of values where customer value is the most important priority for the organisation. Customer centricity also addresses a potential problem that the traditional approach may display. Reichheld (2021, 24) suggests that in a traditional approach organisation can make decisions which benefit investor's financial gains but simultaneously potentially harm the experience of customers.

There are many potential benefits an organisation can acquire from pursuing customer centricity. First, it is important to examine the financial value of the strategic approach as it is fundamental for organisations to exist. Thompson (2014, 19-21) suggests that the financial benefits of customer centricity come from repurchases and managing the cost-benefit ratio of new customer acquisition and customer relationship management. They explain that long-term relationships and customer loyalty influence the organisation's profitability by increasing purchasing frequency and decreasing the costs of new customer acquisition. Fader (2012, 35) suggests that stronger relationships allow organisations to cross-sell a variety of products or services to the same customers which can improve customer retention and increase the customer lifetime value meaning the turnover that customer will bring in the future.

The benefits of customer centricity do not focus solely on financials, instead they balance between financial and non-financial factors. Robson (2013, 29, 32-33) argues that satisfied and loyal customers affect new sales with positive word-of-mouth which can generate inbound sales and be a positive influence for the organisation's brand. They also suggests that the approach transforms the organisation's culture in a way that increases employee satisfaction and loyalty. They suggest that customer and employee experience are connected: employees are more satisfied with their work when it provides value to the customers. This in turn then affects employee productivity, loyalty, and length of tenure.

When reviewing the literature of customer centricity, this study recognised that it does not follow a specific or a common theoretical framework. This may increase the complexity of

understanding how it can be applied in practise. Fader & Toms (2018, 39) suggest a method: Applying customer centricity in practice is following a set of principles to guide the organisation's actions. To understand the principles better, this study identified principles from the literature. These are described in Table 1.

Table 1: Principles of customer centricity

Principle	Description	Source
Customer focus	The foundation of the philosophy, where an organisation commits to a customer-first value. The purpose of all organisation's operations and interaction is to satisfy customer's needs.	Thompson, 2014, 17; Robson 2013, 22
Leadership commitment	The executives of an organisation prioritise customer value in all their initiatives and actively communicate the importance. The commitment signals the shared values to the whole organisation and drives the organisational transformation.	Shah et al, 2006, 119
Customer understanding	Customers are seen as individuals with unique values, needs, and preferences. Customer understanding is a process of gathering customer data through surveys, interviews, and analytics, and analysing the data to create insights. These insights are used to guide business development.	Fader, 2012, 33; Robson, 2013, 22
Segmentation	Categorising customers into segments or groups based on specific criteria or characteristics. It increases understanding of the customer base and identifying the most important customer groups. Customer centricity prioritises the most valuable segments, aims to build long-term relationships with them and to acquire new similar customers.	Shah et al, 2006, 117; Fader, 2012, 78

Principle	Description	Source
Personalisation	Personalisation customises offering, services, and operations based on customer. It aims to design and deliver customised experiences for the most valuable customers that match their individual preferences.	Fader, 2012, 77
Customer experience management (CEM)	Understanding customers' perceptions and feelings of the organisation and creating consistent experiences in all interactions between an organisation and its customers. CEM strives to satisfy customers in every interaction throughout the customer's journey.	Robson, 2003, 17
Co-creation	Collaborating between an organisation and its customers to incorporate continuous feedback and ideas of customers in development. In co-creation customers are active participants of designing better business, offering, or experiences. The practice fosters a shared sense of ownership and engagement to the development and outcomes.	Hemel & Rademakers, 2016, 5
Long-term relationships	Organisation's focus and effort is put to nurturing and maintaining long-lasting relationships with important customers. The aim is to support customer loyalty over short-term transactions. Long-term relationships decrease the costs of new customer acquisition and increase positive word-ofmouth. Customer loyalty is built on transparency, trust, and close collaboration.	Shah et al, 2006, 118; Robson, 2013, 22
Employee engagement	Employees are motivated and committed to their work and to the organisation's goals. Empowered employees have more autonomy over their work and prioritise customer experience and satisfaction in their actions. They understand the importance of their actions and are supported by the organisation's leadership and through training.	Robson, 2013, 32-34; Fader, 2012, 31

Principle	Description	Source
Cross-functional collaboration	Cross-functional collaboration connects people between structures or processes to support customer satisfaction and value. Collaboration is designed to enable consistent and seamless customer experience. These practices include communication, sharing insights and data, and establishing cross-functional teams or projects.	Shah et al., 2006, 116, 120; Robson, 2013, 81-82
Continuous development	Continuous development includes collecting and analysing feedback and applying the insights to refine business practices, offering, and experiences. This strengthens the organisation's ability to navigate change. In continuous development both customer needs and current activities are constantly analysed to redefine areas of development.	Fader & Toms, 2018, 77; McGrath, 2013, 35
Supporting metrics, skills, practices, and tools	The progress and success of development is monitored through relevant metrics and supported with relevant skills, practices, and tools. The data is used to provide input to the development and to create incentive systems that support customer centric operations.	Fader, 2012, 76; Reichheld, 2021, 84

Table 1 provides an overview of the principles and represents crucial aspects of the customer centric approach. It provides a comprehensive description of what organisations needs to consider when applying the approach. The principles include foundational principles such as customer focus and leadership commitment, and more operational principles such as continuous improvement and supporting progress with metrics, practices, and technology.

The principles can be seen as the foundation and the guiding philosophy when applying the approach. Gulati (2009, 32) suggests that the applying customer centricity requires understanding both organisations' operations and customer needs. Shah et al. (2006, 119) suggests that organisational transformation towards customer centricity requires increasing cross-functional collaboration and breaking down internal silos to ensure that the

organisation's goals are aligned in every decision-making process. The required organisational transformation can propose challenges. Shah et al (2006, 113, 116) recognises that organisation's culture is either the enabler or a challenge the transformation. They suggest that most challenges are related to transforming the organisation's culture, structure, processes, and financial metrics. Fader (2012, 34) recognises that the transformation process requires investing resources and efforts which may provide financial challenges. Reichheld (2021, 5) suggests that in some cases organisations need to find a balance between customer needs and business objectives. They argue that this can be necessary especially in industries that are highly competitive or where profit margins are tight.

2.3 Understanding value in customer relationship management

According to Kotler, Kartajaya & Setiawan (2010, 176) Customer relationship management (CRM) is a strategic approach to customer relationships which can be applied to business-to-customer or business-to-business relationships. It emphasises customer understanding, and leverages technology and continuous feedback to build relationships, personalise offering, and interactions. This study perceives CRM and customer centricity as related concepts. Fader (2012, 76) argues that customer centricity cannot be achieved without CRM since it enables collecting and leveraging the vast amount of data that is required for the approach. According to Shah et al. (2006, 113) the principles of customer centricity were already present in early marketing and CRM strategies which utilised customer insight for product development and market positioning. Kotler & Keller (2015, 17) argue that CRM theories have changed significantly towards a more customer-centric perspective.

There are similarities in CRM principles and customer centricity. Both CRM and customer centricity recognise the importance of segmenting customers based on their value (Fader, 2012, 33; Kotler & Keller, 2015, 10). Hader, Hardie & Ross, (2022) explain that purpose of customer segmentation is identifying the profitability of different customer groups for the organisation. CRM emphasises the importance of customer understanding which is also a fundamental principle in customer centricity. Kotler & Keller (2015, 67) suggest that CRM practices aim to collect relevant and up-to-date information to understand the changing business environment and customers' needs.

Data-driven decision-making is a key principle in both CRM and customer centricity. It describes the process where customer data is collected and analysed to inform organisation's decisions and actions (Kotler & Keller, 2015, 137). A crucial part of the process is the use of technology. Payne & Frow (2014, 76) explain that technology enables organisations to gather and analyse large amounts of customer data. This enables monitoring customer interactions, behaviour, and preferences. Payne & Frow (2014, 76) also suggest that building a

comprehensive or in-depth customer understanding involves using multiple sources of data. These can include web traffic, interviews, observations, surveys, and focus groups. Reichheld (2021, 39) suggests that organisations often use a combination of quantitative and qualitative methods since quantitative data can indicate issues and qualitative can explain the phenomenon. Thompson (2014, 44) argues that customer insight can also consist of structured and unstructured feedback. They define that structured feedback is collected through quantitative surveys and analytics data, and unstructured through a raw form of speech from digital or physical sources.

From a CRM perspective, customer experience management is a principle that guides the focus on customer relationships and defines the interactions between individual customers and organisations (Kotler & Keller, 2015, 46). Customer experience management (CEM) is also a separate marketing and business management theory that focuses on designing and delivering seamless customer experience (Pine & Gilmore, 1998). Schmitt (2009, 6) argues that customer experience management has become a standard business management practice. Kartajaya & Setiawan (2010, 32) explain that in practice customer experience management is collecting customer understanding, using the information in business management, and collaborating with the customer to strengthen relationships.

Customer experience can be defined thorough singular interactions between the organisation and a customer or as an end-to-end journey. According to Stickdorn et al. (2018, 115) customer journey includes all experiences and interactions a customer has had with an organisation. Thompson (2014, 67-69) suggest that instead of focusing on singular experiences, the goal of customer experience management is understanding and harmonising the journey. Similarly, Kotler & Keller (2015, 20) suggest that the goal of managing customer experience is to build satisfaction and loyalty. A commonly used tool to analyse customer experience is a visual journey map (Figure 2). Stickdorn et al. (2018, 70) explain that visualised journey maps support holistic understanding of the experiences.

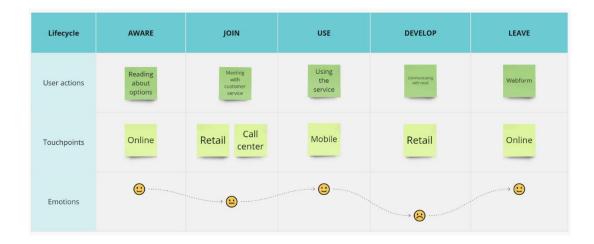


Figure 2: A customer journey map (adapted based on Reason et al, 2015, 166)

2.4 Co-creating value in customer relationships

Service-Dominant Logic is a framework where customers are seen as active participants of value creation. According to SDL, the experience of value cannot be predefined or delivered only from one side as it is always an outcome of co-creation. It suggests that value is always determined by experiences and preferences specific to its context. It proposes an opposing perspective to a traditional Goods-Dominant Logic (GDL). According to GDL, organisations created value by producing and distributing goods to customers. In the traditional logic customers were seen as passive recipients of value. SDL shifted the perspective to an exchange-based value creation where value is created through interactions or services between actors rather than embedded in the features of a product. (Vargo & Lusch, 2004, 6).

Prahalad & Ramaswamy's (2004) Co-creation theory builds on the foundation of SDL and discusses the nature of value creation and interactions between a customer and an organisation. The theory was created from a marketing and service management perspective where the authors defined customer co-creation as a new source of competitive advantage. Prahalad & Ramaswamy (2004b, 7) suggest that gaining competitive advantage requires deeper collaboration with customers instead of just having customer-focus in an organisation's actions. They emphasise the need for organisations to involve customers in the design and development of products or services and suggest that co-creation should be an iterative process with transparent on-going dialogue between the organisation and its customers.

This study identified similarities between customer centricity, Service-Dominant Logic (SDL) and Co-creation theory. They share similar principles of putting the customer in the centre of

business activities and emphasise the importance of personalised experiences.

2.5 Applying design thinking and agile methodologies in development

Design thinking is a methodology of applying customer insight in development. According to Brown (2008, 86, 32) design thinking is human-centric approach to problem-solving that puts people in the centre of a development process. They suggest that design thinking is driven by empathy, which means finding solutions to problems through the eyes of customers. Tschimmel (2020, 9) defines design thinking as a combination of a cognitive process, a methodology, and a toolkit for innovation. According to Stickdorn et al. (2018, 72) human-centricity is a broader concept than customer centricity since it considers a wider range of stakeholders in the development process. These can include customers, users, employees, and partners.

According to Brown (2008, 87), in design thinking customer understanding is applied in decision-making through data and physically involving customers and users into co-creation sessions. This ensures that the customers' perspectives and ideas are integrated in development. Design thinking also involves cross-functional collaboration. Brown (2009, 22) suggests that it requires multidisciplinary teams that collaborate across functions and disciplines to ensure holistic understanding and the innovation of satisfying solutions. The principles and outcomes are similar between design thinking and customer centricity. Both approaches aim to improve service quality, customer satisfaction, efficiency, and increased co-creation.

Stickdorn et al. (2018, 57) suggest that the phases of a design process follow cycles of research and development that are based on feedback, iteration, and testing. According to Design Council (2023) the iterative actions of the process include altering between progressing in a linear and circular manner. This means that the process alters between deciding to progress to the next phase or circling back to the previous one. According to Brown (2009, 40) the process also alters between divergent and convergent thinking. They explain that the divergent phases focus on holistic understanding and identifying a variety of possibilities. In contrast, the convergent phases focus on narrowing down the most optimal solutions. The phases explain when the aim is to have a wider range of ideas and when to narrow down the development focus. A commonly used visual representation of a design thinking process is the Double Diamond (Design Council 2023). For this study an adapted version of the Double Diamond was created that indicates the phases, cognitive process, and decisions (Figure 3).

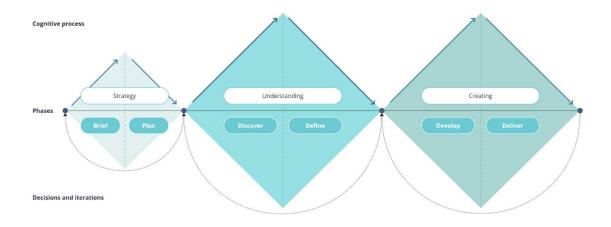


Figure 3: A design thinking process (adapted based on Design Council 2023)

Stickdorn et al. (2018, 13) explains that design thinking can be applied to a variety of different business problems. They suggest that design thinking is the foundation of strategy design, business design, service design, and experience design. Tschimmel (2020, 9) recognises that nowadays design thinking is applied especially in complex business problems. They suggest that it is chosen as an approach to solve issues with strategies, organisational management, product and service innovation, and complex social problems.

Agile development is a methodology to problem solving, which has similarities with design thinking. According to Davis & Sedley (2009, 14) Agile methodologies is an approach that was initially developed for project management and especially software and systems development. They explain that the methodology is based on rapid testing, iterations, and feedback, which delivers customer value both as the result and throughout entire development process. Fowler & Highsmith (2001, 2) who developed the approach, suggest Agile methodologies as a solution to adapting to changing customer needs and project requirements. The initial concept includes methodologies for collaboration, continuous feedback, and rapid adjustments. The purpose of Agile is creating better solutions for customers and reacting to change instead of following a set plan.

The Agile development process is a contrasting method to a traditional linear process (Figure 4). Fowler & Highsmith (2001, 2) explain that in a traditional process the end-solution is determined in the beginning of the process and no iterations or alterations for the plans are made. In contrast, Agile development breaks down planning and development into smaller actions that have specific goals and time frames. The actions are adjusted based on continuous feedback and prioritisation. This allows continuous delivery of solutions and value.

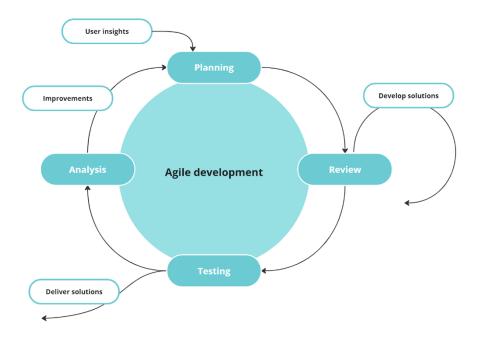


Figure 4: An Agile development process (Adapted based on Davies & Sedley, 2009, 14)

Agile, design thinking, and customer centricity share a common emphasis on customer focus and an iterative and collaborative nature. They can also provide a practical perspective to applying customer centricity. Thompson (2014, 24) argues that customer centricity requires a systematic approach to transforming the organisation's culture, systems, processes, and metrics to align with its principles. This proposes a potential problem as customer centricity does not follow a specific framework or have a step-by-step process. Although Agile was developed for project management, it has been utilised complex organisational transformations that have aimed to build resilience against change (Rigby, Elk & Berez (2020, 6). Fader and Toms (2018, 77) argue that agility is crucial for organisations that want to develop customer centricity, since the approach requires constant transformation and navigating change. They suggest that organisations should utilise a development framework which leverages Agile methodologies. In a similar manner, Reason, Løvlie, Brand Flu (2015, 158, 160) argue that meeting changing customer needs is a complex organisational challenge and requires agility in managing the business development. According to Gulati (2009, 16) building resilience prepares organisations for unexpected disruptions or changes in customer behaviour.

2.6 Determining a model for customer-centric business development

Based on the insights from this knowledge base, this study formulated a model for developing business towards customer-centricity. The purpose of the model is to create a visual and practical representation of how the approach can be applied in business development. It aims to interpret the complexity of the approach into a more accessible form. To address the complexity, it embraces simplicity in its visualisation. The Customer-centric business development model is visualised in Figure 5.

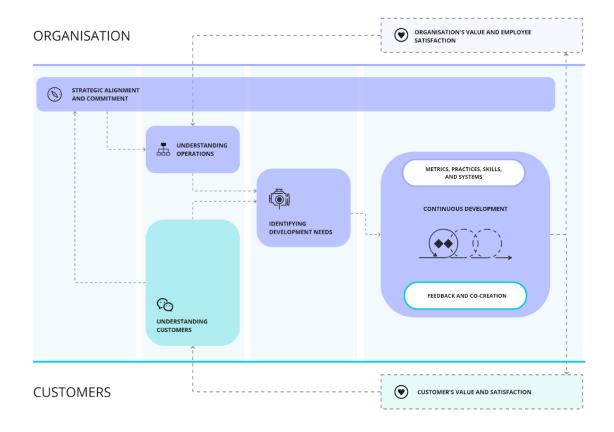


Figure 5: Customer-centric business development model

The model consists of four main phases: strategic alignment and commitment, understanding operations and customers, identifying development needs, and continuous development. The process is based on key phases that were defined in customer-centric principles, design thinking, and Agile methodologies. The model also defined supporting actions which are critical during the continuous development. These are customer feedback and co-creation, and establishing supporting metrics, practices, skills, and systems. The model indicates that the results of the continuous business development are customer value and satisfaction, and organisation's value and employee satisfaction.

The model is visualised through a process chart. Although the process follows a linear form, the arrows indicate the circular and iterative nature of the model. The arrows indicate the flow of the process, signalling how the business development actions promote both customers' and organisation's value and satisfaction, which in turn can be captured through understanding customers and operation. The use of colours distinguishes the different nature of the actions. Green indicates customer-facing actions and purple organisation's actions. Actions that are included in the continuous development are highlighted with a white background to differentiate them from the main phases. The size of each shape corresponds to the importance of its role, where strategic alignment and commitment is the driving force of the business development.

The initial phase of the model is strategic alignment and commitment. It signifies the need to shift the organisation's strategy to align with customer-centric principles. The commitment steers the decision-making throughout the process, guiding all actions the organisation takes. In strategic alignment the organisation prioritises customer value and embraces customer-centric principles. It defines values, objectives, and overall direction of the organisation. The phase also includes the customer-centric principle of leadership commitment where organisation's executives and management communicate the importance and shared values to initiate and support the organisational transformation.

The second phase of the transformation consists of both understanding customers and understanding operations. As defined earlier, customer centricity requires identifying the most important customers and gathering a deep level understanding of their needs, values, and experiences. Understanding the organisation's operations can reveal which structures, processes, or practices support or challenge customer value and satisfaction. The gathered insights are used in the third phase to identify development needs. The identification is steered by the strategic alignment and commitment which determines how the organisation proceeds to the fourth phase of continuous development. The fourth phase establishes and embraces a culture of continuous transformation and development. It builds on design thinking principles and Agile methodologies. The phase emphasises the importance of continuous feedback loops and customer co-creation. It is supported by relevant metrics, systems, practices, and skills. These are both principles and enablers of customer-centric business development.

3 Research and development setting

This study aims to define how customer centricity can be applied in business development. The research and development project of this study is conducted in the context of a case organisation. The organisation provides this study a possibility to reflect the insights from the literature review to a practical application. The design of the research and development project utilises the Customer-centric business development model that was formulated based on the knowledge base and visualised in Figure 5. This chapter discusses the variety of methodological choices that are used in the project to reach the aim of the study.

3.1 Research and development methodologies

This study selected a qualitative approach and a combination of a case study and service design as the primary study methodologies. A case study is empirical research that studies an activity where it takes place (Farquhar, 2012, 6). According to Ojasalo et al. (2015, 52) a case study is a commonly used strategy in business related research and development projects due to its pragmatic nature. They suggest that the subject of the study can be a part of an organisation, for instance a service or a process. Yin (2009, 4) explains that a case study is a suitable methodology when the study aims to gain a more in-depth understanding and formulate a description of it. A case methodology provides both an approach and a process for the study. According to Yin (2009, 1) a case study is a linear but iterate process. The purpose of the iterations is to build on top of previous insights and refine the outcomes.

Additionally, this study adopts service design to steer the research and development project. According to Ojasalo et al (2015, 71) service design is a systematic approach of applying a design thinking process and a variety of methodologies to develop an interaction or a service. Stickdorn et al. (2018, 56-60) suggests that it considers the mindset, process, tools, collaboration, and management methodologies of the development. The focus on a single case enables this study to examine customer centricity more in-depth. On the other hand, service design enables a systematic and human-centric approach to understanding customer needs and defining the solutions. The methodological choices complement each other. According to Ojasalo et al. (2015, 52) a case study aims to identify weaknesses, strengths, and pain points. Stickdorn et al (2018, 58) suggests that these can be addressed though service design methodologies.

3.2 Case study introduction

The selected case of this study is a Finnish consultancy company operating in the information and communications technology industry, also disclosed as Company X. In their strategy, Company X has recognised the focus on selected customer groups as a potential growth strategy for the future (Company X Strategy). The strategy identifies the growth in strategic customers to be a potential success factor for the organisation's financial growth for the next coming years. To achieve the growth plans, the organisation has recognised the need for deeper customer understanding and developing the organisation's customer centricity. The strategy also recognises the importance of maintaining high customer satisfaction and building customer loyalty.

The case organisation has established a variety of structures and practices for customer experience and value management. These include segmentation of customers based on value, personalisation of services, CRM, and customer satisfaction measurement (Company X interview 2022). One of the internal structures is a cross-functional team whose purpose is to strengthen the organisation's customer centricity. The team consists of eight specialists who have both individual and shared responsibilities in sales, customer experience management, or customer research. For this study, the team acts as a sponsor and a steering group. This study is conducted as an assignment by the author. During the research and development project the study author will participate in the steering group's meetings and work in close collaboration to achieve the study objectives. The steering group acts as a link to the organisation's operations, people, and insights, connecting the author with the relevant people and sources when needed. In addition to the study objectives, the project may provide valuable insights for the case organisation about its practices that strengthen customer centricity, and about the needs, preferences, and experiences of the most valuable customers.

3.3 Overview of the process and timeline

The research and development project was conducted over a six-month period, beginning in August 2022 and finalising in January 2023. An initial project plan was created based on preliminary discussions with Company X in August. After the discussion the process design began with setting the initial targets and objectives and determining the methodological choices. Next, a steering group for the study was formed and the project plan was iterated to its current form.

The process was designed to follow the case study and service design process (Figure 6). The process was facilitated by the study author. This included designing the structure,

collaboration, and content while ensuring efficiency of progress (Schwarz, 2005, 3). The process was divided into five main phases which are: plan, research, define, develop, and deliver. All phases included data collection, analysis, and validation. They also included collaboration and designing deliverables that supported transparency of documentation and communication of the insights gained during the process.

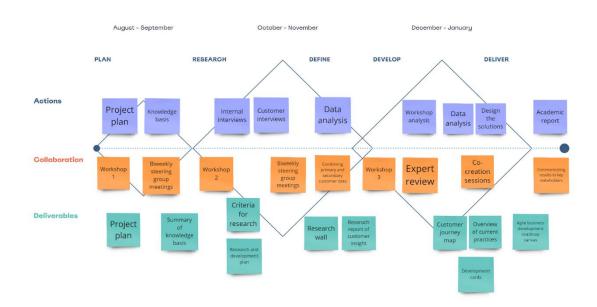


Figure 6: Overview of the process and timeline

The plan phase included preliminary discussions with the case organisation. In the preliminary discussions the general theme, available resources, and limitations were determined. Briefly after the discussions, a first collaboration workshop was agreed on and the process planning started. The first phase of the process aimed to set a foundation for the research and development project. It consisted of a kick-off workshop, weekly steering group discussions, and conducting the literature review for the literature review of this study. The outcomes of the phase were a refined research and development plan and a summary of the knowledge base. Based on the insights made during the phase it was defined that the research phase of this study would focus on gathering in-depth customer understanding and utilise existing insights of the organisation's practices.

The research phase focused on designing and conducting the customer understanding research and gathering data from the Company X's operations. The phase consisted of a workshop, interviews, and reviewing existing insights. The phase started gathering understanding of the internal practices with a workshop with the steering group where the organisation's current practices were mapped. In addition, a group interview with the sales management was conducted to gather understanding of customers value and customer experience management

practices. Based on the interview, screening criteria for the primary data collection was created. For the primary data collection, six semi-structured theme interviews were conducted to the case organisation's customers. The research design was conducted in close collaboration with the steering group, testing and validating the research instrument. During the research phase the steering group had biweekly meetings that were used to iteration, validation, and knowledge sharing.

In the define phase, the data from customer interviews was analysed and combined with secondary data sources. The initial analysis consisted of a qualitative content analysis, which clustered the customer data into insights of values, preferences, and behaviour that were synthesised to a research wall. The insights from the customer interviews were compared to Company X's previous insights of a customer survey and combined to a research report.

The develop phase aimed to identify areas of development based on the gathered data. The phase consisted of analysing the workshops and existing documents of the organisation's operations and two co-creation sessions. First session was a workshop that focused on strategy, customer insights, and constraints that aimed to generate a variety of solution ideas. The second was a discussion-based session with Company X's sales and account management, which focused on validating customer insights and generated ideas.

The deliver phase aimed to synthesise all gathered data and create suggestions based on the insights. The phase included co-working sessions with individuals from the steering group and analysis and synthesis of the data. In this phase the results were designed, and the important insights were shared to the relevant internal and external stakeholders with the help of the steering group. After sharing the results, the research and development project was documented as the study report.

3.4 Data collection and analysis

The study followed an iterative process for the data collection and analysis. The process was designed and conducted in a circular manner building on previous insights. The data collection and analysis was facilitated and conducted by the study author with the support of the project steering group. Throughout the study process, the steering group had biweekly meetings that were used to refine the data collection design, validate the findings, and share knowledge of Company X's practices. The primary data sources of this study were workshops, a group interview, customer interviews, and project observations. The secondary data for this study consisted of the results from a customer satisfaction survey that was conducted couple months prior this study and existing documents of the organisation's practices. These

included documentations of customer value prioritisation, customer segmentation, customer experience management, customer acquisition strategy, and the Company X strategy.

Workshop 1: Kick-off

The data collection started with a workshop that was held in August 2022, in the beginning of the research and development project. The purpose of the workshop was to share knowledge between the participants, determine upcoming development projects, and mark the beginning of the study project. The objectives for the workshop considering the study project were to clarify the direction and chosen framework for the research and development process and determine the project's roles and responsibilities to ensure alignment and collaboration.

The workshop was a full-day session held in the Company X's premises organised by the steering group. There were 8 participants in addition to the study author. The workshop consisted of four themes. Three of the themes considered the group's daily tasks and upcoming development projects and were facilitated by the group members. The last theme of the workshop was dedicated for the study project kick-off and the discussion was facilitated by the study author.

The kick-off discussion points and workshop tasks aimed to clarify the project focus and objectives with the known constraints. The tasks consisted of answering:

- How do the project objectives connect to Company X's strategic goals?
- What is the role and responsibilities of the study author? Who are the most important stakeholders inside the organisation and how can they assist in the project?
- How are the decisions and progress communicated and documented?
- What are the proposed deliverables and next planned actions?

The study author facilitated and documented the discussion. During the discussion it was understood that developing customer centricity in Company X is a complex entity and would require research and analysis of external forces, internal practices, and customer experiences. The kick-off discussion clarified that the extent of proposed actions and outcomes were not achievable with the available resources and the focus would need to be redefined. The discussion was facilitated with a summarising method. The method can be used in workshops to clarify and restate the discussed key themes and categorise the main points (Kaner, 2014, 63). The method was used to restate the question that was initially discussed and the number of themes that was raised during the discussion. In the workshop, a brief voting was conducted. The participants were unanimous that the project would focus on understanding customer experience and supporting business development planning. A visualisation of the options and outcomes is visualised in Figure 7.

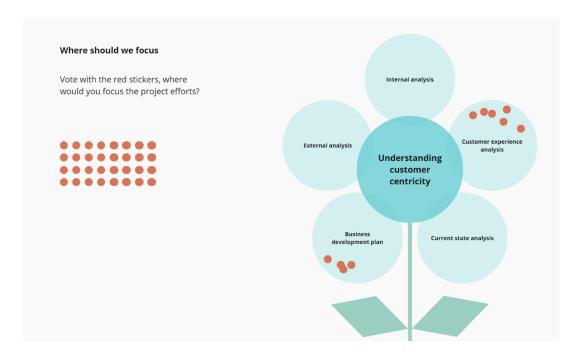


Figure 7: Visualised results of the voting in the workshop

Workshop 2: Customer centricity and internal operations

After the first workshop the data collection continued with creating the initial knowledge base of the study. The second workshop was organised in September 2022 to discuss the summary of the knowledge base and continue gathering data of internal practices. The workshop objectives were to discuss and share understanding of customer centric principles and how they are currently utilised in Company X.

The workshop was organised and facilitated by the study author and the participants were all part of the steering group. The workshop was a 1,5-hour session that was organised virtually over a video call and utilised a virtual whiteboard tool that enabled participant co-creation. The workshop consisted of three parts which were: introduction, sharing knowledge of customer centricity, and a group task of internal analysis. The workshop began with checking in with the participants and introducing the workshop agenda and objectives. The introduction clarified the focus of the session, which was to contribute to the internal analysis and understand how the current operations support Company X's customer centricity (Figure 8).

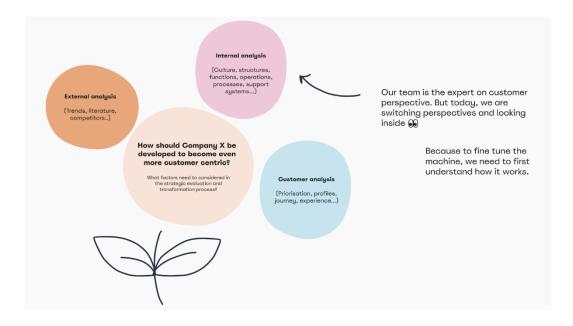


Figure 8: Visualisation of the focus in Workshop 2

The second part of the workshop focused on discussing customer centricity and its principles. It consisted of a summary of the knowledge base and was followed by a discussion between the participants. The participants were asked to openly share their observations of how the principles were present in Company X and to estimate the current state of the organisation. The discussion was facilitated to follow the main direction but also to enable more detailed conversations of current issues. The conversation was documented to study author's notes which were utilised later in the analysis and designing the project outcomes.

The main task of the workshop was to discuss the internal operations and practices that support customer centricity at Company X. The task was facilitated utilising a methodology that combines brainstorming with individual writing (Kaner, 2014, 84). First, the main task was explained, and a short discussion of the task was facilitated to ensure that all participants had a shared understanding. Next, the participants were asked to silently write their own ideas to the task area in the virtual whiteboard. After the first round, the participants were asked to read others' ideas, move the notes around to formulate themes or categories, and add any information they thought was still missing (Figure 9). Finally, the categories and individual ideas were discussed, and it was documented to the facilitator's notes. The workshop task outcome was a overview of Company X's operations that influence customer centricity. Later in the project, the workshop data was combined with other sources and reanalysed to form the review of internal operations.

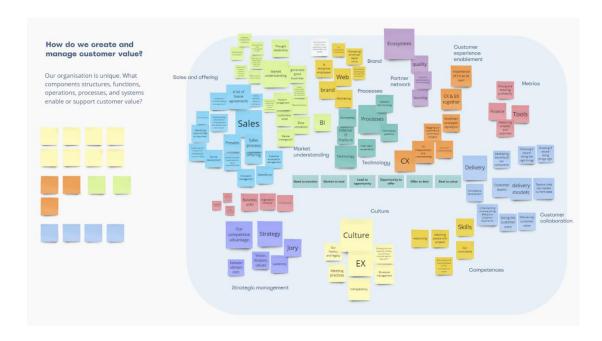


Figure 9: Internal operations task in Workshop 2

Internal group interview

A semi-structured group interview was conducted to the sales and customer leaders of Company X in the beginning of October 2022. The interview was chosen to follow a semi-structured format. According to Ojasalo et al (2015, 108) this includes predefined open-ended questions and also allows the interviewee to ask follow-up questions to gain more details when needed. The participants and main themes of the interview were identified with the steering group. The objectives of the group interview were to gain more detailed information of internal practices, validate the connection between the existing documents and reality, and validate the insights that had been gathered in the project.

The group interview was conducted virtually to two sales and customer management executives. The interview was conducted by the study author and followed the designed interview instrument (Appendix 1). The documentation was done dynamically during the interview as written notes to the interview instrument. The insights were analysed on two different occasions. First, the insights were analysed together with the existing documents of customer value and prioritisation to create a screening criteria for the customer research. Later in the project the insights were analysed together with all gathered internal data. The outcome of the internal group interview was screening criteria for the customer research. The criteria describe the qualities of the most valuable customers and the characteristics of the persons the research should focus on (Figure 10). According to Chipchase (2017, 143)

creating a criteria before recruiting can minimise the potential bias. This can improve the reliability and quality of the gathered insights.

In the screening criteria it was identified that the customer research should focus on customers who are on primary or secondary segments, have a long purchase history, crossfunctional collaboration, and potential to become strategic partnerships. The desired participants have an influential or a decision-making role in purchasing and in-depth knowledge of collaboration with Company X. The screening criteria was validated with the steering group in the biweekly discussion. The criteria steered the recruiting of the participants for the customer research.

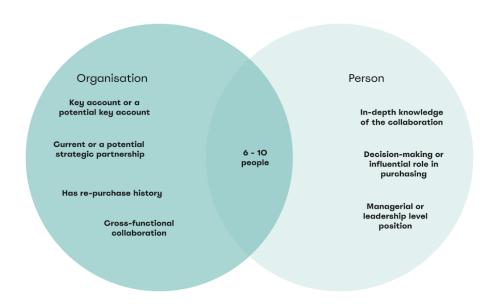


Figure 10: Screening criteria for customer research

Customer interviews

Customer interviews were chosen as the primary data collection method for the study. During the recruiting for the customer interviews, it was recognised that the participants that fit the screening criteria were difficult to reach. The desired persons had management or executive responsibilities - and full schedules. A total of 6 participants were recruited with the help of the steering group. The interviews were conducted over a two-month period. All participants fit the sampling criteria and therefore the collected data could be analysed as part of the study.

The research was conducted as semi-structured theme interviews to gain a more in-depth understanding of predetermined subjects. In addition to detailed information, a semi-structured form ensures consistency, which is valuable in qualitative research as it can reveal patterns and increase credibility in the insights (Ojasalo et al., 2015, 109). The research themes were designed together with the steering group and the questions were documented to an interview script (Appendix 2). The interview themes included: current operation model, start of collaboration, experience of collaboration, changes and challenges, inspiration, and future. The interview script included open-ended questions of the themes. Open-ended questions provided the participant an opportunity to express their thoughts and emotions from their own point of view (Ojasalo et al., 2015, 106). This supported the qualitative nature of the research and the human-centric approach.

The customer interviews were conducted individually over a video call that lasted between 45 minutes to an hour. In the beginning of the interview the participants were asked for consent for the recording and the data storing, and the sharing principles were explained. As the goal of the study was to understand the person's needs and preferences in-depth instead of collecting customer feedback, anonymisation of the data was promised. After each interview, a brief observation memo was created to document the participant's non-verbal communication, preliminary insights, and detect possible bias or the potential interference of personal experiences. The interviews were auto-transcribed by the virtual meeting software. After the interview, the transcription was compared to the recording to check for accuracy and cleaned from factual errors. In addition, all personal data was removed to protect the person's anonymity. The interview data was stored in a database with limited access and deleted after the data analysis was done.

The customer data analysis utilised a qualitative content analysis methodology, where the data is first prepared and organised, then identified for specific segments that were relevant for the research question and given labels that describe the segment's meaning (Ojasalo et al., 2015, 110). The analysis started with preparing and organising the collected data to a virtual whiteboard tool. First, the answers were grouped under the interview questions. Then, the individual answers were analysed to identify patterns or themes. Eight themes were identified across the answers. The themes were labelled, and relevant quotations were linked to the themes to explain the insight with the voice of the customer. As a result, a research wall of the qualitative content analysis was created to a virtual whiteboard (Figure 11).

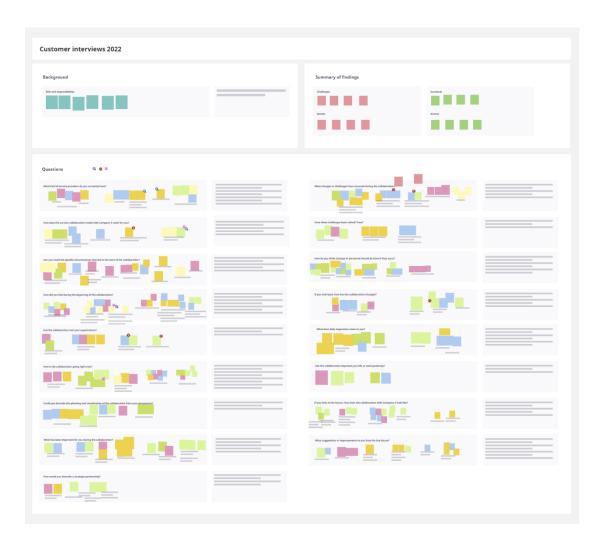


Figure 11: Research wall of the customer data, anonymised

3.5 Validation of the research findings

Validation of the research insights is a crucial part of the chosen study approach and methodologies. In qualitative research, validation means comparing insights to other sources of information that can be data or human interactions. According to Stickdorn et al. (2018, 204) a common method of validation in qualitative research is triangulation. They suggest that it can improve accuracy of findings and ensure the comprehensiveness of the findings. This means using various data sources, methods, or people to both collect and compare results. In service design validation is a continuous part of the process. It can be done through various methods that can be user testing, feedback discussions, expert reviews, or comparing data sources, benchmarking, or iteration. Stickdorn et al (2018, 212) suggests that in service design projects, insights are usually visualised to become more tangible and support communication. These include research walls, user personas, journey maps, key insights, jobs to be done, user stories, and research reports.

During the data collection and analysis, the project insights were validated continuously in the steering group biweekly meetings throughout the whole project. During the develop and deliver phases of the process, the insights were communicated to important stakeholders at Company X. The main forms of data validation were combining data sources, a workshop, and expert review, and collaboration during the data analysis.

Combining primary and secondary customer data

After the customer data research wall was created, the insights were compared to secondary data from a customer satisfaction survey. The survey data was collected couple months prior this study by Company X. The secondary data source was used to determine the credibility and accuracy of findings and to validate whether the insights hold true in a larger group. The connections between the qualitative data from the customer interviews and quantitative data from the survey were interpreted together with a customer research specialist from Company X. The comparison was done in a co-creation session where the key insights were compared to validate the findings. The insights were combined to the research report, which was then delivered to the steering group.

Workshop 3: Customer insights and strategy 2023

A third workshop was organised at the beginning of January 2023 to discuss the customer insights and to evaluate the strategic objectives. The purpose of the workshop was to review the development actions, discuss the analysed customer insights, and initiate the strategic planning for the next year. The workshop was a full-day session, organised in a hybrid form, where participants could join the session either at Company X's premises or online via a video call. Due to the form, all presentations and tasks were done with a virtual whiteboard, so all participants would have an equal opportunity to collaborate. The workshop participants were all part of the steering group, and the presentations and facilitation were done collaboratively together with the study author and the steering group members. The programme for the workshop was divided into three themes: a retrospective, customer insights, and strategy work.

The first part of the workshop was a review of the development actions that were done around customer centricity during the last six months. The review was chosen to utilise a retrospective methodology, which is commonly used in Agile project management. The purpose of a retrospective is to facilitate participatory reflection of a recent and specific time period in a structured form (Davies & Sedley, 2009, 43). The retrospective was done in two rounds. The first round identified strengths, challenges, and future risks. The second round identified ongoing tasks and development actions. After the tasks the group had an open discussion to hear in-person experiences and foster open communication.

The second part of the workshop focused on reviewing the customer insight that was collected and analysed in the project. The insights were discussed in three parts and each part was facilitated separately. First, the participants were asked to write down their feelings and ideas silently, then share them to a smaller group, and finally discuss the findings with the whole group. The objective of the customer insight review was to validate the findings with internal knowledge, find connections to other stakeholders who may benefit from the findings, and identify how the insights should be utilised in the team's daily actions.

The third part of the workshop focused on strategic alignment and planning. In the third task the participants were asked to evaluate the strategic objectives and identify needs, opportunities, risks, and impacts customer centricity. The objective of the third part was to evaluate the strategic objectives with the business development initiatives. The insights from the workshop were documented to the virtual whiteboard by the participants and the facilitators. After the workshop the data was analysed by the study author with the help of a steering group member in co-creation sessions. The results of the workshop were compared to Company X's strategic alignment and objective. The analysis utilised a similar qualitative content analysis that was used in customer data analysis.

Expert review

After the workshop the customer research report was reviewed together with Company X's sales and account management experts. The review was conducted over a half an hour video call in which the study author presented the summary of key insights for the 30 participants and facilitated a brief discussion. In the discussion, open and honest communication was encouraged to collect feedback and verify the accuracy of the insights. The discussion was documented by the facilitator in notes, which were reviewed in the design of the project results. After the review, the customer research report was delivered to the experts.

4 Results

Using a combination of a case study and service design, this study explored the concept of customer centricity as a strategic business approach. In this study, a model for customer-centric business development was formulated based on insights from the knowledge base (Figure 5). The model was used in the research and development to define insights of how customer centricity can be applied in business development. This chapter discusses the findings in relation to the research question and objectives. The results are structured based on the Customer-centric business development model. The results of this study focused on four phases: understanding operations, understanding customers, identifying development needs, and continuous development. The focus is visualised in Figure 12.

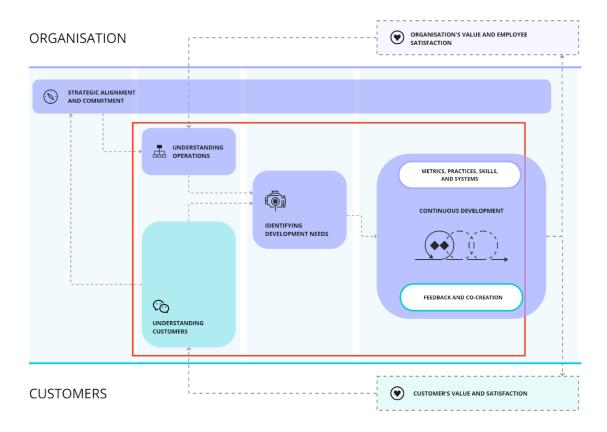


Figure 12: Focus of the results on the Customer-centric business development model

4.1 Defining customer centric operations

This study examined the case organisation's strategic alignment and operations to form an overview of the operations that strengthen customer centricity. The data consisted of the three workshops, group interview, existing documents, and notes and observations that were conducted during the project. The documents included written explanations of the case

organisation's practices on customer value prioritisation, customer segmentation, customer experience management, customer acquisition strategy, and the Company X strategy. The analysis compared the data from the case organisation's operations to customer-centric principles that were discussed in the knowledge basis. The purpose of the analysis was to find connections between the literature review and the case organisation's practices, and to determine insights of the practical application of customer centricity. In addition, the analysis aim was to identify strengths, weaknesses, and pain points that can be used in the development of the solutions. This study identified four themes from the data. These were: strategic alignment and commitment, customer understanding, customer experience management, and culture and practices.

Strategic alignment and commitment

When examining the strategic choices, the insights gained from the workshops aligned with the explained practices in the existing documents. The research identified customer centric principles from the data and determined potential strengths, weaknesses, and pain points in them. The analysis revealed multiple strengths that were related to strategic alignment and commitment. These included the prioritisation of customer satisfaction together with employee satisfaction, strategic focus on a specific customer segment, and clearly stated commitment to its values. This underscored the alignment and the intention to long-term commitment, which not only supported customer centricity but also enabled customer centric business development. When reviewing the existing documents, this study identified that the organisation's values already aligned with customer centricity. The existing strategy document described that customer satisfaction together with employee satisfaction was the most important value for the organisation. Both in the document and in the workshop discussions, the values were seen as connected. Another notable insight was the sources consistently highlighted the importance of focusing on a specific customer segment.

A common theme that emerged in the workshops was the commitment to strengthening practices that deliver customer value. The participants shared insights of various crossfunctional initiatives that aimed to develop customer value delivery. The analysis of the documents supported the insight, as the organisation's strategic objectives determined the value of strategic customer relationships as a crucial driver for business growth for the next five years. Additionally, the organisation had stated that its values are a foundation that will not change during its growth and organisational transformation.

Customer understanding

A consistent pattern in the workshop discussions, the group interview, and the documents was the importance of customer understanding. The observations revealed that the case organisation demonstrated dedication to gathering customer insights and understanding experiences and changing needs. These operations that supported customer understanding included modern CRM systems and existing practices for gathering both qualitative and quantitative customer feedback. A significant insight that was identified in the documents was the use of customer understanding in the strategy formulation. This can indicate that customer insight is used in steering strategic decisions. Another notable insight that can strengthen customer centricity, was the recruitment of a dedicated person whose responsibility was to lead and manage the customer data collection and communication of the insights. Although the practices can indicate systematic operations that strengthen customer centricity, the data of this study can only identify the presence of the operation and not the success of it.

A notable paint point was identified from the data that related to customer understanding. Although the organisation perceives customer experience as a journey, the documentations were based mainly on internal knowledge and lacked direct customer insights. This can propose an issue in the reliability of the documentations since they rely on the knowledge level of the creators.

Customer experience management

The analysis identified customer experience management as one of the main themes. The insights from the workshops aligned with the explained practices in the existing documents, which strengthen the credibility of the documentations.

There were multiple strengths that were identified from the data. The organisation has defined specific practices to managing customer relationships, manage the organisation's customer portfolio, and to managing the organisation's customer experience. The establishment of different customer experience management practices strengthens the importance of customer focus and value. The organisation places notable effort in building and maintaining long-term customer relationships instead of prioritising short-term transactions. This is evident in the organisation's customer segmentation and prioritisation practices. In the organisation customer experience management practices are defined by customer segments which is a significant practice that supports customer centricity. The research identified that customers are segmented based on value, desirability, and future potential. The value is determined through alignment with the organisation's strategic goals, employee satisfaction, and financial potential. In the organisation the segmentation steers personalisation, which is a key principle of customer centricity. The personalisation is based on customer value and insight affects the development of offering, sales process, delivery models, and main business functions. Lastly, the case organisation fosters cross-functional collaboration in individual and organisational customer experience management. The

organisation's practices are managed and developed in a cross-functional team which contributes to daily operations and business development.

The examination also identified a potential pain point. Despite the efforts in cross-functional customer experience management, the research revealed that organisational structures created resistance to efficient and seamless value delivery. This issue was also identified during the observations of the research and development project when the organisation's structures challenged the recruiting process of the participants to customer interviews. The pain point emerged in issues with customer management and communications, which may have an impact on customer experience and satisfaction.

Culture and practices

In Workshop 2 the organisation's culture was discussed and it was stated as one of the main enablers of customer centricity in the organisation. Similarly, organisational culture was identified in the knowledge base as an important factor that can be either an enabler or a challenge for customer centricity. Although organisational culture can be complex to observe or define, the research revealed that the organisation has successfully implemented fundamental customer-centric principles in its culture and operations. Customer co-creation is proposed in both operational level and in strategy work. It is facilitated through multiple initiatives that influence both business development and customer loyalty. By inviting customers to participate in various operations, projects, and events, the organisation strengthens its customer engagement, which can support loyalty. The co-creation practices may draw from the organisation's capabilities in design thinking and the collaborative nature of service delivery.

Other notable strengths in the organisational culture was the nature of service delivery and management empowers employees to have autonomy to influence customer satisfaction. Similarly to customer experience, employees' satisfaction is measured systematically. The most important metric for the organisation is the employee's time spent with customers. Based on the reviewed documents, the employees feel committed to delivering customer satisfaction. Additionally, the employee's skill and capability development is supported by the organisation and they are encouraged to systematically plan their professional growth. In the customer centric principles these are considered as factors that support the organisational transformation. When examining other factors that support continuous development and transformation, it was defined that the organisation has developed project management practices which leverage agile methodologies. Business development is done through both continuous responsibilities and projects that have specified schedules and goals. Their approach to business development supports iterative progress and foster continuous

value delivery. The workshop discussion revealed that the organisation aims for resilience in its solutions.

As stated, it can be difficult to define an overview of how well or poorly an organisation's culture aligns with customer centric principles. The research revealed that people from different functions have differentiating experiences of the organisation's culture. When analysing the experiences to identify challenges, the significance of its influence to customer value and the frequency of occurrence were considered. The most crucial challenge is the employee's dissatisfaction with customer assignments. Even though most employees are satisfied, the dissatisfaction influences customer satisfaction through service delivery and personnel changes. Other challenges were the limited expertise in managing customers from significantly large organisations and customer-value focused incentive systems.

To conclude, the overview of current practices reveals that Company X has established strategic choices that have aligned the organisation's culture, structure, and processes with customer focus. However, there may be challenges that can affect customer satisfaction and loyalty especially when there is heterogeneity in how the practices are applied. The main benefit of the overview is to increase holistic and systemic understanding of customer centricity and its different areas within the organisation. There are limitations in the overview, as it is created based on a relatively small sample group and limited number of documentations. To understand a more accurate state of the organisation, more in-depth research is needed. However, the overview can reveal challenges in the organisation's operations that can be addressed through the study results.

4.2 Discovering needs of strategic customers

The aim of customer interviews was to understand the needs, values, and behaviour of the most valuable customers. Before the interviews, it was identified that the organisation had previously defined the most valuable customers for the organisation. The segment of most valuable customers was considered as the strategic customers for the organisation. This study designed and conducted six individual interviews for the strategic customers to understand the person's individual needs and experiences. In the analysis, the interview data was combined with a previous customer satisfaction survey that the case organisation had conducted a couple months prior the study.

The analysis discovered the customers' experiences of the collaboration and the factors that have affected their satisfaction and loyalty during the relationship. The results of the customer understanding were divided into three themes: Factors that strengthen the relationship, Factors that challenge the relationship, and Future needs that support building a

strategic partnership. In addition, the findings were synthesised and visualised into a customer journey map.

Factors that strengthen the relationship

When asked about the beginning of the relationship, the participants had neutral opinions of the organisation. The participants tended to believe that during the procurement or purchase phase their emotions were affected by the general conditions of the economy. After the purchase, the participants identified similar factors that had affected their experiences. One key observation was that the factors that had a positive impact on customer satisfaction and loyalty were also similar throughout the relationship.

The interviews asked the participants to explain their emotional reactions to changes in the customer journey or special occurrences during it. The participants identified that some factors had a greater positive impact on their experiences than others. The impact was determined as positive when it met their expectations and very positive when it exceeded their expectations or had specific value on them. By comparing the insights from the interviews to the secondary data from the survey, the research identified four main factors that strengthen the relationship. These were relevant expertise, support during the start of the collaboration, open and active communication, and great people working as a team. The data from the survey was used to validate the findings. In the interpretation, a customer research specialist from the case organisation validated the findings with their knowledge of the theme. The description of the identified factors, customer quotes, and survey insights are described in Table 2.

Table 2: Summary of key factors that strengthen the relationship

Theme	Strengthen
Relevant expertise	Description: Customers feel Company X can assist them with a broader spectrum of relevant services than other suppliers. Quote: "Company X has relevant and leading expertise, and proof of previous successful projects. This means senior level developers, and a wide repertoire of service designers, coders and project managers." Survey: 71 % of strategic customers felt Company X offered all relevant services that they were looking for from a digital transformation consultancy company. In the answers expertise is clearly considered one of the organisation's strengths. However, the broader spectrum of services is not directly mentioned.
Supporting collaboration	Description: The start of collaboration was excellent, and the learning process felt supported. Quote: "I especially remember that we had a thought-provoking start. It could have not gone better. There was great effort in onboarding and getting to know each other. Considering I had no previous experience in this. I think I learnt things very quickly." Survey: The survey did not directly ask about the start of the collaboration. The factors of inspiration and supporting learning were mentioned in the open comments. These stated that they are important especially when planning future's collaboration.

Theme	Strengthen
Communication	Description: Open and active communication has been great and crucial for forming the partnership. Quote: "It has been important for me that the conversation feels easy. We both are transparent and do not operate alone, instead we talk and decide on issues together." Survey: 94 % of strategic customers felt that communication with Company X met their expectations. Additionally, 59 % felt that Company X exceeded their expectations. The survey did not address the relevance of communications to the customers.
Great people	Description: Company X employees are great people: competent, trustworthy and pleasant to work with. Quote: "I must say that we have very very good people from Company X. I feel like we are in the same team and work towards a common goal." Survey: 99 % of strategic customers felt that the consultants' friendliness and customer-centric mindset met their expectations. 88 % felt their expectations were exceeded. According to the survey friendliness and customer-centric mindset are the most valued characteristics of the Company X's consultants.

Factors that challenge the relationship

Similarly to the positive factors, the respondents were asked to determine factors or occurrences that have challenged the relationship. The research identified that the factors that challenge the customer experience and loyalty during the relationship were consistent throughout all stages of the relationship. All participants recognised challenging situations and could describe the factors that had affected their feelings. In most situations, the challenges had been solved, which had resulted in a significant raise in the customer's

satisfaction. In the analysis, the key challenges were identified based on frequency of occurrence or when they had a major impact on the customer's satisfaction.

The analysis revealed four key themes that challenged the relationship. These were personnel changes, reaction time to requests, lack of transparency, and raising prices. The comparison with the interview insights to the survey was not as straightforward as with the strengthening factors. The interview questions or results were not as directly aligned with the secondary data from the survey. The validation was conducted together with the specialist, interpreting the data to find connections between the sources. It was identified that personnel changes were a repeating challenge for the organisation. In some measure this challenge could be explained with the nature of the consultancy business. Based on the data, an observation could be made that most often personnel changes occur when employees switch customer assignments or resign from the organisation. The challenges, quotes, and survey findings are described in Table 3.

Table 3: Summary of key factors that challenge the relationship

Theme	Challenge
Personnel changes	Description: Transparency, timing, and loss of information in Company X's personnel changes. Quote: "The ideal timing for personnel changes would be three months earlier, like our planning and resourcing goes. Everything that comes in a shorter notice requires additional effort from us. If possible, we would offer experts new opportunities inside our organisation since they already have the know-how." Survey: According to the survey, personnel changes are the most common challenge in the collaboration. However, customers understand that it is part of the nature of the consultancy business. The most negative feelings rise when Company X has not prepared for the situation.

Theme	Challenge
Reaction time	Description: Reaction time to emerging personnel needs, and the availability and accuracy of offered experts.
	Quote: "It takes a long time to get experts from Company X. We are expecting offers in a couple of days - and that's how other providers operate. Other providers know us better and can offer help more accurately. That makes our choice easy."
	Survey: Availability is considered as one of the two most important factors that influence future's collaboration. Customers felt also that Company X had succeeded in it. Only a few open comments mentioned availability of consultants as a challenge. However, the comments are considered critical as the respondents are all strategic customers.
Lack of transparency	Description: Company X's operations seem to lack internal collaboration and transparency to their offering. Quote: "We have talked before about the challenges of finding good or great experts to us. For example, in these resourcing cases Company X's reaction takes time - for us the operations look like they lack transparency or are siloed."
	Survey: The survey did not directly ask about Company X's internal operations. A few open comments mention that customers consider Company X as a big company and do not know what the organisation offers. The challenge may also affect the answers about offering, as 29 % felt that Company X does not offer all services they expect from a digital transformation consultancy.

Theme	Challenge
Raising prices	Description: The services are more expensive than other service providers' and Company X has suggested a raise in prices
	Quote: "Company X is a bit more expensive than others and now they have presented wishes to raise prices, which other service providers haven't done."
	Survey: 8 % of customers felt pricing is the most or the second most important factor for future collaboration. 20 % felt that prices are expensive. In contrast, 20 % felt prices were affordable. When comparing respondent's dissatisfaction of pricing to their overall satisfaction the answers do not correlate.

The research identified that factors that challenge the experience during the relationship are not always connected directly to the organisation. These challenges were connected to other personal or professional occurrences. However, it was defined that even though the cause was external to the relationship, the organisation can affect the customer's emotions with their actions. For instance, in the beginning of the relationship the customer can feel discomfort due to exposure to new subjects or challenges. Despite not being its main responsibility, the organisation can support the customer's onboarding and adaptation of new information.

Future needs that support building a strategic partnership

All participants of the customer interviews were positive about the future collaboration and expressed delight to continue the relationship. The research revealed that an important factor that may influence the future of the relationship is the process of procurement. In most customer relationships the partnerships are decided through a procurement that considers multiple suppliers. This prevents the predetermination of the length of the relationship. It was discovered that the main factors that influence the positive emotions about the future's collaboration are systematic planning of the collaboration and mutual effort to succeed.

All participants of the customer interviews were considered as part of strategic relationships or as strategic partners to the organisation. One noteworthy observation was that not all participants considered Company X as their strategic partner. This was either due to the

challenges that had occurred in the relationship, the uncertainty of successful collaboration in the future, or the customer's operational model. For some customers, all consultancy partners were considered equal and not strategic. For them a strategic partnership would communicate a hierarchy between suppliers.

The participants described the nature of a strategic partnership:

"In strategic partnerships there is continuous and systematic communication, as well as mutual effort to get to know each other and work towards a common goal. Both partners need to take responsibility and accountability for the effective progression."

"With strategic partners you can trust them to offer and deliver expert consultants. Even personnel changes don't matter, if you can trust that there will be a reliable expert as replacement."

"Discussions with strategic partners don't feel like sales or negotiations, and they don't feel like the service provider is trying to push you more consultants to make a more profitable business."

Customer journey map

To support communications of the results and a holistic understanding of the customer experiences the findings were summarised into a customer journey map. The review of the organisation's operations revealed that they had previously created an assumptions-based customer journey map. The previous map was created based on observations and internal knowledge. Although this can support customer experience management, a customer journey map that is based on customer insights can provide more significant results and identify knowledge gaps (Stickdorn et al, 2018, 86). This study created a journey map to challenge previous assumptions and strengthen customer insight in the organisation's customer experience management. The map was created using a mixed-methodology approach, combining data from the customer research and the survey to the insights of the knowledge base.

The customer journey map visualises Company X's strategic customer's end-to-end journey. It consists of five phases: awareness, consideration, decision, use, and repurchase. Each stage is broken down into specific actions, goals, touchpoints, which describe the customer's interactions with the organisation. The map also includes emotions, challenges, and strengths, providing a holistic understanding of their experiences. The customer journey map is visualised in Figure 13.

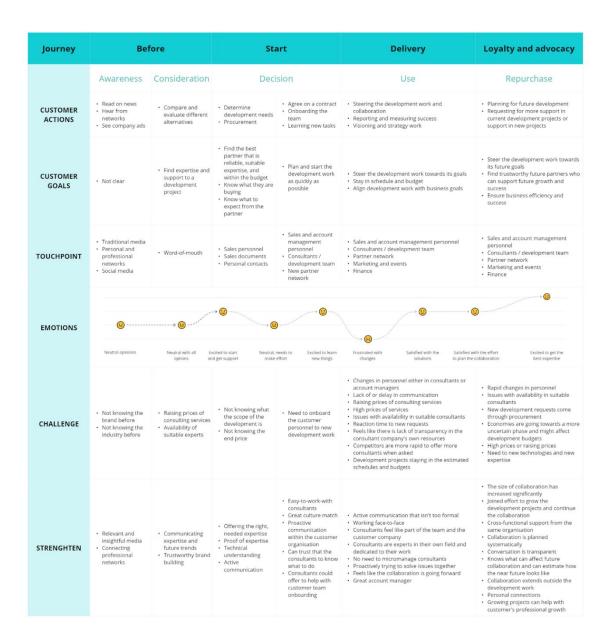


Figure 13: Company X's customer's journey

The customer journey map reveals that customers experience high satisfactions especially when the relationship has reached the loyalty and advocacy phase. To reach this stage the customer might have experienced challenges during the phases of delivery or repurchase, but the issues were solved in a satisfying manner. The customers experienced frustration mostly in the delivery phase. These are due to issues with personnel changes or project planning. The most important touch points between the customer and the organisation during the relationship are the consultants working with the customers, sales, and customer management.

The journey map is directly aligned with the study objectives, supporting the understanding of strategic customers' experience. It provides a visual map of areas that require attention and what factors Company X can consider in their business development actions. Discovering customer insights support the case organisation's strategic choice to pursue customer centricity. As it was defined, applying a customer-centric approach into business development requires more in-depth customer insights that should steer the organisation's decision-making and development. One limitation of the map is that it relies on a fairly small sample of customers. Even though customer interview data was cross-referenced sd with quantitative data from the customer satisfaction survey, it may have response bias.

4.3 Identifying business development opportunities

Following the Customer-centric business development model (Figure 12), the results from the organisation's operations analysis were combined with the strategic customer's needs. The results were compared to Company X's strategic alignment and objectives to identify business development opportunities. The comparison was done in two iterations. The initial comparison was done during the Workshop 3, which focused on customer insight and strategy work. After the workshop, the insights from the discussions were combined together with the other results. Using a qualitative content analysis, nine key development opportunities were identified.

A business development opportunity connected an identified need to the organisation's strategic objectives. The analysis revealed the depth of existing knowledge considering each opportunity. An opportunity can be used as a starting point for continuous development. Based on the amount of information, the opportunity was labelled to describe the starting point and the focus theme. The labelling of the starting points leverage design thinking to indicate the need to start from either divergent or convergent thinking. The starting points are: Understand, Define, or Design. The identified nine key business development opportunities and starting points are summarised in Table 5.

Table 4: Indentified business development opportunities

Starting point	Business development opportunity				
Understand	Understand what are the effects of sustainability and ethics to customer value				
Define	Define how to make consultant's career or project changes more effortless to customers				
	Define how to strengthen the organisational culture's value and the "WOW" effect in the customer experience				
	Define how to support the sales of larger cross-functional teams				
	Define how to become a more strategic partner to the customer's executive level				
Design	Design a systematic practice to gather and communicate customer and market insights internally and to customers				
	Design a systematic practice to apply more in-depth customer insight in business development				
	Design a systematic practice to grow employee's skills in managing larger strategic customers				
	Design a systematic practice to deliver more customer value from international operations				

Table 5. describes the opportunities that Company X can utilise as a starting point for their next business development actions to support their strategic goals and alignment with

customer centricity. As it can be seen from the table, there are various business development opportunities that the organisation can explore. Each opportunity proposes an initiative for a new project. Although the starting points are defined, it can be difficult to grasp which of the opportunities are the most beneficial for the organisation or are feasible to develop. The research revealed that the development opportunities are affected by the limited resources of Company X's business development. This states that the opportunities need to be evaluated or prioritised before the organisation can continue with its business development.

4.4 Aligning business development towards customer centricity

In the fourth phase the Customer-centric business development model focuses on continuous development. The model suggests that phase should apply principles from design thinking and agile development. It highlights the need for an iterative and collaborative process and defines the need for supporting structure and customer collaboration. In pursuit of answering the research question and understanding the practical application of a customer-centric approach, the study identified findings considering the continuous development phase. Following the model, the findings build on top of the previous results, and they were compared to the strategic alignment. The research identified factors that either enable or pose a challenge for the continuum of the organisation's development. The outcomes of the research propose a solution to how the case organisation can better align itself with the customer centric principles and continue its business development towards customer centricity.

Enablers of continuous development

The examination of the case organisation revealed several factors that serve as enablers in its continuous business development towards customer centricity. To identify the enablers, the study utilised the data from the project observations and the internal workshops. The analysis of the third workshop revealed how the organisation had previously operated in its development actions. Firstly, the establishment of a dedicated team that shared a purpose of strengthening the organisation's customer-centric business formed a solid foundation and enabled the continuous development. It communicated the strategic alignment and commitment to shared values. Cross-functional collaboration played a pivotal role in the team's culture. It was observed that the members collaborated with different functions crossing organisational silos ensuring the alignment with customer needs in the initiatives.

The study determined that the development team had a variety of existing development practices, which aligned with a customer-centric approach. The practices leveraged design thinking and agile development methodologies enabling human-centricity and iterative

actions. Insights from customer feedback were systematically integrated into decision-making processes, enhancing the iterations and customer focus. The application of practices was supported by crucial skills of customer experience management, customer research, and customer data management. Based on the findings, the project management and business development practices enable continuous development and increase both customer value and organisational value though the development.

Addressing the identified challenges

This study uncovered some challenges within the continuous development practices of the case organisation and the alignment of the practices with customer centricity. As it was also determined in the organisation's operations, the resources in business development were limited and proposed a challenge to continuum. The identified business development opportunities created a greater need to address this challenge. Focusing efforts and resources in new development alone can not provide the desired customer value. Development efforts and resources also need to consider the responsibilities and business practices that need to be continued to maintain the current level of customer satisfaction. As the opportunities defined starting points for new development initiatives, they also require investments of efforts and resources into business development resources. Further examination revealed that the underlying challenge was the prioritisation of resources between responsibilities and business development actions. The challenge emerged through the heterogeneity of the team members workload and the large number of simultaneous development projects. This challenged the efficiency of development and ability to deliver continuous value.

This study designed a solution to address the identified challenge within the context of the case organisation. The solution consisted of three action points:

- Building transparency and shared understanding of responsibilities
- Prioritising ongoing business development initiatives and the identified opportunities
- Increasing collaboration in future's development actions.

This study designed two tools that address the identified challenges and action points and strengthen the organisation's alignment with customer centricity. The tools were created to guide the strategic planning of the upcoming actions and determine the alignment of the development team. The tools were shared as part of the project's deliverables to the case organisation to be used in the next strategic planning sessions. The tools are labelled **Team alignment canvas** (Figure 14) and **Business development roadmap canvas** (Figure 15).

Tool: Team alignment canvas

The team alignment canvas is a visual tool that identifies the team's objectives, expertise, and resources. The purpose of the tool is to share understanding of the team's objectives and build a foundation for agile planning. It increases understanding of both constraints that might affect development initiatives, and possibilities of collaboration. The canvas is an iterative tool, and it is meant to be used and redefined together with strategic planning. The canvas is built for collaborative planning in co-creation sessions.

The canvas consists of five parts: team members, purpose and goals, strengths, risks, and ways of working. The canvas facilitates the transparency and understanding of responsibilities and available resources, visualising the distribution of current workload. The purpose and goals support aligning the objectives with customer centricity. The canvas facilitates shared understanding and increasing collaboration. In addition, it can be beneficial in onboarding new members. The Team alignment canvas is visualised in Figure 14.

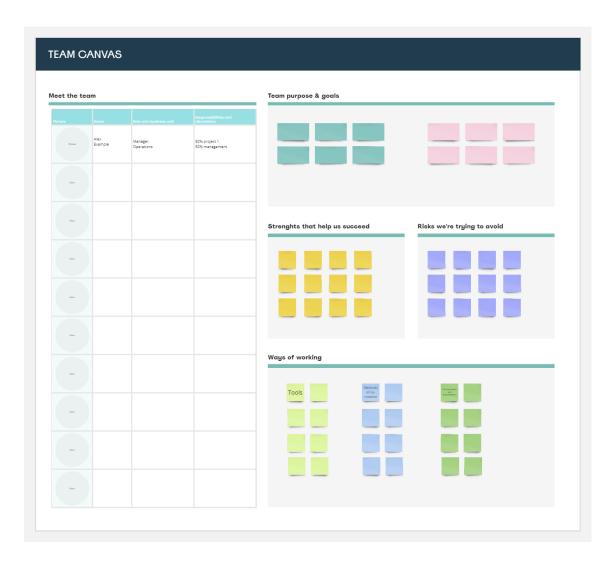


Figure 14: Team canvas for business development planning

The team canvas assists the team in identifying their enablers and challenges that may affect efficiency. It assists the collaborative visualisation of the team's objectives, and defines their roles and responsibilities, creating a shared understanding. Furthermore, the team canvas forsters iterative thinking and agile development planning. It builds a foundation for breaking goals down to manageable tasks, set priorities, and iterate as they receive feedback. The alignment and iterative approach are valuable for responding to the dynamic nature of available resources, customer needs and market trends. It encourages following common practices and continuous communication.

Tool: Development roadmap canvas

The second tool determines and prioritises current development activities and development opportunities. It considers both ongoing and future business development actions and steers the strategic planning. The development roadmap canvas is a visual tool and consists of three main parts: Identifying ongoing development actions and opportunities, prioritising actions,

and deciding on reactions. The first part visualises all development actions, allowing the team to continuously monitor and keep track of all development actions. The second part is based on a prioritisation matrix. The matrix facilitates the critical evaluation of current and planned initiatives through value and feasibility. The third part of the canvas connects a reaction or a decision to each development initiative. There are four proposed reactions: start or continue, postpone to the next strategic planning, handover to another team, or no reaction. The development road canvas is visualised in Figure 15.

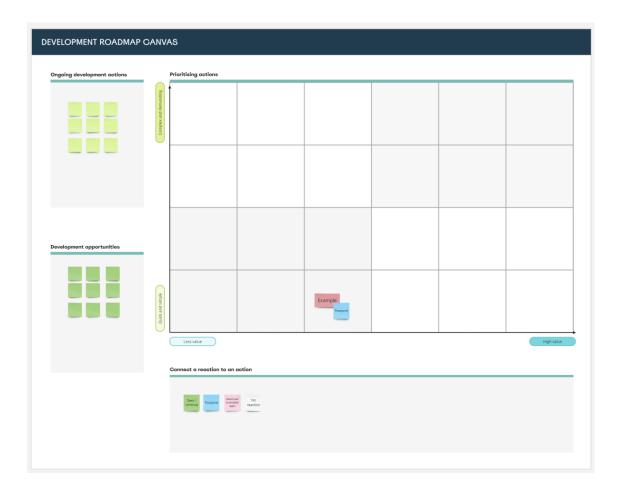


Figure 15: Development roadmap canvas

5 Conclusion

As discussed in the beginning of the study, organisations have faced a new kind of need to understand their customers. In today's fast-paced environment, social trends change more rapidly which impact how individuals define their values and experience. Customer centricity has been proposed as a potential solution to understanding the changing needs and building both long-term customer relationships and sustainable financial success.

This study focused on the concept of customer centricity as a strategic business approach. By exploring the concept through a research and development project, this study aimed to define how the approach can be applied in business development. The context for this study was provided by a case organisation. The organisation operates in a highly competitive industry and had been reflecting different strategic directions for competitive advantage. By adopting a qualitative approach and a combination of a case study and service design as the primary research and development methodologies, this study aimed to answer the research question: "How can an organisation apply customer centricity in its business development?" Following the question, this study achieved its objectives of understanding operations that support customer centricity, understanding the most valuable customers' needs, preferences, and experiences, and identifying business development opportunities that strengthen the alignment with the approach.

To summarise the process of the study, the research and development project was conducted over a six-month period, and it followed iterative phases of planning, data collection, analysis, and validation. The research data consisted of three workshops, a group interview, six individual interviews, and existing documents of the case organisation's strategic choices and operations. The data was analysed in cyclical phases, building on top of previous insights, and validated through triangulation and collaboration. The process was facilitated and documented by the study author. Following the collaborative nature of the methodologies, the project was done in close collaboration with the case organisation. The case organisation had chosen a steering group for the project. Its purpose was to connect the study author to relevant stakeholders and sources of existing data and to validate the findings through close collaboration. In the beginning of the study during the first workshop, the scope of the research and development project was redefined. Developing the whole organisation's customer centricity was not an achievable scope for the study. To provide reliable and generalisable results, a thorough investigation of the affecting external forces, internal practices, and customer experiences would have been needed. Instead, this study focused efforts on understanding the customer relationships and determining business development opportunities that strengthen the alignment with customer centricity.

As a knowledge base, this study examined the theoretical background, defining guiding principles and practical perspectives associated with customer centricity. The case organisation provided an opportunity to observe business development in a real-life context and the practical application of customer centricity. The results of this study described the organisation's operations and customer needs, identified business development opportunities, and suggested actions that support the alignment with customer centricity. This chapter will conclude the key findings of the study in relation to the research question, evaluating the value of the results. It will also discuss the limitations and opportunities of future research.

5.1 Discussion of the key findings

Looking at the research question, the findings of this study emphasise that customer centricity is not a destination that provides customer loyalty and competitive advantage, but a transformative journey. The extent of the required transformation highlighted that it is not just a business strategy. Instead, when making the strategic choice to pursue customer centricity, an organisation needs to commit to a new mindset, new ways of working, and the holistic transformation of all its operations. However, not all operations can be modified at once. This study focused on making sense of the complexity and defined a way to apply customer centricity in business development. By examining both the theoretical and the practical perspectives of customer centricity, this study defined the principles, which guide the approach and phases, and are needed when applying the approach in business development. Based on the insights discussed in the knowledge base, the process and its phases were summarised into the Customer-centric business development model (Figure 5). For this study, the model provided a foundation to answering the research question. The model suggested that organisations can adopt and follow the principles of customer centricity as a process. Using the selected research methodologies of case study and service design, this study conducted a research and development project that followed the phases of the model, gathering insights of the practical application of the approach.

Understanding operations that support customer centricity was crucial to define how organisations can apply the approach in practice. In this study making the strategic choice was determined as the starting point for the transformation. This choice represented the conscious decision by the organisation to commit to the transformation towards customercentric business operations. The constant reflection between the choice to align with customer centricity and the commitment to it was determined to be the foundation that guides the process and the shared value that holds it together. The findings of the case study and theoretical background aligned, revealing a connection between theory and practice. The customer centric principles, which were defined in Chapter 2.2, were compared to the case

organisation's operations that were defined in Chapter 4.1. The study examined existing documents of the case organisation's values and strategic objectives and gathered understanding of how these were applied in the organisation through the observations, group interview, and three workshops. When examining the strategic choices, the presence of the key principles was identified. These included the prioritisation of customer satisfaction together with employee satisfaction, strategic focus on a specific customer segment, and clearly stated commitment to its values. This underscored the alignment and the intention to long-term commitment, which not only supported customer centricity but also enabled customer centric business development.

A review of the organisation's operations revealed factors that strengthen or may provide potential challenges in the development towards customer centricity. This study identified three themes that were crucial in addition to the strategic alignment: customer understanding, customer experience management, and culture and practices. The most significant factors that were identified to support the alignment were systematic collection and analysis of customer feedback and the establishment of a variety of customer experience management practices. These demonstrated the commitment and strengthened the focus on customer value across functions. The review of the literature identified a variety of principles which support customer centricity in organisational culture and practices. However, in the examination of the case organisation the complexity of the approach limited the depth of the insights. It was identified that the application of the principles requires multiple initiatives within the organisation. Based on the data collected in this study, only significant or surfacelevel operations could be identified. As challenges, the analysis revealed that organisational structures can create resistance to the efficiency of how seamlessly customer value can be developed and delivered. A significant insight was that there can be heterogeneity in how the practices are applied in the organisation. To formulate more reliable and generalisable results a more in-depth investigation is required.

This study identified understanding customers as the next logical and required phase of developing customer centricity. The results revealed that by embracing a personal and behavioural analysis, organisations can better define the experiences and factors that strengthen or challenge the relationship or influence the future decisions. The literature review highlighted customer understanding as a key principle for the approach, and this should influence all actions the organisation takes (Table 1, Chapter 2.2). This underscores the need for organisations to both evaluate and segment customers based on the value to the organisation and gather in-depth understanding of the most valuable segments. It demonstrates the practical application of customer centricity and emphasises the need to shift beyond demographic categorisations.

Through examining the practical perspective in the case organisation, the study determined the objective of understanding the needs, preferences, and experiences of the most valuable customers (Chapter 4.2). data was collected by conducting six individual interviews to the most valuable customers and results were validated with secondary data from existing survey results. The analysis revealed that the most important factors that strengthen the relationships and influence customer loyalty were the reliability of delivery and proactive collaboration that was driven by the mutual effort to succeed. The customer satisfaction was based on successful service delivery that aligned with the person's expectations. A notable insight was that in cases where the service delivery had challenges, an efficient solving of the situation did not decrease satisfaction. Instead, this demonstrated the proactive collaboration and mutual effort to succeed and increased the satisfaction. The practical observations supported the theoretical insights. The theory suggested that in-depth customer understanding, which consists of multiple sources of data, forms a foundation for making informed decisions that drive the development towards customer centricity.

Third, this study discovered that business development towards customer centricity requires evaluating development opportunities, which strengthen the alignment, and adapting a culture of continuous development. This reflection between the insights and the strategic alignment enables identifying development opportunities that increase both customers and organisation's value and strengthen the commitment to customer centricity. In the knowledge base embracing agility and design thinking were identified as solutions to navigating complex development initiatives and adapting to changing customer needs (Chapter 2.5). The theoretical insights supported the practical understanding of customer centricity in business development as Agile and design thinking propose a process and supporting tools and methodologies for development.

By identifying business development opportunities that supported the alignment with customer centricity in the case organisation, this study reflected the theoretical insights to practice. The analysis was done iteratively by combining the insights of operations and customer needs and comparing the needs to the strategic values and objectives. The iterations included initial analysis of the data, collaborating in a workshop, analysing the workshop, and formulating results based on the cycles. This comparison connected the theoretical knowledge to a real-life context, providing insights of the practical application. As a result, multiple opportunities for improvement and enhancement were identified. These opportunities revealed areas where further research, adjustments, or innovations could enhance customer satisfaction and loyalty. While identification of development opportunities was crucial, it also presented a challenge in impact and feasibility. To address the challenge of feasibility and impact on desired value two tools were designed to align the available resources with strategic goals. These were the team alignment canvas (Figure 14) and a development roadmap canvas (Figure 15). The design of these tools reflects on the

commitment to making informed decisions based on data and alignment with the approach. The prioritisation tool was presented as a dynamic instrument to redefine and realign business development. It can be updated and adapted to reflect the changes in strategic objectives, resources, or customer needs.

Finally, the process, which was facilitated in this study, provided a result to how an organisation can apply customer centricity in its business development. It also provided valuable insights for the case organisation about practices that strengthen customer centricity and the needs, preferences, and experiences of the most valuable customers. This helped the case organisation to challenge their assumptions about customer experience and strengthen the understanding in customer experience management. As a final point, the development opportunities helped them identify important areas to focus on for future growth.

5.2 Limitations and ethical considerations of the study

The theoretical findings determined in the knowledge base not only guided the research and development project of this study but also proved to be a suitable process when applied in the practical setting through the case organisation. The connections between theory and practice strengthen the reliability of the findings of this study. As the study focused on a single case study, it should be acknowledged that the results of this study have limitations.

The methodology of a case study provided a context for the study to examine the practical application of customer centricity in business development. However, as the results were formulated by comparing theoretical insights to the case organisation, this can provide results that are not directly applicable to different contexts. Additionally, the findings of the study include information about consumer behaviour, which is prone to change rapidly. This study was conducted over a six-month period beginning in August 2022 and ending in January 2023. The details of the case organisation, its operations and customer relationships have changed after the end of the project. The study discussed the results that were formulated based only on the data that was collected during the project.

The available time and the resources set some limitations to the actions that were planned and conducted in the project. Initially this study aimed to incorporate customer co-creation in the validation of the findings and analysis of the results. As the study was focused on the most important customer segments of the case organisation, recruiting participants in the provided frame was not possible to the co-creation workshops. This was identified during the recruiting process for the customer interviews, as the participants were professionals in executive or management positions and had limited availability. The project plans were modified to meet the objectives in the given timeframe.

The research and development project also considered confidentiality of the case organisation and the participants of the workshops and interviews. The data was reviewed for potential issues and anonymised where confidentiality of the insights was required. The anonymisation of the data limited the reporting of the results. However, the discussion proposes the key findings, which can be beneficial for future considerations.

5.3 Future considerations

As with any study, this study opened new possibilities for research. While this study provided a comprehensive understanding of customer centricity as a strategic choice and defined how it can be applied in business development, it also identified multiple new questions during the process that can be explored. For future research, this study considered the potential to explore the question in different contexts, and the need to gather more information about the organisational culture related to customer centricity.

The findings of this research may provide different results when applied in different contexts. This study determined how the question applied in the context of the case study, which was a Finnish consultancy company operating in the ICT field. As the organisation operated in the private sector, this may provide special characteristics especially on competitive advantage development. Similarly, the field that the organisation operates may have special factors that influence the application of customer centricity. Applying the insights of this study to a different context provides an intriguing possibility to a new study on customer centricity.

The connection between organisational culture and customer centricity provides another possibility for future research. In this study it was determined that organisational culture can be either an enabler or a challenge in customer centricity. When conducting the study, organisational culture was also recognised to increase the complexity of the application of customer centricity. This study focused more on collecting understanding of customer needs, which limited the depth of the understanding of the organisational culture and its role in customer centricity. Organisational culture was examined as part of the analysis on organisation's operations. It was recognised that strengthening cross-functional collaboration in the organisational culture plays an important role in customer centricity. This provides an idea for a follow-up study. It would be beneficial to further investigate the nuances of organisational culture and explore how it can be transformed to strengthen the delivery of customer value.

References

Chipchase, J. 2017. The Field Study Handbook. Field Institute; 2nd edition

Brown, T. 2009. Change by design. Harper Business.

Brown, T. 2008. How to deliver on a great plan. Harvard Business Review, June 2008.

Davies, R. & Sedley, L. 2009. Agile Coaching. Pragmatic Bookshelf

Design Council 2023. Framework for Innovation. http://www.designcouncil.org.uk/our-resources/framework-for-innovation/. Assessed: 12.4.2022

Fader, P. 2012. Customer centricity - Focus on the Right Customer for Strategic Advantage. Philadelphia, PA: Wharton Digital Press.

Fader, P. & Toms, S. 2018. The Customer Centricity Playbook. Philadelphia, PA: Wharton Digital Press

Farquhar, J. D. 2012. What is case study research? SAGE Publications Inc.

Finnish Government. 2019. Programme of Prime Minister Sanna Marin's Government 10 December 2019. Inclusive and competent Finland. https://urn.fi/URN:ISBN:978-952-287-811-3

Fowler, M. & Highsmith, J. 2001. The agile manifesto. Software Development 9(8):28-35

Gulati, R. 2009. Reorganize for Resilience: Putting Customers at the Center of Your Business. Boston, MA: Harvard Business Press.

Gupta, S., Lehmann, D., & Stuart, J. 2004. Valuing customers. Journal of Marketing Research, 41(1), 7-18.

Hemel, C. & Rademakers, M. 2016. Building Customer-centric Organizations: Shaping Factors and Barriers. Journal of Creating Value. 2. 10.1177/2394964316647822.

Held, D., McGrew, A., Goldblatt, D., Perraton, J. 2000. Global Transformations: Politics, Economics and Culture. In: Pierson, C., Tormey, S. (eds) Politics at the Edge. Political Studies Association Yearbook Series. Palgrave Macmillan, London. https://doi.org/10.1057/9780333981689_2

Kaner, S. 2014. Facilitator's Guide to Participatory Decision-Making. San Francisco: CA: John Wiley & Sons. 3rd edition.

Kotler, P., Kartajaya, H. & Setiawan, I. 2010. Marketing 3.0: From Products to Customers to the Human Spirit. Hoboken, NJ: John Wiley & Sons, Inc

Kotler, P., & Keller, K. L. 2015. Marketing management. Pearson Education: NJ.

Lee, J, Sridhar, S. & Palmatier, R. 2015. Customer-Centric Org Charts Aren't Right for Every Company. Harvard business review. 6/2015.

Liedtka, J. & Ogilvie, T. 2011. Designing for growth. Columbia University Press.

Martin, C. 2021. Welcome To The Age Of Customer Empowerment. Forbes Agency Council. https://www.forbes.com/sites/forbesagencycouncil/2021/11/04/welcome-to-the-age-of-customer-empowerment/?sh=1487ccc38908. Assessed: 20.5.2022

McGrath, R., 2013. The end of competitive advantage. Boston, MA: Harvard Business Review Press.

Ojasalo, K., Moilanen, T. & Ritalahti, J. 2015. Kehittämistyön menetelmät. Helsinki: Sanoma Pro

Payne, A. & Frow, P. 2014. Strategic customer management: Integrating relationship marketing and CRM. Cambridge University Press. 3rd edition.

Pine, B. J. & Gilmore, J. H. 1998. Welcome to the Experience Economy. Harvard Business Review, 97-105.

Porter, M., 2004. Competitive strategy. New York: The Free Press

Reason, B., Løvlie, L. & Flu, M. B. 2015. Service design for business: A practical guide to optimizing the customer experience. John Wiley & Sons, Inc

Reichheld, F. 2021. Winning on Purpose: The Unbeatable Strategy of Loving Customers. La Vergne: Harvard Business Review Press.

Rigby, D, Elk, S. & Berez, S. 2020. Doing Agile Right: Transformation Without Chaos. Boston, MA: Harvard Business Review Press.

Robson, K. 2013. Service-ability. Create a customer-centric culture and gain competitive advantage. West Sussex: UK: John Wiley & Sons, Inc

Prahalad, C. K. & Ramaswamy, V. 2004. Co-creating unique value with customers. Strategy & Leadership, Vol. 32 No. 3, pp. 4-9. 10.1108/10878570410699249

Prahalad, C. K. & Ramaswamy, V. 2004b. Co-creation experiences: The next practice in value creation. Journal of interactive marketing, 18 (2). John Wiley & Sons, Inc.

Thompson, R., 2014. Hooked on customers. Coronado, Ca: CreateSpace.

Schmitt, B. 2003. Customer experience management. Hoboken: NJ: John Wiley & Sons

Schwarz, R.M. 2005. The skilled facilitator fieldbook tips, tools, and tested methods for consultants, facilitators, managers, trainers, and coaches. San Francisco, CA: Jossey-Bass.

Shah, D., Rust, R., Parasuraman, A., Staelin, R. and Day, G., 2006. The Path to Customer Centricity. Journal of Service Research, 9(2), pp.113-124.

Stickdorn, M., Lawrence, A., Hormess, M.E. and Schneider, J. 2018. This is service design doing. First edition. Sebastopol, CA: O'Reilly Media, Inc.

Vargo, S. & Lusch, R. 2004. Evolving to a New Dominant Logic for Marketing. Journal of Marketing 68 (1), 1-17. https://doi.org/10.1509/jmkg.68.1.1.24036

Yin, R. 2009. Case Study Research: Design and Methods. Thousand Oaks, CA: Sage publications. 4th edition.

Unpublished

Company X Strategy

Company X Interview 2022

Tschimmel, K. 2020. Creativity, Design and Design Thinking - a human-centred ménage à trois. In Perspectives on Design: Research, Education and Practice II. Ed. Springer. Serie in Design and Innovation.

Figures

Figure 1: Theoretical framework of this study12
Figure 2: A customer journey map (adapted based on Reason et al, 2015, 166)19
Figure 3: A design thinking process (adapted based on Design Council 2023)21
Figure 4: An Agile development process (Adapted based on Davies & Sedley, 2009, 14)22
Figure 5: Customer-centric business development model23
Figure 6: Overview of the process and timeline
Figure 7: Visualised results of the voting in the workshop30
Figure 8: Visualisation of the focus in Workshop 2
Figure 9: Internal operations task in Workshop 2
Figure 10: Screening criteria for customer research
Figure 11: Research wall of the customer data, anonymised35
Figure 12: Focus of the results on the Customer-centric business development model38
Figure 13: Company X's customer's journey50
Figure 14: Team canvas for business development planning
Figure 15: Development roadmap canvas
Tables
Table 1: Principles of customer centricity14
Table 2: Summary of key factors that strengthen the relationship44
Table 3: Summary of key factors that challenge the relationship
Table 5: Indentified business development opportunities

Appendices

Appendix 1:	Company X Interview script 2022	68
Appendix 2:	Customer interview script	69

Appendix 1: Company X Interview script 2022

Set up

- Introduce yourself and explain briefly the project background
- Explain objectives for the interview
- · Duration and nature of the interview

Roles and responsibilities

 Brief introductions: what are your responsibilities and what kind of work do you do with customer value?

Managing customer value

- 1. What makes a customer valuable or desirable to us?
- 2. How do you determine the value of a customer?
- 3. Whose responsibility is it to determine customer value?
- 4. What kind of prioritisation or segmentation do we do to customers?
 - a. What are the differences between the segments?
- 5. What makes a customer strategic partner for us?
 - a. How do we want our strategic customers to see us?
 - b. What financial and non-financial value do we want them to create with us?
- 6. What kind of insight do we use to support the evaluation or decisions?
 - a. How do we collect customer data?
- 7. Who are the most valuable customers?
 - a. What kind of customers are they?
 - b. Who are currently the most desirable customers?
- 8. What kind of customer experience management practices do we currently have?
 - a. What are the differences in our practices between the customer segments?

Evaluation and future needs

- 1. What do you think we are currently doing very well?
- 2. Where do you think we could do better?
- 3. What are we currently working on to become better at?
- 4. What insight do you think we are missing from our customers?
 - a. Especially from strategic customers?
 - b. Who would you include in the upcoming customer research?
- 5. Do you have any feedback or wishes for this project?

Appendix 2: Customer interview script

Set up

- Introduce yourself and explain briefly the project background
- Explain objectives for the interview
- · Duration and nature of the interview
- All data will be anonymised
- Ask permission to record. Explain that the recording will not be shared outside the conversation. It would help with the documentation and will be deleted after the data has been analysed.

Background

- Could you describe briefly your current role and responsibilities
- How does your responsibilities link to Company X?

Operation model

- What kind of service providers do you currently have?
- How does the current collaboration model with Company X work for you?

Start of collaboration

- Can you recall the specific circumstances that led to the start of the collaboration?
- How did you feel during the beginning of the collaboration?
- Has the collaboration met your expectations?

Experience of collaboration

- How is the collaboration going right now?
 - o What do you think affects the current state?
- Could you describe the planning and coordination of the collaboration from your perspective?
 - o What specific activities have been done?
 - o How satisfied have you been with the planning and coordination?
- What has been important for you during the collaboration?
- How would you describe a strategic partnership?
 - Would you describe collaboration with Company X as a strategic partnership?

Changes and challenges

- What changes or challenges have occurred during the collaboration?
 - o Have these challenges been solved? How?
- How do you think changes in personnel should be done if they occur?
- If you look back, how has the collaboration changed?

Inspiration and added value

- What does daily inspiration mean to you?
 - o Has collaboration with Company X contributed to it?
- Has the collaboration impacted your life or work positively?
 - Can you describe specific benefits or advantages you've gained from the collaboration?

Future

- If you look at the future, how does the collaboration with Company X look like?
- What suggestions or improvements do you have for the future?