

Constituent Experience

Today's business challenge –
balancing stakeholder needs

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AEGIS Advisory Partners, LLC with NovusNorth Consulting, Inc.
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“Today’s business challenge – balancing stakeholder needs”
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While CX (customer experience) receives all the headlines, it is the broad set of stakeholders that must be considered when modernizing an organization, function, or process. The stakeholders (we will refer to them as “constituent’s” going forward) have a diverse and important set of needs and expectations that must be understood. Without that understanding, the ability to influence change and manage those expectations becomes difficult at best.

For example, coming out of the global pandemic, experience has taken on a new level of importance. The subject of internal talent management and retention has become a key risk that has the CFO’s attention (Deloitte, July 2021 *CFO Signals*). This topic has come to the forefront as organization’s evaluate their ability to execute a hybrid work environment (office and at home work execution) or not. This is a clear example of why experience is such an important concept to understand.

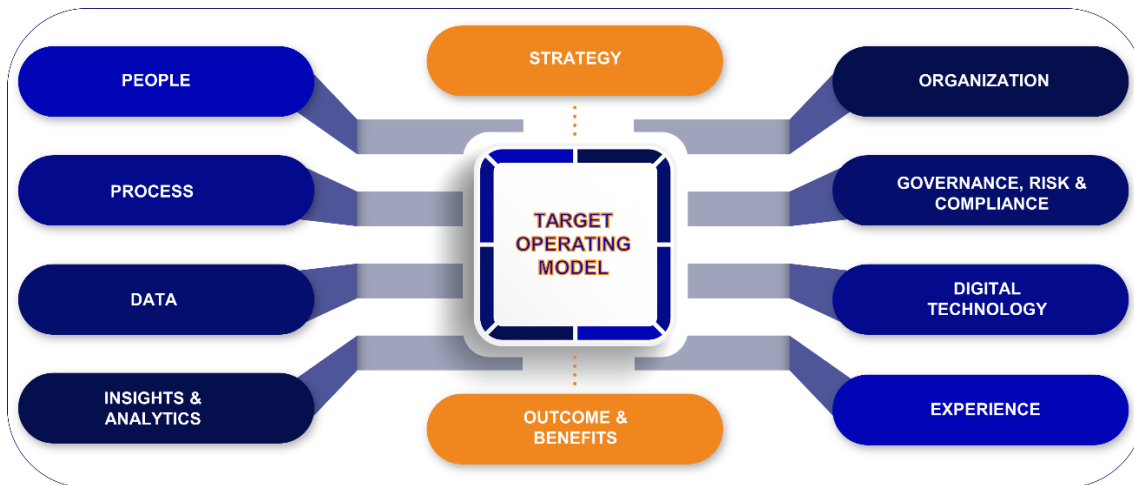
Many organizations focus on change management techniques to manage expectations. Change management intends to help people understand new ways of working during and after a modernization initiative. It is a critical aspect to the success of an improvement program. Many people confuse executing change management with understanding experience, but, while great experiences can accelerate change management, these are two separate and distinct concepts. Experience is about how people are engaged in the service executed / provided. Leveraging experience concepts to realize your modernization goals and manage expectations is what we will explore today.

Experience: an operating model component

As organization’s seek to modernize, typically they will look at the people, process, data, technology, and output aspects of their functions. Our view is that there are ten components to the operating model that must be considered (see figure 1).



Figure 1: Target Operating Model framework (a detailed description is available at <https://aap-us.com/insights/thought-leadership>)



The Target Operating Model (TOM) components can be grouped into three categories: **Strategy, Execution** (people, organization, process, governance / risk / compliance, data, digital technology, and insights & analytics), and **Results** (experience and outcomes & benefits). The TOM components all interact with one another. Manipulating one TOM component could result in conflicting knock-on impacts to another component. Therefore, it is imperative to understand the conflicts and use a structured approach to evaluate the trade-offs.

Managing expectations when modernizing is best articulated through the **Results** category. This is where the importance of understanding experience comes to the forefront.

Experience herein is defined as the result of the contact or involvement a *constituent* has during a particular event, process, phase of their journey, or work. Constituents are part of the whole: they provide input to, execute, or receive the results of the event, process, journey phase, or work. A positive experience is one that's both engaging for the constituent and results in the efficient, high quality completion of the target activity. However, a negative experience may result in the constituent feeling disengaged, require high effort or workarounds, or cause errors or other quality issues to occur. Every contact or involvement a constituent has results in an experience, whether the experience is intentionally defined, designed, or created.



As an example (see Table 1), all the following are Finance constituent's (note: this is not an exhaustive list):

Table 1: Representative Constituents

External Constituents	Internal Constituents
Customers	Board of Directors
Vendors	C-Suite Executives
Regulators	Business Unit Leaders
Industry Analysts	Shared Services
Lenders	Finance Team Members
Investors	Employees

Each of the constituents has an individual experience need or expectation. There are clear examples of constituent experience expectations that align and then some that conflict. The experience comes to life through the execution category components. It is within these components that the trade-offs are decided.

An example:
Regulators / Industry Analysts / Investors / Board of Directors / C-Suite Executives / and Business Unit Leaders all want information delivered timely and accurately. Achieving this need requires smooth process execution by Finance Team Members, Shared Services and Vendors. Without properly integrated technology, the Finance function will have to apply people power to get this job done. That application of people power may diminish the desired experience of the execution team, so a trade-off comes into play.

Finance must decide and manage the user expectations versus the provider expectations in this scenario. As noted, properly integrated technology can enable the desired smooth process execution – but, at a cost. Finance leadership must evaluate the benefit of an improved experience for all involved constituents against the additional time and cost of deploying the integrated technology.

This is one of many trade-offs that will be considered as organizations modernize. Each organization needs to set its decision-making principles and criteria. They serve as the guardrails through the modernization journey. The challenge is to balance needs, set a clear direction, communicate what and how the individual experience is delivered, and monitor the feedback from the constituents.

Understanding the Constituent Experience

In the thought leadership series “The Target Operating Model...” (see the trilogy at <https://aap-us.com/insights/thought-leadership/>), the target operating model modernization process is spelled out. Each operating model component requires specific detail (through a documentation approach) to set-up the improvement actions.

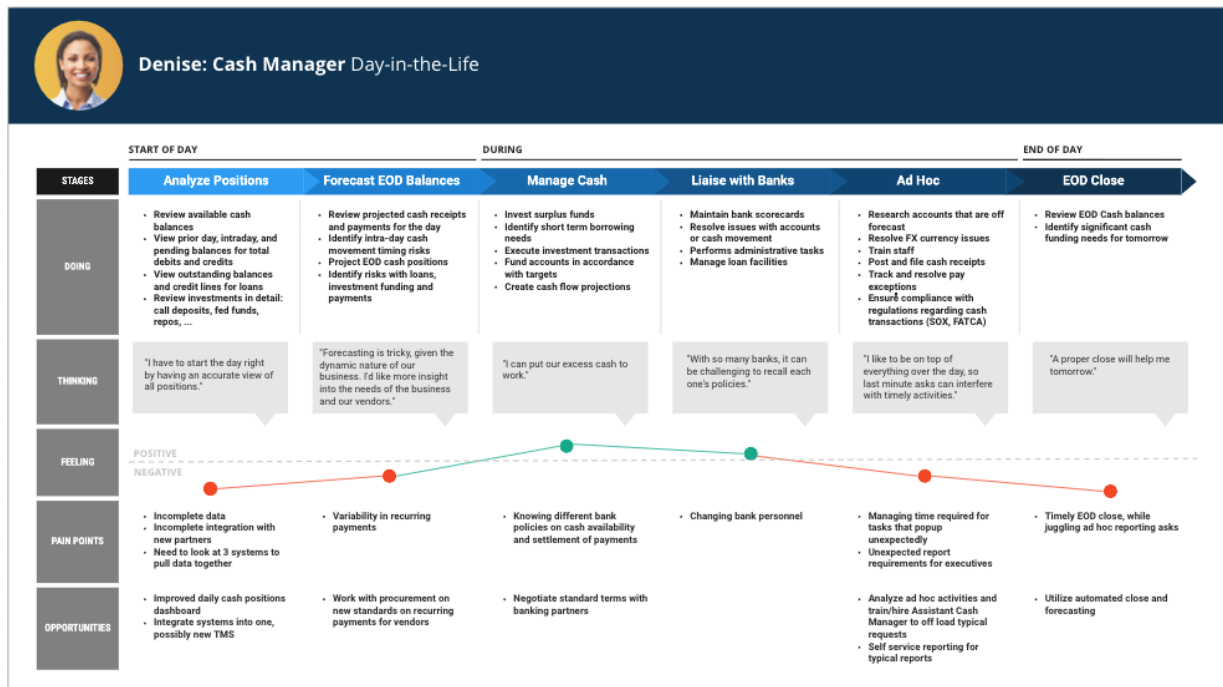
For example, the development of the **business architecture** is one approach to capture the process, data, and technology components. The process is documented through detailed process flow documents. The data component is captured through data



flow and meta data & master data documentation. The technology component is documented through systems architecture documents.

The Constituent Experience can be captured through journey maps. A **journey map** is a visualization of the process that a person goes through to accomplish a goal. In its most basic form, **journey mapping** starts by compiling a series of user actions into a timeline. Next, the timeline is fleshed out with user thoughts and emotions to create a narrative.

Figure 2: High Level Constituent Journey Map



Typically, journey mapping (generated through research techniques) is complemented by a Voice of the Constituent exercise. The VOC is an interview-based approach to capture the expressed constituent experience needs and expectations. Organizations will learn what is working (or not), what is important to the various constituents, and what / where / how they would like to receive service going forward. All these learnings are critically important inputs to the Experience operating model component and the change management discipline.

The journey maps and the VOC set the Experience baseline. A SWOT (strengths, weaknesses, opportunities, threats) analysis on this input serves as an input to the future state Constituent Experience profile. Then future state journey maps can be developed to qualify how and where constituents will interact with the new work model. With these future state journey maps, the service provider can engage the diverse set of constituents to communicate the new work model and understand the next level expectations to be managed.



Conclusion

Properly understanding and documenting the Constituent Experience needs and expectations are an important input to setting the Target Operating Model. The knock-on impacts of experience on the other operating model components (specifically, the execution components) will bring to the forefront a series of trade-offs / decisions to be made. As those decisions are ratified, the experience component can be updated through journey maps. This approach provides the clarity required to help your constituents understand the future state, share the trade-offs / decisions made, and catalog the constituent expectation deficiencies.

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AEGIS Advisory Partners is a Strategy & Management Consulting firm that works with C-Suite executives and large scale program managers on Operating Model Strategy, Finance Function Modernization, and Program Risk Control. AEGIS embodies large firm excellence, while delivering the undivided attention, care, and individual client service necessary for transformation program success. Visit our website at www.aap-us.com. **Experience Centric | Practical Solutions**



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