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Reconnection, experimentation and trust:

How Sheppard Moscow's Customer Experience (CX) Labs ignited The Spirit of Vodafone in leaders across markets to deliver on the customer promise.

Executive summary

Vodafone is on a transformation journey. Although the business has grown in complexity, delivering new products and services across international markets, there is a renewed ambition to be the customer service leader. Today, Vodafone is on a mission 'to win customers' trust every day'.

In 2022, Sheppard Moscow, a leading international leadership development and culture transformation consulting firm, partnered with Vodafone to create the Customer Experience (CX) Labs – a leadership programme to make sustainable change, at scale, in the service of the customer. So far two cohorts of 20 senior leaders representing 15 international markets have participated in this highly innovative and immersive leadership experience.

A diverse network of leaders harnessed their leadership capabilities through a series of workshops, 1:1 trainings and real-world experiments which were the crux of our methodology. The leaders went through a rigorous process of investigation, articulating a CX challenge and devising an innovative solution to address it.

As facilitators, our priority in programme design was seamless integration of CX Labs into the participants' existing everyday priorities to achieve real-world impact. With a customer-centric policy in the Democratic Republic of Congo (DRC) gaining customer trust without revenue loss; retail and digital coming together in Ireland to create a single customer strategy; and TOBi, Vodafone's new digital chatbot, taking over 30% more customer inquiries in Romania – the impact is real and at scale.

Here's how it was done.

Sheppard Moscow and our partnership with Vodafone

Our partnership with Vodafone began with a different programme altogether: a global leadership programme designed to enable innovation at scale. It was through this process that we became embedded as a partner, understanding the complexity of the organisation and the pressures faced by leaders. Heartened by the sustainable, scalable and learning focus of the programme, we were invited to turn these tools to a new global imperative: to help deepen the connection with Vodafone's customers.

And so, CX Labs were born.

> *"To realise our potential Vodafone is changing. We know we can do better. My focus is on improving the service for our customers, to simplify our business and grow."*
>
> **Margherita Della Valle**, CEO Vodafone Group

Behind the scenes

CX Labs were designed to develop leadership capabilities and help Vodafone learn quickly from leader experiments in the context of real-world CX challenges, as well as offering an opportunity for personal connection between leaders across 15 different markets.

Effective facilitation of the virtual delivery created an environment of intimacy and honesty in a global group that had never met before. Psychological safety was paramount to the success of the programme, and the productive vulnerability and mutual support demonstrated by the cohort, cemented their international bonds.

The sponsorship of Khalil Al Americani, CEO of Vodacom DRC, and Mário Vaz, CEO of Vodafone Spain, was crucial in bringing energy and high-level investment to this CX movement.

"CX is the biggest differentiator in all of our markets – you can copy network strategy, you can copy prices, but what is going to differentiate you is how you manage your customers. And once you build trust and safety with customers, they will be willing to stay with you, buy more and bring more customers in."

Yanna Kasengera, Director of Customer Operations DRC

The approach

CX Labs comprised a variety of activities across a six-month period.

Stage 1: Defining the commission

The commission articulates the challenge the participant is choosing to take on, and it is decided in consultation with their stakeholders and refined in 1:1 coaching and the Peer Learning Groups (PGLs).

Stage 2: Appreciative Inquiry

Appreciative Inquiry is a positive process of identifying 'what's working' and amplifying that. Participants employ Appreciative Inquiry across teams and functions to find out what enabling factors drive CX and methods for amplifying them.

> **Example**: An enabling factor might be as simple as the passion of the frontline in working with customer, so Appreciative Inquiry could ask 'how can we leverage frontline passion to create a culture of accountability in the call centre for CX?'.

Stage 3: Experimentation

Experimentation is crucial for cutting through complexity. In a complex system, a leader can't identify cause-and-effect relationships, so they must experiment to find out more. An experiment can be anything from a new strategy for the customer journey or proactively bringing decision makers to the frontline.

Learning

Although each participant tackles their own commission, knowledge-sharing is integral to this programme and was facilitated through the PGLs as well as strong sponsor engagement to feed the innovation back up to the senior leadership team.

"It's good to see when we focus on trying to solve issues and we work together and share experience, we are able to achieve something - not just progress on our own issues but use these insights for common benefit."

Khalil Al Americani, CEO Vodacom DRC and CX Labs sponsor

"Organisations are busy, fraught and overloaded. If you create a space for people to work together and to forge connections in their world, amazing stuff happens – and sometimes you need to engineer that."

Alex Marples, Sheppard Moscow Consultant

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What was the impact?

See CX Labs in action through the experiments and experiences of four leaders, who share their stories of pushing boundaries and catalysing change for the good of the customer.

Transparency in the name of trust

Yanna Kasengera

Director of Customer Operations, DRC

The commission

One of the biggest Net Promoter Score (NPS) detractors in Yanna's market, the DRC, was billing transparency. Customers wanted more transparency and more control over their spend.

Through a consultative process across business units, Yanna and her cross-functional team agreed on three main initiatives to improve billing transparency: ensuring customers aren't caught out by data roaming charges, capping background data usage for accidental users, and looking to narrow the price difference when people fall out of their bundle.

In defining these three initiatives, Yanna recognised the risk to immediate revenue but kept sight of the long-term return of investment in improving CX.

"Let me look at the bigger picture and see the main customer pain points. We knew [this commission] was going to be impactful instead of picking an easy win and quick fix."

The approach

Yanna conducted research, interviewing stakeholders across business units and speaking with frontline colleagues to identify common themes and behaviours that enable positive CX. She found passion (the motivator), creativity (to find a solution through various processes and systems) and collaboration (agents empowered to collaborate with other business units to co-create a solution) to be fundamental in enabling colleagues to tackle CX challenges and she was determined to scale them up.

Yanna also worked hard to collaborate across teams and functions to develop her three operational changes. She would gather all of the business units to sit together once a month, and through ongoing relationship-building, they were able to deliver rapid CX action. Good communication was also an enabler for addressing these CX issues, and by drawing on the experience of frontline colleagues, she could identify where customer communications could be improved to be truly transparent.

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The impact

In a short period of time, Yanna has already implemented major operational change and seen the impact. She led the change to require proactive opt-in from customers when roaming for which she identified a potential risk to loss in revenue. In fact, this customer-centric policy hit the market with no losses and improved CX.

By amplifying the three behaviours – creativity, passion, and collaboration – Yanna is fostering a community of empowered colleagues across the business. In this renewed culture of customer-centricity, people are empowered to be accountable to the customer, to take risks on behalf of the customer and feel safe doing so.

"I trust you will deliver; I will also defend you. I trust that you know what you're doing and are doing what's best for our customers."

Leadership learnings

This programme has been fundamental in developing Yanna's leadership capability. Her style has shifted from leading from the front to stepping back, empowering her team and creating the conditions for them to succeed – and celebrating when they do.

Yanna also emphasises the importance of role-modelling culture by leadership. The senior leadership set the organisational tone, and CX Labs sponsor Khalil recognised and supported Yanna all the way. He brought his Executive Committee to spend time in the channels and is helping all business units to dig deeper into customer needs and pain points.

The fire of the frontline bringing CX to life

Jenny Hayes

Head of Consumer Sales, Ireland

The commission

Vodafone's purpose is to 'Connect for a better future', and that demands a holistic customer journey from shop floor to a digital experience. In her initial investigation to define her commission, Jenny was posed significant challenges by a CBU Director and the CEO: as digital continues to grow, how do we keep the best of what we do in retail today? How do we differentiate ourselves in the market? What's your vision for retail in a digital world?

In her experiments to consolidate the position of retail in the customer journey, Jenny knew that it was paramount that everyone came on the journey. That meant helping retail and digital to connect even more, and encourage digital to draw even more on the value of the frontline experience.

"I can really see that customers do trust our agents, you can go [to the shop] and at a specific time and get advice from an agent you couldn't get from a digital journey."

"People perceive frontline as doing the job that no one wants to do. But when we recentre, it's one of the most powerful forces we have."

Khalil Al Americani, CEO Vodacom DRC and CX Labs sponsor

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Approach and impact

A cross-functional strategy: Whereas previously, retail and digital might have focused on their own strategies, Jenny sat down with the Head of Distribution to write a customer-first strategy, building a channel-agnostic customer journey.

Impact: A strategy designed for what's best for the customer and the business, enabled a strong relationship between retail and digital colleagues as they collaborate to achieve the best outcome for the customer.

Amplifying experience: Jenny amplified the powerful stories of the frontline – even broadcasting internal meetings live from a shop-front – to communicate their passion and bring that human fire to the digital community.

Impact: This is now a strategy informed by the lived experience of the frontline and their advocacy for the customer. This also enables colleagues who are removed from the frontline to understand what it's really like in the market and connect with the passion and – at times – frustrations of the frontline.

"We spend hours and weeks on strategies, and they [frontliners] cut through it. There are a few simple things we could do, and we need to listen more to do them – pull ourselves out of what we think is best for the customer and listen to the people who are working with them and are in the systems every day."

An operational change: To improve CX in-store, Jenny and her team introduced Vodapro – a dedicated service line where customers could book slots with agents to sit face-to-face and resolve specific challenges.

Impact: In these stores, trade-in and add-on products have increased, as the more time a customer spends in store with an agent, the more open they are to a wider variety of products. Agents also proactively create strong relationships with geographically remote customer communities, a market differentiator for Vodafone.

Reconnecting decision makers with customers: Jenny brought senior leadership into stores for Frontline Fridays, helping them see how the customers value the relationships and better appreciate the work of the frontline.

Impact: CX is connected to board-level decision-making, enabling the business to keep focused on the real priorities of the customers and the impact of their strategy.

Leadership learnings

With the framework for methodical and purposeful experimentation in place Jenny now has a manager undertaking their own experiments. The cascade of the CX mindset is a testament to the scalability and wide-ranging applicability of this approach.

On Safari: An adventure of empathy and reconnection

António Margato

Consumer Marketing Director, Portugal

The commission

In Portugal, António was committed to boosting accountability and personal investment in CX right across the business. Through role-modelling and political agility, he aimed to inspire and educate cross-functional teams on the importance of CX and create the conditions for creative problem-solving. It was also important that senior leaders bought into this, getting closer to the customer to impress CX as a priority.

The approach

This was about encouraging colleagues to keep the focus on people, not simply KPIs. In one experiment, António brought together 50 colleagues from marketing and 50 colleagues from customer operations and broke them up into mixed teams. They were then given real customer scenarios to test, and immediately two things happened: they felt the pain of the customer and they organically took ownership to solve the problem.

António took senior leadership on 'Safari' to the frontline, walking the store floors and call-centre halls. Decision makers met with frontline teams and reconnected with the customer, hearing first-hand any frustrations but also the energy and passion of human connection.

Fundamentally, all of António's experiments were designed so colleagues understood for themselves why CX is our absolute priority. A directive approach wouldn't work. To really embed behaviour, people need to consolidate their own purpose, to understand how they contribute and the value of their work.

The impact

António's newly developed political agility, using influence rather than direction, created the conditions for even greater empathy and action within Vodafone teams for the customer. With the CX challenge made more tangible, colleagues were compelled to take action and make a difference for the customer.

Teams are naturally picking up the practice of engaging even more with the frontline, leaders are heading off on their own Safaris, and in CX meetings they are taking customer calls rather than reading them – none of which is 'mandatory', it's inspired. This is not about action plans; it's about creating a culture where CX is always a priority and people hold themselves accountable for it.

"Since the experiments were so successful, other areas have been following the example of Safaris and workshops."

Leadership learnings

"Instead of occupying and performing, I left some time in the tables and boards and corridors to share the things I was doing."

Visibility: António was proactive in communicating the work he was doing, role modelling the organisational strategic priority of customer to share his successes with the TOBi workshops and Safaris and feed his learning back into the wider Vodafone system. António is also quick to say that there was existing good work that didn't have this visibility, and being intentional about how to capture and amplify knowledge will continue to be key in Vodafone's transformation.
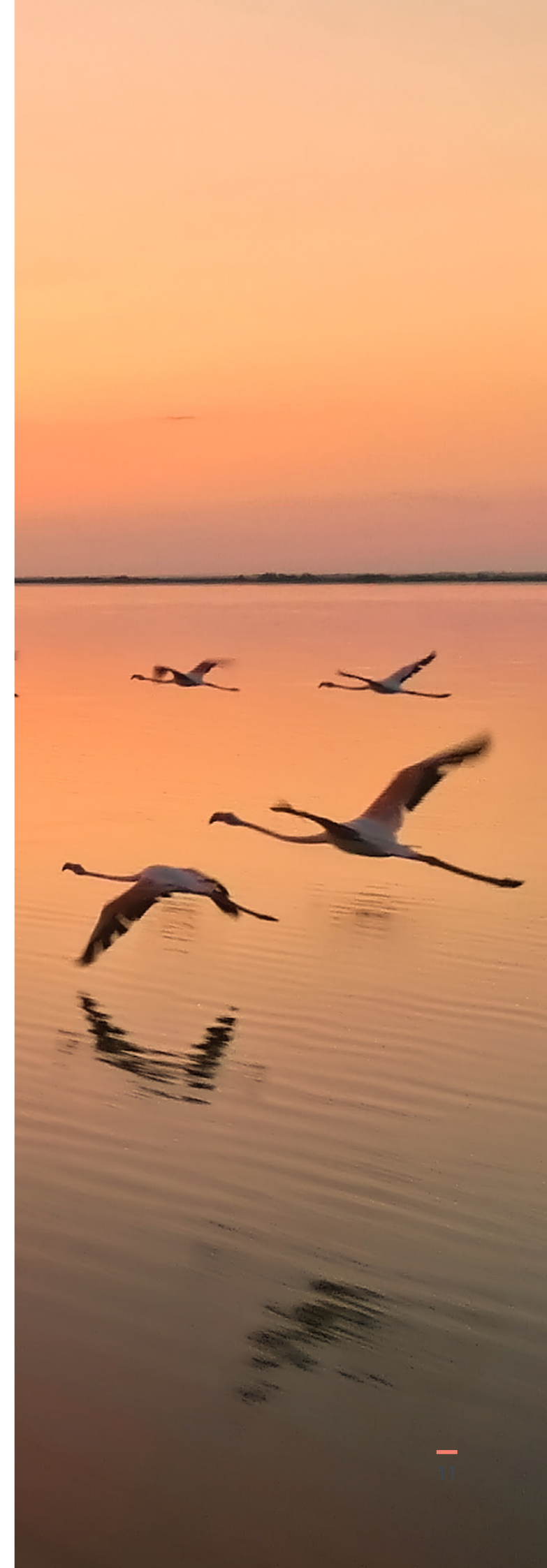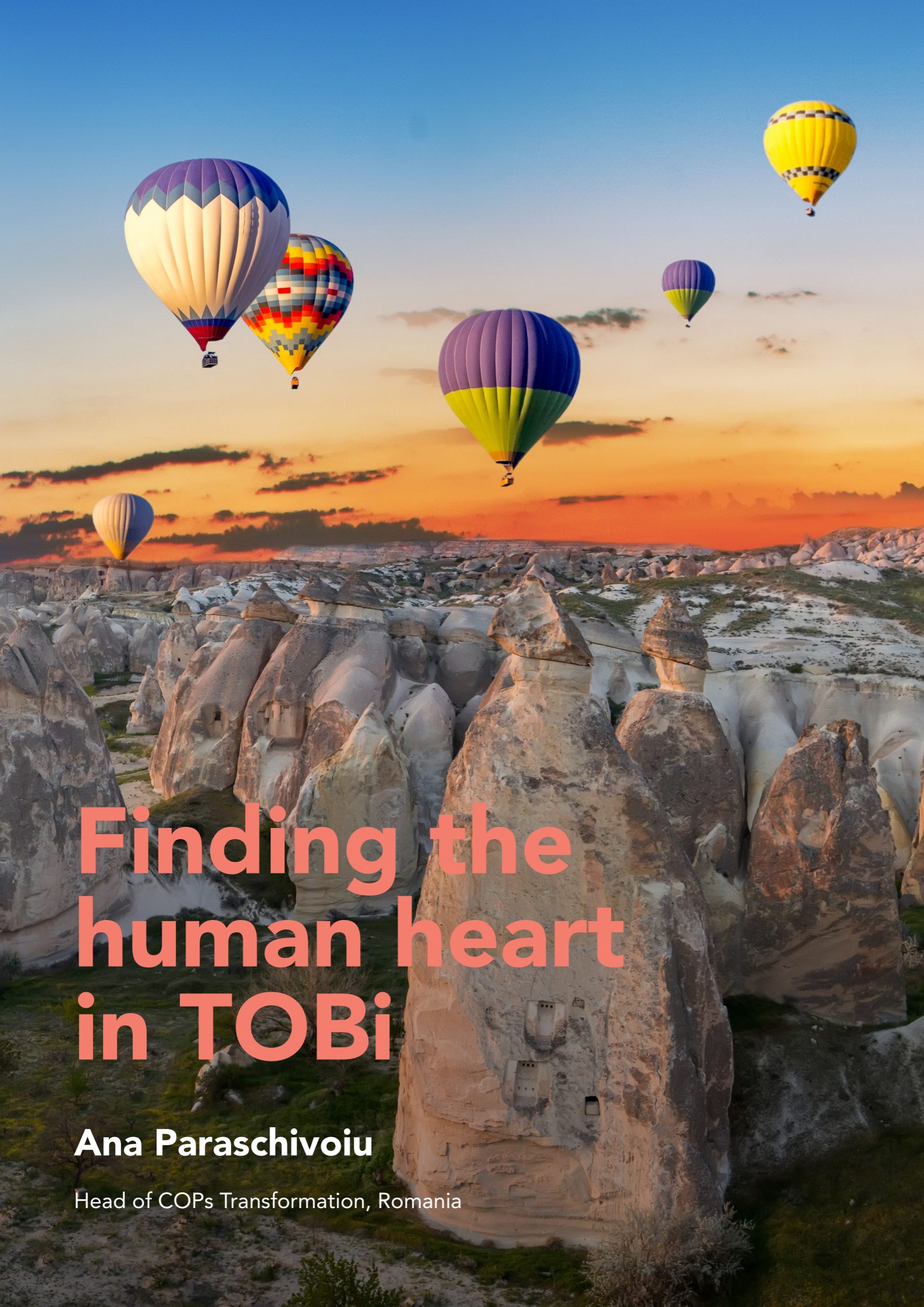
Finding the human heart in TOBi

Ana Paraschivoiu

Head of COPs Transformation, Romania

The commission

In a competitive market, Ana recognised the need to balance customer experience with the necessary growth of digital in the customer journey to keep pace with future trends. Her commission was to scale up Vodafone's digital chatbot, TOBi to manage 30% of all customer inquiries without impacting customer experience. TOBi was already managing simple requests, but why not build in more complex capabilities? This was a highly technical commission that demanded cross-functional collaboration and a methodical approach to measurement and refinement.

"We learned from cross-functional collaborations that it's tempting to align with people who are like us, but we need hands and brains too – let's leverage diversity."

The approach

Ana was managing eight squads who, with their combined expertise, would design and action the technical and process changes for TOBi. She took a step-by-step approach setting up cross-functional governance to manage the customer journey automation. She then proactively developed an environment of psychological safety for colleagues to be vulnerable and step outside of their comfort zone and innovate for CX impact.

Perhaps most importantly, Ana learned to identify and amplify existing value in her people. To develop the expanded TOBi capability, Ana brought in top performers from the call centre to share their experience and inform the updated problem-solving functions.

The impact

This data-led commission landed some concrete wins. Ana and her colleagues achieved the initial goal of TOBi handling 30% of inquiries and have already set the ambition to increase this to 60% in the next year. The NPS feedback for TOBi was incredibly positive achieving an NPS score of 83 with no negative customer feedback.

The impact on the team culture has also been significant. This new alignment on purpose has created a culture of clarity, together cross-functional teams answer the question 'What are we creating together?' and really understand that although they may have different KPIs they're all working towards the same goal.

This boost in team empowerment has improved individual accountability and freedom to innovate without fear of failure: "If you make a mistake, let's talk about it and next time make a different one." Ana and her team have integrated learning into their system.

Finally, a major outcome has been the reinforcement that Ana is not alone in her leadership journey. Although the CX Labs cohort are from different markets and functions, they can come together and share learnings that are relevant to each other.

"I discovered that we share the same challenges but may sometimes be acting alone."

Leadership learnings

The leadership tools and capabilities Ana developed in the CX Labs have enabled her to lead in an authentic and effective way. She operated by two pillars: productivity and positivity. Productivity means being bold in attacking complexity and making decisions, but always measuring and refining them with that clear vision of the future front of mind.

Positivity means a culture of respect and trust, as well as leveraging diversity. Amplifying the difference in people, both individual perspectives and technical capabilities, and proactively developing their confidence and scope is hugely valuable. In the Spirit of Vodafone, 'Getting it Done, Together' means being cognisant of the temptation to align with people who are already like us and instead deliberately bring in new voices and collaborate across function.

Organisational learnings

These four stories from CX leaders demonstrate how leaders can create the conditions for positive change and innovation. Every market has its own nuances and operational demands, and every experiment the cohorts ran were different; what is being scaled is Vodafone's capability to face into these CX demands with confidence and agility.

From the leader experiments, there are clear learnings about how effective leadership can realise strategy, can create a culture of customer-centricity and, through the Vodafone Spirit Behaviours, can help deliver Vodafone's transformation.

"For everyone, when [they've] needed to step out of their comfort zone the first feeling will be fear, but once they keep solving problems they can keep growing."

Ana Paraschivoiu, Head of COPs Transformation Romania

Earn Customer Loyalty

To Earn Customer Loyalty, participants worked to bring the customer closer to everyone in the organisation to gain clear sight of the customer experience. They built infrastructure for reconnection, enabling interactions between customer and Vodafone colleagues beyond the frontline. They also amplified and leveraged the knowledge of the frontline using this resource to refine Vodafone's CX strategy and digital offering.

Create the Future

Clarity of vision and shared purpose is critical – getting the right people in the room to identify the higher CX goals that bind Vodafone together and bring a shared purpose.

Experiment and Learn Fast

How a leader brings Spirit Behaviours to life is as important as what they are. The process of inquiry and experimentation is crucial for finding a leader's version of Spirit Behaviours that has impact.

Get it Done, Together

CX is the biggest market differentiator. So empowering people across the organisation to feel capable and supported to make a difference for the customer, and to take accountability for their contribution was critical for the success of our leaders' experiments.

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