

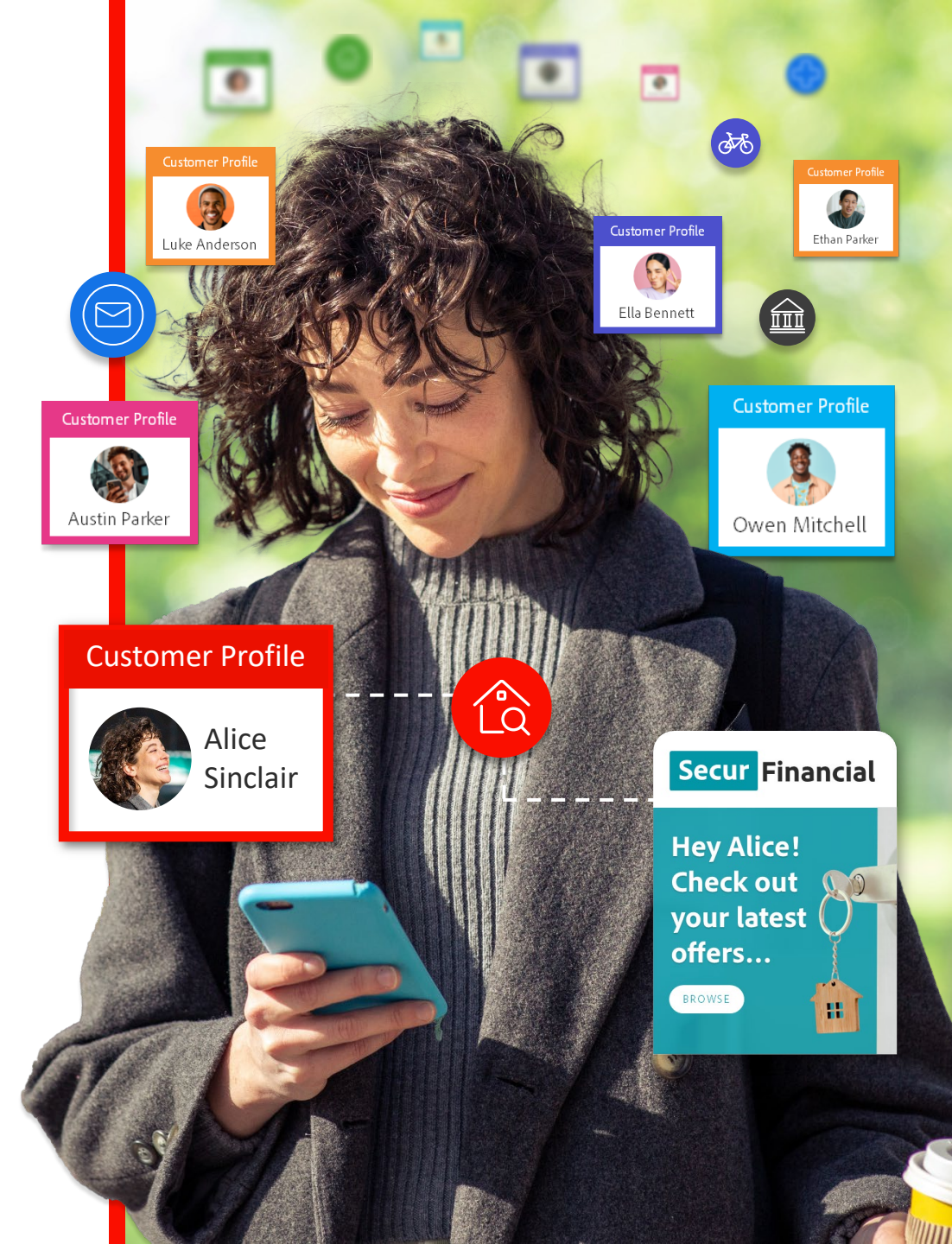


DIGITAL STRATEGY GROUP

Personalization at Scale Org & Operating Model POV

CHRISTOPHER YOUNG | GLOBAL INDUSTRY STRATEGY

AUGUST 6TH 2024



Agenda

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Introduction

2

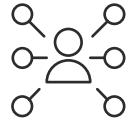
Org & Op Model Best Practices

3

Customer Examples



Key Experience Priorities



Finally Delivering on Customer Experience

Banks globally say they are losing up to **20% of their customers** to competitors because their customer experience

70% expect anyone they interact with to have full context

Firms continue to struggle to live up to customer expectations of true customer centricity



Heightened Cost Pressure for Marketers

Marketing budget as a percentage of company revenue has decreased from 10.4% in 2022 to 7.5% in 2023

75% of CMOs face pressure to cut martech spend

Firms to show ROI from their Investments – cost reduction is low hanging fruit



Deliver Organic Growth

34% of respondents ranked deposit growth as their #1 priority

46% of respondents ranked acquiring customers as a top 3 priority, while 41% cited deepening relationships as a top 3 priority

New customer growth is a paired objective with deepening existing relationships



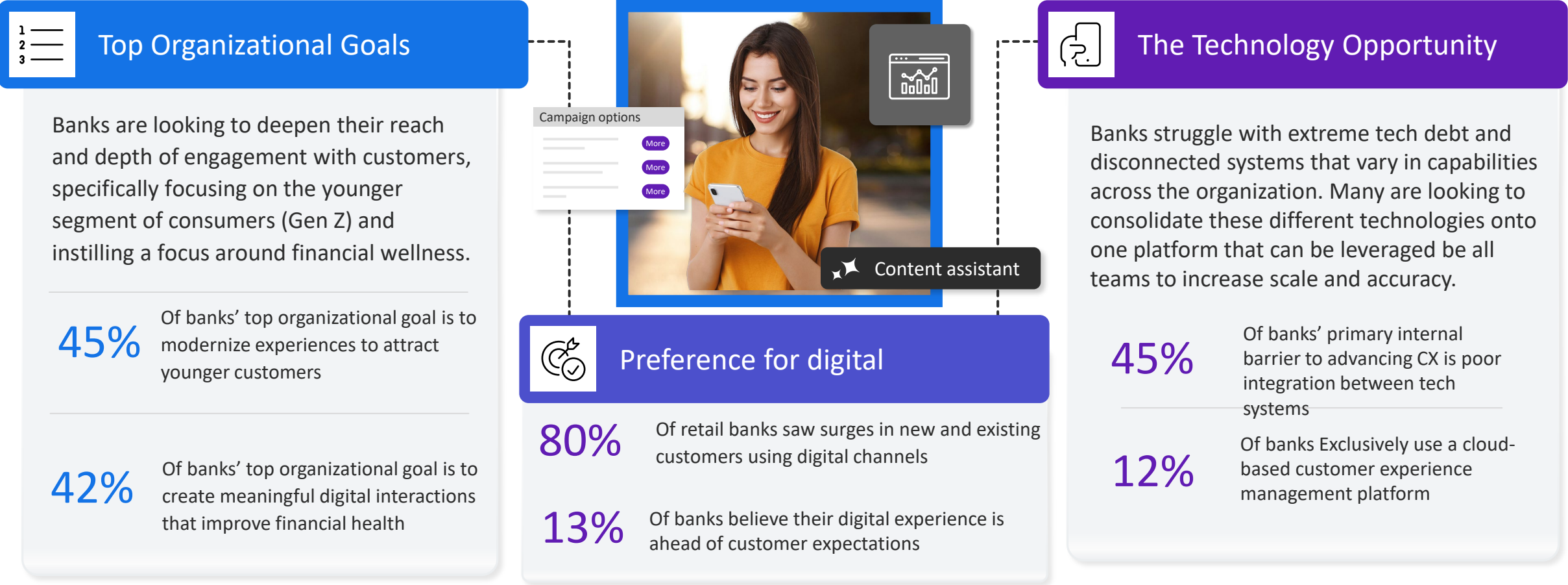
Surge in B2B Tech

94% of B2B buyers agree their company prefers to work with companies that continuously evolve their digital capabilities

60% of B2B buyers say it's difficult to integrate their companies' tech solutions into their own solutions or processes

Seek out B2B divisions within your retail customers – don't deprioritize B2B core accounts

The shift to digital has put customer loyalty at risk



1. Source: 2022 Adobe Digital Trends Report: Financial Services in Focus
2. Source: 2022 Adobe Digital Trends Report: Financial Services in Focus

1. 2022 Digital Trends, Financial Services in Focus – eConsultancy & Adobe, 2022
2. Source: 2022 Adobe Digital Trends Report: Financial Services in Focus – Banking

1. Source: 2022 Adobe Digital Trends Report: Financial Services in Focus – Wealth & Asset MGMT
2. Source: 2022 Adobe Digital Trends Report: Financial Services in Focus – Banking



Digital transformation will be experience driven

Enhanced Customer Satisfaction

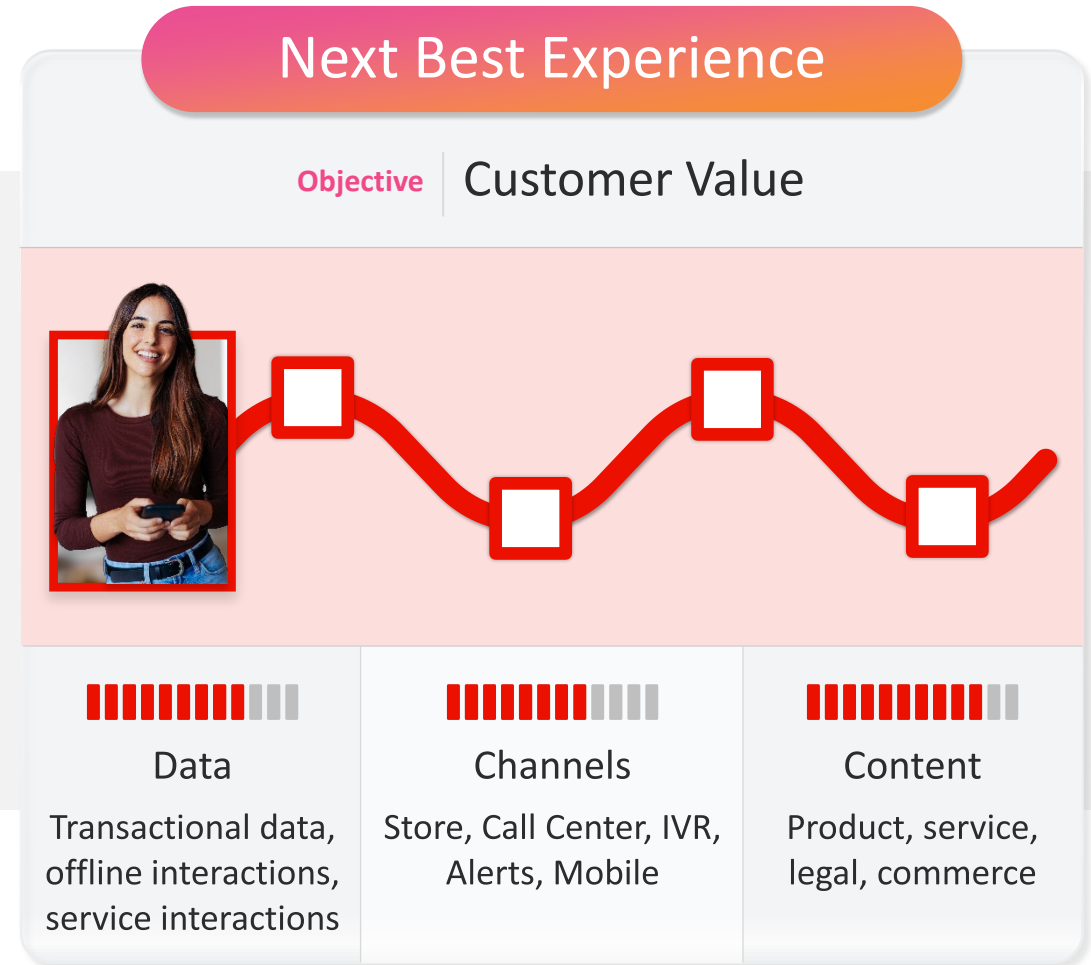
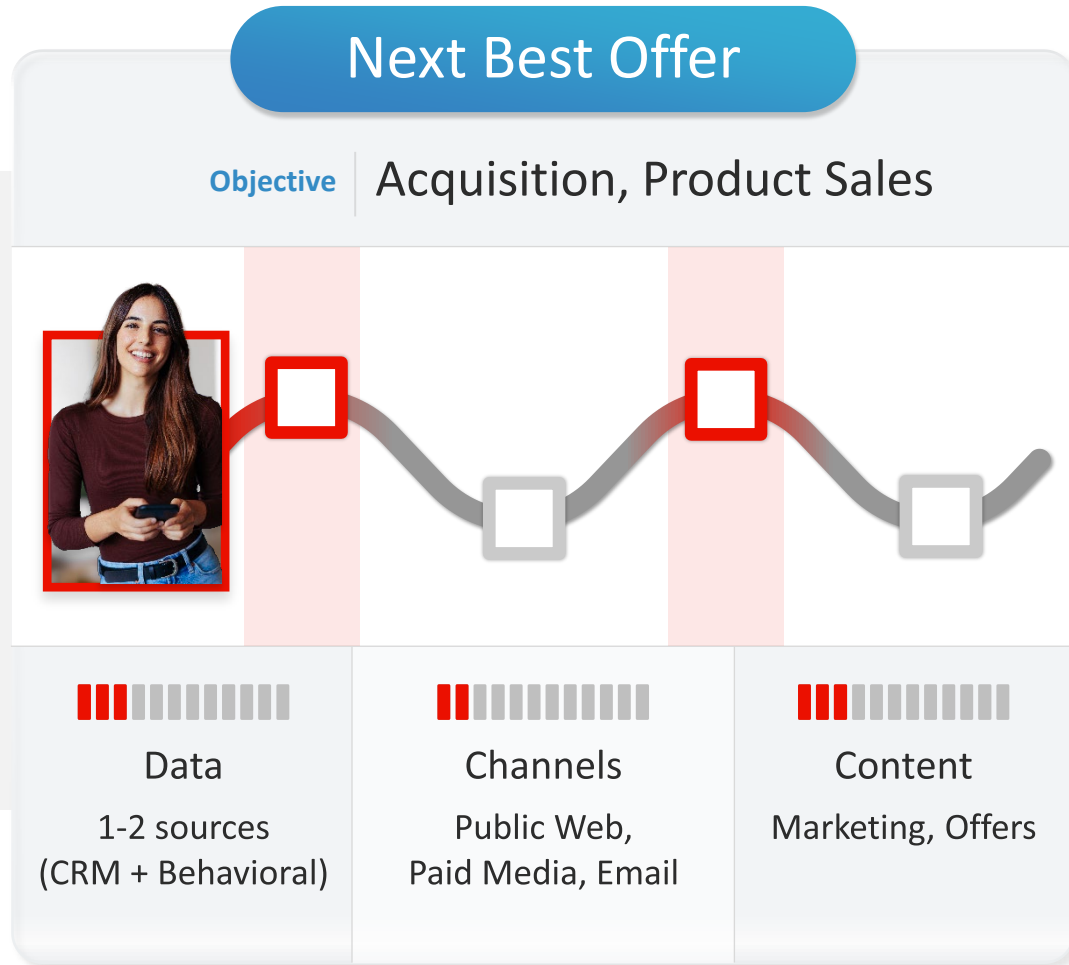
Increased Customer Loyalty & Retention

Competitive Advantage / Differentiation

Increased Revenue & Cross-selling Opportunities

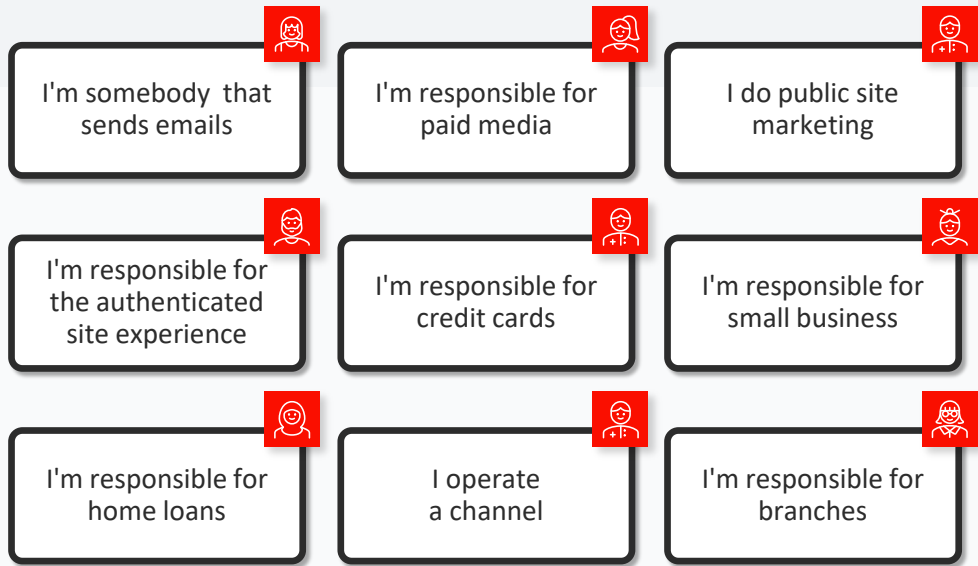
Operational Efficiency

Today, personalization is often narrow and in pockets.

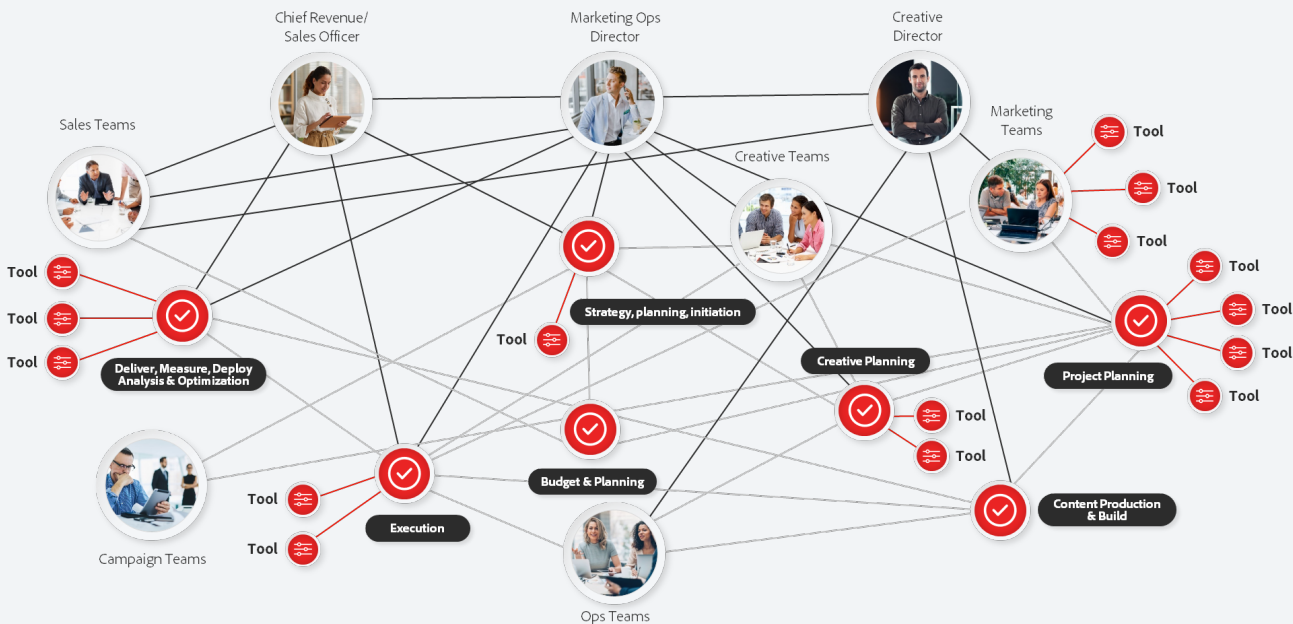


Barriers to advancing digital maturity are not just technical

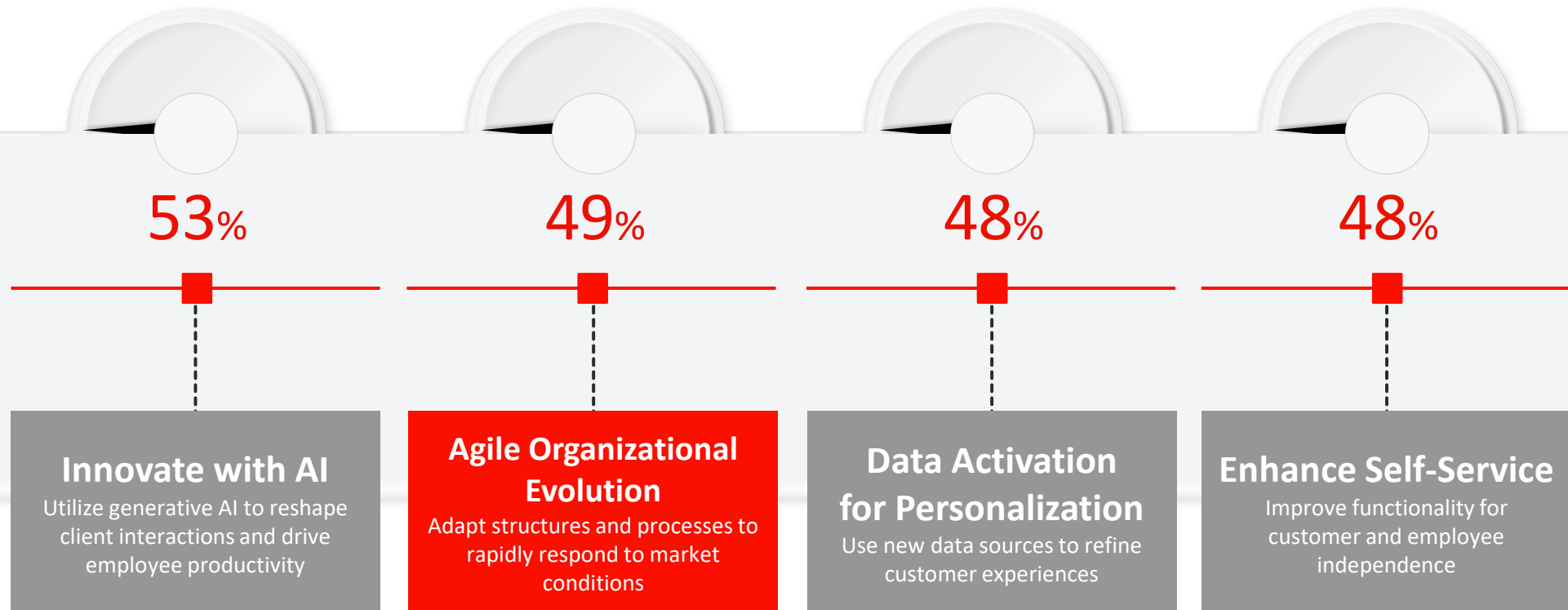
How individuals are focused

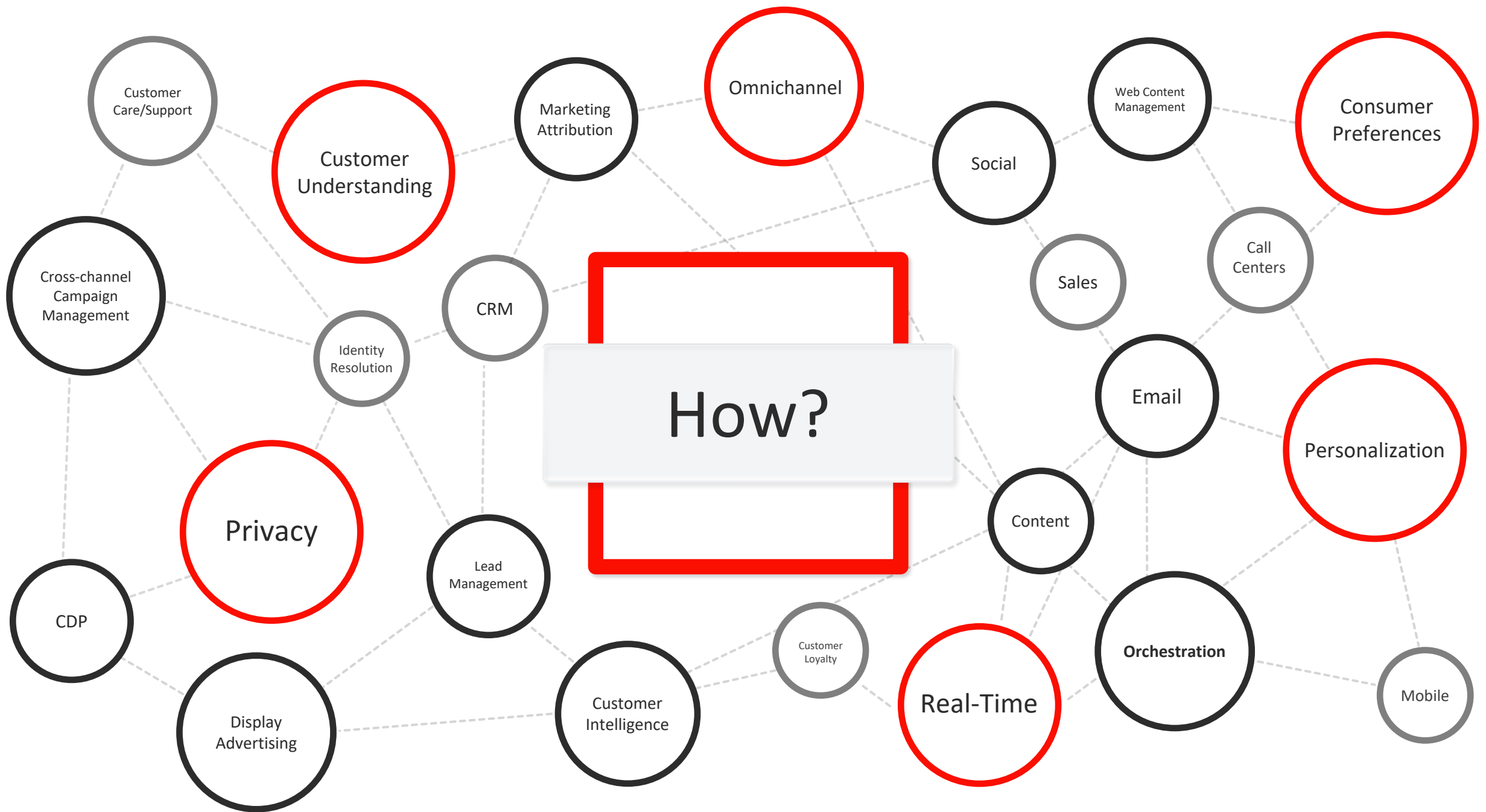


How the organization operates



Innovation with generative AI to “*reshape client experiences*” is the top priority followed by organizational evolution





Strategy and Performance

When asked about their personalization performance slightly over ½ said they were “happy”

We are happy with our
personalization performance

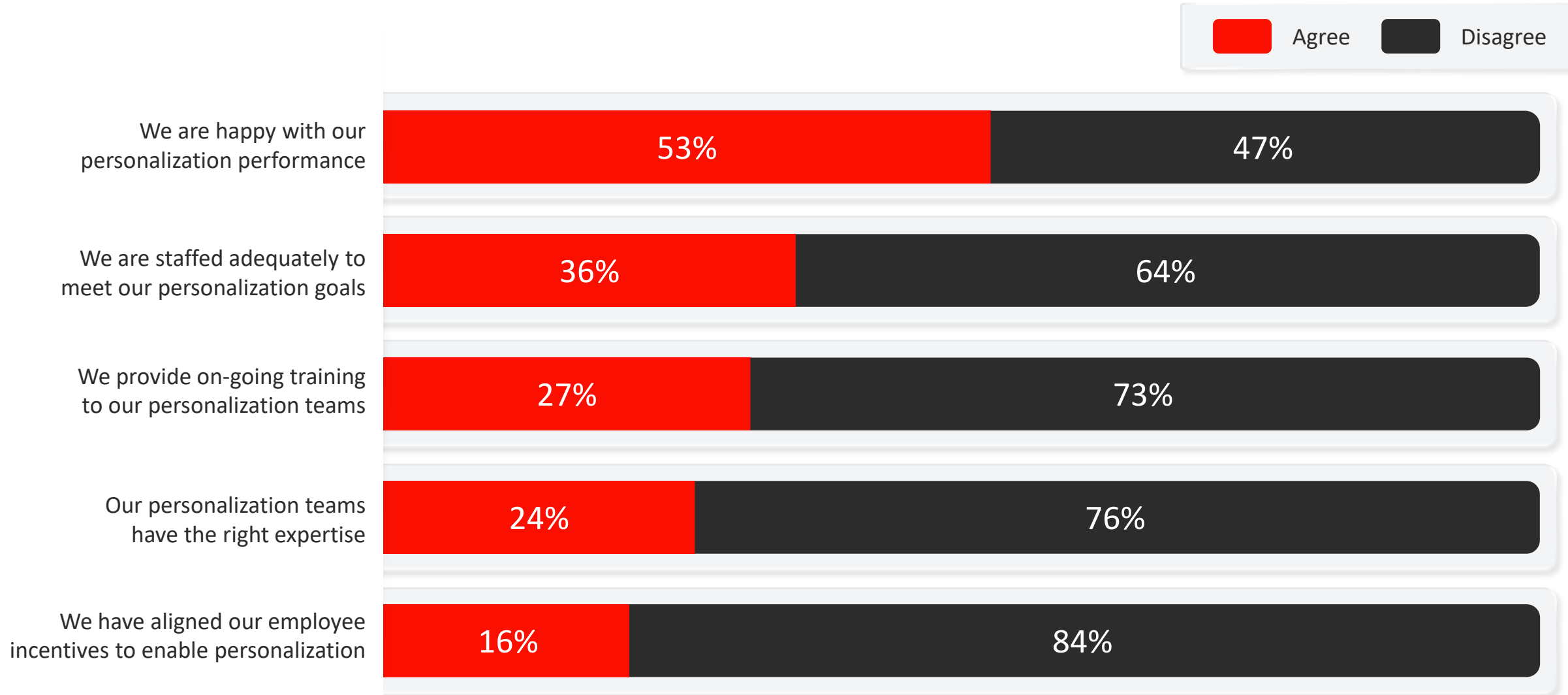
 Agree  Disagree

53%

47%

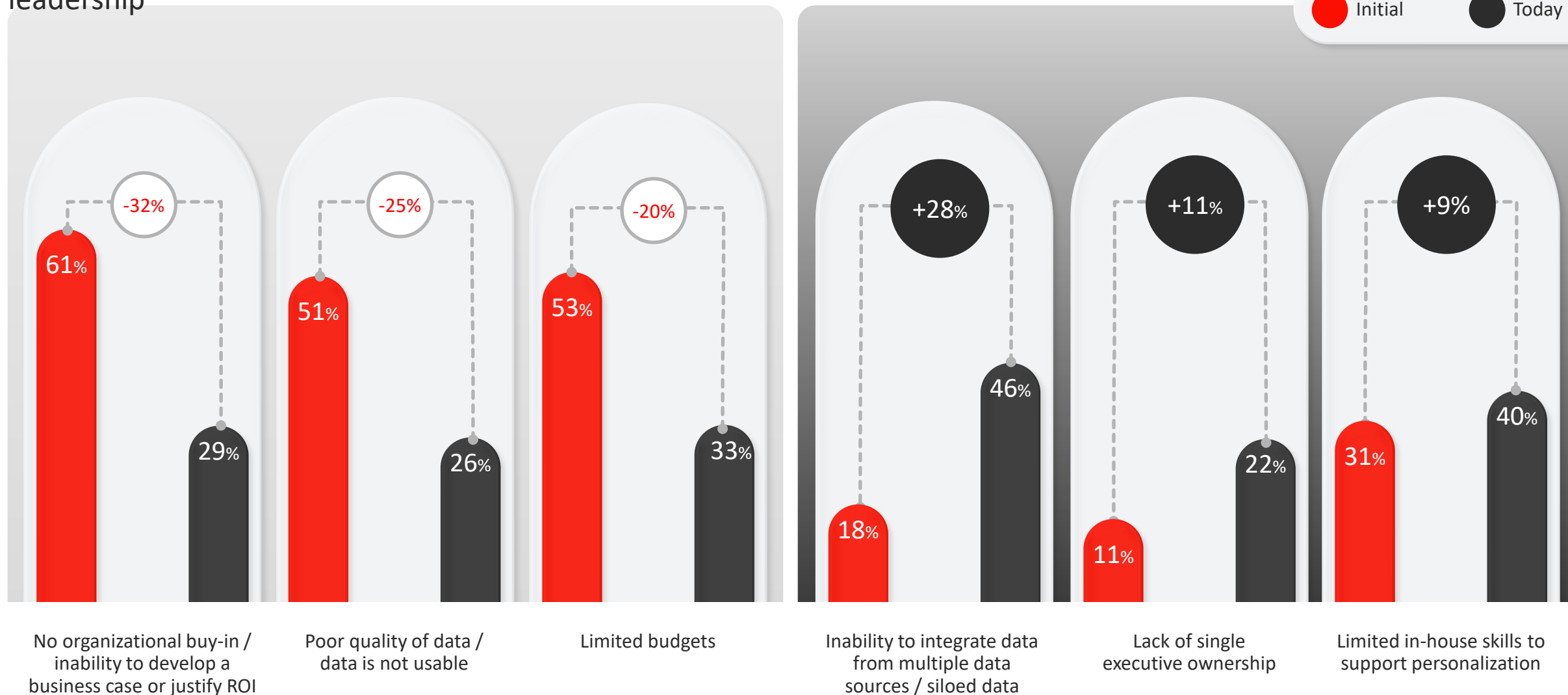
Strategy and Performance

Disagreement increases when asked about staffing, training, expertise and alignment incentives



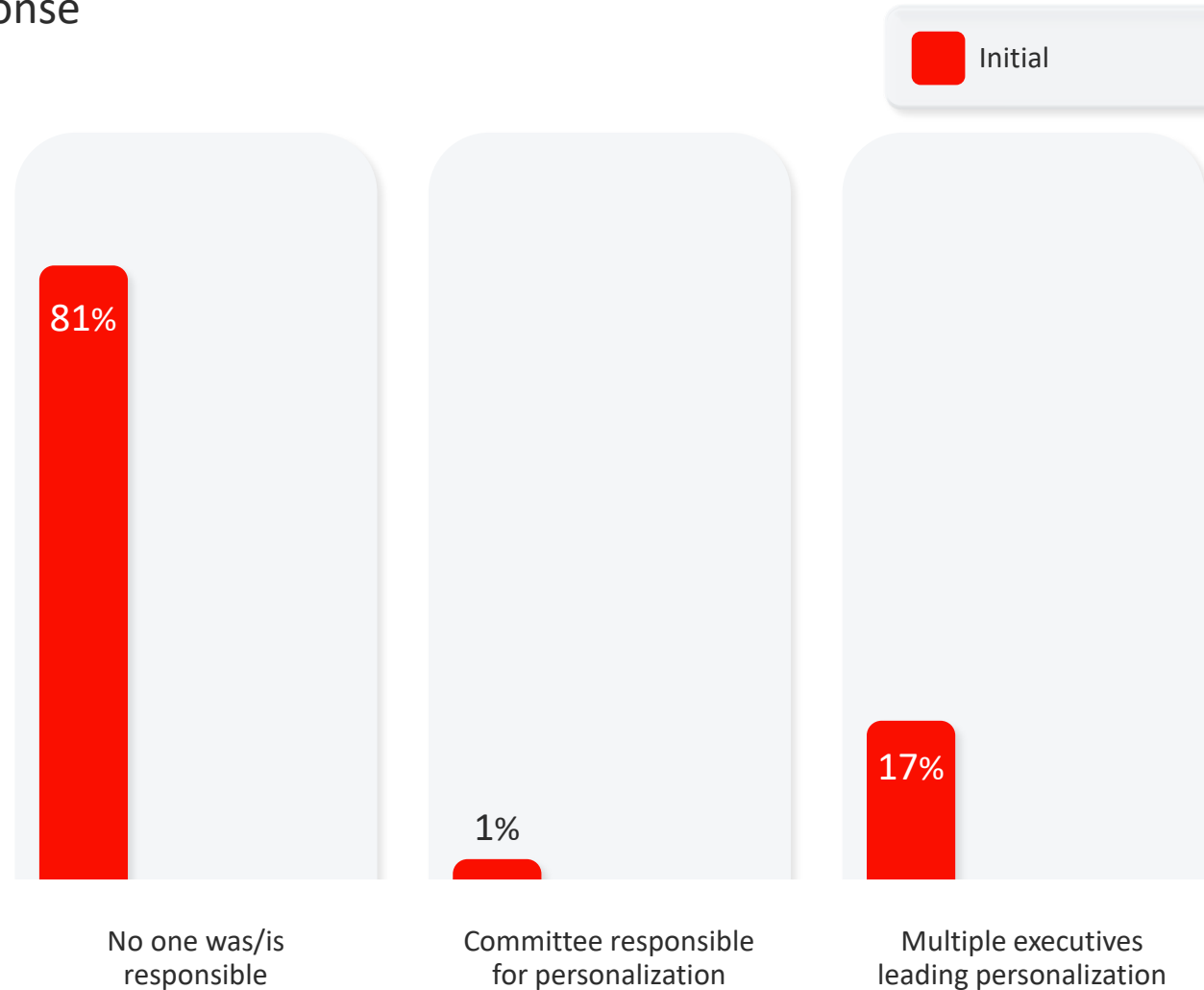
Execution Challenges

Responders have addressed foundational challenges, but are now dealing with data integrations, skill sets and leadership



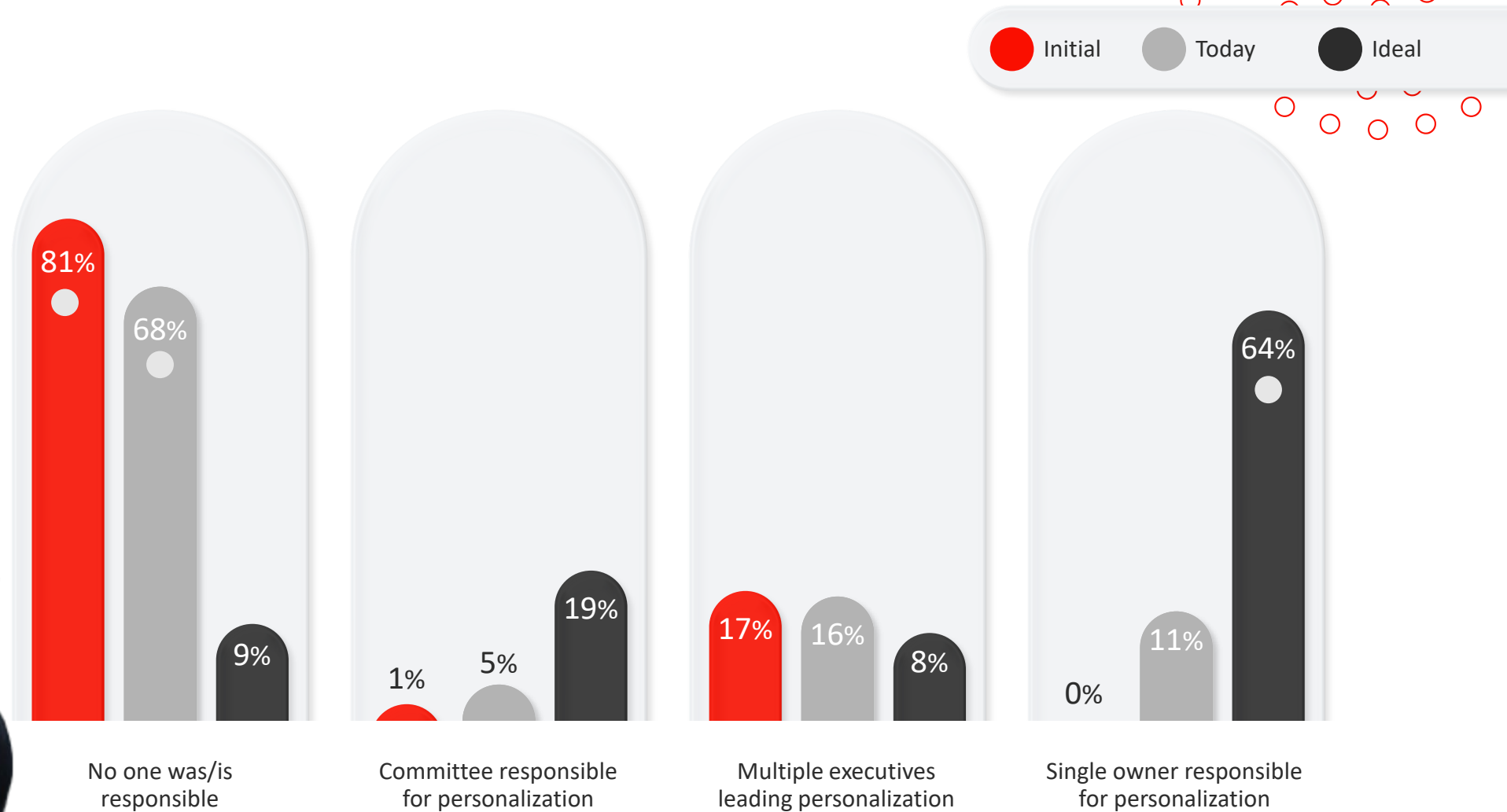
Operating Model: Ownership

Lack of responsibility / ownership for personalization was (initial) / is (today) the most common response



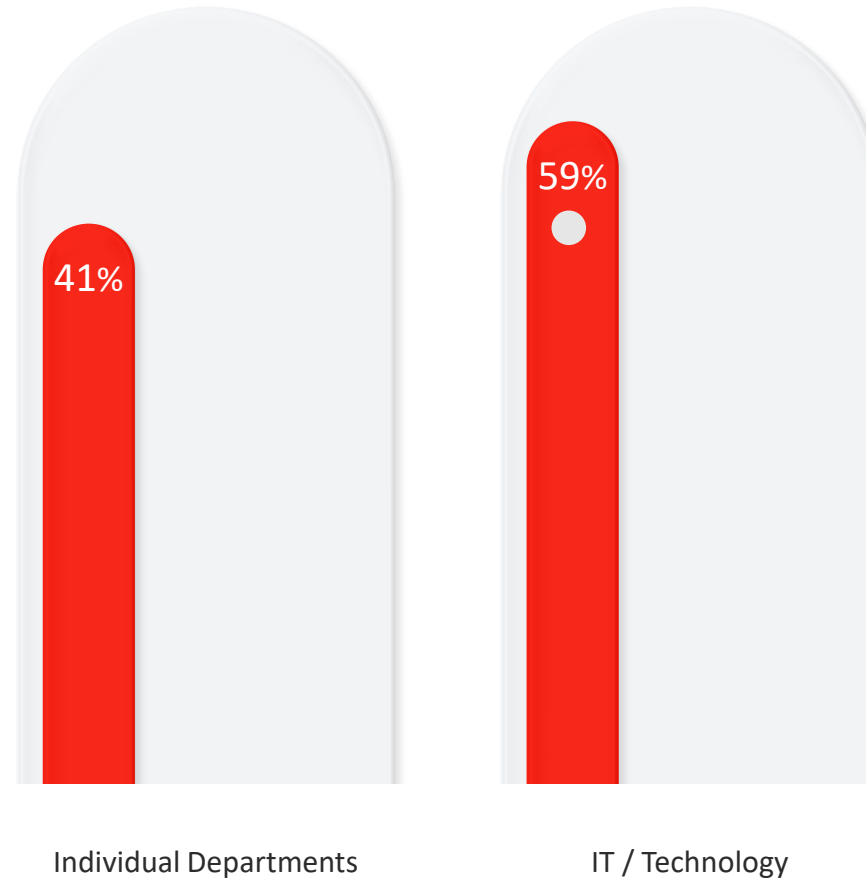
Operating Model: Ownership

Responders believe that the ideal state is to have a single owner responsible for personalization



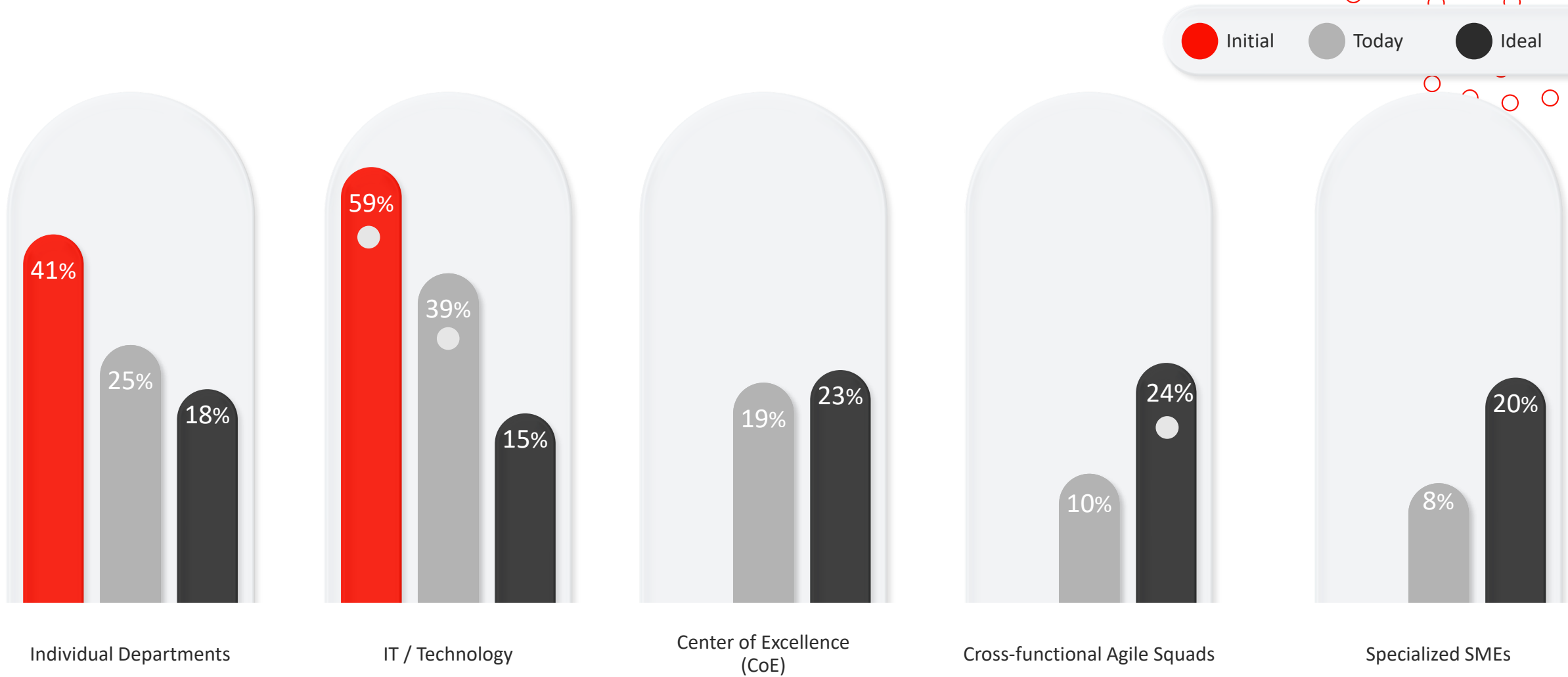
Operating Structure

At initial stages, personalization was owned by individual departments anchored by the IT function



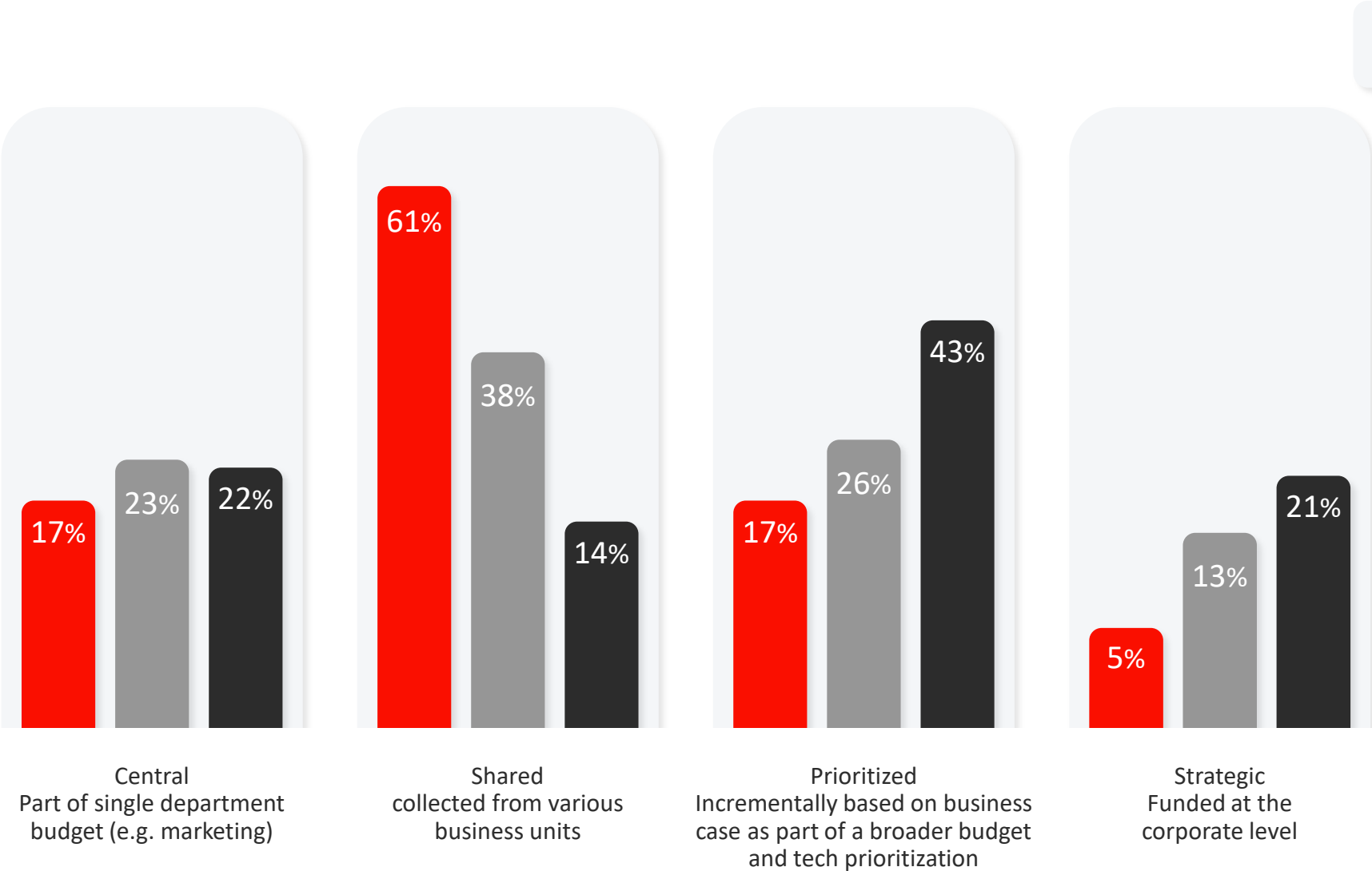
Operating Structure

Its clear from current and ideal state that a mix of operating models will co-exist in driving personalization



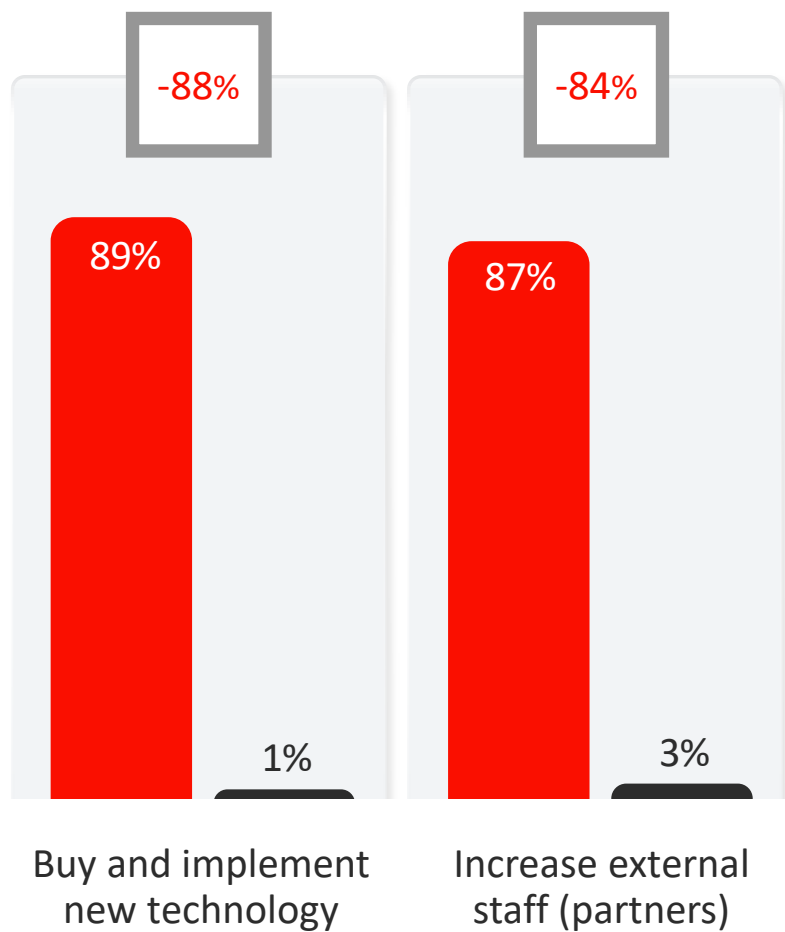
Operating Model: Funding

It's clear from current and ideal state that a mix of operating models will co-exist in driving personalization



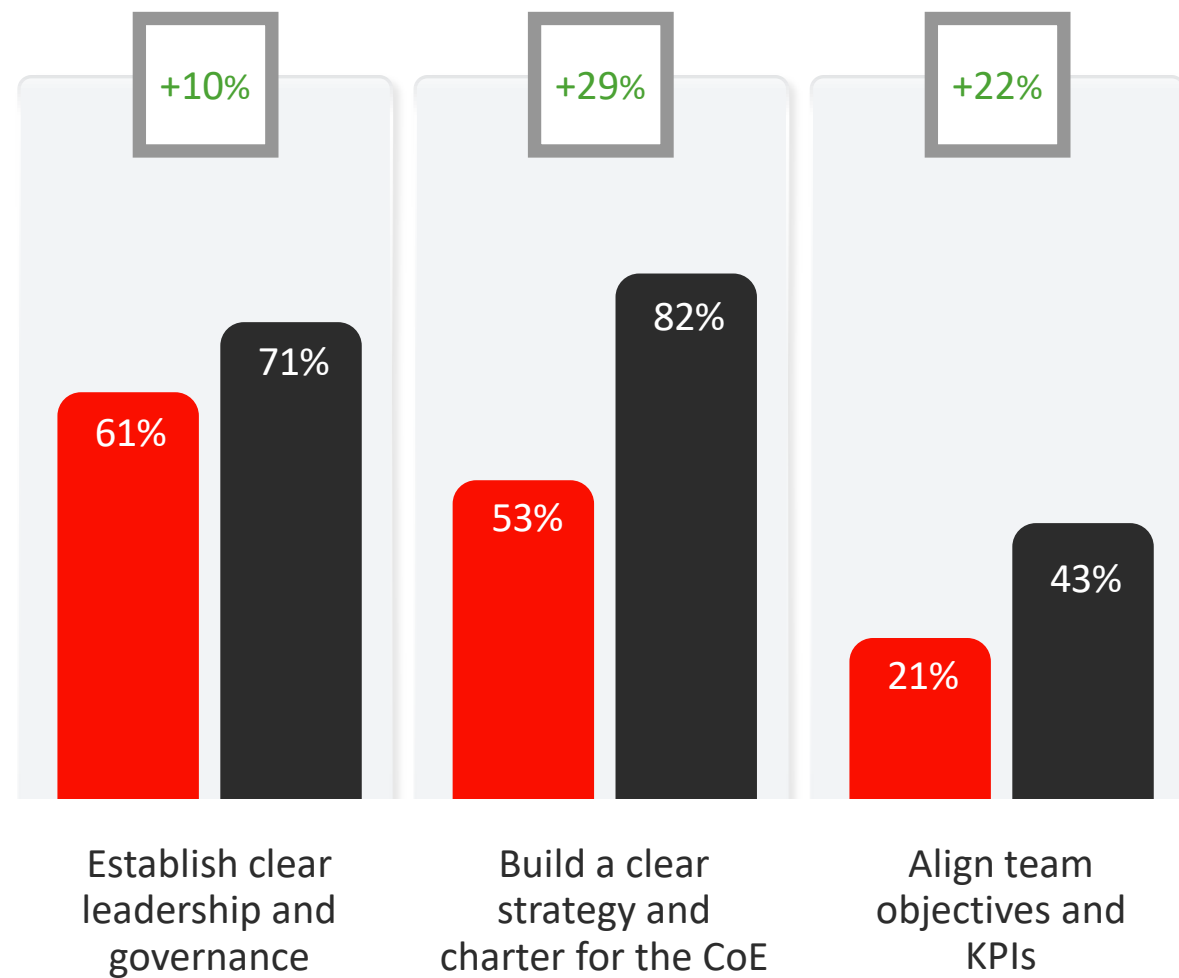
Top Steps Taken in Transformation

Which of the following the steps did you take during your digital transformation?

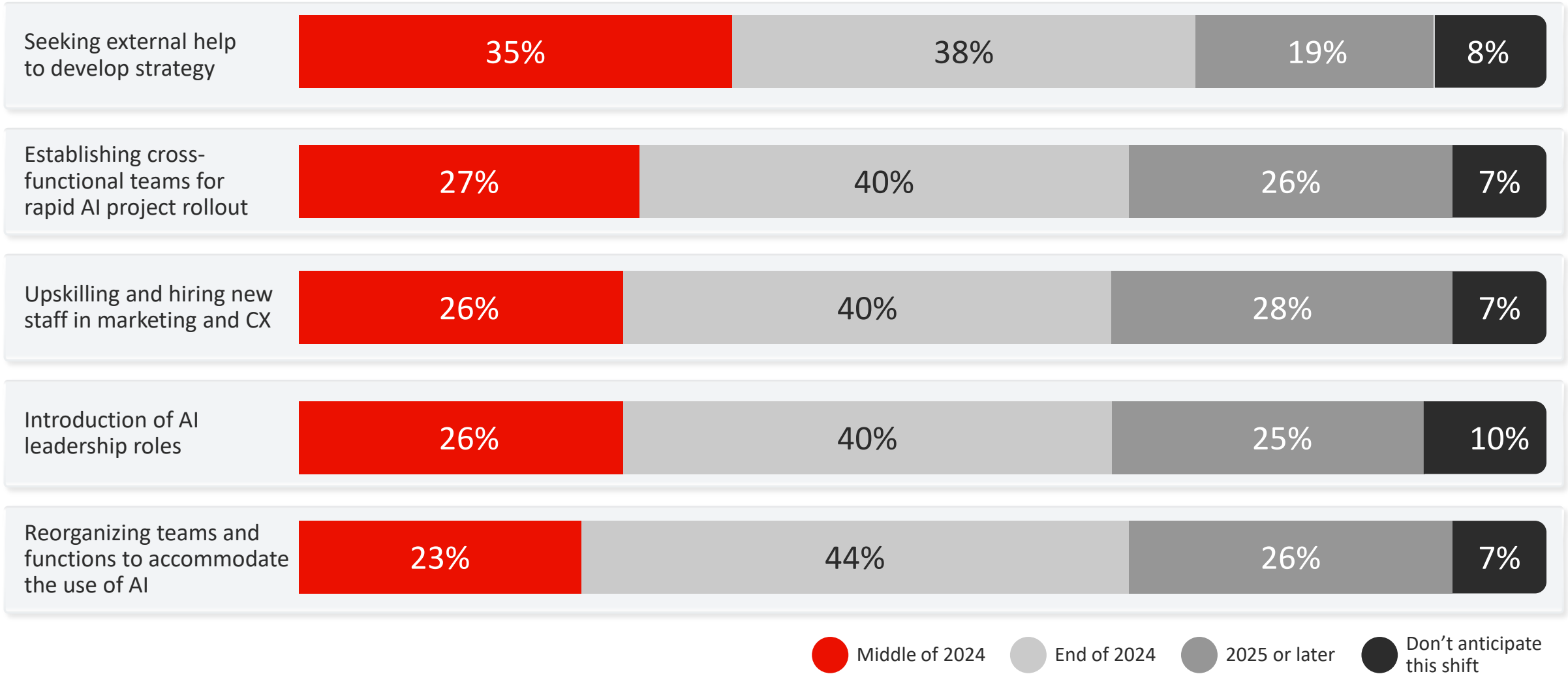


Most Important Steps in Transformation

Which are the Top 3 most important things to get right during a digital transformation?



Organizational adjustments include a combination of seeking external help, establishing cross-functional teams, leadership roles and training



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Org & Op Model Best Practices

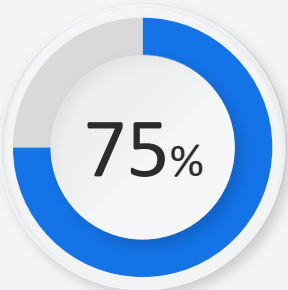
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Customer Examples



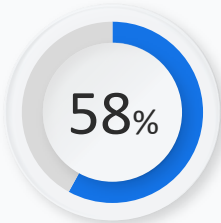
To realize the value of personalization, companies must overcome key org & operating model barriers

Companies are under pressure to deliver growth, yield and return¹...

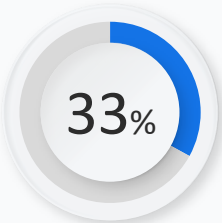


of CMOs are being asked to deliver more with less

Mar-tech utilization rates:

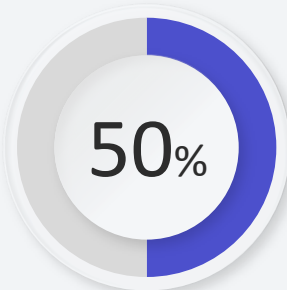


2020



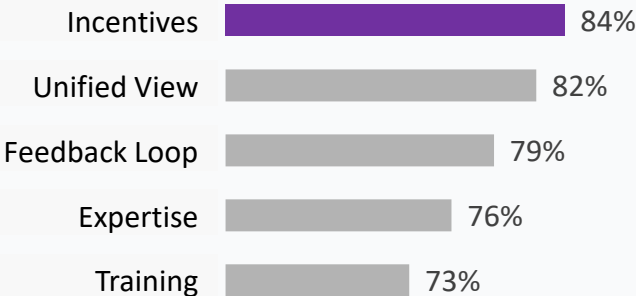
2023

...but common org & op model challenges hinder efforts



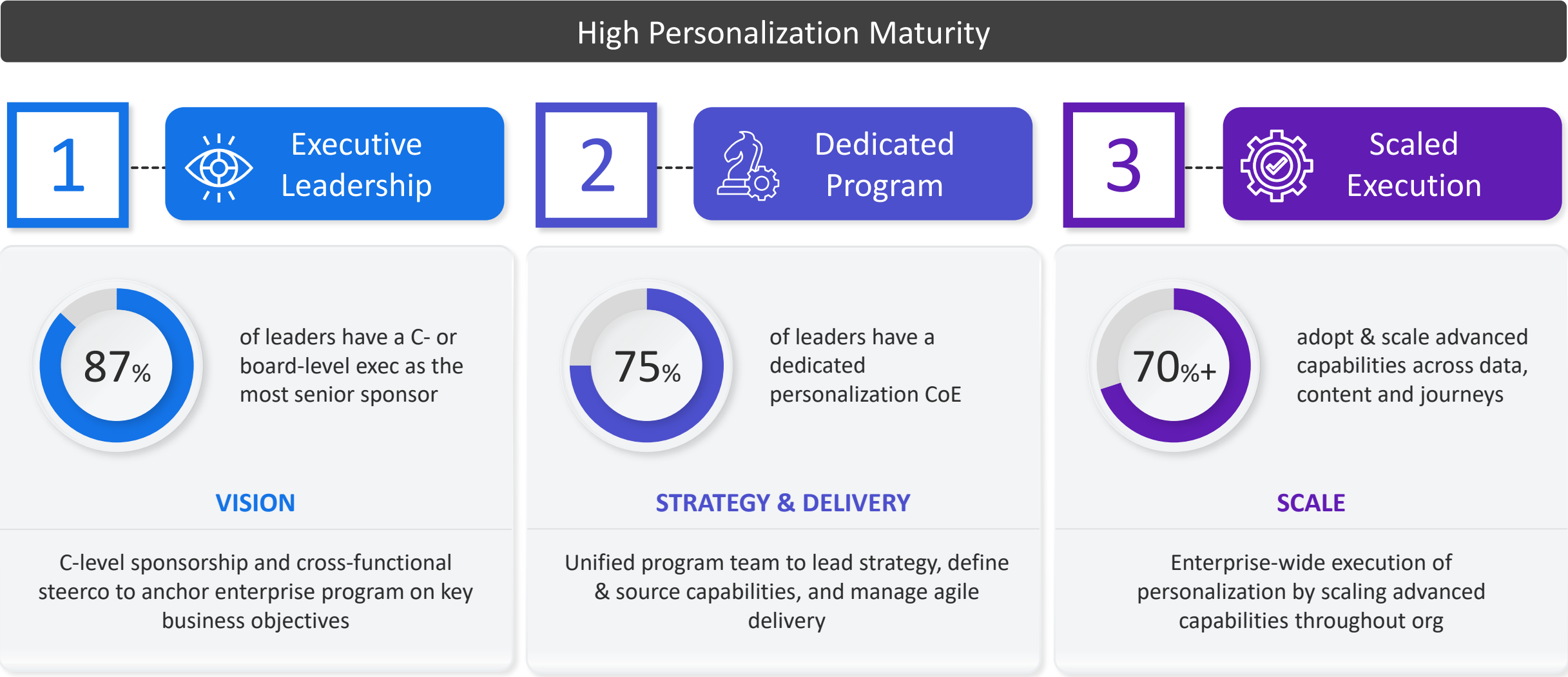
of Marketing Leaders believe they do not have the right organizational model to achieve objectives²

Personalization challenges reported by executives³:

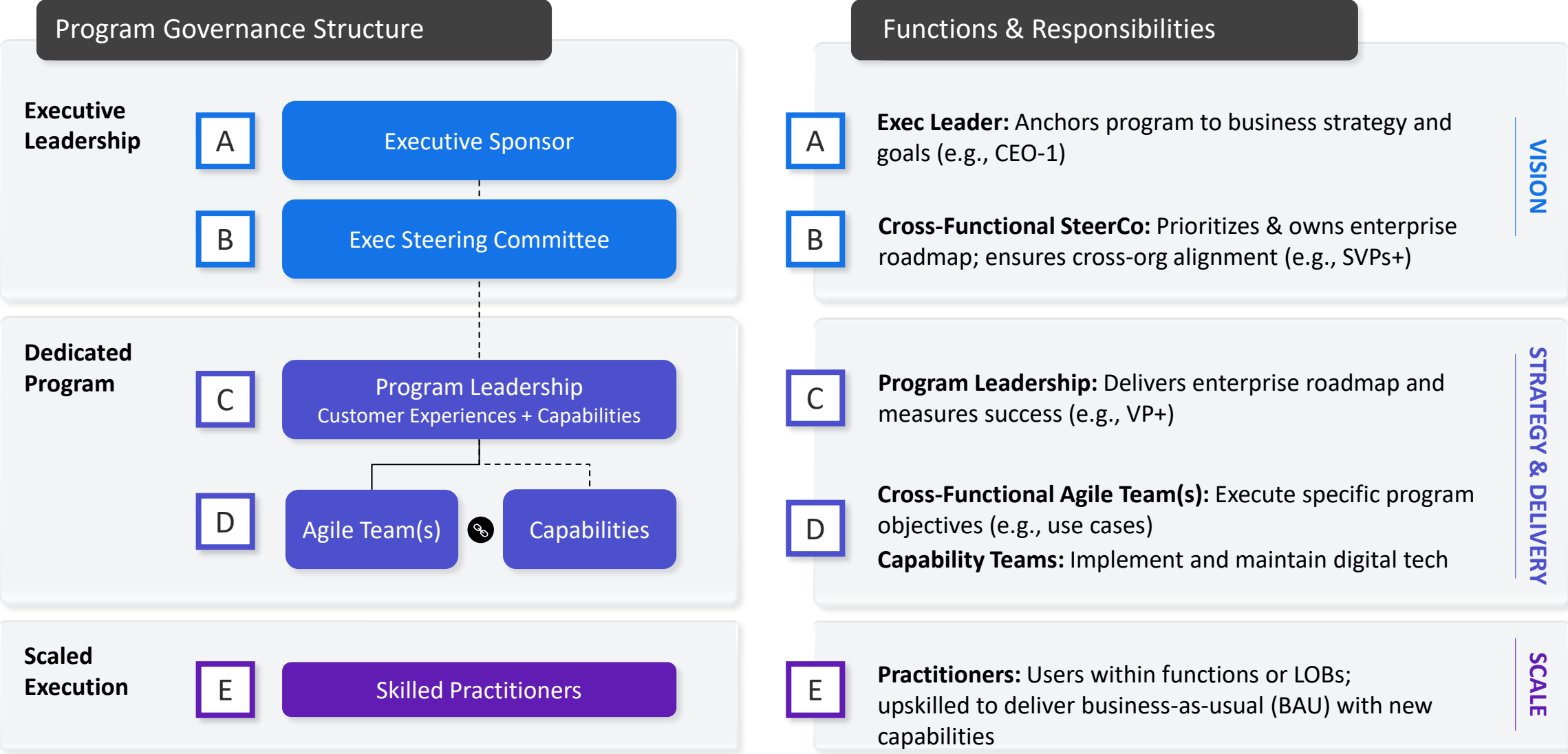


It is critical to ensure the right org & op model to successfully scale personalization

Three building blocks can help drive high personalization maturity across a company's org & operating model



Leading personalization programs have a unified org structure, with cross-functional executive alignment and dedicated resources



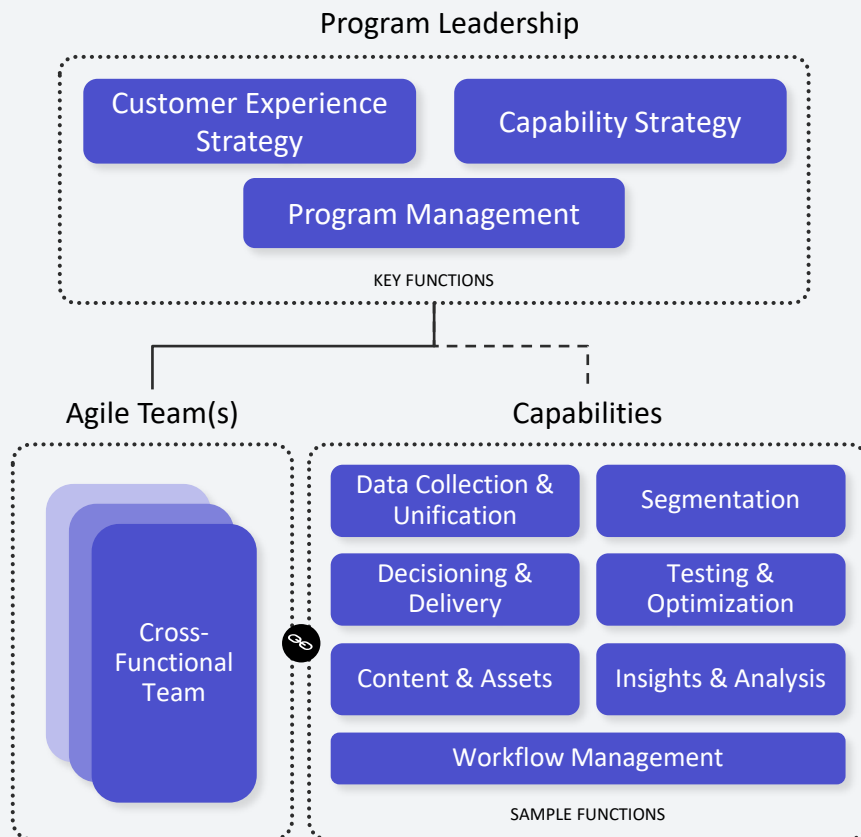
Program leadership sets strategy with joint business & tech expertise and delivers outcomes with cross-functional agile teams

Program Governance Structure

Dedicated Program

C

D



Functions & Responsibilities

Program Leadership

- **Customer Experience Strategy:** Prioritize use cases on enterprise roadmap based on value and LOE
- **Capability Strategy:** Own tech tied to roadmap; define & source tech requirements; resolve blockers
- **Program Management:** Manage program day-to-day; track & communicate benefits/ROI

STRATEGY

Agile Team(s)

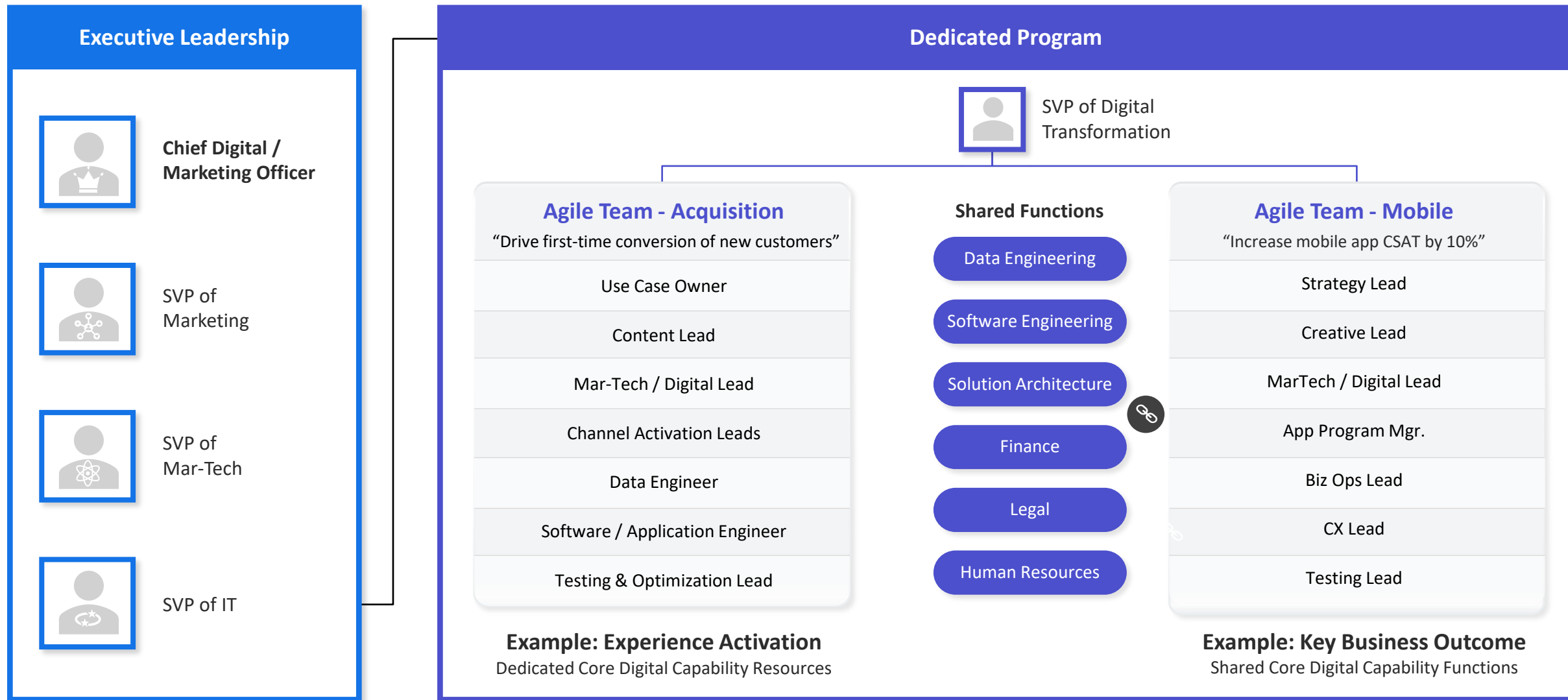
- 100% dedicated, cross-functional teams (e.g., 6-7 FTE each); typically oriented on customer lifecycle stages or segments; drive towards distinct projects (e.g., launching use cases)

DELIVERY

Capabilities

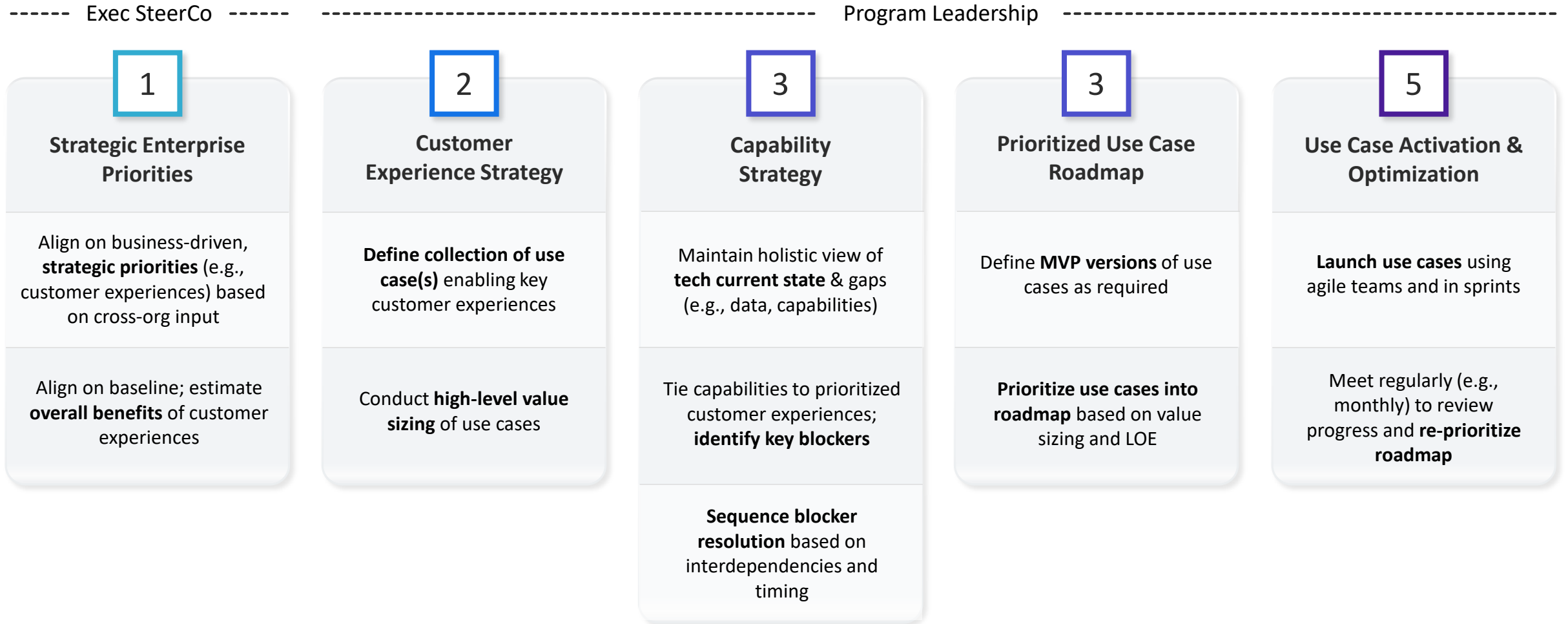
- Own digital capabilities & products, incl. maintenance

Example | Cross-functional agile teams drive speed-to-market by leveraging shared functions as required to execute program objectives

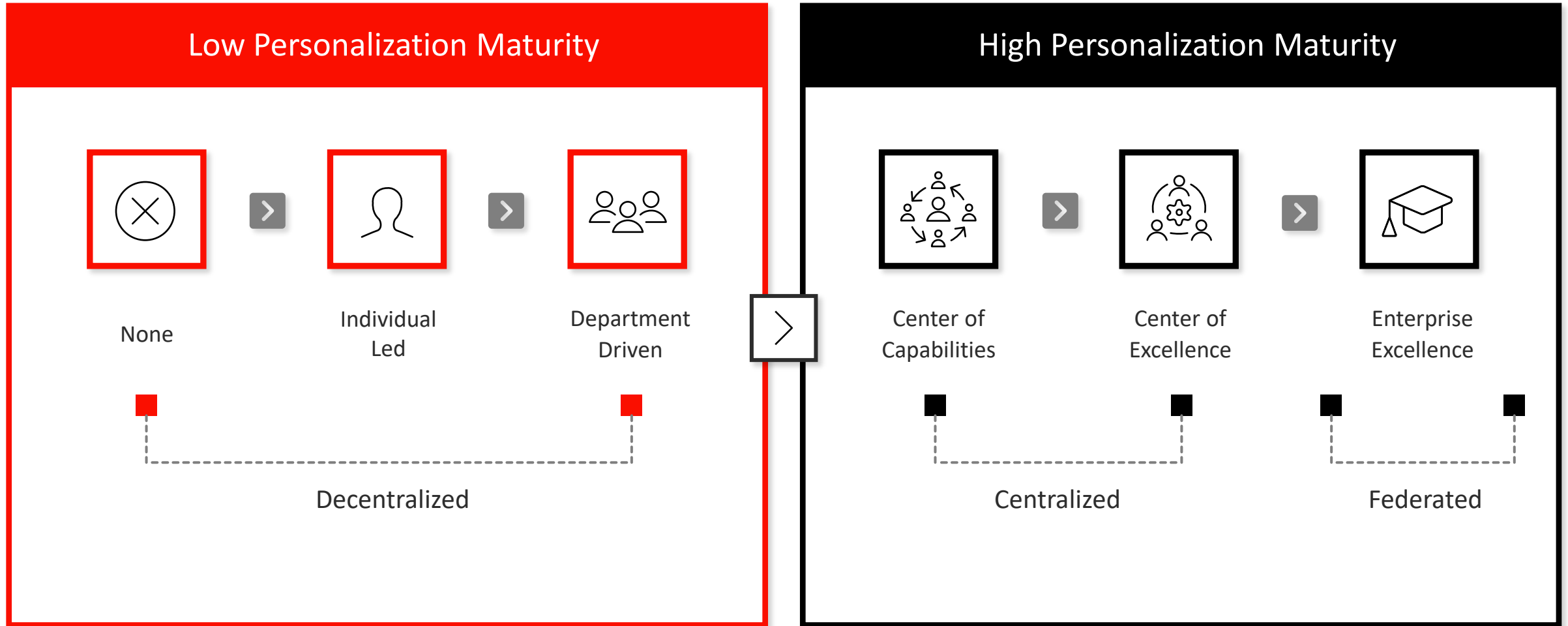


Personalization programs can optimize efficiency and impact by translating strategic business goals to prioritized use cases

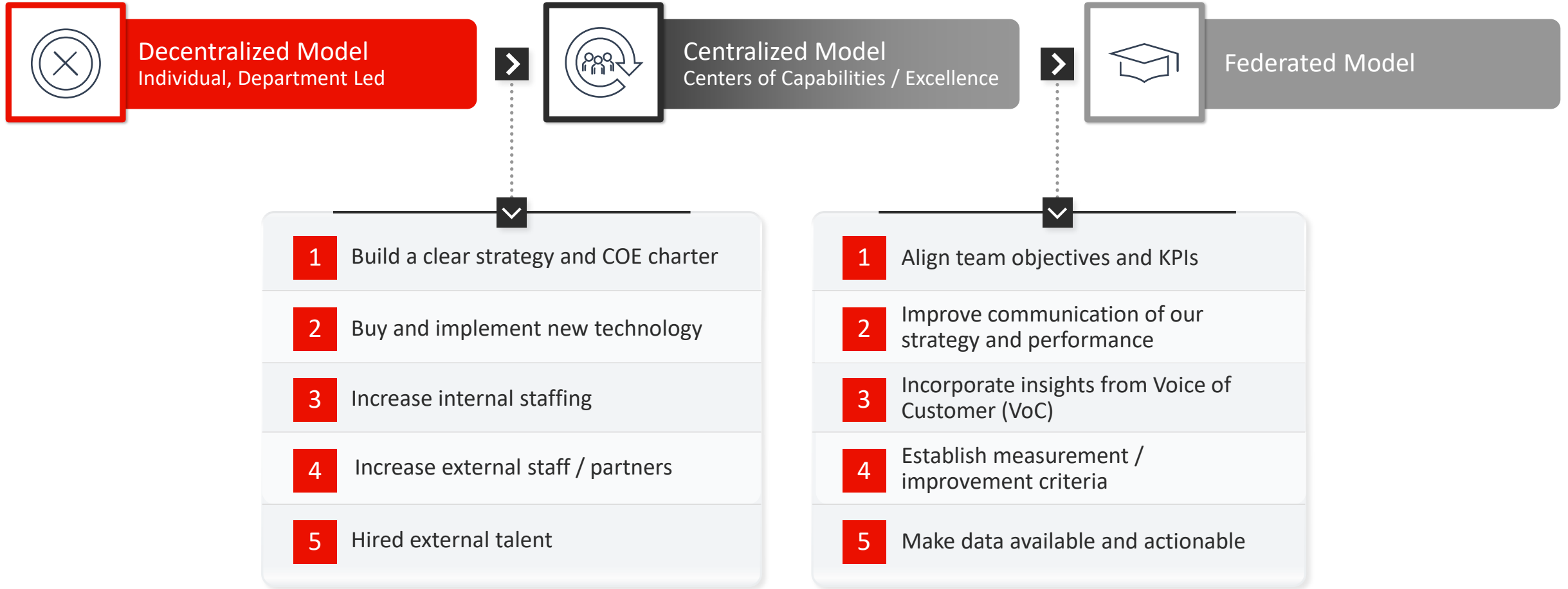
From Strategic Enterprise Priorities to Use Case Roadmap



Dedicated programs enable companies to build, standardize and scale critical digital capabilities for personalization



Incentive & KPI alignment is the largest area of focus when maturing



What do firms focus on when they transition?

Successful personalization programs share additional operating model themes, from aligned incentives to strong governance

Additional Common Success Factors



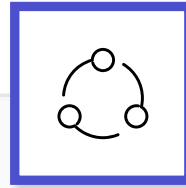
Aligned Incentives

Oriented to customer outcomes; can help evangelize enterprise solution broadly and achieve business & tech alignment



Value Measurement

Based on measurable KPIs; aligning to business objectives can demonstrate business impact of early wins and drive momentum



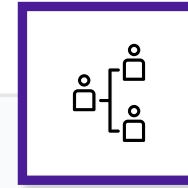
Continuous Feedback Loop

Shared with cross-functional leaders to inform continuous use case re-prioritization and program evolution



Mar-Tech Enablement

Led by dedicated personnel with KPIs tied to adoption to equip practitioners with new ways of working



Effective Governance

Incl. centralized oversight for multi-divisional organizations that federate personalization

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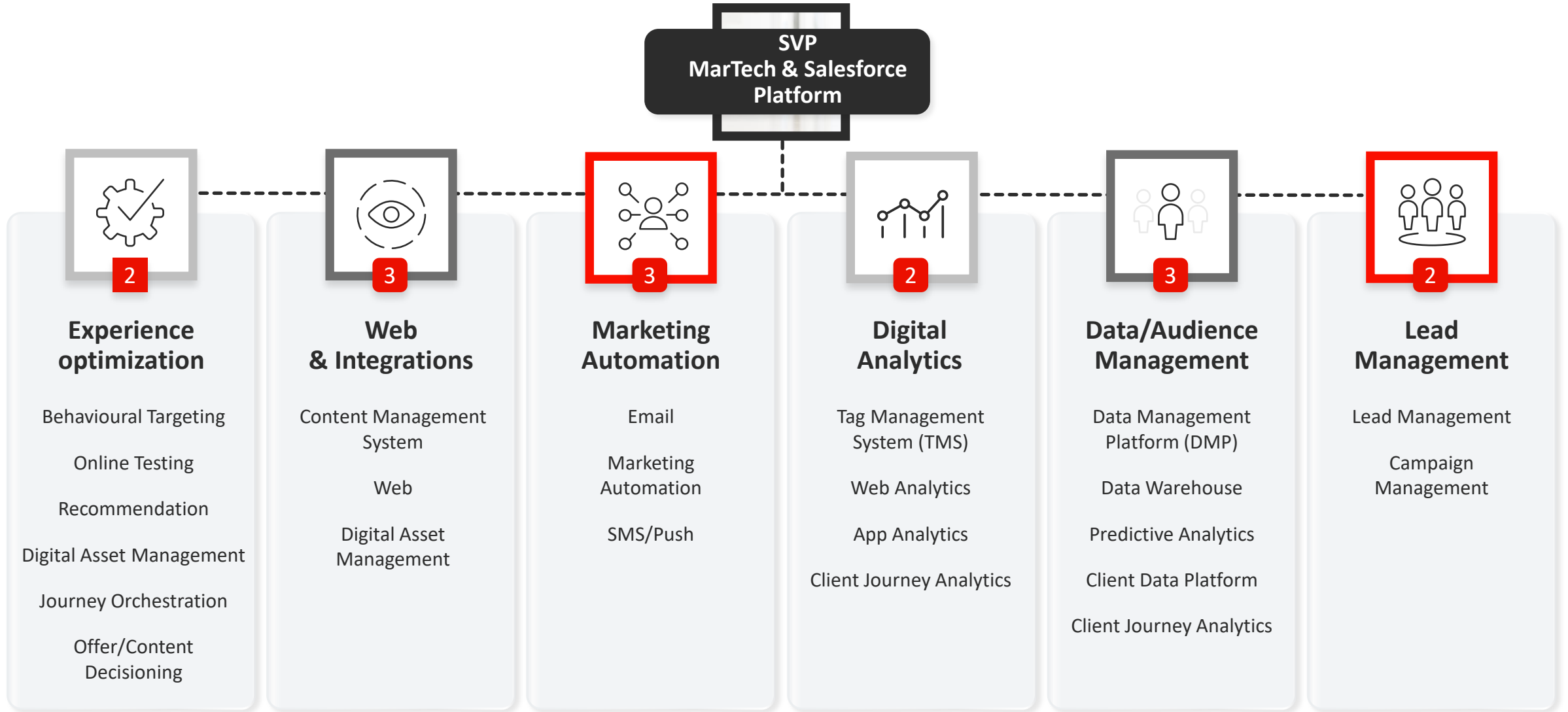
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Customer Examples



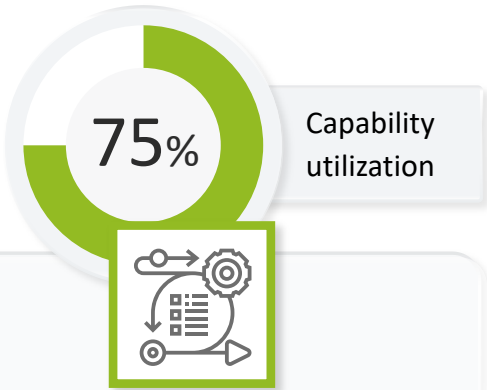
MarTech Center of Excellence:

To accelerate digital transformation



Skill building: Score cards

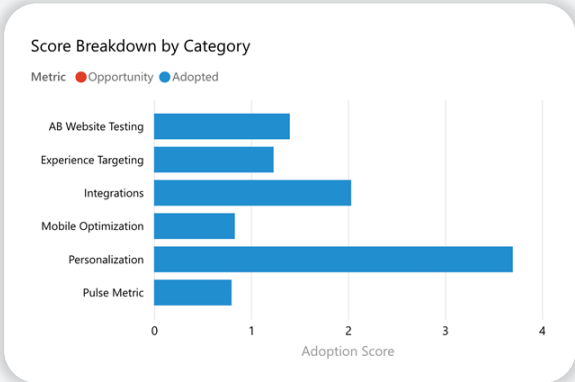
Score cards allow managers see the progress on technology enablement and if future investments are needed.



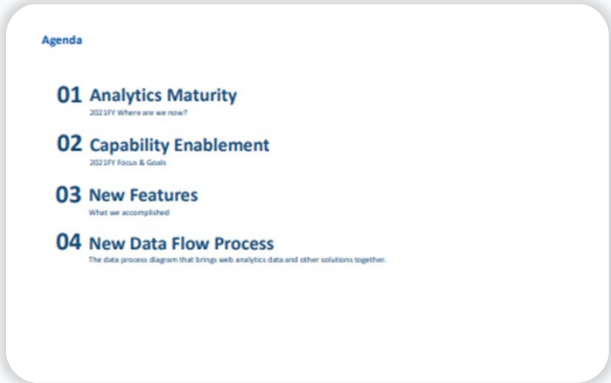
 Capabilities Offered		 Capabilities Applicable to Company		 Capabilities Company Owns		 Capabilities Utilized by Company	
Theme	#	Theme	#	Theme	#	Theme	#
Data collection and centralization	10	Data collection and centralization	10	Data collection and centralization	10	Data collection and centralization	9
Data management and segmentation	10	Data management and segmentation	10	Data management and segmentation	10	Data management and segmentation	8
Targeting and optimization	8	Targeting and optimization	8	Targeting and optimization	8	Targeting and optimization	4
Grand Total	28	Grand Total	28	Grand Total	28	Grand Total	21

Skill building: Adobe Adoption Scores, roadmaps and results

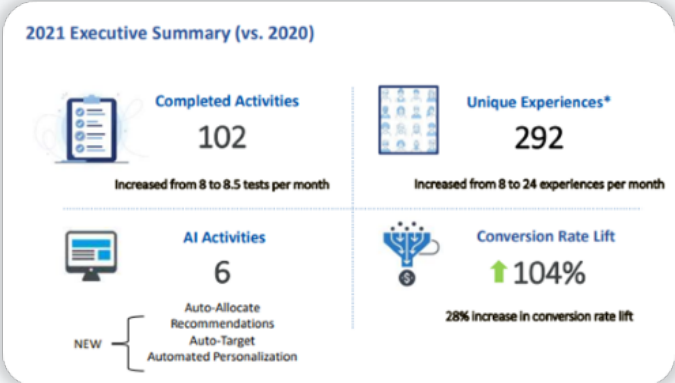
Adobe Scores



Yearly Roadmaps



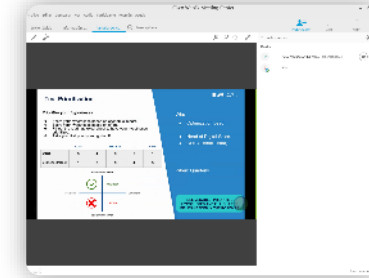
Yearly End Results Documents



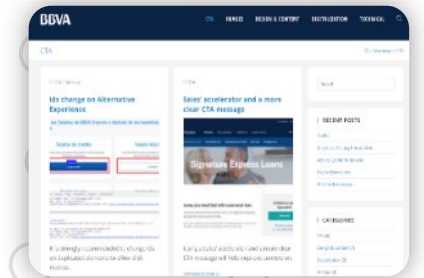
Digital Optimization with Adobe Target
2021 Test Results & Learnings

Creating a strong COE discipline

Optimization community



Learnings site



Friday tips



Share knowledge and optimisation best practices

Keep the community up-to-date on new optimisation initiatives and market trends

Synergies generated between countries

Connect people with the same problems and interests

Open the discipline to other teams

Marketing technology squad

Six independent workstreams focused on driving the overall strategy

Intelligent Orchestration Adobe Experience Platform

“Brain of the operation” responsible for delivering insight driven experiences

Lead Management

Modernization to deliver higher quality leads delivered in best channels

Do not solicit

Improve preference management capability to achieve personalization

Adobe Experience Manager

Support creation and classification of all creative & written content

Marketing premium fulfillment

Simplify fulfillment process for customer and front line employees

Adobe Analytics/ Test & target

Build optimization and prioritization “routines” for customer journeys

Retail apparel company

Program Structure: Agile Squad | Program Stage: Advanced
Adobe Solutions: Analytics, Sites, Assets, WF

Program Overview

Why:

Challenges incentivizing CRM team to prioritize P@S given BAU focus and unclear returns

New dedicated program installed, led by CDO and with cross-C-suite alignment

Program Focus:

Objectives: Launching and testing personalization initiatives; driving tech implementation; sourcing new tech; training BAU teams to use capabilities

KPIs: : N/A due to top-down mandate and re-org

Critical Learnings:

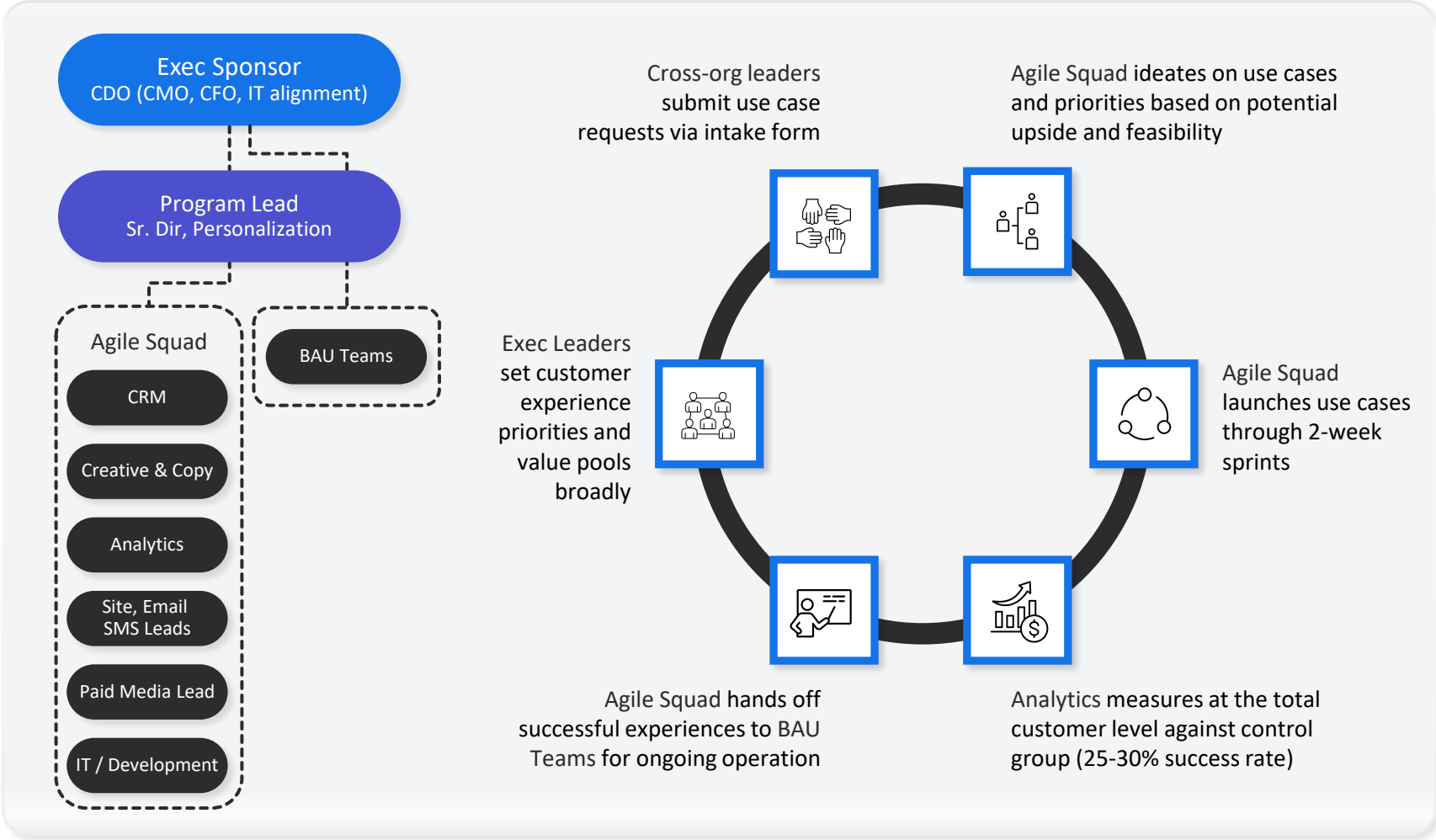
Strong cross-functional leadership, rigorous prioritizing & testing processes, and overall cultural shift key to program success

Scaling to multiple squads challenging without MECE objectives & outcomes

Key Outcomes:

•10% lift in online sales within 1 year

Program Org Structure & Op Model



Airline company

Program Structure: COE | Program Stage: Emerging
Adobe Solutions: Analytics, AAM, Target, RTCDP, AJO, CJA, WF

Program Overview

Why:

Initial personalization efforts had fragmented, cross-departmental ownership and no dedicated resources

Initial value showcased need for centralized team

Program Focus:

Objectives: Customer-centric use case activation & analysis; data prep & readiness; mar-tech enablement

KPIs: ROI; use case run rate; channels integrated

Critical Learnings:

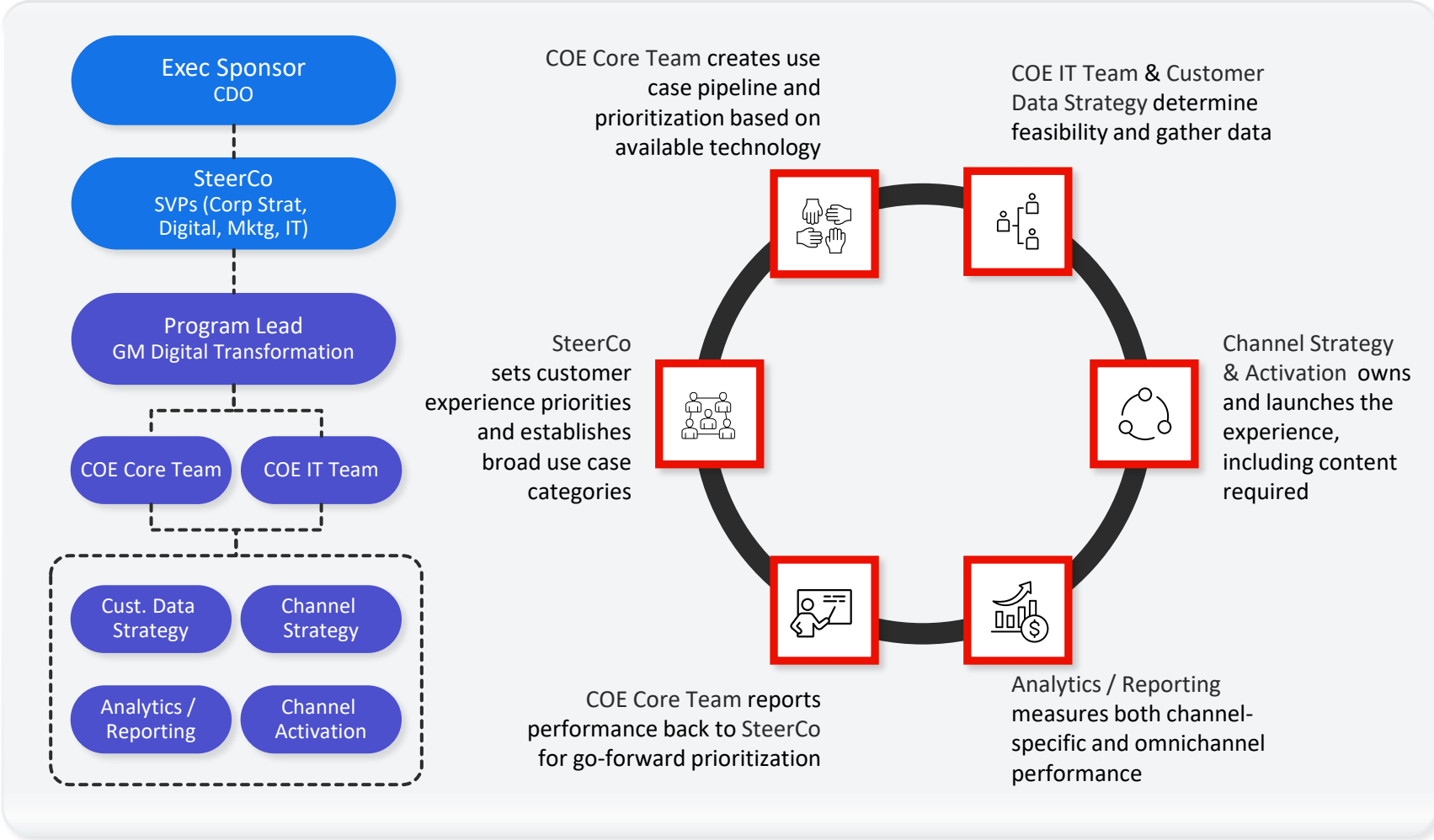
Incentives to support evangelizing enterprise solution within broader organization

Securing wins with available tech/data rather than constraining to top-down priorities

Key Outcomes:

\$50M+ incr. value to bottom line with early win use cases within first year

Program Org Structure & Op Model



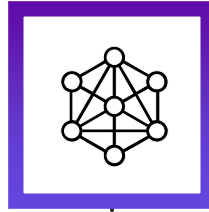
Key Takeaways



1



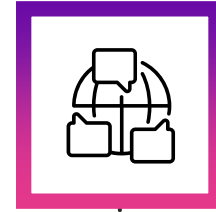
Successful personalization programs require a “top-down” mandate from the C-level



2



Objective / KPI / Incentive alignment is the key to unlock scaling capabilities beyond the COE



3



Consider dedicated teams focused on Martech enablement to increase adoption / utilization

