

WHITE PAPER

The Value of Customer Experience Improvement Done Right

Results from an independent accreditation of Dell Technologies' customer experience (CX) program, conducted by NPSxSM by Bain & Company.





Summary

Dell Technologies transforms people's lives with extraordinary capabilities—and by listening to its customers. Being customer-centric, both in values and in practice, helped Dell grow into one of the largest and most respected technology companies in the world.

For years, Dell had consulted with Bain & Company, the parent company of NPSx^{SM1}, to fine-tune its customer-centric approach. In 2022, Dell turned to NPSx, leaders in predictive CX tools and technology, to conduct an unbiased assessment of its customer experience (CX) capabilities. NPSx used an evidence-based process to examine and rate Dell on 60 foundational CX standards. NPSx's certification method offered Dell more than a score; it produced an actionable path the company could follow to improve products, processes, and CX companywide.

Dell earned an outstanding, two-star rating (out of a maximum three stars) after its first accreditation—and immediately got to work using the CX Roadmap that NPSx created. When the review process was repeated a year later, Dell retained its two-star outstanding accreditation for CX excellence—and had made exceptional leaps in 17 out of 60+ standards.

Learn how the rigorous NPSx approach helped Dell level up on its journey toward best-in-class CX.



Figure A | Dell Technologies received an outstanding, two-star rating (out of a maximum three stars) in their CX Accreditation with NPSx in 2022 and 2023. Based on exceptional enhancements year over year across 17 standards, they continue to showcase their commitment to elevating CX.

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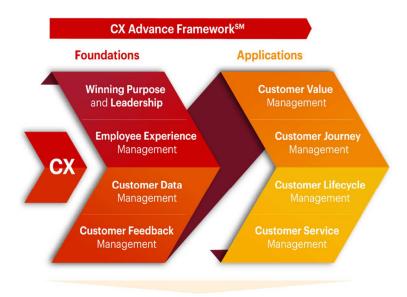


About the NPSxSM Approach

NPSxSM was built by Bain & Company, the creators of the Net Promoter System^{®2}—the folks who literally "wrote the book" on how CX affects business growth, competitive advantage, and brand reputation. Its CX Roadmap and Accreditation (CXRA) program sets a new standard in customer experience management.

CXRA has two main parts:

- 1. CX Accreditation: An annual evidence-based assessment that covers 60+ data points related to CX.
- 2. **CX Roadmap:** An evidence-led roadmap to help organizations find and prioritize areas for CX investment.



8 pillars60+ standards

Figure B | *The NPSx CX Advance Framework outlines key capabilities of CX excellence for 60+ standards across 8 pillars.*

CX Accreditation takes an outside-in view to help companies like Dell find capability gaps and inform plans to resolve persistent challenges. Each standard is evaluated based on business data, documentation, and impact—so companies that pursue accreditation must back up their CX claims with robust evidence.

"Working through the Bain NPSx Accreditation has reinforced how important a seamless and integrated customer journey is. It has brought to light some of the complexities across the journey and how we need to simplify the journey by looking at it from a customer's perspective," said Joseph Browne, Senior Consultant, Dell Technologies Services.

Each CX standard is given a star rating, which rolls up into an overall score that is benchmarked against best practices. A three-star rating represents global, best-in-class performance.

The CXRA process is organized around NPSx's proprietary CX Advance Framework, which covers eight pillars that drive CX excellence (see Figure B).

Under each pillar, NPSx identified five to 10 practices that are deemed best in class. Companies must provide evidence or measurable outcomes to prove best-in-class practices are embedded in the business—not just talked about.

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According to Diya Sikka, Director, NPSx: "Achieving a high level of CX maturity requires more than just focusing on isolated metrics (e.g., CSAT, CES, NPS); it demands that you create a winning customer-first culture, that you identify how to translate insights into action and execute across the organization, and that you build capabilities to not just react but predict and proactively meet your customers' needs. This CX accreditation method will help leaders understand what it takes to achieve CX excellence. It will help them uncover the truths about their customer experience, backed by an outside-in perspective and solid evidence. It provides a roadmap and clear actions that a company can take to become a world-class CX organization that is always ahead of the curve."

After completing the initial Accreditation and Roadmap, companies' CX teams can continue their education and participate in an online community as a way to connect with other leaders and advance their customer experience mindset.



Dell's CX Journey

In 2016, Dell became one of the first Fortune 500 corporations to appoint a Chief Customer Officer (CCO), following a history-making merger between Dell and EMC Corporation. The CCO and their team helped ensure that the customer focus that had been part of the company's values since day one was codified in the culture of the newly expanded corporation. That group, later renamed the Voice of Customer (VoC) division, partnered across the business to understand the customer journey and define what it should look like, end-to-end, for every type of customer Dell served. The division also created pathways for customer and product feedback to influence technology transformation, services, and product offerings.

As the VoC division expanded, Dell added new feedback mechanisms and purviews: the Net Promoter System®, executive interview programs, competitive analyses, product feedback, and employee experience and engagement. VoC invested in technology, such as Qualtrics, to make CX data accessible across the company.

For years, the VoC division created a common language and drumbeat for CX. It reinforced Dell's customerfirst mindset—and it gave leaders data and tools to spot trends and take action. Most importantly, that customer feedback loop fed directly back into product and service improvement, informing many of the ways Dell invested a total of \$7.8 billion in research and development during the calendar years 2020-2022.

But was it doing enough?



Leveling Up

After working with Bain for years to build its CX program, Dell turned to NPSxSM, a division of Bain, in 2022 to pursue accreditation. Specifically, Dell wanted to learn how its CX capabilities objectively stacked up against best practices and, more importantly, to discover where it could improve its CX to gain further advantages.

Dell's leaders were clear that validation was not the primary goal; instead, they wanted an expert's view of Dell's program to outline the steps that were needed for continuous improvement.

According to Christina Crowley, Senior Vice President of Services Operations at Dell: "We wanted to utilize the stringent NPSx accreditation process to validate the quality and overall impact of our customer experience (CX) practices, reflecting our commitment to CX excellence."

Dell leaders recognized the impossibility of accurately comparing CX performance based on a score alone, since the various CX ratings scales available in the marketplace are not all held to the same high standards, and the various scales draw on different surveys, timelines, customer segments, and methodologies to calculate their ratings. Too many variables exist to draw apples-to-apples comparisons via absolute scores. What's more, those scores only provide a snapshot at a moment in time rather than a roadmap for continuous improvement.

"Bain & Company's NPSx Customer Experience Roadmap and Accreditation (CXRA) is the gold standard for evaluating CX maturity and driving profitable growth," said Rob Markey, Advisory Partner with Bain & Company, and Founder of Bain's Customer Strategy & Marketing Practice. "Unlike competing models that rely on self-assessment and 'common practice,' the NPSx CXRA demands concrete evidence across 60 criteria, ensuring a rigorous, objective evaluation against best practices."

For example, meeting the Bain CXRA criteria requires a stringent approach to benchmarking using a double-blind methodology, contrasting sharply with typical approaches that lack methodological rigor or rely on incomparable benchmarks. The NPSx CXRA's evidence-based approach provides unparalleled accuracy and credibility.

Moreover, the NPSx CXRA empowers teams to build a compelling case for investing in CX capabilities. The CX Accreditation provides clarity on the organization's current state, while the CX Roadmap offers prioritized recommendations. By leveraging these insights and credibility, teams can effectively advocate for resources to enhance CX, deliver exceptional experiences, and drive success. The NPSx CXRA's unique combination of rigorous assessment, prioritized recommendations, and credibility-building accreditation makes it indispensable for organizations serious about investing in CX.

"Skeptical executives will find the NPSx CXRA's evidence-based approach and proven track record compelling," said Markey.



Assessing Dell's CX Foundation

When Dell completed its first accreditation process in 2022, it earned an even mix of one- and twostar ratings across the pillars, with enough evidence to support an overall two-star rating on the NPSxSM scale (see Figure C).

More importantly, Dell had a roadmap to further differentiate from competitors—as well as the motivation to do so.

"Dell's commitment was significant," recalled Carolyn Saunders, a Bain advisor who led the accreditation process for Dell. "The minute we said there was a gap in a CX capability or showed them they were sitting on potential, they were committed to making it happen."

Building on a Legacy of Customer-Centric Behaviors Across CX Pillars

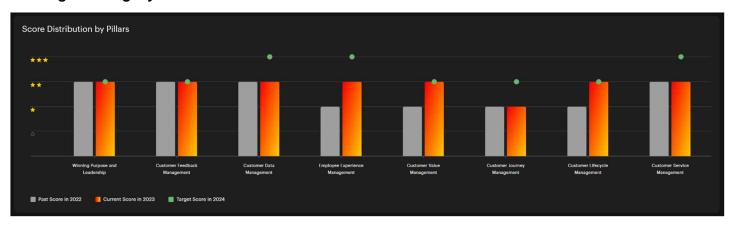


Figure C | Overview of Dell's performance as shown in NPSx CXRA platform. Assessments indicated by grey columns for year 1 (2022), orange columns for year 2 (2023), and green dots for 2024 targets set by NPSx. As illustrated here, Dell's efforts based on the NPSx Roadmap accelerated CX impact across their organization, resulting in notable improvements across 3 pillars: Employee Experience Management, Customer Value Management, and Customer Lifecycle Management.

As part of the initial accreditation, NPSx outlined quick wins and larger, multiyear initiatives to enhance Dell's CX capabilities. For example, Dell needed a better way to track Earned Growth^{®3} and referral values. And while customer-centricity was the mantra at the top, some practices needed to be cascaded into daily routines, which can be difficult to implement consistently across an organization as large as Dell. The CX Roadmap was helpful in holding everyone accountable.

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Accreditation Accelerates Progress

After following the detailed roadmap NPSxSM created, Dell repeated the accreditation process in 2023. In only a year, Dell made significant progress on 10 CX-related initiatives and improved its scores on 17 standards. Dell earned a three-star, best-in-class rating on 13 CX standards (see Figure D).

In its 2023 assessment, Dell made notable improvements in three pillars of the CX framework: Employee Experience Management, Customer Lifecycle Management, and Customer Value Management. Dell had taken great strides to create or improve processes across the following dimensions:

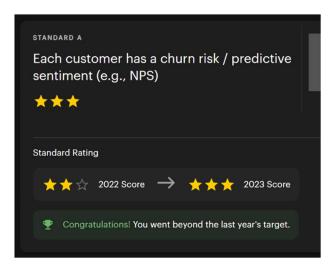


Figure D \mid One of 13 CX standards in which Dell achieved outstanding ratings and showed significant improvements year over year.

Employee Experience Management

- Consistently capture, review, and act on employee feedback
- Help employees raise or escalate issues
- Align CX to Dell's purpose and values during hiring and onboarding

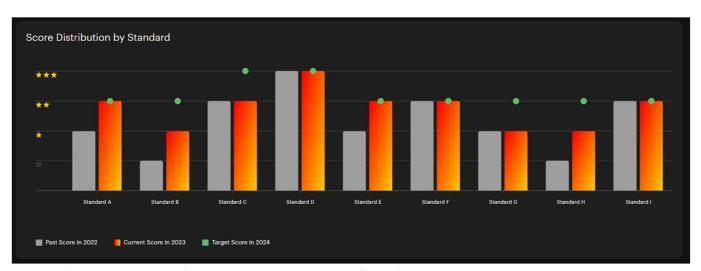


Figure E | Dell Technologies Employee Experience Management pillar performance across individual CX standards, in year 2022 (grey columns), 2023 (orange columns), and 2024 targets set by NPSx Roadmap (green dots).



Customer Lifecycle Management

- Predict the churn risk for each customer
- Create proactive, personalized appeals for potential detractors
- Identify and execute next-best actions for individual customers

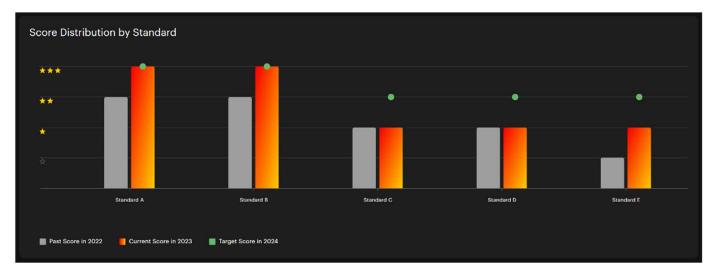


Figure F | Dell Technologies *Customer Lifecycle Management pillar* performance across individual CX standards, in year 2022 (grey columns), 2023 (orange columns), and 2024 targets set by NPSx Roadmap (green dots).

Customer Value Management

- Track customer health and earned growth
- Review customer value indicators
- Incorporate customers in key decisions

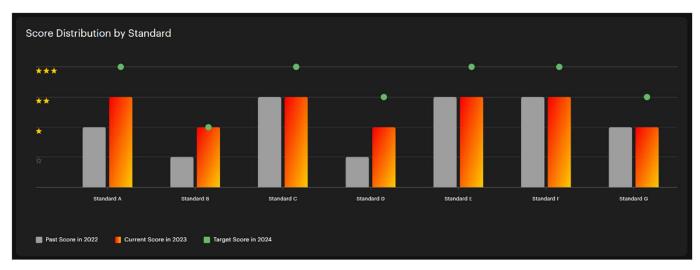


Figure G | Dell Technologies *Customer Value Management pillar* performance across individual CX standards, in year 2022 (grey columns), 2023 (orange columns), and 2024 targets set by NPSx Roadmap (green dots).



"This was all about leveraging data. Dell did a significant amount of work linking data to customer sentiment and using data to drive communications and manage risk at the account level. Then, from there, they took additional steps to make sure that information rolled up to the segment level to inform higher-level decisions. The maturity and the work they've done in Customer Lifecycle Management is fascinating and extremely impressive. This is a place where CX added accountability within Dell, without a huge amount of investment," Saunders said.

But are all methods created equal?



More than a Metric

Being a leader in customer experience requires much more than managing to a metric.

The Net Promoter Score (NPS) is used today by two thirds of the Fortune 1000. It's become an important metric for growth, and it's found its way into earnings conference calls and dozens of security filings. However, the statistic is one that can easily be misused.

According to Steve Bennett, former CEO of Intuit: "A big challenge with the methodology is that organizations tend to focus on the metric as the objective instead of gaining the insight to learn and act on to improve the customer experience," he said. "When organizations manage to the metric, they find ways to game the system."

"The Dubious Management Fad Sweeping Corporate America," Khadeeja Safdar and Inti Pacheco, *The Wall Street Journal*, May 15, 2019.

We have seen these issues reflected in criticism of the Net Promoter Score (NPS). Rob Markey, founder of the Net Promoter System, said: "While NPS has gained tremendous popularity, many companies have cut corners or failed to invest in understanding the benefits of a comprehensive Net Promoter System[®]. [There is also the] fact that the scores people talk about are kind of unreliable. Most of the time, companies do not disclose the basis on which they calculated their Net Promoter Score, and they don't disclose whether it's a touchpoint, a relationship, or a competitive benchmark score."

It's important for organizations to demonstrate their commitment to customer centricity not just by citing metrics like NPS, but also by implementing robust systems of internal management, which the NPSx CX Advance Framework sheds light on. Receiving an accreditation from a trustworthy, third-party assessor, based on a holistic set of pillars and CX capabilities, allows organizations to demonstrate the sincerity of their customer experience approach, not just a result at a particular moment in time.



CX Excellence Creates Real-World Customer Impact

The NPSxSM CX Roadmap helped Dell formalize and fine-tune the practice of tying customer feedback directly into product development. Through this approach, Dell was able to improve the day-to-day product experience both for consumers and enterprise customers.

As a leader in sustainable packaging, Dell's strategy has evolved significantly based on customer feedback. From PC devices, displays and peripherals, to servers, storage and networking, they strive to design out and reduce waste, and find recycled and renewable alternatives that will protect their products while in transit. Dell's goal is to deliver all their products in packaging made from 100% recycled and renewable materials, or utilize reused packaging by 2030, while also focusing on eliminating single use plastics. As of 2022, all new Dell laptops ship in packaging made from 100% recycled and renewable materials, and 100% recyclable after use. This year, Dell extended their packaging innovation to a new and improved laptop multipack option. Dell's multipack packaging allows them to ship volume units while reducing waste and simplifying the unboxing experience. As well, Dell's internal parts Services team now reuses boxes multiple times until they are no longer suitable for reuse, at which point they get recycled.

As an outcome of the NPSx assessment, Dell further enhanced its packaging design based on customer comments that the "unboxing experience" left something to be desired. Based on those comments, all of Dell's new consumer and commercial PCs now arrive in thinner, modernized packaging that intentionally and efficiently guides the user to the product presentation, during the unboxing experience. Design harmony is aligned with the brand tenets. And by eliminating single use plastics, packaging disposal for all products can be accomplished through environmentally responsible means.

Customer feedback also helped Dell improve what was inside the box. When Dell launched its new XPS 13 in 2022, the bold, innovative platform won many design awards. However, customer sentiment was lukewarm. So Dell turned to NPSx data to identify capability gaps that could lead their team toward specific opportunities for improvement. That analysis led the product team to boost battery performance, resolve temperature issues, and improve the screen quality, among other fixes. After these adjustments, customer scores jumped six-fold within a very short time, and those CX lessons informed design decisions for Dell's 2024 launches of the XPS 14 and XPS 16.

Dell has also found powerful ways to improve the customer experience on the infrastructure side for its server and storage offerings, PowerEdge and PowerStore. After its enterprise customers asked for a less complex and more intuitive management console, voicing their needs through quantitative and qualitative feedback, Dell's VoC organization worked with product management leadership to improve the CX for future releases. As a result, customer scores increased up to 50% over two years, and in 2024, PowerStore was rated number one in Ease of Use compared to Pure, NetApp, and HPE.

One customer who benefited from these improvements was Kraft Group, the owner of Gillette Stadium, who reported that these improvements allowed them to deliver a faster, more seamless experience for fans, while saving 20% to 30% on IT expenditures and reducing their storage footprint by as much as 40%. Now, as one of Kraft Group's trusted partners, Dell is helping them further improve and streamline their infrastructure with Al capabilities.



The Next Stage of Dell's CX Journey

When Dell pursued CX Accreditation with NPSxSM, it was looking for more than a score. It wanted an objective, outside-in look at its entire CX program—and the levers that affect CX and business outcomes.

The evidence-based, data-driven approach revealed how Dell could engineer a superior customer experience. Now, it can continue its journey toward CX leadership with a 12-month roadmap of prioritized initiatives, clear benchmarks, and the support of a global community of CX leaders.

Saunders says it takes three things to become best-in-class. In each standard, she looks for quality, consistency, and depth of coverage across the organization.

"Some of these standards are really hard to achieve. In fact, none of them are easy. You have to be committed to a customer-centric view and encourage people to behave and act in customers' best interests, extensively across the organization," Saunders said.

Dell looks forward to that continued CX innovation. According to its SVP of Services Operations, Christina Crowley: "We are confident that Bain's unbiased and evidence-based approach, based on years of industry practice, will challenge any assumptions about what makes a best-in-class customer experience in today's omnichannel ecosystem."

About NPSxSM

NPSx is the leader in predictive CX tools and technology. Powered by Bain & Company, the inventors of NPS® and the Net Promoter SystemSM and leading experts in customer experience innovation, NPSx sets a new standard in customer experience management, bringing together the best of Bain's customer-first thinking, packaged in a simple and accessible way for leaders around the world.