Digital CX is Dead. Long Live Digital CX

By: [Carol L. Borghesi](#)

I'm a way past my wonder years, now a recovering corporate executive and retired consultant. It affords a remarkable vantage point, one unencumbered by the demands of a role, with no targets to hit and the luxury of time to think. It's also why I am compelled to call out the patterns, oddities, and inconsistencies of business technology trends. I have nothing to protect, nothing to lose. No horse in any race anymore.

Notably, I'm no longer required to read business, trade, and technology books, newsletters, and headlines. But I do, along with philosophy, the humanities, history, psychology — and fiction! I recognize, belatedly, how impoverished my worldview was when I was a thrall to my career trajectory and hot takes on the business topic du jour. I would no more read a non-business book than fly to the moon. TLDR? Gave me permission to skim or skip the boring bits…and never, not ever to read anything twice.

Now I have oodles of the true currency of a good life: time. And I read, listen, and make notes like it is my job.

Digitalization is present, in some form, in all my reading these days. It was the rallying cry in my work for a couple of decades, fueling transformation CX initiatives as the means to better-ness for customers and shareholders alike. Sure, the specifics changed: e-commerce begat self-serve begat Apps begat No Service — or so it seems today. According to Big Consultancy, in the well-reasoned article that inspired the title of this piece, Digitization is over.

We know this because "…two thirds of the potential value from digitalization has not been captured, despite years of digital transformation." Setting aside the opacity of the calculation, that is an unambiguous failure for the much-heralded transformation engine. The reasons for leaving value on the table: disjointed initiatives, un-orchestrated change management, and siloed decision making, are recognizable issues and painfully familiar to veterans of CX improvement programs. As a sample size of one customer, I certainly haven't captured much value, either. In fact, CX, by my eye, has become hopelessly skewed in favor of order-capture, not experience enhancement. Attempts to get help are

fruitless, enormously time-consuming and disjointed.

The article goes on to describe the way out of the barriers cul-de-sac, with a glaring exception. There is no accounting of the limitations of technology itself. Quite the opposite: Digitalization has been supplanted by AI Digitalization and I suspect the new rallying will be — perhaps already is — Generative AI, full stop.

It is this perennial push for a technology to save CX that is at the heart of digitalization's failure.

I follow the podcasts and newsletters of a few CX consultants and a couple of the Big Consultancies. It has been non-stop Artificial Intelligence, literally and topically, in much the same way it was non-stop Digitalization two decades ago.

The rallying cry is identical to the Digital one. Once again, we are centering technology as the solution, without taking into account how technology is *now part of the problem*. For customers and employees alike. And it is apparent to many on a number of levels, not least the internet, ground zero for all things digital.

I'm disappointed that I didn't coin the term "enshittification" as applied to the Internet. Cory Doctorow owns that gem and bless him for raising it outside of business publications. He quite rightly came to it via personal experience, as I have, and laments the lost innocence of a time before. As puzzling as it might be to the practitioners of CX, the internet and all it has spawned have managed to make *customer experience worse* in the last few years, even despite our devotion to Customer Experience and major investment in digital transformation.

Our response? We haven't "realized the value" in our bottom lines. Not a word about what customers wanted, needed, or are subjected to in Digital CX. How can that be? And what evidence can I point to that makes my case? As a recovering corporate denizen, I now know that the "guy down at the pub" vibe is a more accurate barometer of customer sentiment than self-serving surveys.

This from a data geek and avowed evangelist for marketing led organizations: What *surveys say vs. what business reports to itself* can be quite different. But the deeper issue is this: companies' data collection is shaped around business needs, not customer or employee (let's call them *human*) needs. Digitalization was supposed to
provide a gold mine quality information, but one wouldn't know it, judging from one's interactions as a customer with the Fully Digitalized Business.

Good data consists really of three things: customer perspective, employee perspective, and operational data. Those three pools of information, synthesized, are where real insights reside. And the gift with purchase? Those insights are at once people, systems, and budget informed.

No sense in asking customers what they want if you cannot afford to provide it. Employees are hardened survivors of flip-chart exercises for recording suggestions that never see the light of day. And to rely entirely on witness accounts without checking the proverbial camera footage to see what really happens is, at best, well intended, and more often a colossal waste of time.

We persist in pursuing the promise of digitalization, without asking customers what they want or need. Instead, we pivot, this time to AI. I have seen this technique before: sneaking the new technology alongside the last Big Thing, to ensure no-one is ever quite optimized enough.

Digitalization has not delivered. Another big consulting group found a gap between perception (higher) and reality (lower) with respect to firms' views of their own digitalization/penetration. Interestingly, we don't seem to think technology itself is accountable, but rather the inability or unwillingness (or both) of humans to adopt and adapt to new tools and capabilities.

Over the three decades I was in the decision-making seat for customer service sales and marketing operation transformation, every vendor and consultant promised efficiency and effective improvements to the behemoth that was telco customer operations. Our business case discipline sensibly required we find benefits to pay for the transformative tech. We virtually never claimed revenue lifts to justify the cost. Instead, customer operations had to come up with a headcount (aka "FTE" for the finance crowd) for removal to ensure the efficiency could be taken to the bank.

There was more than one occasion in which our enthusiasm to get approval scrambled accuracy in counting the operational costs of installing testing and rolling out the new tools and capabilities. Making matters worse, the "risk-mitigating pilot" phase slowed down the rollout of the technology upon which the business case assumptions were made. The grim reality of this in operational terms meant our budget headcount reductions were baked in without the corresponding efficiency lifts taking effect.

What that means in practice is less responsive customer service and more repeat calls — the "doom loop" of call center volume spikes. Of course, the new product pilot (or incubation, as we lovingly called it) provided a different risk. Any carefully watched operation, with high stakes and career-limiting risks, will perform well. If the product is truly customer life-enhancing, user enthusiasm buoys the entire experience. However, successful product pilots grow rapidly, if we are lucky, and pilot to full scale (or to life, as we called it in my day), but wobbly tech with untested processes and a steep customer learning curve can spiral the wrong way.

The gap in organization intelligence is what makes the embedding of anything new a challenge, let alone complex technology, even if it is supposed to make things better. One way — perhaps the only way — to realize the benefits of digitalization by any name, is to use the Operating Model to analyze & document *all operating processes*, not just channels, and their transaction systems that touch customers and/or people that support customers.

When organizations' budget and title holders are faced with the big picture, the immediacy of today, this quarter and this annual performance plan, makes it impossible to act outside of one's job description, department, or function. Simply stated, people do what they are paid to do. Silos are not real, they are certainly not recommended in organizational design, but they can stop anything, even digitalization or AI initiatives that actually do aid people — customers and employees — in doing what they need and want to do.

As a kid I spent summers on a vast cattle ranch that crossed public and private roads and bordered other ranches. Cattle guards stopped cattle from crossing roads for their own safety. Eventually, the shallow trenches, fitted with rolling bars that made the surface unpleasantly unstable for cows, were replaced. Painted lines on the road did the same job: cows couldn't tell the difference, so they didn't cross *painted lines.*

Start crossing painted lines, then apply technology. Your customers will be glad you did.