

WHY BUILD EXPERIMENTAL EXCELLENCE AS A CAPABILITY?



The only way to win is to learn faster than anyone else.”

-Eric Ries, entrepreneur, investor and thought leader

Industry leaders across verticals have one thing in common: they learn and de-risk faster than competition. Therefore, the journey to outperforming peers entails **building and sustaining best-in-class experimental capabilities** and empowering leaders to act like investors with real evidence – not someone with a crystal ball forged in the fire of predictions. For those leaders specifically, it reduces the odds of placing bad bets through better decision-making processes. Often, this is heavily inspired by the way entrepreneurs work in constant de-risking loops to provide evidence of progress to unlock more funding and gain further traction.

The advantage and benefits of building experimental capabilities are:

- Embrace and resolve uncertainty in a highly volatile and ambiguous world.
- Make choices fast and de-risk the investment and resource allocation.
- Improve the return on investment in new revenue and operational efficiency innovation.
- Avoid unnecessary resources spent on building something nobody wants.
- Adapt to shifting customer needs and change market dynamics to stay relevant and open up new opportunity spaces.

- Evaluate and adjust strategic choices and initiatives, ensuring effective resource allocation and cross-pollination.
- Avoid the strong curse of sunk cost through a “learning fast, failing fast” approach.
- Reinstall lost engagement in the talented individuals often demotivated by the predictive and subjective nature of classic management models.
- Circumvent weak evidence and data points by running fast and cheap experiments in a real-world environment.
- Build the foundation for post-crisis agility and growth.

For the financial services company USAA, an improved decision-making process goes through a truly customer-centric approach that serves as a way to de-risk investments in all product development. They have had the best NPS score in the financial industry in the US for more than 10 years. A large part of USAA’s success is to be found in its customer experience excellence. USAA has a customer-oriented organisation and mission, but what truly stands out is the business architecture: all customer-facing decisions must go through USAA’s Member Experience unit, which is responsible for creating a seamless integrated experience to members across products and channels. It is a validating unit built to confirm the desirability of customer-facing product development to de-risk the investment.

