



WHITE PAPER

Revolutionize your business with F2B Platforms

Become a F2B Platform-based enterprise to spur large-scale, customer-centric transformations and create lasting value

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By Yogesh Mishra, Bharat Poddar, Kirti Choudhary, Franz Rembart, Daisy Dai, and Ignacio Torras

Boston Consulting Group partners with leaders in business and society to tackle their most important challenges and capture their greatest opportunities. BCG was the pioneer in business strategy when it was founded in 1963. Today, we work closely with clients to embrace a transformational approach aimed at benefiting all stakeholders—empowering organizations to grow, build sustainable competitive advantage, and drive positive societal impact.

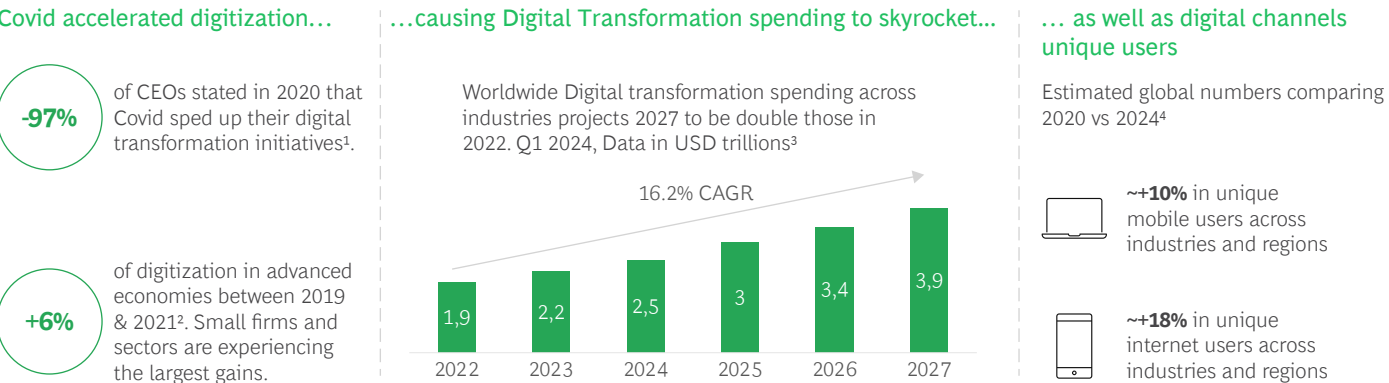
Our diverse, global teams bring deep industry and functional expertise and a range of perspectives that question the status quo and spark change. BCG delivers solutions through leading-edge management consulting, technology and design, and corporate and digital ventures. We work in a uniquely collaborative model across the firm and throughout all levels of the client organization, fueled by the goal of helping our clients thrive and enabling them to make the world a better place.

Digital Transformation skyrocketed since Covid

Almost overnight, the COVID-19 era marked a pivotal moment in businesses’ transformational agendas and client relationship models. Suddenly, every company had to become ‘digital-first’.

The challenges were enormous. To meet them, enterprises accelerated their digitization plans. Spending on digital initiatives skyrocketed. Digital became the norm in businesses’ way of operating and relating with clients (Exhibit 1). These changes seemed sufficient – at first.

Exhibit 1 - Digital Transformation skyrocketed: x2 by 2027

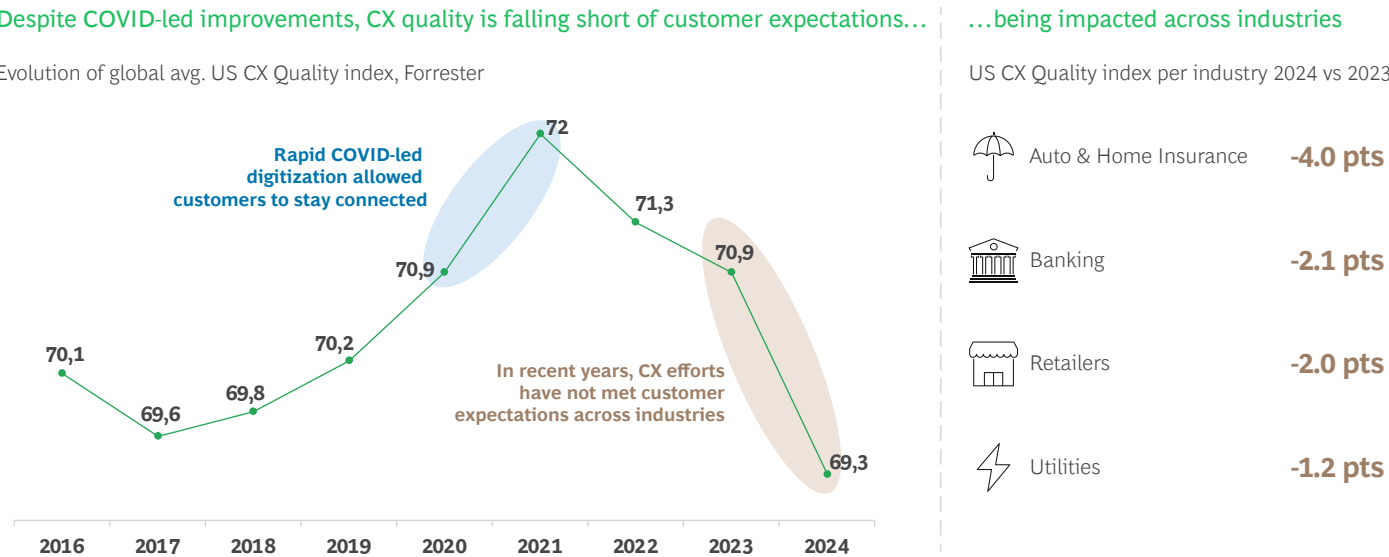


Sources: 1.Forbes, 2.International Monetary Fund, 3.IDC, 4.Data Reportal – Global Digital Insights

But CX quality has not kept pace

In the rush to digitize, the quality of the customer’s experience (CX) seems to have gotten lost. It’s at its lowest point in a decade after an unprecedented three-year decline, according to Forrester’s latest US CX Index. And this deterioration is happening across industries. (Exhibit 2).

Exhibit 2 - CX quality has fallen to its lowest point in a decade



Note: Forrester CX Index score measures how successfully a company delivers customer experiences that create and sustain loyalty along 6 main dimensions, including Effectiveness, Ease, Emotion, Retention, Enrichment, and Advocacy
Sources: The US Customer Experience Index Rankings, 2024

So, while digitization continues to grow, customer experience quality continues to drop. Why? We see several factors. These include:

- **Customer priorities have shifted.** Even as companies rushed to digitize their operating models and customer interactions, their customers were demanding more. Having a great product is no longer good enough. A memorable experience has become equally important (e.g., when filing a claim after a car accident). Being redirected to a chatbot when seeking human support, for instance, is not necessarily a memorable experience.
- **Customer journeys are now more complex.** The average number of touchpoints has more than doubled, on a plethora of channels, all interconnected for a seamless customer experience. Giving customers more ways to interact can be a double-edged sword, as companies are ill-prepared to track and integrate them all.
- **Market pressures caused investment shifts.** The pandemic triggered a contracted market cycle. Inflation, interest rates, and geopolitical uncertainties rose. These changes affected companies' P&Ls, leading them to shift their investment focus to reduced costs and greater efficiency. They're now investing heavily in automation and technologies such as AI, including generative AI (genAI).
- **Transformations and outcomes became disconnected.** Digitization investments often don't pay off as companies had envisioned, largely because they haven't modernized with a big-picture view. They might consider CX, but without integrating the front-end interface with the back-end technologies. Or they add technologies without considering how they will help them meet their business goals.

These disconnects make it difficult for organizations to provide the best CX and enjoy all the benefits that digital transformation can provide.

It's time for a paradigm shift

Digitization will continue to be a priority in the coming decade, especially as AI and generative AI continue to improve. And improve they will: what we're seeing now is just the tip of the iceberg.

But digital transformations will fall short unless they are also customer-first. Growth and acquisition will suffer. So will cost efficiency and customer loyalty. Companies that can successfully combine both drivers – investing in disrupting technologies and embracing a customer mindset – will be positioned to seize the digital day and reap vast rewards.

“**Delivering at the intersection of customer centricity (people) and digitalization (technology) drives success in today's organizations**”

To do so, they'll need a paradigm shift in the way they organize and operate. They'll need to manage transformations using a Front-to-Back (F2B) Platforms approach.

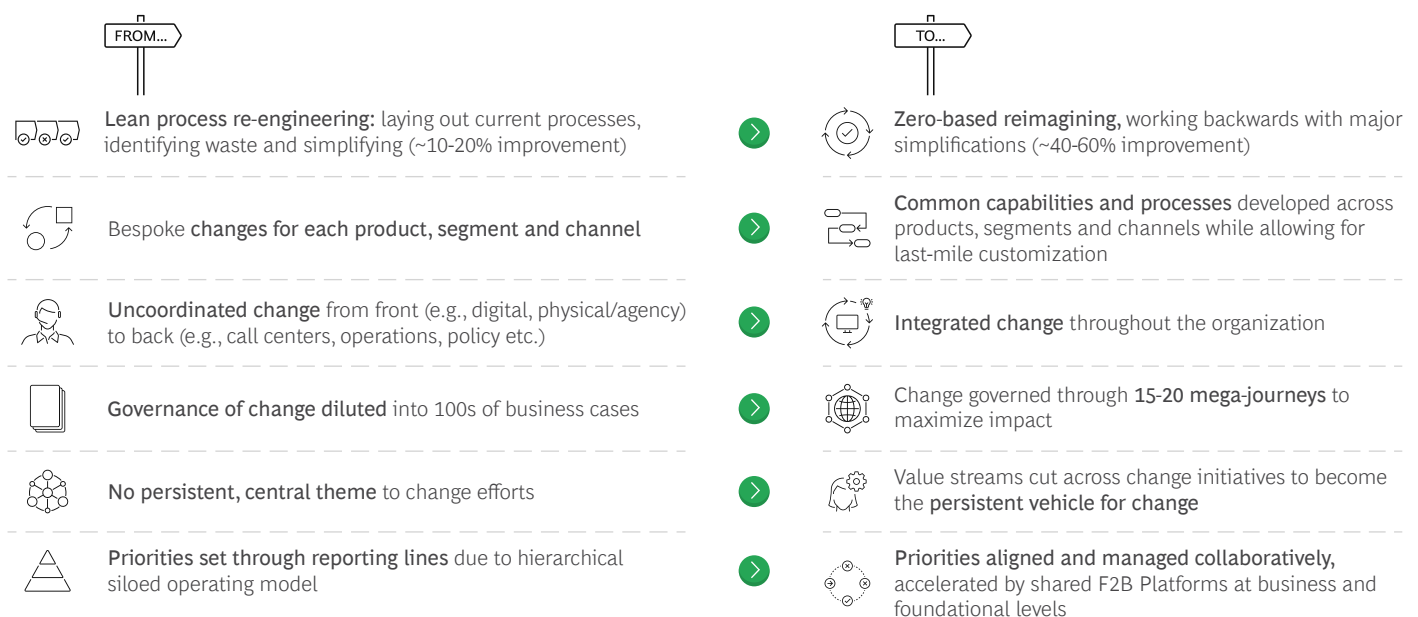
Reorganize towards success: Become a F2B Platform enterprise

You can have it all: a CX that's integrated along the end-to-end experience as well as, functionally, front-to-back; customer-centered technologies; and a collaborative, dynamic, platform-based operating model. Being a F2B Platform enterprise is that powerful:

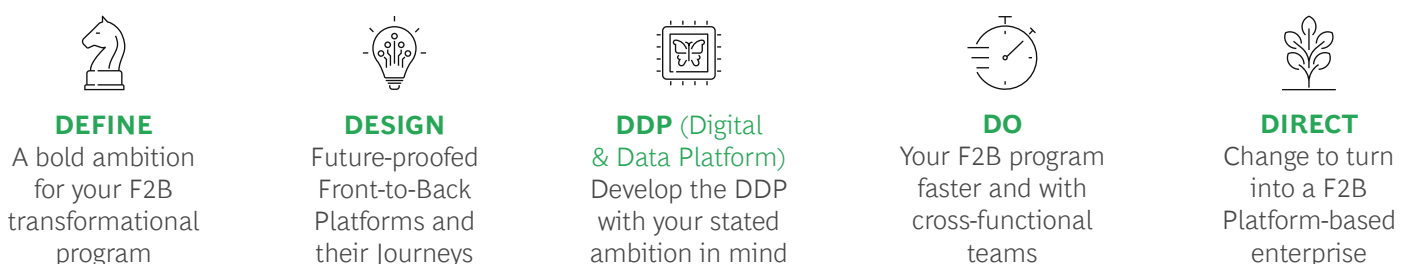
- Organized around (e.g., Onboarding, Servicing), including the end-to-end experience and a front-to-back scope, to enable change management organization-wide;
- Built on three organizational foundations – cross-functional value teams, empowering leadership, and a flat governance structure;
- Clear KPIs aligned to journeys covering Customers, Colleagues, Cost and Controls, requiring all your (cross-functional) teams working together towards common goals

This new way of working can deepen and strengthen relationships within the organization, resulting in smoother, lower-cost business operations and repeat customers who cannot wait to tell others about their great experiences. (Exhibit 3).

Exhibit 3 - What does being a F2B Platform-based enterprise mean?



It's not an easy change to make, however. Becoming a F2B Platform enterprise requires a paradigm shift in your way of operating, one that affects the entire organization. Leading companies are finding success by following our proprietary "5D" framework, shown below. Let's take a closer look.





DEFINE a bold ambition for your transformation

Front-to-Back transformational programs involve many areas of the organization. All teams should collaborate towards a common goal, working and managing change together. Here are first steps:

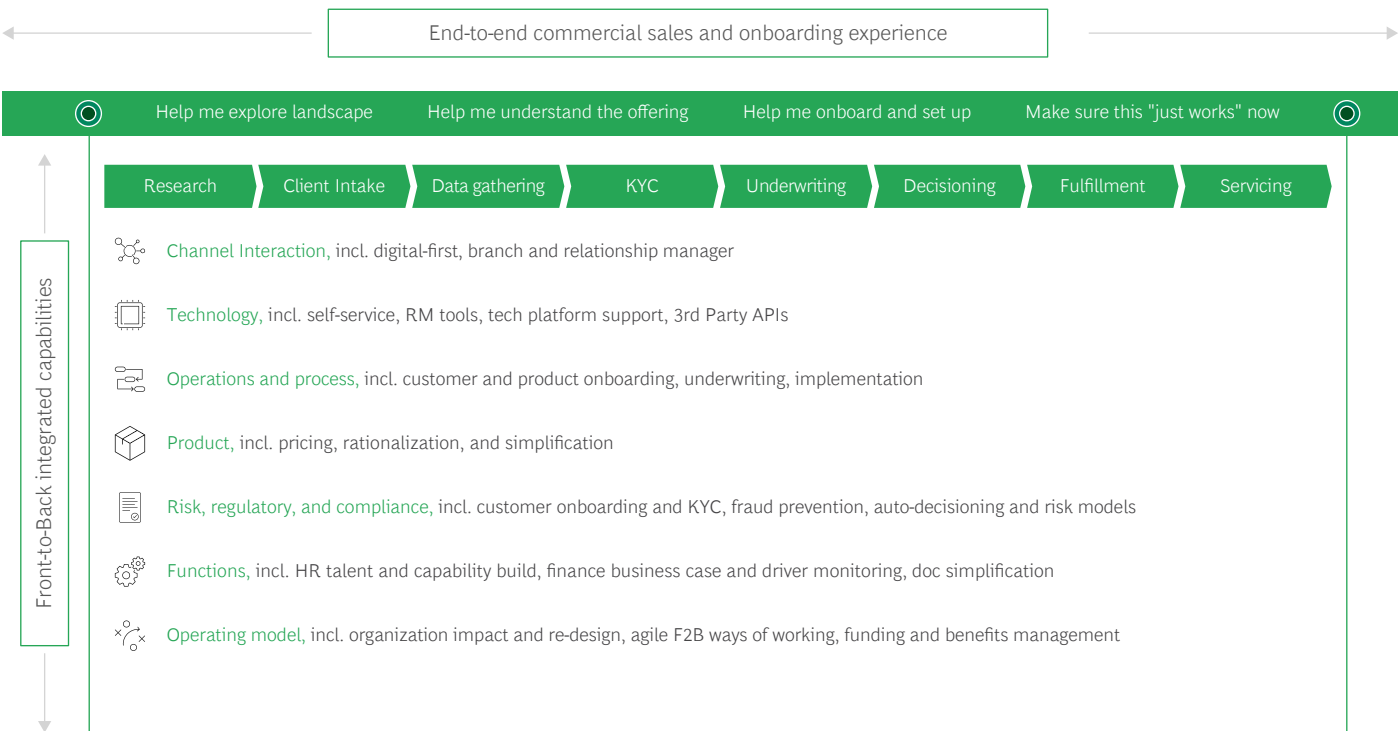
- **Have senior leaders sponsor and lead F2B programs.** These are transformative programs that involve multiple functions of the organization and disrupt operating models. Senior leaders must buy in and get involved for the program to succeed.
- **Define a clear journey architecture.** Include only those that are most relevant to your business. Financial institutions, even large ones, typically organize themselves around 15 to 20 journeys – no more!

To define your journey architecture, combine all the business cases that are part of the overall journey into an integrated backlog, organized around the end-to-end customer experience and the front-to-back capabilities that support them. (Exhibit 4).

- **Choose your first set of journeys.** F2B journeys require teamwork, with participation and (reallocated) resources from many functions. Start your F2B program with an eye toward value and business objectives such as revenue, efficiency, and customer and colleague satisfaction.
- **Assign the team leading each journey.** Next, you'll want to assign your team. This includes a fully dedicated journey owner, who leads the journey program and has ultimate responsibility for its success, and a cross-functional core team to drive the transformation.
- **Onboard and train the teams** with targeted, just-in-time trainings and coaching as well as collaboration tools to prepare them for execution.

Exhibit 4 - F2B transformations are organized around journeys with an end-to-end and front-to-back scope

Illustrative example of the "Help me open a Commercial business account" experience



At leading “customer-first” companies, F2B is the primary vehicle of change, applied throughout the organization rather than used in isolated instances (e.g., in a single journey). These companies have also redesigned their operating model to one rooted in F2B Platforms. Doing so lets them do much more, throughout the organization.



Market example of an FI player scaling change and reorganizing around F2B Platforms

A large universal bank undertook – after piloting a couple of journeys – a multi-year customer-centric F2B transformation impacting 14 prioritized Journeys, becoming the primary vehicle for change.

The bank consolidated change that traditionally had happened across 1,000s of business cases, into integrated backlogs organized around E2E experience and integrated with F2B platforms. This paradigm change unlocked major impacts on NPS, efficiency, velocity and revenue.

#1
NPS
vs peers

#2
market capitalization
vs peers

~\$1 bn
taken out in
sustainable costs

2-3x
faster time
to delivery



DESIGN future-proof Front-to-Back Journeys.

When redesigning your prioritized set of journeys, this entails reimagining their future – your North Star vision – and making it real with a series of minimum viable products (MVPs) and quick wins.

While many enterprises have been able to reduce complexity in their products and services, they haven’t truly challenged the current state. Leading companies are designing disruptive and bold North Star ambitions with new and more sophisticated approaches. Here are steps:

- **Apply human-centered design (HCD) using psychographics and behavioral insights.** Traditional segmentation by demographics, age, income, and other traits no longer works. These traits don’t really tell us what customers want and need. (Exhibit 5)

To give people and companies what they truly want, leaders are improving their voice platforms – serving customers, employees, and other stakeholders (e.g., agents and brokers) - and applying HCD on an ongoing basis.

- **Re-imagine the ‘North Star’ with zero-based design.** Avoid letting “the way it’s always been done” – the capabilities, systems, organizational structures, and other institutions you have in place – slow or stop change.

Instead, take a fresh approach with zero-based design. Start from scratch, with a “clean sheet,” when designing your North Star experience, keeping in mind what customers want and need as you dream of what could be. Then, list the features and solutions you’ll need to achieve this vision. All along, involve all relevant teams and subject matter experts: IT, digital, CX, legal, marketing, security, design, development, and more.

- **Future-proof your North Star** by incorporating newer technologies such as genAI, AI, digital platforms, and IoT. Consider on your clean sheet how these technologies can help reshape the business, even if it means replacing existing processes.

Exhibit 5 - HCD helps you to truly understand your customers and make better decisions

Understanding customers has become critical.

“What people say, what people do, and what they say they do are entirely different things.”

Margaret Mead, Anthropologist (1901–1978)

“Get closer than ever to your customers. So close that you tell them what they need well before they realize it themselves.”

Steve Jobs, co-founder & CEO of Apple (1955–2011)

Use HCD-based techniques to discover and document client needs, activities, behaviors, mindsets, and context of use.



MIND DISCOVERY

Workshop using in-depth psychology to dig deeper into customers' fundamental needs and motivations.



ETHNOGRAPHIC RESEARCH

Use qualitative exercises to study customers in their own environment, in face-to-face interviews or observation.



CUSTOMER INTERVIEWS

Complement quantitative data with interviews (1:1 or small groups) to see emotional context and build ideas in real time.



CUSTOMER PERSONAS

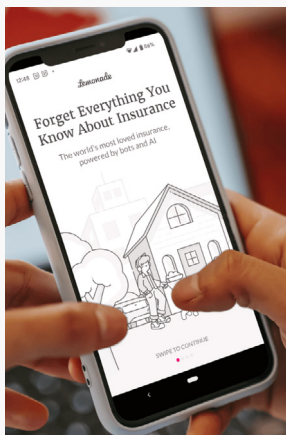
Create archetypes that portray mindsets and behaviors in a realistic enough way to guide and test design.



DDP: Develop the digital and data platform with your stated ambition in mind.

Leading companies are adding digital technologies and data platforms to help customers throughout shopping and buying. They're creating exceptional, personalized digital experiences that customers like—while saving costs and resources, which pleases shareholders. Here are key steps:

- **Know your digital and data platform capabilities:** You should deeply understand how they serve the end-to-end customer experience and how your front-to-back teams implement them in their daily work. Also include the key gaps towards the defined North Star vision.
- **Design a data platform that provides a complete view of your customers.** To do so, you must combine all the data in your core systems into one place. Have the data owners coordinate and collaborate to avoid conflicts and confusion. Incorporate your new digital and data capabilities into your operating model so your front-to-back teams can use the data to make better and faster decisions.
- **Use disruptive technologies such as AI and GenAI** to help you provide exceptional customer experiences in line with your North Star design. At the same time, these technologies can improve your shared front-to-back capabilities and boost business efficiency and growth, as well as customer satisfaction scores.



Market Example: Lemonade using AI and GenAI to boost Customer Experience while getting significant operational efficiency gains

Lemonade, one of the most digitally-savvy insurers in the US, is using AI and generative AI to build streamlined and more intuitive experiences along their most relevant customer journeys, including onboarding, claims and customer servicing.

They have built two AI-powered chatbots (Maya and Jim) with a customer-centric mindset, enabling customers to manage their services in-app easily and in real time.

70 pts

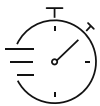
NPS score.
Market leader

+ 30%

Of all customer services
through AI-assistant

< 3 seconds

Simplest claims
processing avg. time



DO your F2B program faster and with cross-functional teams.

F2B transformational programs call for placing customers at the heart of your business. To do this, you'll build a F2B Platform-based operating model that speeds decision making. Leading companies typically react to, and effect change rapidly and respond to feedback with alacrity. Here's how to join them:

- **Adopt agile principles and culture** to be nimbler, more focused on business and customer value, and more attractive to talent, to achieve better outcomes and faster time-to-market.
- **Set cross-functional teams.** To succeed, every F2B journey requires inputs from throughout the organization. Cross-functional teams are the only way to create journeys in line with your North Star design that will work effectively for a long time, as well as disrupt the status quo.
- **Have teams work according to F2B principles.** F2B programs call for collaborative, iterative work, with team members striving to continually improve.

Cross-functional teams will focus on achieving the North Star goal, guided by user stories that the journey owner selects. They work in four-week sprints and should strive to produce an MVP every 12 to 16 weeks.



Market Example: US large insurer organizes into squads to accelerate response to real-time customer feedback

This large insurance company is using Medallia's platform to run the process of capturing customer feedback in almost real time (from multiple hours to just minutes) and help drive overall customer experience.

The information / feedback captured is then aggregated into themes (e.g., claims, contact center, bill payments, etc.) and delivered to the assigned product teams, so they can include this new information in their next sprint backlog to update products and services.

+40 pts
in NPS satisfaction
scores

From h to minutes
Real-time capture, digest
customer feedback

Agile squads
Feedback embedded
in backlog



DIRECT change to turn your organization into a F2B Platform-based enterprise.

F2B programs transform the way companies work by combining digital-first and customer-first approaches to improve customer experience and streamline operations. Designing and creating F2B Platforms gives you the information and collaborations you need to develop products and services that serve your customers at every step. This proven method avoids the pitfalls that large-scale change typically brings.

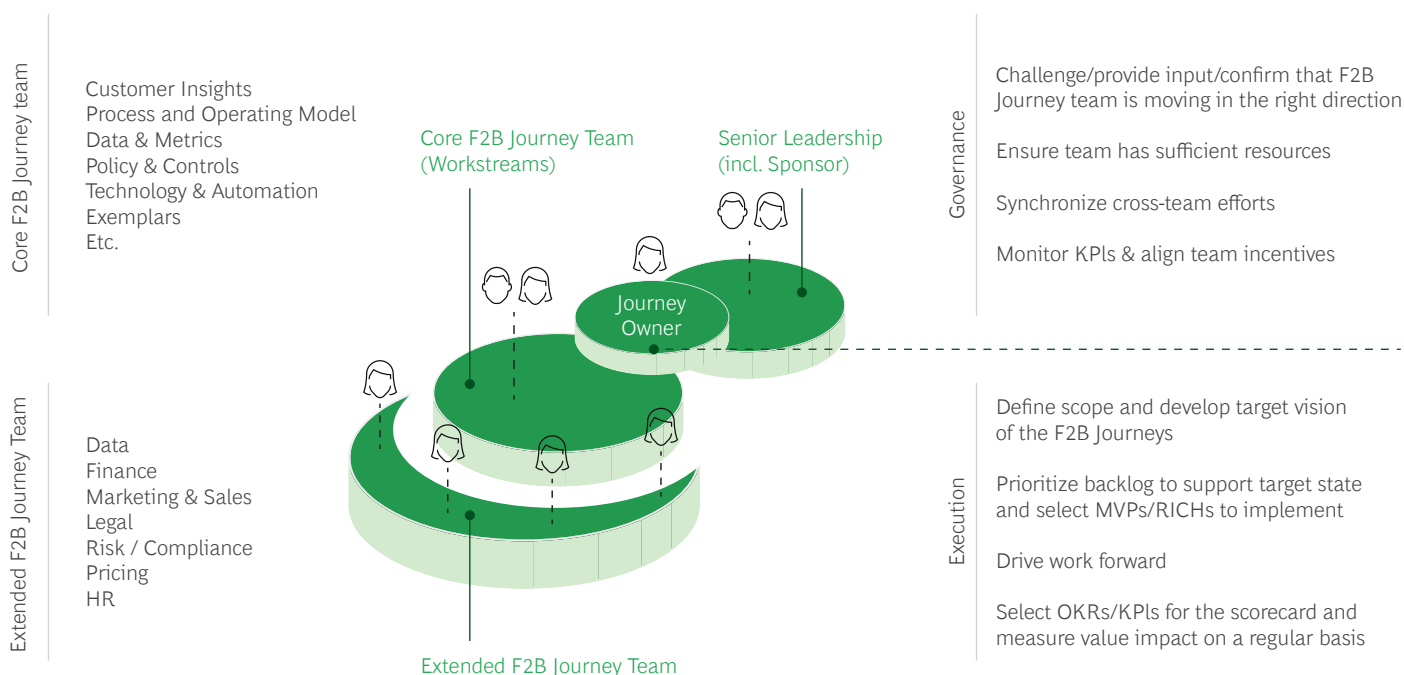
Leading organizations have been redesigning their operating models and data-driven market approaches to work more dynamically and collaboratively and add more value to their business. Here's how:

- **Use flat governance so F2B teams can work autonomously.** To achieve your North Star, each of your team members must perform specific roles: leaders, setting overall goals; the journey owner, making strategic decisions, selecting user stories, and defining KPIs; and cross-functional teams making changes in sprints ([Exhibit 6](#)).
- **Define and incorporate a ‘balanced scorecard’.** This tool lists the metrics most relevant to the journey in four key dimensions:
 - **Customer and colleague experience**, such as customer net promoter score (NPS);
 - **Revenue growth**, including the number of new clients acquired digitally;
 - **Cost and effort**, such as average cycle time; and
 - **Risk and compliance**, including the percent of activities that are automated.

Use these scorecards to regularly assess and track the performance and value that your new “preferred reality” is delivering.

- **Devise a persistent funding model.** Now that your programs are transparent and can be monitored, you’ll be able to adjust their funding in response to how well they are performing.
- **Establish a F2B Journey Acceleration Center to enable and support across journey teams.** This cross-functional team will oversee overall F2B program coordination and alignment, methodology and execution support, financial reporting, vendor resource management, change management and communication, delivery support, and other functions.

Exhibit 6 - Flat governance enabling cross-functional teams deliver transformation



Becoming a Front-to-Back Platform enterprise is a transformational endeavor. It cannot be done discretely. It requires a paradigm shift in the way organizations operate, manage, and deliver change.

In our experience, F2B is well worth the effort. With our 5D approach and the commitment of leadership, talented people and digital strengths, any company can undertake this ambitious transformation and reap benefits: digital experiences that turn prospects into loyal customers, and smoother, more efficient business operations than ever before.

Are you ready?



About the Authors



Yogesh Mishra is a Managing Director and Partner and is the Global Leader for Front-to-Back Journeys at Boston Consulting Group.

Mishra.Yogesh@bcg.com



Bharat Poddar is a Managing Director and Senior Partner and is the Global co-leader for Customer Experience and Banking Sector and a Global Leader for Front-to-Back Journeys at Boston Consulting Group.

Poddar.Bharat@bcg.com



Kirti Choudhary is a Managing Director and Partner and is the North American Regional Leader for Front-to-Back Journeys at Boston Consulting Group.

Choudhary.Kirti@bcg.com



Franz Rembart is a Partner and is the Global Product Lead for Front-to-Back Journeys at Boston Consulting Group.

Rembart.Franz@bcg.com



Daisy Dai is a Project Leader and is the Global Enablement Lead for Front-to-Back Journeys at Boston Consulting Group.

Dai.Daisy@bcg.com



Ignacio Torras is a Knowledge Expert and Team Manager and is the Global Leader of the Front-to-Back Journeys Knowledge Team at Boston Consulting Group.

Torras.Ignacio@bcg.com

For Further Contact

If you would like to discuss this report, please contact the authors

