



Persistent Podcast | Episode 02

John Boccuzzi Jr.

*Partner and President of Research,
ISG Inc.*

Gurvinder Sahni: Welcome to another episode of The Persistent Podcast, where we explore conversations that drive transformation and shape the future. I'm your host Gurvinder. I'm the Chief Marketing Officer at Persistent, and I'm joined by my colleague Larry Modder, who's our global head of Advisor Relations. In a world where change is the only constant, we are on a mission to uncover ideas, insights, and innovations that are redefining industries and societies.

Gurvinder Sahni: From technology and business to culture and beyond, we will dive into the most pressing topics and trends of our time. Join me as we engage with thought leaders, industry disruptors, and change makers from diverse backgrounds and industries. Together, we will explore the conversations that are at the core of change and shaping the world that we live in.

Gurvinder Sahni: So let's get started on this journey of discovery and exploration. Larry, who do we have today?

Larry Modder: Gurvinder, thank you so much. It's with a great pleasure I welcome John Boccuzzi to our webcast today. John is a partner and president of ISG Research. John works at ISG. For those of you that don't know, ISG is the world's largest sourcing advisory firm. They sit as the glue between enterprise buyers and outsourcing providers like Persistent. So they have a wonderful view of the market from both perspectives. John's been in the industry for over 25 years. He's got a background in retail and data and analytics as well as outsourcing. John's an author. He's also a LinkedIn broadcaster, a Thought Leader,

and most importantly, a fellow New Englander and friend. John, welcome to the webcast.

John Boccuzzi Jr.: Gurvinder and Larry, it's so great to be here. Thanks so much for the invite.

Gurvinder Sahni: All right. Guess what, Larry, you have something on your table too? I do.

Larry Modder: All right. All right.

Larry Modder: Gurvinder, just so you know, five stars on Amazon. Wonderful read. You can see my bookmark.

Gurvinder Sahni: I'm enjoying it. So, you know, why don't I start with this, John, you know, the book's title is very intriguing, right? *The Art of Seducing Your Customers*. Why don't we start with you sharing some moment from your career? I know you share a lot of stories in the book. I love the start where you talk about Disney and your experience. But tell us something about a moment where you successfully followed this logic of seducing a customer and turned them into a lifelong fan. Let's start with that.

John Boccuzzi Jr.: Thanks. And, and the title I need to give credit to my wife because, five years ago, I had the ambition of doing a Ted Talk and, she convinced me to entitle the Ted Talk: I was Seduced by Exceptional Customer Experience. And, it became the number one Ted Talk in Customer Experience with over 600,000 views. And that inspired the book. So, so hence the title and to your question, listen, this is what it's all about is as we look at business and, and earning the opportunity to wow people and in exchange earn money for that. We need to seduce and we need to show that we care.

John Boccuzzi Jr.: An example that comes to mind really quickly is I remember I was the CEO of a software company. I started back in 1998. Sold in 2006 and ultimately exited in 2008. But one of the clients that we could never capture, we had Procter & Gamble and, Robert Mondavi and Bacardi and Heinz Ketchup, Kraft, all of them. We did not have Nestle Frozen Foods and just couldn't get them. And so out of the blue, an executive called us asking if we could do X, Y, Z, and data analytics...And the question he was asking, we actually didn't address, but this is what I said.

John Boccuzzi Jr.: I said, give me 24 hours and I will call you back with three resources and three companies that could help you with this question. He says, you would do that. He says, Why would you do that? I said, because I want you to call me whenever you have a question and I will get you to the right place every time. So I got the three resources to him and over the next 18 months, he called me a dozen times. And unfortunately for 11 of those, I could not do it myself. I had to refer to somebody, but on that final 12th call, 18 months into this, I said, I can actually help you with this and we earn their business. So this idea of seduce, it's a journey, right?

John Boccuzzi Jr.: It's not going to be a cause and effect. I deliver something in return. You're going to give me money back. Sometimes it's just about doing the right thing to earn that long-term relationship. I hope that answers your question.

Gurvinder Sahni: Oh, that was lovely. I love that. And then, you know, for our, for our listeners, you know, which includes Persistonauts, our employees, industry folks — do you want to unveil the SEDUCE framework? Because I know that every alphabet stands for a specific aspect. And that's, that's the key part on how you talk about how companies can transform their customer experience. Do you want to spend a few moments on that as well?

John Boccuzzi Jr.: Yeah, absolutely. I think at the end of the day, the whole SEDUCE framework is around different components to experience. So when we think about the SEDUCE framework, the first part is are you paying attention to what's happening in the marketplace? So Step-up. And what that really means is we can't afford to be blindsided today. When you think about the yellow cab, you know, one of my long-time favorite images, but least favorite experiences, right? The yellow cab owned the New York market and to buy a medallion was over a million dollars. And it took literally 10 weeks for Uber to put them out. You know, and now a medallion is somewhere in the 150-160,000 range.

John Boccuzzi Jr.: My point being is you need to step up and pay attention to what's happening around your surroundings. So persistent, what's happening with your competition and then what's happening with your client's competition Empowering employees, right, the E [in SEDUCE], none of this happens without amazing people, right? None of this. So Gurvinder, we've talked about it in the past. We shouldn't start

with customer experience. We start with employee experience. Because that employee is the one that will be engaging with your clients and they'll be inspiring them and creating those, exceptional experiences. So absolutely, I have two chapters dedicated to that whole idea of empowering employees and it's crucial. Crucial. And this one shocks me. Some data from ISG: 60 percent of the time, the incumbent on a large deal loses, partial or all of the deal. And I'm always astonished by that number. And I know Persistent has probably done better than that, but the facts are the facts and the reason why that happens is we spend all this time, energy and money to win the business.

John Boccuzzi Jr.: And then we kind of just do the work for four years. And at the end of that fifth year, we end up losing partial or some [of the business]. So you've got to create a program, around Designing for not only the acquisition, but the retention of that client. Does that make sense?

Gurvinder Sahni: Absolutely. I think that makes total sense.

Gurvinder Sahni: And I have a follow up question, but I would love you to cover the SEDUCE framework. So for our listeners, we've covered the S, which is Step up and pay attention. We've covered the E, which is empower your Employees and let's go to the D.

John Boccuzzi Jr.: The D, well, that was the Design and retain. [00:08:00] So that's perfect. So design for acquisition and retention. And then the U is Uncover friction. So when we think about this idea of, and we can talk more about friction, because I know you guys have interest in this, but, you know, think about the journey from your home to a destination, utilizing a plane. What's that experience like, right? Where's the friction points?

John Boccuzzi Jr.: Well, first friction point is I got to get in my vehicle and I've got to go through traffic. And hopefully get there on time. And then I've got to make sure the plane's not delayed. There are all these moments of friction. The question becomes is how as a tech firm or how as a services firm can you find areas to reduce the friction? And I think about my Delta app and the ease of me being able to quickly change a flight or get upgraded or understand where I am in the journey, those are the types of things. So being a friction hunter and creating great customer experiences, also absolutely critical. Does that make sense for you?

Gurvinder Sahni: I mean, 100%. In fact, I think we were talking, while preparing for this in terms of the importance of friction. So I absolutely want to double dive into that as we go into the podcast. So absolutely.

John Boccuzzi Jr.: Absolutely. It's one of my favorite areas. It's one of my favorite areas of my favorite chapters, because I think it had the biggest influence actually on client success and service provider success from a standpoint of generating revenue. Look at Connected dots between, that's the C [in SEDUCE], connected dots between intention and actually what the expectation was. And this is really interesting because sometimes we get so excited about what we were, what our intention was to do around something wonderful. And then the expectation was a mismatch. So we've got to make sure that what you were intending actually lines up with what the intention that you were hoping for comes out of that. And there's some examples in the book.

John Boccuzzi Jr.: And then the final letter in SEDUCE framework is E — Expect competition and competitors and the environment to change. And really what that means at the end of the day, and you think about GenAI and AI. The marketplace is constantly evolving, right? The only constant is change as Beth Thomas from ISG talks about. So we need to make sure that you expect competition and expect the marketplace to change.

Larry Modder: Hey, John, that's really great. This is his framework, the E on expecting competitors in the environment to change. Do you mind sharing with us a little bit about what you're seeing in terms of today with Generative AI? And I know you've been to visit Persistent's Generative AI labs, but what are your thoughts about where you think the industry is heading?

John Boccuzzi Jr.: Yeah, look, this is an incredible one because if everybody remembers, maybe three and a half years ago — Metaverse, you know, everybody was going to live in the Metaverse and I could never figure it out because, you know, I remember a second back in the early 2000s, I was like, I like my first life. Why? I don't need a second life. Like, I'm good with talking to Gurvinder and Larry in person. I don't need to have Gurvinder look like a teddy bear and Larry look like a, you know, kangaroo. I just want to live in this verse. So I could never figure that one out. And it's stumbled, right?

John Boccuzzi Jr.: I mean, you know, granted, a firm named themselves Meta. But beyond that, there's not been much else that's happened in that space. Let me tell you something, AI and GenAI is completely different. This came out 18 months ago. We were at our conference. Steve Hall presented kind of this thing, you know, GenAI, ChatGPT. I can't even believe the speed at which this is going. Right. So 2023 — 2023 was the year of really understanding use cases, etc. We've now visited a dozen centers around the globe. There are thousands of use cases now, and that was not the case with other [tech]. So Larry, this is full steam ahead where enterprises are, and it's what we have to watch for.

John Boccuzzi Jr.: And if anybody wants to have like a Prashant Kelkar come and kind of do a deep dive into GenAI — absolutely brilliant because of the knowledge and insights that he's gotten from the market, okay, including Persistent. Enterprises are really wanting to quickly figure out how they put it in. They don't understand what it completely is. Right? So the CEO or the board is saying, Hey, do we have GenAI in here? I want to make sure we have GenAI and what we are using, but [doing] the groundwork now — you're starting to see it kind of pop up inside of apps. So what? What we're really going to look at is you're going to see GenAI appear inside of things that people are doing every day, but now again, it's a friction, it's a friction hunter.

John Boccuzzi Jr.: It's taking friction out of that process of finding things or navigating things or creating a better customer experience through chatbots, etc. So I don't know, Larry, right off the bat in the next six months, we're going to see large, big, GenAI-specific only deals. It'll be hundreds of GenAI deals inside of applications already being utilized. Does that make sense?

Gurvinder Sahni: Absolutely. And maybe a follow up on that: You know, John, because, you know for us at Persistent, we pride ourselves in the focus that we have in upscaling and cross scaling our employees. And you'll be pleased to know that we've actually trained about 16, 000 of our people on our own self-designed AI curriculum. And the other point that you made that AI is the much bigger part and GenAI is a subset of that, totally echo that sentiment. You will see that across board. For our viewers, we would welcome you to go to [Persistent.AI](#), which is our own website, which features offerings around data and AI, and the work that we're doing from an AI perspective.

Gurvinder Sahni: And I think the biggest thing for us is Responsible ai. Like what you said, that it'll go from a playground to where there was a lot of POCs, and projects done too. And I think this whole journey that we're taking along with our customers is going to really play out. So I totally echo the sentiment. And maybe Larry, it'll be fun to look at the SEDUCE framework, John, and figure out in each of these steps, what role can AI play? And maybe that's a great model to follow. You know, you heard it here first, so I'm going to figure out, literally, can I go in front of the customer and say, well, this is a framework, and guess what? This is where AI can come in and help reduce the friction, help you understand your customers better. Make employees more informed. Let me work on that. I think it will be something fascinating to look at when we meet next time.

Larry Modder: Gurvinder, be careful. John's going to pass this along to his research team and this is going to become a criteria for next year's [ISG's] Star of Excellence Awards. A lot more work for me.

Gurvinder Sahni: Yeah, but Larry, you know when we were in London and John, thanks so much for hosting us at the at the event in London — you want to talk about why we were there and why we were so glad to be there?

John Boccuzzi Jr.: Star of Excellence is the perfect example. Star of Excellence is the perfect example of exceptional customer experience because it's an award that actually is judged by customers. We're just a facilitator. So this is something actually Persistent won more than once and it's impressive. You should be proud. Because it is the voice of the clients in the marketplace. We're very proud of the reports that we do, in the analytics we do for our Provider Lens reports, our Buyer's Guides... is absolutely incredible.

John Boccuzzi Jr.: And this is an award to recognize the love and the value that clients are receiving from firms like Persistent. So certainly congratulations. And secondly is, I hope you continue to focus on that as being something that you want to strive for.

Gurvinder Sahni: Absolutely, 100 percent John. And you know, I also want to echo the sentiment and appreciate the spirit of partnership, you and Prashanth and all the leaders at ISG have been very helpful. It's not a one way street. I love how you're communicating these things... five out of five to you and your team in terms of what you're doing with us.

Let me jump back into the framework of the book because I'm very keen for our listeners to hear it from you directly. The whole point of in the chapter on hire a team... you speak about the importance of a CHRO [Chief Human Resources Officer]. I was very intrigued by that point and I know that my CHRO is a great supporter, kudos to Yogesh. At times I will also say that he's the best sales supporter that I have seen. Why did you speak about CHROs and what's their role from this perspective?

John Boccuzzi Jr.: Yeah, look, it starts, I think all these different roles inside of a firm have evolved over time, and I always find it interesting, you know? If you think back 15, 20 years ago, procurement was in the basement of the building, you know, ... now they're sitting in the C-suite and there's a good reason behind it, right? And the same is now happening with the CHRO. That person, the talent acquisition and the responsibility around, what'd you say? The only constant is change. I love that. Beth Thomas, who's our partner at ISG that runs our OCM practice. She literally just presented that last week at our future workplace event. And why that's so critical is before it was just the everyday, just training, right? Here's our processes. Here's our rules and regulations, bop, bop, bop, bop, bop. And now, the CHRO has to really make sure is that L&D [Learning & Development] department. How are we managing that? How are we getting content out fast enough on how are we keeping it interesting and engaging, right?

John Boccuzzi Jr.: Think about retention, right? We have heard stories and we have, you talk about the future workplace. People today, if they don't have a good experience day one, like the laptop's not working the way they want it to or expected or the interface or they're not using the app they're used to, they walk out. Yes. They, they walk out day one. Okay. So human resources is a critical component to the whole process around seducing a customer because if those employees aren't prepped for success and aren't inspired to deliver for that brand, you're going to struggle to seduce, period. End of story. Think about the Apple store, right?

John Boccuzzi Jr.: I mean, look, I'm a Droid fan. I have a Droid, but I'll give kudos to Apple. It's got frankly less features than my Android. But they've built a culture and when you go to an Apple store and you talk to a genius, they're geniuses. It's not like, Oh, let me find somebody cause I don't know what you're talking about. No, they'll get right into it. My daughter has an iPhone. We went to the store. I was blown away. And that's because that human resource executive is making sure, how are

we hiring? How are we interviewing? What is the criteria for him interviewing? Right? If you're interviewing and hiring people because of a skill set and not culture, it's a mess. I can teach you how to program. I can teach you what our processes are. What I can't teach you is how to be nice, how to be inspired, how to be engaged, how to be a learner. Those are a lot harder to teach. Does that help?

Gurvinder Sahni: I think I love the SEDUCE framework. I may have to keep a big poster in my room next time when you're here. Um, and maybe one more question from you, and then I'll hand it over to Larry because I know Larry has one more question for you. This whole point of friction hunting, right? And it's, it's a very unique concept...How do you uncover that? And in your view, I love the example that you gave around the Delta app. I feel the same way about United because the more I can do on the app without having to call customer service, I prefer to do that myself and I love how easy they've made it to understand my journey that just takes that anxiety away. I can focus on what is the business meeting that I'm going to take or focus on the family vacation and not have to worry about the anxiety of where do I sit in the flight. So, talk a little bit about that. And how do you see that playing out in our industry specifically?

John Boccuzzi Jr.: Yeah, no, look at the real opportunity here is and there's so many great examples of large enterprises that do a really good job of getting executives engaged in the everyday work. So, Walgreens, for example, I don't know if they do it to this day, but I know a couple of years ago, they actually had their executives work in a Walgreens store once a year. And the learnings that they got from that, they understood the friction that the employees were going through. For example, we've got this great idea. We're going to have them set up these 14 displays inside the store. And then you, as an executive going to that store, you try to set those 14 displays, you realize like, whoa there's tons of friction here. So, I think it's really critical, it's live the day in the life of your customer, right?

John Boccuzzi Jr.: So I'll give you a good example of this and, I won't share whether it was you or others. It was just, let's just call it a service provider. But the point is, because that way it's generic, but what I love about this example was it was a very large medical company that does all the fluid testing. So blood testing, etc. So before going to the competitive deal, the head of the sales team had all the people that were going to be on the deal go and get blood drawn and go through the

process. And then they shared feedback in that meeting with the company, you know, when they were competing for the deal, of where there were security challenges, opportunities for less friction, all these other things. They won the business because they knew, forget about the ones and zeros, listen, Persistent is an Olympic athlete. The problem is you're in the Olympics, so you've got to be really good, right? Even when you're an Olympian like you, you're going to win by an inch, and it's those inches that matter, and the inches are, you really understand what that customer wants. Forget about AI, GenAI, those are, those are tools. But do you understand what the customer was trying to do? Cause it could just be, listen, we're going to back a pickup truck every day and deliver what you need. If that's the easiest and most efficient way to do it, you use a pickup truck. Instead we constantly want to talk about, well, we're going to embed GenAI. We're going to lift and shift you to the cloud. Those all might be some of the right things, but in the purpose or the context of what that does, does that help?

Gurvinder Sahni: I love that answer. And I think it's so motivating. As we look at the next orbit, you know, Anand Deshpande, our founder, has the series of orbits that we as a company have gone through. You can read it. We probably published that as a part of our investor pack as well. And we as a company are in our sixth orbit. Larry, I know you had a question about it, go ahead.

Larry Modder: This last conversation we just came out of. So John, first of all, you know, I didn't get a chance back then, but the work that your team does with Star of Excellence and getting the voice of the customer, I think is world class. It's a lot of work that we as providers have to do. It's hours and hours to get those things in. But, you know, your team's passionate about it and I thank you and Star of Excellence is one of my favorites because that's the voice of the customer itself.

Larry Modder: So thank you very much for that. But John, where I wanted to go is, you know, I look at the market, the last year for the IT services market, even ISG is reporting in the Index report. It's been a rough year, right? You know, average growth has dropped to 2 to 3%, you know, across the industry. Some companies are in degrowth mode, Persistent has been fortunate. We're still growing at over 17 percent a year. So we're in that top right quadrant of growth. But, you know, past success does not predict the future, future success. And I'm just wondering, the markets become crowded and everyone's having to look at their business models. There's not a single one of my competitors

that's not taking a hard look at his business model. What I'm wondering is: What's the ISG perspective in terms of what you're seeing when you talk to service providers and the market around the place of a market challenger? Some people say tier one, tier two, disruptor. I like to think of Persistent as a market challenger. So where do you see the role of a market challenger from both the client perspective and what should our teams, leveraging your book as well as just in general, what's your coaching for everyone out there?

John Boccuzzi Jr.: Yeah, Larry. Great question. Look, we do about \$18 billion a year in deal flow. We influence about \$200 billion a year. You're right, the market is changing, right? Pre-COVID, let's go back eight or nine years ago. The easiest way to get something done for a large enterprise was a \$500 million deal, right? A billion dollar deal, right? And award that business to a large provider, period. One and done. And it was, maybe that was the right approach five or eight, 10 years ago. What I'm really excited about is the agility of your [kind of] organizations today and the way platforms have changed. There is a huge opportunity for excellence across the board, right? So 10 years ago, you would award something. And it would be like. Great. A 9, a 10, a 10, a 10, a 4, a 8, a 7, a 3, a 2, a 9. And they would win the business. But jeez, we've got twos, fours, and sixes in there. So now we can go do a deal and go 10, 10...And that's where I think a Persistent fits in beautifully.

John Boccuzzi Jr.: The next point I'll make is we're seeing the marketplace evolve and we've actually come up with solutions to help with that. We just released a little over a month ago, Tango, and Tango's our platform to allow third party advisory to be done with technology. So now we can be again, more agile, useful to smaller deals, right? There's not as many billion dollar deals, \$500 million deals. But there's a lot of \$10-, \$20-, \$30 million deals that need that help and that expertise and Tango addresses that. So we're overwhelmed. We already have, I want to say, I don't want to miss quote, but I think it's over \$2 billion of deal flow going through Tango already in less than two months, that's what's exciting about this. So we appreciate and value the agility that's necessary to get worked on today. This is going to be a huge opportunity. And again, I don't want to say for first, second tiers. I don't like talking that way, Larry. I agree with you. This is going to allow the best in class, all the best Olympians to compete for the best business period.

Larry Modder: Fantastic. Gurvinder, if I could just take one follow-on question, I'll turn it back over to you. How about coaching for our teams, John, to the Persistent employees that are logging in? What do they need to be focused on the year ahead?

John Boccuzzi Jr.: Listen, for Persistent teams, this is what I would say is, make sure you're not just participating. Okay? You should have a go-to-win mentality at all times. I think this is a critical skill set that you want to embed in yourself...So I would say if you're going to go after something, go to win and your results will improve. Doesn't mean you're always going to win. Remember, you're an Olympian. You're in the Olympics, but you've got to show up to win. The second thing is, and again, this goes back to your Chief Human Resource Officer and this idea of the employee. We are in constant change as Beth Thomas talks about. And that is the constant, is change. And so as you're going in, what are you learning today? What's new? I learned some new things today. Cause I played around with a new software that I want to implement. So I'm constantly in that learn mode. I'm going to go to Persistent.AI. I'm probably going to learn something, right?

John Boccuzzi Jr.: These are the things that we want to do. So, enrich yourself each and every day. I have not self actualized. I've got a long road ahead of me and that's what makes life fun and worthwhile.

Gurvinder Sahni: You know, as I say, #BeCurious, right? I love that part, John. And maybe, you know, we're reaching the end and I can't believe 30 minutes are already over. That's what happens when you're having fun. Who are some of your personal heroes that you want to share with us and our listeners today?

John Boccuzzi Jr.: That's an interesting question. Well look first and foremost, my mom and my dad are heroes to me and I get a little touchy on that, but they're both around. I learned from them every day to this day. So I feel very blessed to be in an environment where I live and have heroes as, as my parents. So that first and foremost. I came to work at ISG specifically because Mike Connors, and him running this business, I convinced them to give me an interview. And I came in and convinced them to give me a job here. And now I report directly to Mike Connors. Mike Connors is if not a hero, certainly somebody that inspires me each and every day, and I like to work in environments and with people that inspire me and I am in that environment when I'm working with people like Persistent, when I'm working at ISG. And the final one, I'll say, and

this is kind of cheeky, but fun, is Forrest Gump and I'll say this is why, it's the simplicity, that he let all the static go to the side and constantly accomplished incredible things. Granted, fiction, but I watch that movie once a year as a reminder: John, make sure you unlock yourself. Make sure you don't limit yourself. Don't think about barriers. Go to the White House again and enjoy life. And Forrest Gump in that movie reminds me of that each and every day. So I know it's a little kind of silly, but it actually, that's a hero to me.

Gurvinder Sahni: So I don't know if you know, but fun fact for you, there's actually an Indian version of that movie. I'll probably send that offline to you, where they made an Indian version of Forrest Gump and it's starring one of the top Bollywood actors in that one.

Gurvinder Sahni: Final question for me: So what's next for you? Are there other exciting projects that you're or books on the horizon? You know, your Ted Talk was a big hit the book is doing wonders.

John Boccuzzi Jr.: Yeah, you know, so on the fun side is I took up curling a few years ago. So I want to be, I know this sounds crazy, but remember you go to win. I'd like to become the oldest Olympian and compete in the Olympics as a curler. So that's what I'm striving for right now. Inside of work I am just so enthused by the energy in the marketplace and the deal flow that I'm starting to see. I was with one of the largest pharmaceutical companies in Boston yesterday, and there is so much energy around good things that are going to be happening here in the marketplace. So I'm going to be doubling down on the energy that we have here internally at ISG. To make sure that we can satisfy the needs and seduce our customers, both on the service provider side and the enterprise side.

Larry Modder: And the scary [00:33:00] part is I've known about John's curling obsession now for over a year. He told me that was his goal a year ago. So he's laser focused because a year later he's still on it.

Gurvinder Sahni: So John, thank you very much again for joining us for this episode of The Persistent Podcast and for sharing your insights and expertise. We hope you'll come back, and maybe that'll be after winning that Olympic medal. Let's wish that happens soon. And, I want to thank you, thank our listeners and viewers for joining us today. Remember, we want to hear from you. So, to learn more, to recommend guests for the show, you can email us at podcasts@persistent.com. I am Gurvinder

Sahni from Persistent along with Larry Modder. Thank you and we will see you next time.

