

**the
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The Customer Can See Your Company.

Customers rarely see how a company works. They don't need to. Products, prices, promises and failures carry traces of the machinery underneath. AI is making those traces easier to read.

Put on *Sgt. Pepper's Lonely Hearts Club Band* and what you hear is abundance: orchestras arriving and disappearing, voices multiplying, tape running backwards, Indian instrumentation colliding with brass bands and sounds that seem to have wandered in from somewhere beyond pop music. More than half a century later, the record still feels extravagantly unconstrained, which is curious because the machinery used to make it was anything but.

At Abbey Road, The Beatles, George Martin and the engineering team were working largely with Studer J37 four-track tape machines. When those tracks were full, recordings could be combined, or bounced, onto another machine to create room for whatever came next. Each reduction narrowed the freedom to alter what had already been combined, so yesterday's judgement became part of tomorrow's raw material.

The system adapted to the ambition of the work. John Lennon liked the thickness of double-tracked vocals but disliked singing the same performance twice, so technical engineer Ken Townsend devised Artificial Double Tracking, manipulating a second tape machine to create the effect. Townsend later recalled being summoned by management and told not to use the technique until it had been technically approved. The Beatles used it again that evening.

There is something wonderfully revealing in that contradiction. The artists mattered, as did the technology, but so did engineers who understood the machinery well enough to bend it, a producer capable of translating imagination into technical choices and an institution whose formal processes occasionally had to catch up with what its own people had already made possible. None of this arrives in the listener's head as architecture, process or decision rights. You simply hear the record, yet the record carries the consequences of all of them.

Companies work in much the same way.

Customers may never enter the offices, read the management accounts or know who reports to whom, but they encounter the organisation constantly. An online purchase the shop cannot recognise, a problem that must be explained after every transfer, a promise sales makes that delivery cannot fulfil, or a subscription considerably easier to begin than to leave all reveal something about the machinery underneath. Customers do not diagnose these moments as operating-model problems. They simply experience the company.

Every Company Leaves Fingerprints

For much of modern corporate history, businesses enjoyed a useful separation between what happened inside and what outsiders could know about it. Advertising told the story, packaging framed the product, sales mediated the relationship and service dealt with whatever happened afterwards. The machinery behind those surfaces could be

fragmented or contradictory while the public presentation remained comparatively coherent.

That separation is eroding. Digital systems leave traces. Reviews turn isolated encounters into patterns. Employees and customers publish what once disappeared into private conversations. Regulators examine interfaces and communities test corporate claims against experience. Customers still cannot see the organisation chart, but increasingly they have enough evidence to infer parts of the organisation behind it.

Lost context between channels says something about data and ownership. A refund requiring several approvals reveals something about authority. Contradictory answers from sales and service suggest different information or incentives. An employee who understands exactly what should happen but cannot make it happen reveals the point where human judgement meets institutional permission. Any individual encounter may mislead; repeated behaviour is harder to dismiss.

This is why I have become wary of treating customer experience as a surface that can be redesigned independently of the business beneath it. During my years at Microsoft, working across healthcare, financial services, manufacturing, retail, telecommunications and government made the limitation particularly clear. What appeared at the interface was usually the final expression of a much larger system involving economics, technology, regulation, risk, incentives, ownership and authority. Improving the surface while leaving that machinery untouched could make an experience look better without materially changing what the organisation was capable of delivering.

It also taught me that friction deserves more respect than contemporary design orthodoxy sometimes gives it. A bank should sometimes stop a payment; a clinician should sometimes slow a decision; industrial systems require controls that would be absurd in a fashion shop. Privacy, security and separation of duties can make an experience less seamless because something more important than convenience is being protected.

The revealing question is why the friction exists and whose interests it serves. Britain's Competition and Markets Authority has explored the same territory through its work on online choice architecture: digital design can simplify complexity and help people choose, while the same capabilities can create hidden charges, pressure selling and subscription traps. If joining takes moments while leaving requires a telephone call during narrow opening hours, customers do not need access to the retention model to recognise the asymmetry.

Over time, incentives leave fingerprints. If sales is rewarded for bookings while another team inherits adoption, customers encounter the distance between promise and fulfilment. If service is managed predominantly as a cost, throughput can begin competing with resolution. Incentives do not mechanically determine behaviour—culture, regulation, leadership and professional judgement matter enormously—but organisations become remarkably proficient at reproducing what their systems repeatedly reward.

Brand therefore extends much further into the company than communication. A business can promise simplicity while its invoice makes another argument, advertise trust while its cancellation process teaches vigilance, or proclaim customer obsession until satisfying the customer becomes expensive. The promise may be articulated at the surface; its credibility is negotiated throughout the organisation.

Failure Turns Up the Resolution

The company becomes easiest to read when something goes wrong.

Early in my career I worked on mission-critical systems across telecommunications, transport and energy, and infrastructure taught me something I have carried ever since: when it works properly, people stop thinking about it. Millions can depend on intricate technical and organisational systems while caring only about where they are going, whom they are calling or whether the lights come on. Complexity has not disappeared. Somebody else has absorbed it.

Failure reverses that relationship. A payment disappears, a service goes down, a delivery fails or something breaks the evening before it is needed, and suddenly the polished interface matters less than whether anybody can see the whole problem and do something about it. The customer discovers how information travels, whether frontline people are trusted, whether somebody owns the outcome and what happens when policy no longer fits reality.

A flawless transaction tells us that the normal path worked. An exception tells us what the organisation can do when the normal path disappears and somebody has to exercise judgement. Failure itself proves little—machines break, deliveries go astray and good companies make mistakes—but the response reveals how the business behaves under consequence.

There is an investor's version of the same idea. Inside a diligence room, an operating model arrives as presentations, KPIs, process maps and management explanation. Outside it, the same model appears as waiting time, billing accuracy, handoffs, exceptions and the distance between a promise and somebody's authority to honour it. Neither view is sufficient, but the distance between them can be highly informative. Integration claimed in a presentation but absent from the customer's experience deserves examination; so does a complicated business that somehow makes complexity disappear at the point of use.

Customer experience, viewed this way, stops being a soft layer around the economics. It becomes one place where the economics and operating system can be observed from outside.

Trust Is the Luxury of Not Checking

Trust is usually discussed as sentiment, but it also determines how much work a relationship requires. When a company behaves consistently enough, people stop scrutinising every invoice, photographing every return, preserving every conversation or rereading every clause expecting an ambush. Distrust reverses that economy: customers save screenshots, check renewal dates, maintain alternatives and escalate earlier. The transaction may still happen, but confidence has been replaced by verification.

This is why apparently minor acts of manipulation can cost more than the metric recording them suggests. Making cancellation difficult may preserve revenue today while teaching the customer to inspect tomorrow's interaction more carefully. An unexpected charge can add margin and simultaneously make every subsequent price less believable. Optimising a transaction while increasing future vigilance is a perfectly plausible way to improve a metric and weaken a business.

Until recently, the natural limit on that vigilance was human attention. People become tired comparing tariffs, forget renewal dates and rarely read dozens of pages of terms before buying something ordinary. Much corporate opacity has never depended on secrecy. The information technically exists; finding it, assembling it and deciding what it means simply requires more effort than the decision appears to justify.

AI begins to change that equation.

Now the Customer Has a Machine

The interesting development is not the science-fiction version in which autonomous agents roam the internet buying everything on our behalf. Something quieter matters first. AI can reduce the work involved in comparing products and prices, interpreting unfamiliar terminology, interrogating terms, synthesising reviews and looking for recurring patterns across more information than most people would willingly inspect themselves.

It will make mistakes. It can be manipulated, inherit errors from its sources and manufacture confidence where none is deserved. Giving customers machines does not create perfect information any more than giving companies analytics created perfect judgement. What changes is the economics of interrogation.

A customer need not personally read hundreds of reviews to ask whether the same failure keeps appearing. They need not remember when an introductory price expires if software remembers for them, or work through pages of warranty language unaided to understand what is excluded. A traveller can compare the final economics of competing offers rather than the headline prices; a software buyer can interrogate documentation, community discussions and contractual language before sitting through a sales presentation. The machine does not need to make the decision. It only needs to make investigation less exhausting.

That creates a problem for businesses whose economics benefit, deliberately or otherwise, from human inattention. People abandon searches, accept defaults, forget deadlines and eventually decide that another twenty minutes of investigation is not worth the trouble. Software does not become bored in quite the same way. Friction calibrated to the limits of human patience becomes less dependable when some of that patience can be delegated.

For decades, companies built machines to understand customers. Now customers are acquiring machines capable of interrogating companies. The asymmetry does not disappear, but things that were always theoretically discoverable become increasingly practical to discover.

The irony is that AI can expose the company just as effectively when deployed inside it. An assistant may understand a customer's history, identify the problem and propose the sensible solution, only to discover that it lacks permission to act. The technology has understood the situation while the institution behind it remains unchanged. From outside, this can feel stranger than the old scripted chatbot because the system can explain fluently what ought to happen and why it cannot make it happen.

As machine intelligence improves, the remaining constraints become easier to recognise: fragmented data, conflicting policy, unclear ownership, incentives and authority. Customers

do not need to know which box on the organisation chart is responsible. An intelligent system explaining its own institutional helplessness reveals enough.

What the Customer Sees, the Investor Should See

This is where the argument reaches the economics of building, buying and reinventing companies. Technology can compress the cost of intelligence remarkably quickly; it cannot by itself repair the business around it. I saw versions of that problem repeatedly through the shifts from software to cloud and AI. New technology changes what becomes possible, but value appears when products, commercial models and operations evolve with it. Otherwise a company can become technically more capable while remaining institutionally much the same.

For founders, the danger appears as improvisation hardens into systems. For chief executives, it appears when transformation improves technology faster than it changes the business around it. For investors, it appears because superficially similar revenue can sit on top of radically different organisational quality.

One company absorbs complexity for its customers while another exports it to them. One resolves exceptions close to the problem while another sends them travelling through the hierarchy. One earns enough trust to reduce the effort of every future interaction while another quietly teaches customers to check. These differences eventually find their way into retention, service cost, pricing power, growth and the amount of management energy required to keep the machine moving.

What looks like customer experience can therefore be an early signal of something much more consequential: the quality of the business underneath.

Which brings us back to Abbey Road.

The remarkable thing about *Sgt. Pepper* is not that the listener can hear the machinery. Four-track recording, tape reductions, improvised techniques, technical ingenuity and innumerable decisions disappear into music that seems to possess more space than the system used to make it. The complexity remains enormous; the listener is simply not asked to carry it.

That is a more demanding standard for a company than seamlessness. Customers neither need nor want radical corporate transparency. Nobody wants to inspect a supermarket's incentive structure before buying dinner or audit a software company's decision rights before opening an account. Great operating systems contain extraordinary complexity precisely so the people they serve do not have to.

For years, businesses worked extraordinarily hard on what customers could see. That still matters, but the surface no longer ends at the surface. Digital systems have turned more corporate behaviour into persistent evidence, and AI is lowering the effort required to assemble that evidence into a picture of the company underneath. Customers may never know exactly how the organisation is structured, where its incentives collide or which compromises were made behind closed doors. Increasingly, they do not need to.

Like a record, the output carries traces of how it was made. The companies worth building, leading and owning will be those whose behaviour remains coherent when somebody

starts joining the clues—and whose complexity ultimately disappears to where it belongs: backstage, doing its work while the customer gets on with theirs.

Roy Sharples

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Roy Sharples is the founder of Lucan Ventures, where he builds and reinvents businesses through product innovation, go-to-market and operating model design.

lucanventures.com | hello@lucanventures.com

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