

FRONT COVER

# Making Customer Management Your Competitive Advantage

## Report into <Operating Company> Customer Management

By; The Star Commercial Academy

Authors: -

Date: - < 2009 >



Using Customer Management Assessment (CMA) ©

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This report was commissioned by: - XYZ, Managing Director.

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## 1.0 Introduction

This report and recommendations were undertaken by; The Star Commercial Academy, with the aim of:

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## 2.0 Executive Summary & Key Findings

Within the <x> Market, channels and customers a number of key drivers are changing the landscape:

1. .
2. .
3. .

It all adds up to an increasingly competitive, commoditised, consolidated and complex market place in which to compete. One of the few opportunities that suppliers have to differentiate their offer is in the area of customer management. But how well is <XYZ> meeting this challenge?

## 3.0 Summary of Key Recommendations

## 4. How we conducted the assessment:- Developing Customer Management Advantage

This report is based on a formal high level assessment of <XYZ> customer management practices, carried out by The Star Commercial Academy using the Customer Management Assessment (CMA) Model. The assessment is based on 'good practice' questions developed by CMA based on their extensive consulting and research experience and their academic work. The model of Customer Management (CM) around which the best practice questions are framed can be found later in this section and illustrates the scope and extent of CM and this assessment.

It is important to note that this assessment does not make a judgment as to whether or not the result of the practices surveyed is good, rather whether the right practices and processes are in place. It is therefore truly a management audit, though clearly the assessor will make comments where he/she feels appropriate.

The information to enable the questions to be answered is obtained from a broad range of interviews with staff involved in the management of customers. These are a mixture of managers and implementation level staff so that a broad view of "intention" versus "reality" is achieved.

Pre-interview: -

Each person to be interviewed is contacted, face to face, by phone or e mail to establish their willingness and their suitability to take part.

One to One: -

Interviews take circa 2-3 hours and will be conducted by a member of the assessment team, ensuring consistency to the interviewing process and scoring. The interview commences with a brief explanation of the model and role of the interviewee, once at ease the interview follows a semi-structured format. Agreement is made at the end of the interview to follow-up any areas that appear unclear when the notes are being written up. The interviewing technique allows the interviewee the opportunity to provide unique insights about the way they manage their customers/opportunities not normally developed with a more structured yes/no questionnaire. It allows the interviewer the opportunity to pursue and "dig for" particular areas of interest /insight that may emerge as part of the discussion.

At the close of the interview the interviewee is given the opportunity to discuss anything they think should have been covered as part of the process, but they felt was omitted. This may offer further insight or thinking.

Intention, reality and effect.

During the interview the interviewer is looking for;

Intention – we are looking to develop this area / we are in the process of developing this area / we have a plan to develop this area.

Reality – can the activity be seen within the organisation, are documents available that point to a move beyond intention, i.e. proposals, business plans, etc.

Effect – Is the activity actually having an effect within the organisation, i.e. the demand analysis points to a defined organisational core, this is available with accompanying criteria.

This prevents the interviewee from portraying a false picture and “wished for state”, rather than the actuality of what really exists or doesn’t.

Full compliance with all three states will improve the scoring, as indicated within a sample of the scoring (fig 8). After the interview the researcher completes the questionnaire, identifying where the organisation best fits against the six boxes under each question.

fig 8.

Identified, updated and having an effect		Some commitment and some progress	
Clear evidence and being implemented		Isolated activity only	
Full commitment and real progress		No Real progress	

Post-interview: -

Notes are written up against the headings contained within the question set. This captures; anecdotal evidence, examples, mini-case studies and statements, plus the insight. The headlines (key/unique insights) from each interview are captured and entered onto a summary sheet. This helps inform the forthcoming interviews – reoccurrence of the issue, variations or new insights. Each interview is scored based against their positioning fig 8. Each box carries a numerical score fig 9 that reflects the organisations position.

Fig9.

Identified, updated and having an effect	<b>100</b>	Some commitment and some progress	<b>40</b>
Clear evidence and being implemented	<b>80</b>	Isolated activity only	<b>20</b>
Full commitment and real progress	<b>60</b>	No Real progress	<b>5</b>

The scorings are then entered into the CMA software model for collation and analysis.

### 3.3.3. Keeping it real

One of the key issues with this type of research approach is the continued objectivity of the interviewer and the opportunity for the interviewee to be led or prompted into saying what the interviewer wants to hear. The rigour of the questions and guidelines contained within the question set, ensures the interviews remain within acceptable parameters.

## How does it work?

Our team of consultants commence the structured interviewing process, the consultant team capture the outputs in report form and undertake a feed-back workshop. This is the opportunity to discuss the positioning of the org vs the “good practice” and (if selected) the peer group companies. This is shortly followed by an action planning workshop to develop the findings from the feed-back workshop. In essence a “making it happen” session.



## What you get

- An organisation wide view of how good you are at Customer Management.

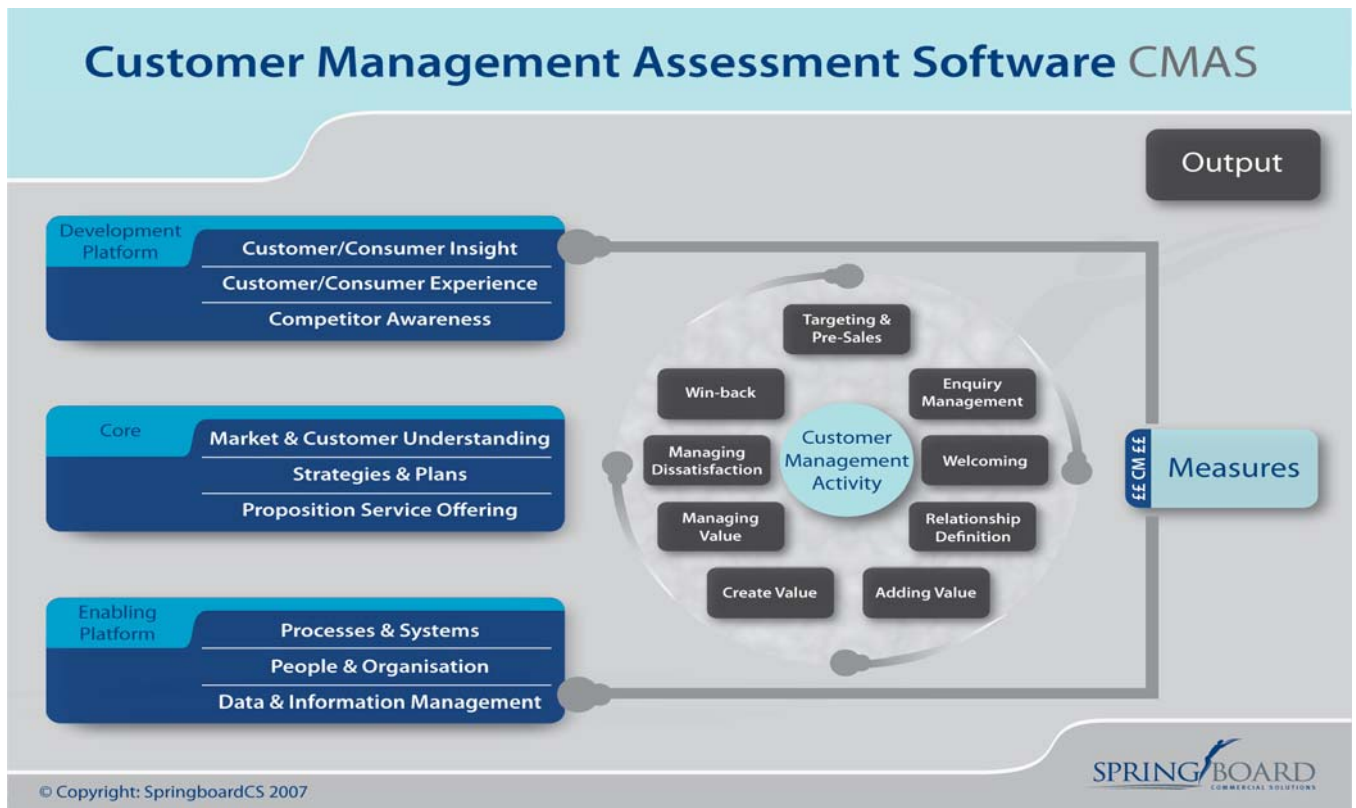
Identification of the quick wins and high prize areas that release profit opportunities for the organisation

The CMA model covers five main areas: -

1. **Core;** In this section we look at how well an organisation understands the market it trades within and its customers, in terms of needs, behaviours, trends and value potential. What plans and strategies does the company have in place to maximise this value. Have they defined why customers do business with them and how this differs based on customers needs.
2. **Development Platform;** What sort of experience do our customers receive from us and do we check how satisfied they are. Do we know what our competitors are doing and have plans in place to combat/negate it. What sort of research do we do to develop insight around our, industry, consumers and customers.
3. **Enabling Platform;** In this section we look at the infrastructure the organisation provides to support its customer management approach. Are the processes and systems internally developed and driven from a product based perspective? Is the organisation enabling or disabling. Do we have the data and the information at the right level when we need, where we need it?
4. **Customer Management activity;** How do we actively manage our customers, Have we put in place plans that help them develop and grow with us. If they have issues we know how to resolve them and a process to win them back if they stop trading with us.

5. **Measurement/Finance**; In this last section we consider how the organisation measures its customer management. Do the measures drive value or destroy it. We also look at the financial understanding that exists around cost to serve and the contribution a customer management approach delivers.

This approach ensures a depth & breadth to customer management is achieved, from the strategic planning process, through to the management of customers and the effect that experience achieves.

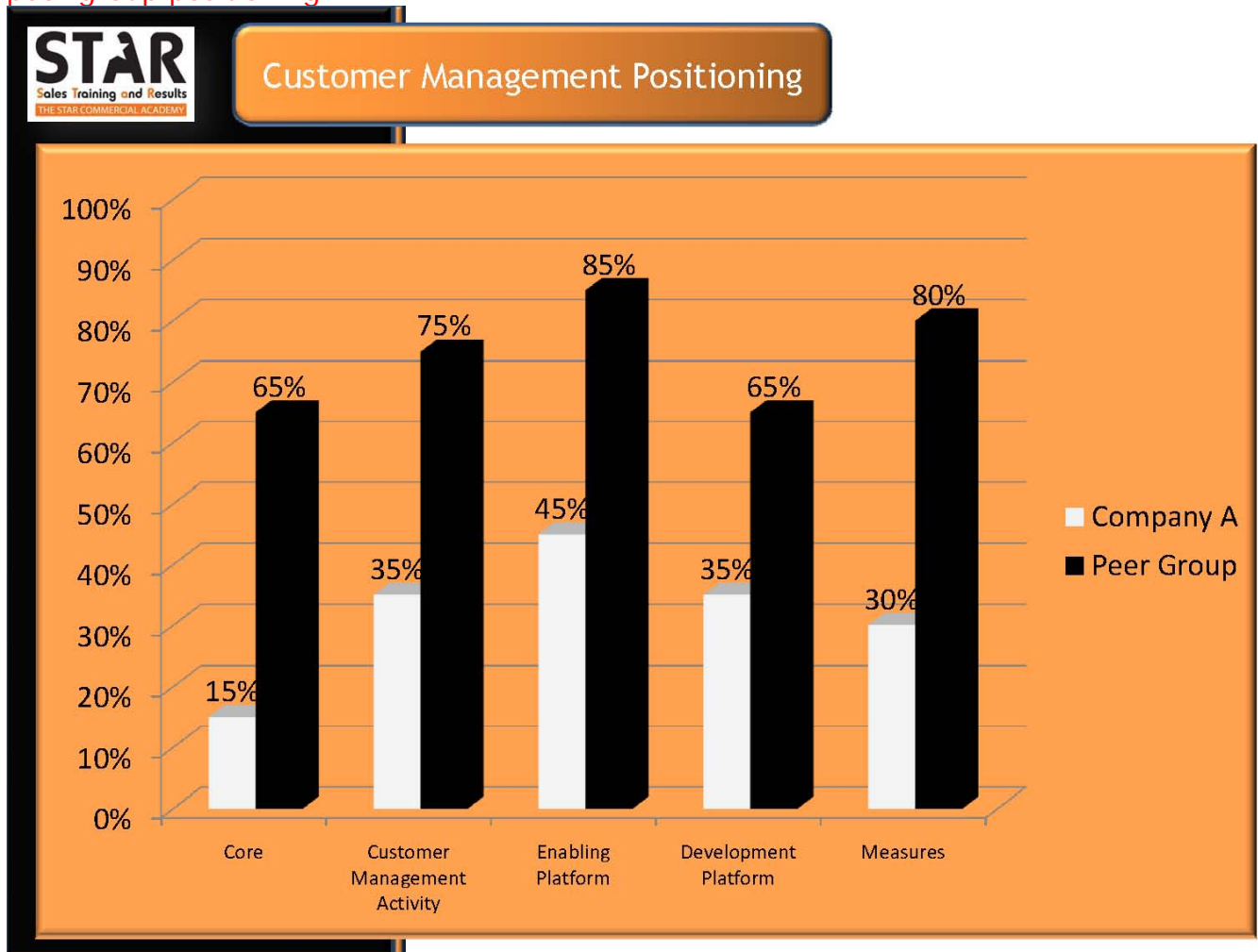


## 5.0. The Findings

### 5.1. Overall

In this section we start by looking at the scores overall and draw out insights accordingly.

<Graphic: - Highlighting the Score by element of the customer management model and peer group positioning>



#### 5.1.1. Key Findings

Based upon the findings each area is explored for insights at a top line level at this stage

Strength's	Weaknesses
<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>



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### 5.1.2. Development areas

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### 5.1.3. CM Road Map

Customer Management Elements		Day 1 ~ 3 Months	3 ~ 6 Months	6 ~ 12 Months	Long Term
Core	Burning Platforms:-		Quick Wins:-	Big Prizes:-	Strategic Initiatives:-
Customer Management Activity	Areas that are currently destroying customer value and impacting upon the organisations ability to compete		Anything that can be accomplished without significant resource or budget requirement. Elements that can quickly enhance the organisations customer management and competitive advantage.	Are more strategic in nature, they will require budget, resource allocation and are likely to take longer to implement. (As indicated Big prizes are likely to form many of the key elements within the route map).	Strategic in nature, they will require senior management consensus and commitment. Resource and budget will be needed and may form the platform for customer management driven change.
Development Platform					
Enabling Platform					
Measures					

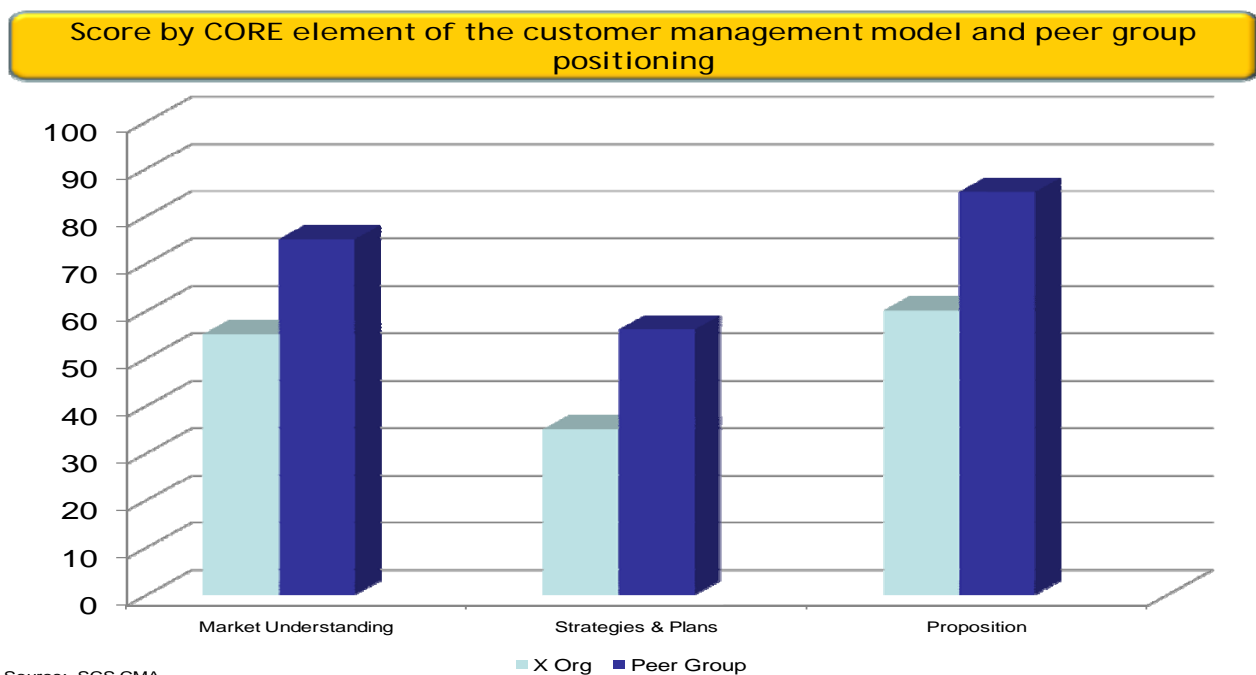
## 5.2 Customer Management by Element of the Model

To enable understanding we include: the sample of experience area; a results table; and analysis.

### 5.2.1. Customer Management Core

*Within this section we look at the organisations ability to translate market and customer understanding into customer management strategies & plans. Understanding behaviour, needs, costs and value of different customers or groups of customers. Translating this into a tailored <XYZ> proposition that match's the customers needs.*

<Graphic: - Highlighting the Score by the core element of the model and peer group positioning>



### 5.2.2. Key Findings

Based upon the findings each area is explored for insights within the phone touch point.

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Strength's	Weaknesses
<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
Opportunities	Threats

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**5.2.3. Development areas**

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**5.2.4. Core Road Map**

Burning Platform	Quick Wins	Big Prizes	Strategic Initiatives
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### 5.3. Customer Management Activity

*How do we actively manage our customers, Have we put in place plans that help them develop and grow with us. If they have issues we know how to resolve them and a process to win them back if they stop trading with us.*

<Graphic: - Highlighting the Score by customer management activity and peer group positioning>

#### 5.3.1. Key Findings

Based upon the findings each area is explored for insights within elements of customer management activity.

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Strength's	Weaknesses
<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>

#### 5.3.2. Development areas

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#### 5.3.3. Customer Management Activity Road Map

Burning Platform	Quick Wins	Big Prizes	Strategic Initiatives
<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>			

### 5.4.1. Development Platform

*What sort of experience do our customers receive from us and do we check how satisfied they are. Do we know what our competitors are doing and have plans in place to combat/negate it. What sort of research do we do to develop insight around our, industry, consumers and customers.*

<Graphic: - Highlighting the Score by the Development Platform ~ and peer group positioning>

### 5.4.2. Key Findings

Based upon the findings each area is explored for insights within the Development Platform section of the customer management model.

Strength's	Weaknesses
<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>

### 5.4.3. Development areas

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### 5.4.4. Development Platform Road Map

Burning Platform	Quick Wins	Big Prizes	Strategic Initiatives
<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>			

### 5.5.1. Enabling Platform

*In this section we look at the infrastructure the organisation provides to support its customer management approach. Are the processes and systems internally developed and driven from a product based perspective? Is the organisation enabling or disabling. Do we have the data and the information at the right level when we need, where we need it?*

<Graphic: - Highlighting the Score by each element of the enabling platform>

### 5.5.2. Key Findings

Based upon the findings each area is explored for insights within the enabling platform.

Strength's	Weaknesses
<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>

### 5.5.3. Development areas

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### 5.5.4. Enabling Platform Road Map

Burning Platform	Quick Wins	Big Prizes	Strategic Initiatives
<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>			

### 5.6. Measurement / Finance

*In this last section we consider how the organisation measures its customer management. Do the measures drive value or destroy it. We also look at the financial understanding that exists around cost to serve and the contribution a customer management approach delivers.*

<Graphic: - Highlighting the Score by the CM elements of measurement and finance and peer group positioning>

#### 5.6.1. Key Findings

Based upon the findings each area is explored for insights within the Measurement / Finance part of the model.

Strength's	Weaknesses
<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>

#### 5.6.2. Development areas

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#### 5.6.3. Measurement / Finance Road Map

Burning Platform	Quick Wins	Big Prizes	Strategic Initiatives
<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>			

## 6. Conclusion

Our findings suggest that .....

The lesson that we take from this, is that the company is.....

Rather than provide X allied to a mediocre and undifferentiated customer management, the company could stand out from the crowd by.....

### **Change Possibilities**

Through working upon this project we have gained a unique and privileged position affording insight into what the change possibilities could be for the organisation. It leads us to suggest that the first step on the road to transforming the mediocre to the memorable, would be to ask a few pertinent questions:

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There are many different ways to respond to the answers generated. At a minimal tactical level, it could lead to:

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At a more strategic level it could lead to:

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If you would like to discuss some of these issues further or find out how we might help you address the challenges identified, please contact The Star Commercial Academy on 0870 224 3380, 0870 224 3381 or via email [mark@starcommercialacademy.com](mailto:mark@starcommercialacademy.com).