

# Building Customer Profitability in Financial Institutions with Customer Value Management (CVM)

Successful breakthrough strategies and methods of generating & maximizing lifetime

10<sup>th</sup> – 11<sup>th</sup> April 2017, DoubleTree by Hilton Kuala Lumpur, Malaysia



**Michael Crisp**

Director of Market Research & Market Information Management for the Leading Edge Strategy Division of Launch Engineering Pty Ltd

- ❖ Michael (Mike) Crisp has over 30 years industry and work experience spanning market research, strategic planning, business intelligence and tertiary education.
- ❖ Coming from an applied business background Mike has extensive experience in database/data warehouse software design, installation and application. His market research and statistical background provide the skills necessary to not only develop data analysis models and systems but to analyse and exploit them to their fullest potential.
- ❖ Mike has extensive experience in the areas of Project Management, Customer Segmentation and Value Management, Statistical Analysis, Data Cleansing, Longitudinal Data Analysis and Management Reporting Systems.
- ❖ Mike's many years of experience in diverse industries has given him a rich base of skills. His past employers and clients include IBM Australia, Leo Burnett, National Australia Bank, Mercantile Mutual, ING Bank, Sun Alliance, Astra Pharmaceuticals, TAFE NSW and the University of Technology Sydney.
- ❖ Mike has spent many years data mining for a number of banks in the Asian region Thailand, Australia Post, Caltex and Sun Corp, just to name a few.
- ❖ In addition to Mike's industry experience, he maintains strong academic links with the University of Technology. He lectures to Post Graduate Students in the subject area of Marketing Information Management and E-Business Marketing.

## Main Learning Objectives and Benefits

- ✓ **RECOGNISE** the importance of Customer Value Management (CVM) and its direct relationship with bottom-line profit generation
- ✓ **IDENTIFY** corporate structure and strategic initiatives required to implement a customer profitability approach
- ✓ **UNDERSTAND** the relationship between customer value and customer and organisation's profitability
- ✓ **IDENTIFY** insights into the value of customer data and advanced analytical techniques
- ✓ **RETAIN** profitable customers by segmenting customers more effectively through the use of customer segmentation tools and alternative segmentation models
- ✓ **ACHIEVE** substantial and lasting customer value uplift by recognising the importance of corporate strategic and structural requirements of a CVM organised company
- ✓ **BENCHMARK** against illustrations of real life case studies
- ✓ **INCREASING CUSTOMER ACQUISITION** of profit-bearing customers

All participants will receive a certificate of attendance issued by Mr. Michael Crisp.



Organized by:

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## Course Description

Customer value management (CVM) is a process that refines and leverages the benefits of customer relationship management, and in this case, the banks and financial institutions. It encompasses customer identification, contact management, campaign management, advanced data modeling and customer scoring. The critical component that brings it all together is an automated decision engine that manages and guides the enterprises' communications with the customer for the mutual benefit of both.

With today's increased customers' price-sensitivity and inclination to 'shop around', banks and financial institutions can no longer focus only on short-term gains. To manage broader customer expectations and service demands, Customer Relationship Managers will need to attend this workshop to benefit from successfully proven methods, techniques, strategies and tactics that will assist you in Customer Value Management (CVM) implementation to achieve substantial and long-term customer profitability.

In this 2-day workshop the overall focus will be on delivering increased institutional profitability through the understanding of customer value and the development and utilization of applicable Customer Value Management Strategies.

- ✓ Increasing customer acquisition of profit-bearing customers
- ✓ Decreasing attrition of customers who contribute the highest profits
- ✓ Increasing and expanding usage and profits from existing customers
- ✓ Management of low and unprofitable customers to improve returns

Through this course, participants will be whisked to an interactive course that will help them to improve customer profitability through various exercises and case studies discussions. Participants will be taught how to measure their customer profitability through several effective metrics and drivers.

Increasing and maintaining the customer and product data modelling that underpins the customer's segmentation, the course facilitator will deliver customer insights that help ensure participants lead generation and marketing campaigns are properly targeted and controlled, delivering real value for your customers.

An integral part of the overall course content will be an additional focus on those common marketing and customer initiatives which **TEND NOT TO INCREASE OVERALL INSTITUTIONAL PROFITABILITY.**

## Who Should Attend?

- Marketing Managers
- Product Development Managers
- Customer Engagement Managers
- Business Development Managers
- Marketing Intelligence
- Business Intelligence
- Market Research Managers
- Communications Managers
- Sales Managers
- And any other Professionals who are involved in customer segmentation and customer profitability

### PRE-COURSE QUESTIONNAIRE

To ensure that you gain maximum value from this course, a detailed questionnaire will be forwarded to you upon registration to establish your exact training needs and issues of concerns.

Your completed questionnaire will be analyzed by the course trainer prior to the event and addressed during the event. You will receive a comprehensive set of course documentation on the day of the training.

### PROGRAMME SCHEDULE – Day 1 & 2

|       |                                   |
|-------|-----------------------------------|
| 08H30 | Registration                      |
| 09H00 | Session 1                         |
| 10H40 | Refreshments & Networking Break   |
| 11H00 | Session 2                         |
| 12H45 | Lunch                             |
| 14H00 | Session 3                         |
| 15H30 | Refreshments and Networking Break |
| 15H50 | Session 4                         |
| 17H00 | Course Ends                       |

### Day 1 | 10<sup>th</sup> April 2017

#### Session 1: Introduction

- Overview of the workshop
- Discussing goals, assumptions, expectations and ground rules

#### Session 2: Manage customs by value leads to profit discovery

- Value concentration in Banking & Finance
- Recognising the potential of existing customers
- Nature of finance products
- Customer and product risk – how to manage conflicts and get synergies from both
- Unique consumer behaviour characteristics in Banking & Finance

#### Session 3: Customer segmentation and its role in customer value management (CVM)

- Role of segmentation and why financial services organisations segment
- Analysing the types of segmentation approaches
- Acquisition segments
- Value management segments
- Retention and up-sell segments
- Loyalty dynamics
- Practical Exercise: Evaluate your own company's customer focus and its position on the CVM continuum
- Present for discussion

#### Session 4: Roles of market research and intelligence in CVM implementation

- Critical research projects to implement
- Role of CVM parameters in all market research projects
- Critical business intelligence guidelines
- Measuring customer satisfaction and advocacy – what does it mean and in terms of customer value

#### Session 5: Customer value and customer profitability

- Creating a measure of Value for Customers and Products
- Value versus profit
- Types of value and profit measures
- Risk considerations
- The importance of marketing and finance functional relationships in CVM

#### Session 6: Full recap of Day 1 learnings

- Questions and discussions

### Day 2 | 11<sup>th</sup> April 2017

#### Session 7: Customer data and analysis capability required for CVM to improve performance, profits and market shares

- Start small and think big
- IT infrastructure requirements

- Leveraging analysis tools
- Commercial
- Open source
- Analysing data to deliver insights and drive competitive advantage
- Data analysis techniques and tools for profit optimisation

#### Session 8: Boost customer profitability by effectively segmenting services and product offerings to service value segments

- Improving customer experience and impacting overall profits
- Sub-segmenting high value customers to understand their wants and needs to boost profits
- Understanding the customer experience framework to enhance engagement that will result in increased revenues
- Managing the moment of truth
- Case Study: Practical segmentation example that helped save millions for an Australian bank

#### Session 9: Implement and evaluate CVM to improve profitability

- Value added resources and people
- Management structure
- Implementation options
- Additional finance requirements and inputs
- Individual risk measures
- Activity based costing
- Evaluation measures for each particular value segment

#### Session 10: Practical workshop exercise – CVM customer strategies for low value customers to expand customer lifetime value

- Identifying low value customer sub-segments
- Identifying the minority of low value customers with potential
- Understanding the degree of sub-segment potential value
- Up-sell strategies in today's competitive market
- Past high value customer strategy
- Cost to serve strategies
- Practical Exercise: Participants to develop a summary of organisations' current and future strategies for low value customers

#### Session 11: Measuring success through CVM evaluation metrics

- Who is accountable?
- Areas of functional measurement
- Product measures
- Customer acquisition techniques
- Customer retention strategies
- Customer migration
- ROI measures

#### Session 12: Full recap of Day 2 learnings

- Questions and discussions

## More details about the course facilitator



### **Michael Crisp**

**Director of Market Research & Market  
Information Management for the Leading  
Edge Strategy Division of Launch  
Engineering Pty Ltd**

Michael Crisp has over 30 years of industry and work experience spanning market research, strategic planning, business intelligence and tertiary education. Coming from an applied business background Mike has extensive experience in database/data warehouse software design, installation and application. His market research and statistical background provide the skills necessary to not only develop data analysis models and systems but to analyse and exploit them to their fullest potential.

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Mike is also co-author of one of Australia's largest selling Market Research Textbooks - "Market Research - An Applied Orientation" - Prentice Hall 1997.

#### **Partial list of Financial Institutions that have benefited from Mike's expertise:**

- Standard Chartered, Singapore
- ING, Australia
- Siam Commercial Bank, Thailand
- Bank of Ayudhya, Thailand
- Kasikorn Bank, Thailand
- Commonwealth Bank of Australia
- National Australia Bank
- Westpac, Australia
- Xacbank, Mongolia

#### **Testimonials**

*"There is no doubt that the Value approach to customer management is the most important marketing and business initiative that a bank can undertake. I have worked with Mike and his team and can attest to successful outcomes at a number of financial institutions where they have been involved."*

*"Our organization decided on a Customer Value strategic direction. From a very low starting point Mike and his team delivered to us an incremental and cost effective way to deliver our bank's initial customer value proposition to high value customers. We were not only able to initiate programs but also bring along senior management and other stakeholders on the CVM journey. We are now in a position to move to the next stages of the CVM process with full endorsement of the senior management team."*