

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

Successful Breakthrough Strategies and Methods of Generating & Maximising Lifetime Profitability of Your Customer Base

23rd & 24th May 2011 • JW Marriott Hotel, Kuala Lumpur, Malaysia

Course Facilitators:



Mr. Michael Crisp
 Director, Information Management & Market Research
Launch Engineering Pty Ltd
 Associate Director
Macquarie Marketing Group
 Associate Director
Business Research Specialists
 Co-Author
Market Research – An Applied Orientation



Mr. Leigh Cowan
 Director, Corporate Strategy and Marketing Planning
Launch Engineering Pty Ltd
Honors & Awards
 • Selected by B&T magazine for its inaugural "Marketing Profile" in 1991
 • 1987 accreditation as an Associate Fellow to the Australian Marketing Institute
 Former MBA Lecturer, Marketing Management
UTS Graduate School of Business
 Former Undergraduate Lecturer
UTS Strategic Planning & Management School of Marketing

Key Performance Indicators Successfully Achieved for a Regional State Based Australian Bank Through the Use of Customer Value Management (CVM):

Key Performance Indicator	Current	Achieved	%
Reduced Active Customer Attrition	9%	6%	50%
Reduced Total Value Runoff	15%	9%	67%
Increased Up-sell Ratio	1 in 20	1 in 10	100%
Increased Cross-Sell Ratio	1 in 30	1 in 20	67%
Increased High Value Customer Retention	82%	91%	11%
Increased High Value Share of Wallet	40%	45%	13%

Capitalise on the expert knowledge to gain maximum value on these vital issues:

- ❖ **RECOGNISE** the importance of Customer Value Management (CVM) and its direct relationship with bottom-line profit generation
- ❖ **HARNESS** corporate structure and strategic initiatives required to implement a customer profitability approach
- ❖ **ENHANCE** the relationship between customer value and customer and organisation's profitability
- ❖ **OBTAIN** 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
- ❖ **INCREASE** profits by accelerating the progression of your company to a customer value-centric organisation
- ❖ **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

UNI training courses are thoroughly researched and carefully structured to provide practical and exclusive training applicable to your organisation.

Benefits include:

- Thorough and customised programmes to address current market concerns
- Illustrations of real life case studies
- Comprehensive course documentation
- Strictly limited numbers

Official Hotel:



Proudly Organised by:



WORKSHOP OVERVIEW

This 2-day workshop will focus on deriving profits for your organisation through the use of advanced, commercial marketing tools which will assist in:

- ✓ 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

DAY 1 / 23rd May 2011

INTRODUCTION

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

MANAGE CUSTOMERS 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

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
- ❖ **Case Study: Practical segmentation example that helped save millions for an Australian bank**

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

CUSTOMER VALUE AND CUSTOMER PROFITABILITY – WHAT DO WE MEAN?

- ❖ 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

CUSTOMER DATA AND ANALYSIS CAPABILITY REQUIRED FOR CVM TO IMPROVE PERFORMANCE; PROFITS AND MARKET SHARE

- ❖ Data requirements
- ❖ IT infrastructure
- ❖ Start small and think big
- ❖ Techniques and tools for profit optimisation
- ❖ **Practical Exercise: Evaluate your own company's customer focus and its position on the CVM continuum**
- ❖ Review and workshop discussion

DAY 2 / 24th May 2011

REVIEW

- ❖ Review of Day One's sessions
- ❖ Questions; queries; comments

IMPLEMENT A CVM APPROACH TO IMPROVE PROFITABILITY

- ❖ Value added services and resources
- ❖ People – proactive customer contact management
- ❖ Management structure
- ❖ Implementation options
- ❖ Additional finance requirements and inputs
 - ◆ Individual risk measures
 - ◆ Activity based costing
- ❖ Strategies for each particular value segment

PRODUCT DEVELOPMENT AND INNOVATION TO INCREASE SPENDING IN A CVM CENTRIC ORGANISATION

- ❖ The product development and innovation process
 - ◆ How it works
 - ◆ Potholes to avoid
- ❖ Benchmarks from other financial services organisations that have succeeded
- ❖ Product analysis considerations for product development and innovation
- ❖ The 8 "P's" of marketing
- ❖ New trends in marketing communications to enhance revenue

PRACTICAL EXAMPLE: CVM CUSTOMER STRATEGIES FOR LOW VALUE CUSTOMERS TO EXPAND CUSTOMER LIFETIME VALUE

- ❖ Identifying low value customer sub-segments
- ❖ Understanding the degree of sub-segment potential value
- ❖ Up-sell strategies in today's competitive market
- ❖ Past high value customer strategy
- ❖ Cost control strategies for loyalty incentives

MEASURING SUCCESS: CVM EVALUATION METRICS

- ❖ Who is accountable?
- ❖ Areas of functional measurement
- ❖ Product measures
- ❖ Customer acquisition techniques
- ❖ Customer retention strategies
- ❖ Customer migration
- ❖ ROI measures
- ❖ Evaluating channels effectiveness
- ❖ **Case study: Best practice implementation**
- ❖ **Review and discussion**

ABOUT YOUR COURSE FACILITATORS

Michael (Mike) Crisp, B Business - Marketing (UTS), 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 the second largest bank in 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.

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

With over 30 years as a marketing executive, **Leigh Cowan**, B. Commerce - Marketing (UNSW); Grad. Dip Strategic Planning (London City University), brings a vast range of experience and lateral thinking to benefit his clients. Originator of "The Law of Diminishing Brand Loyalty", Leigh is a freethinker in commercial marketing management and a highly sought after expert. He presents his theories and conducts marketing training workshops both across Australia and internationally.

Leigh was first recognised in marketing management in the 1980's, and featured on national TV, metropolitan newspapers and marketing trade publications in his early career. Over the decades, Leigh has had profound marketing management and product launch success in finance, FMCG, IT industry, government and professional services. During a stint in the UK he helped an FMCG company increase its market share 6-fold in under 18 months, knocking the mighty Mars Corporation on its backside and found time to complete a Graduate Diploma in Strategic Marketing Planning.

Leigh returned to Australia, again crippling Mars by stealing 12% of market share in a single test launch in just three months.

Recruited as a consultant in the 1990's he helped companies grow sales by as much as 50% in one year, successfully launched products for large national and international companies, and sat of a myriad of Boards of both private and listed public companies.

Leigh has also taught (part-time and between clients) MBA level marketing between 2003 until 2007.

Leigh is currently Managing Director of Launch Engineering which specialises in new product development and launch, re-launch, and on-going marketing planning & strategy. They own a proprietary system for pre-launch assessment of product launch that (to date) has always successfully predicted the outcome of a product launch.

Partial list of Financial Institutions that have benefitted from Mike's and Leigh's expertise:

- ✓ Standard Chartered
- ✓ ING
- ✓ Siam Commercial Bank
- ✓ Bank of Ayudhya
- ✓ Kasikorn Bank
- ✓ Commonwealth Bank of Australia
- ✓ National Australia Bank
- ✓ Westpac
- ✓ State Bank
- ✓ AVCO Financial Services
- ✓ Suncorp

In-House Training

Cost effective In-house courses, tailored specifically to your organisation's needs, can be arranged at your preferred location and time. If you would like to discuss further, please contact our In-house division at iht@unistrategic.com.

Endorsements from the Results Achieved in Customer Profitability Generation using Customer Value Management:

"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"

~ Senior Customer Segment Manager at one of Australia's Leading Banks

"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"

~ Senior Customer Segment Manager at one of Thailand's Leading Banks

Who Should Attend?

CEOs, Heads, VPs, Directors, Senior Managers and Managers of:

- ✓ Marketing
- ✓ Product Development/Management
- ✓ Retail/Consumer Banking
- ✓ Business/Corporate Banking
- ✓ Marketing Intelligence
- ✓ Business Intelligence
- ✓ Market Research
- ✓ Marketing Communications
- ✓ Segmentation
- ✓ Sales Planning & Business Development

Why you cannot miss this event:

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, you 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.

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 concern. Your completed questionnaire will be analysed by the course trainer prior to the event and addressed during the event. You will receive a comprehensive set of course documentation to enable you to digest the subject matter in your own time.

Program Schedule

(Day 1 - Day 2)

08:30	Registration
09:00	Morning Session Begins
10:40 - 11:00	Refreshments & Networking Break
12:45	Luncheon
14:00	Afternoon Session begins
15:30 - 15:50	Refreshments & Networking Break
17:00	Course Ends