

# Unlocking Customer Value

PLAYBOOK

# CUSTOMERS ARE YOUR MOST VALUABLE ASSET



## Are you providing them with the best possible experience at every interaction?

Great experiences foster loyalty, and loyalty drives business growth. The ability to anticipate and fulfil your customers' needs across all channels is essential for building a strong brand. This is what sets industry leaders apart.

Maximising customer value means identifying high-potential customers and consistently exceeding their expectations while ensuring all customers feel valued. This requires skilled teams in data, analytics, marketing, and digital working together to execute a well-defined commercial customer strategy.

This strategy should be supported by integrated technology that enables real-time execution across channels. The vast amount of data generated by digital channels provides unprecedented opportunities to understand your customers.

By combining traditional transactional and location data with real-time online behavioural data, you can create detailed profiles of how, when, and why customers interact with your brand.

In today's competitive landscape, the ability to leverage customer insights to build stronger relationships is crucial for success. As companies adopt new technologies, customers expect personalised experiences and streamlined service.

**By prioritising your customers' needs, you can differentiate your brand and drive long-term growth.**

# INVEST IN CUSTOMER EXPERIENCE AND WATCH YOUR BUSINESS GROW

The challenges with increasing customer value can be summarised as:



**The rapidly evolving digital landscape:** The constant advancement of marketing, data, advertising, and digital technologies is reshaping the possibilities. To stay ahead, it's essential to embrace experimentation and adopt new techniques quickly.



**Rising customer expectations:** Leading brands are setting new standards for customer experience. What delights customers today may be expected as a minimum tomorrow. Falling short can jeopardise both existing customer relationships and future growth opportunities.



**The data-driven economy:** Data creates opportunities, interactions, and more data. A well-defined personalised interaction strategy is crucial for effective customer retention. Providing simple, personalised experiences and a seamless cross-channel journey helps protect from competitor acquisition.

**Still reading?** Then you're likely facing at least one of these challenges. Whether you're struggling to manage interactions across channels, leverage your customer data, or compete with larger industry players, we're here to help.

This playbook provides a comprehensive framework for transforming your customer experience:

- **Identify opportunities:** Discover untapped potential within your customer base.
- **Build a roadmap:** Create a clear plan for change.
- **Deliver results:** Achieve lasting positive outcomes.

## The customer value framework

For a structured approach to improving customer value management, you need a clear vision, purpose, and plan. When advising some of the UK's leading companies, including the AA, British Gas, and Vodafone, we use the following framework...

# CHEAT SHEET: UNLOCKING CUSTOMER VALUE

## 1. IDENTIFY THE STARTING POINT

WHAT IS THE ABILITY TO UNLOCK CUSTOMER VALUE?

What are the corporate strategic priorities?

Where is the value in the customer base?

What is the customer interaction plan?

How is customer data leveraged?

How personalised are customer interactions?

## 2. DEFINE OPPORTUNITIES

HOW TO UNLOCK CUSTOMER VALUE QUICKLY?

### USE CASES

Aligned to business priorities?  
Address key business problems?  
All stakeholders involved?  
Realistic and achievable?



### BUSINESS CASE

Cost avoidance, increased sales or churn reduction?  
Capex, Opex, both?  
Need budget for multiple periods?  
Internal ROI targets?

## 3. ARTICULATE THE CUSTOMER VALUE STRATEGY

What are the current constraints to unlocking customer value?

How can these be addressed?

What improvements can be expected and over what timeframe?

## 4. BUILD ROADMAP FOR CHANGE

Can change be delivered as bitesize projects?

What are the dependencies and timelines?

What are the risks and issues?

Are all stakeholders aligned?

How to measure impact of change?

## 5. DELIVER CHANGE

How to continue business as usual and the change projects?

What expertise exists to deliver the change projects?

How to maintain control of the change projects?

## 6. TRANSITION TO BUSINESS AS USUAL

Who will own the ongoing operation of the change after the project has finished?

Does the internal capability and capacity exist to maximise the benefit of this in BAU?

Does the size or skills of the team need to increase to manage this additional activity?



# STEP 1: IDENTIFY STARTING POINT

**A common mistake many businesses make is to begin planning in isolation. This often leads to suboptimal results.**

Before diving into planning, it's crucial to contextualise your goals with some key questions. These five questions are designed to uncover and clarify your business's strategic priorities, identify valuable segments within your customer base, and assess the effectiveness of your data exploitation and interaction management.

**1. What are the broader business priorities?** Clearly define the overarching goals, which are often influenced by economic conditions or the company's development stage. Different priorities require different focuses (e.g., revenue growth, market share, in-year profitability). By identifying these initially, you can better align your marketing goals and develop a more comprehensive delivery strategy.

**2. Where is the value in the customer base?**

Identifying untapped value allows you to predict the impact of desired shifts in customer behaviour on your business. To do this effectively, invest in analytical insights.

While many businesses track customer spending and forecast future potential, some still measure and track very little. Regardless of your current analytical capabilities, it's essential to explore the commercial levers most relevant to your long-term goals. By mapping out the potential impact of different scenarios, you can better predict future lifetime value opportunities.

**For example**

- What is the value of reducing churn?
- How would a shift to online self-service impact your Net Promoter Score (NPS)?
- Are there unrealised cross-sell opportunities?

**3. What is your interaction plan?** An "interaction" is any outbound (push, email, SMS) or inbound (in-app, web, service centre) communication with customers. How effective is interaction execution and measurement? Are they driven by random product promotions or as part of well-defined journey and lifecycle campaigns?

By mapping out the customer lifecycle and service blueprints, you can pinpoint every touchpoint and identify opportunities to influence customer thoughts, feelings, and behaviours positively.

# STEP 1: IDENTIFY STARTING POINT

## 4. How are you leveraging customer data?

With the right tools and planning, you have a vast opportunity to capture customer data and gain insights into their interactions with your business. How effectively are you translating those insights into actionable improvements to the customer experience?

Whether you're just starting to build out your customer records or have been using data to drive interaction strategy for a while, understanding which data is most valuable to you is crucial for success.

**For example** many online retailers use data to personalise individual sessions, recommending items based on browsing and transaction history or showing only items in the customer's size that are currently in stock.

Identifying, collecting, and using valuable, relevant data like this allows you to tailor journeys and enhance the experience at every touchpoint.

## 5. How personalised are your interactions? Providing a consistent, personalised experience across channels can increase customer advocacy. A simple, tailored buying journey with relevant recommendations can often boost total spend and loyalty.

Ensure customers enjoy the same level of personalised experience across all interactive channels, as inconsistent experiences can be jarring and create a negative perception.

Ultimately, anticipating and serving customer needs through simple, consistent, and personalised interactions increases the likelihood and frequency of purchases while fostering a positive brand perception.

**By answering these five questions, you'll have a clearer picture of your current ability to unlock customer value.** After determining your starting point, the next stage is to identify your opportunities and learn how to unlock value quickly, which is step 2 of our framework

## STEP 2: DEFINE OPPORTUNITIES

Having quantified your current customer value management capabilities, identify opportunities for improvement. To assess the commercial viability of these and build a compelling case for change, use this five-step process:

1

### Lifecycle and Journey Mapping

Map out your customer lifecycle and the journeys within it to identify interaction points between customers and your business.

Chart these interactions from initial contact (e.g. an advert) to end of engagement (e.g. unsubscribe) to contextualise current activity and identify new opportunities to influence customers.

2

### Defining Use Cases

Articulate each opportunity or issue as a use case, then define necessary changes to address the use case. Identify gaps in people, processes, or technology and necessary steps to address them.

For example, a well-developed acquisition strategy that uses competitive deals for new customers could cause a problem when existing customers come to the end of a contract period. The use case might focus on using insight to generate compelling and personalised retention offers.

3

### Reviewing Use Cases

Ensure use cases align with your overall strategy by considering if each aligns with business priorities, addresses key business problems, satisfies stakeholder needs, and is realistically achievable. If a use case meets these criteria, proceed to building a business case, else reconsider its merit.

For example, is short-term cost saving the real business priority, or to build long-term cost-effective customer loyalty?

## STEP 2: DEFINE OPPORTUNITIES

4

### Building the Business Case

The key to a successful business case is demonstrating the value of the project to the business and its alignment with your strategy by articulating the rationale and predicted benefits of the change.

Ensure the business case aligns with your organisation's...

- **Priorities** – e.g. cost avoidance, increased performance?
- **Costs** – e.g. can you optimise between capex and opex?
- **Longevity** – e.g. timing, span budget cycles?
- **KPIs** – e.g. measure impact on established performance indicators?
- **Phasing** – e.g. priority and sequencing of multiple developments?

Make sure you involve key stakeholders to gather their views, test assumptions and gain support.

5

### Reviewing the Business Case

Before submitting the business case for approval, do a final check to ensure viability and make necessary adjustments.

Fully understand your organisation's governance process and stakeholder expectations, because this may be as important as the numbers in the case. Getting approval is often a balance between proving value and appeasing all stakeholders.

**If the case is strong**, proceed to articulating your customer value strategy, which is step 3 of our framework.



## STEP 3: ARTICULATE THE CUSTOMER VALUE STRATEGY

With strong use cases and a compelling business case, develop a coherent customer value strategy that resonates with senior stakeholders through a compelling story.

- **Identify the problem:** Clearly articulate your current limitations in unlocking customer value.
- **Explain the solution:** Detail how your approach will address these issues and fill the gaps.
- **Articulate the reward:** Reveal the potential returns and the timeframe for achieving them.
- **Tailor your story:** Adapt to the context of your pitch, but always include:
  - Corporate strategy alignment
  - Current limitations in exploiting customer value
  - Transformation in capabilities and benefits
  - Risks and mitigation strategies
  - Costs and challenges from all areas
- **Customise your pitch:** Consider your audience. If presenting to senior executives, leading with rewards may be effective due to their time constraints.

Here are some client examples:

A **services company** wanted a comprehensive customer value strategy, but despite many ideas for increasing customer value, data limitations hindered progress. To gain buy-in, the strategy was structured to prioritise essential data elements for unlocking value, such as data quality and a 360-degree customer view. We emphasised both cost savings and revenue potential, aligning with the company's strategic priorities, which gained approval and enabled delivery of campaigns achieving desired ROI.

A **gaming company** wanted to convert anonymous players to registered users. Analysis revealed that personalising the anonymous experience offered greater benefits than solely focusing on registration. Implementing this change required adjustments across teams and technology. To gain stakeholder buy-in the additional return from current players was emphasised, highlighting its superiority to the original goal. This strategy was successfully approved.

**Once you get the go-ahead**, it's time to devise your masterplan for change, which is step 4 of our framework.

## STEP 4: BUILD ROADMAP FOR CHANGE

Once your strategy is approved, define how to implement the necessary people, process, and technology changes. To ensure project success, consider these five questions:

### **Can the change be delivered in phases?**

Prioritise early wins to build momentum and satisfy stakeholders.

### **What are the timelines and dependencies?**

Set deadlines and map out dependencies for each project stage.

### **What are the risks and issues?**

Identify potential obstacles and implement mitigation measures.

### **Are all stakeholders aligned?**

Ensure everyone understands the project's goals, timelines, and expected outcomes.

### **How will you measure the change?**

Set KPIs to focus on delivering the benefits outlined in your business case.

By carefully addressing these questions, you'll create a solid roadmap for successful strategy implementation, which is step 5 of our framework

## STEP 5: DELIVER CHANGE

Once your strategy is approved, focus on delivering the changes outlined in your roadmap. Before diving into implementation, consider these three key areas:



### Balancing Change and Business as Usual

- **Phased implementation:** Minimise disruption to your core business by implementing changes in phases.
- **Internal team involvement:** Leverage existing team members to facilitate knowledge sharing and decision-making.
- **Resource allocation:** Determine how to free up internal resources for project work, whether through internal replacements or external support.



### Assessing Internal Expertise

- **Identify skill gaps:** Determine which workstreams require internal resources and where external expertise is needed.
- **Plan accordingly:** Allocate project budget effectively based on your assessment.



### Maintaining Control:

- **Retain ownership:** Avoid outsourcing the entire delivery assuming it will be easier to manage as the opposite is often true. Maintain control over budgets, deadlines, and business as usual.
- **Leverage internal expertise:** Ensure your team leads key roles, with consultants providing advisory support and delivery bandwidth.
- **Proactive oversight:** Monitor the project for issues and potential scope creep.

By addressing these areas, you'll be well-equipped to deliver the changes and reap the rewards of your improved customer value strategy, which is step 6 of our framework.

## STEP 6: TRANSITION TO BUSINESS AS USUAL

Despite significant investments in time, money, and effort, transitioning to business as usual after a major project can be challenging. Many organisations struggle to achieve desired results or even experience performance decline due to poor handover processes.

To avoid these pitfalls, prioritise 'people planning' and establish a dedicated people workstream that addresses these key areas:



### Ownership and Team Structure

- **Identify the owning team:** Determine which part of your business will manage the system or initiative post-project.
- **Create a new team:** If necessary, establish a new team, define reporting structures, and assess impacts on other teams.



### Internal Capability and Capacity

- **Conduct a skills audit:** Evaluate your team's current skills and identify gaps.
- **Assess team capacity:** Determine if the existing team can handle the additional workload.
- **Consider organisational impacts:** Analyse how a new team might affect other teams and whether backfilling roles is necessary.



### Team Expansion

- **Evaluate skill and capacity needs:** Determine if you need to increase team size or recruit new specialists.
- **Address skill gaps:** Ensure you have the right skills in place for successful go-live.

By proactively addressing these questions, you'll increase the likelihood of a smooth transition and maximise the benefits of your new initiatives.

# WE ARE HERE TO HELP YOU

Having walked you through our tried-and-tested framework for unlocking customer value, you now know how to identify opportunities for change, plan everything out, get buy-in from stakeholders and deliver it.

As you'll have gathered, it's a lengthy process that involves lots of time, energy and investment when you follow the steps yourself.

**But if you do it right, the returns can be enormous.**

If, however, you'd sooner focus your efforts on running your business, why not let us handle it for you?

Delivering customer value growth is our speciality, and we have worked with countless brands, just like you, to help them fit the pieces of the puzzle together.

Our team is made up of highly experienced consultants who have spent significant time in senior client-side roles owning and delivering against the exact same challenges you face.

We're able to offer direct expertise and build teams of practitioners to help you unlock value.

If you're unsure of anything that we've explained in this playbook, or have any other questions on customer value management, **please get in touch.**

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