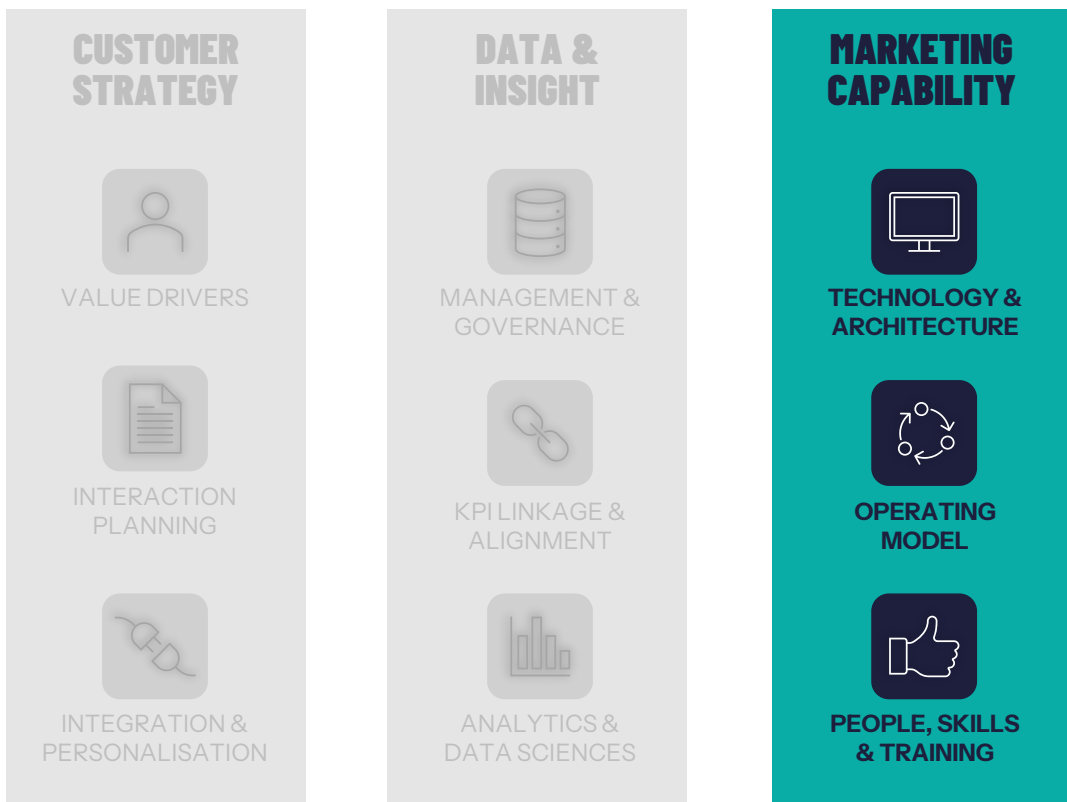# CVM Capability 301

CVM MATURITY MODEL

Our consultancy & resourcing services cover all areas of our Customer Value Management (CVM) maturity model, known as the **9-Box Capability Model**.

In this paper we reveal some of the considerations and how we help brands in the second 3 areas and believe are fundamental to establishing good **Marketing Capability**.

9-BOX CAPABILITY MODEL

CUSTOMER STRATEGY

VALUE DRIVERS

INTERACTION PLANNING

INTEGRATION & PERSONALISATION

DATA & INSIGHT

MANAGEMENT & GOVERNANCE

KPI LINKAGE & ALIGNMENT

ANALYTICS & DATA SCIENCES

MARKETING CAPABILITY

TECHNOLOGY & ARCHITECTURE

OPERATING MODEL

PEOPLE, SKILLS & TRAINING

Marketing capability is the ability of an organisation to effectively execute its marketing strategy through customer management tools and operations.

It encompasses the necessary elements to attract, engage, and retain customers, drive brand loyalty, and ultimately achieve business objectives. A robust customer management capability is built upon three key pillars:
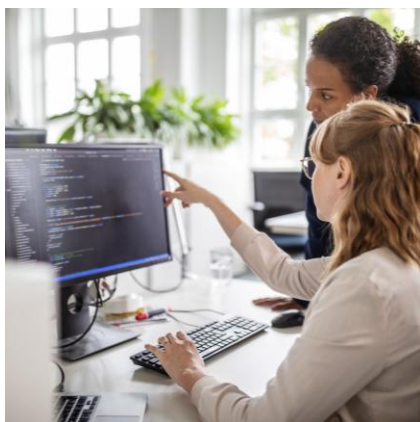
Technology and Architecture

The foundation of a strong marketing capability lies in having the right technological infrastructure and architecture. This includes tools and systems that enable efficient data collection, analysis, and segmentation; personalised communication; and effective tracking of marketing performance.

Operating Model

This defines how customer management activities are organised, managed, and executed. It involves processes, roles, and responsibilities within the customer management functions. A well-structured operating model ensures that customer acquisition, growth and retention efforts are aligned with overall business goals and that resources are utilised effectively.

People, Skills and Training

The success of a customer management capability depends on the skills and knowledge of the people involved. This includes talent with expertise in various areas such as customer strategy, data engineering, analysis, decisioning, content creation, and customer relationship management. Ongoing training and development are essential to keep the teams up-to-date with industry trends and best practices.

EMPOWERING CUSTOMER ENGAGEMENT

At the heart of effective customer management lies some form of marketing technology, such as Campaign Management Software (CMS), that automates and scales how brands manage their customer base marketing and manage interactions with their audience.

Businesses of all sizes are investing heavily in these tools to drive engagement, cross-selling, upselling, retention, and loyalty, and to ultimately increase customer value and profitability.

Whilst organisations seek to optimise their customer value and profitability, manage the complexity of customer base marketing, and leverage their customer data, the customer management technology market is expanding rapidly. Today's users have a wider range of sophisticated tools to choose from that meet their evolving needs.

Customer management solutions vary in complexity, from basic email sending to advanced self-learning capabilities that automatically tailor and align messaging across outbound and inbound channels.

With the market's maturity comes increased functionality and vendor options, but selecting the right solution can be a daunting task. To avoid costly pitfalls, it's crucial to understand the commitment involved and plan.

A well-executed implementation can significantly enhance your customer engagement and drive business success, whereas choosing the wrong solution or implementation partner can lead to protracted time to value and poor return on investment.

1

Define Your Customer Strategy

While the market offers a plethora of powerful marketing software solutions, it's essential to prioritise business requirements and customer strategy over technical capabilities.

To guide your decision-making, consider the following questions:

- *What are your current limitations that you aim to overcome?*

- *How will this technology impact your customers, and what commercial benefits will it drive?*

- *What is technically feasible within the context of your customer strategy?*

2

Develop a Robust Business Case

Assess the true incremental value that technology investment will deliver. Consider both commercial benefits and the positive impact on customer engagement and satisfaction, e.g., Net Promoter Score (NPS).

Key areas to focus on include:

- Understanding your major commercial levers and customer value management.

- Identifying how campaign management can contribute to reduced customer churn, increased share of wallet, and upselling.

- Analysing cost control mechanisms, such as discounts, enabled by decisioning technology.

- Quantifying the impact of the program on key performance indicators (KPIs), such as cross-sell or customer loss.

- Detailing the desired customer journey impacts, including specific cross-sell journeys.

- Ensuring that business case assumptions are achievable and defining the commercial value over a relevant timeframe.

3

Understand the End-to-End Change

Technology is a crucial component of customer strategy, but it's not the only factor determining success. Consider the broader picture and ensure visibility into all involved elements. Key areas to address include:

Design: Develop a high-level design of the end-to-end systems and integration points, considering current and future requirements, key capabilities and complexity of solution. Work with experienced resources to define requirements and create the RFI (request for information) and RFP (request for proposal) to engage potential vendors.

Delivery: Access flexible resources with a blend of skills to build, integrate, and launch the system. Involve a mix of experience and skills in systems integration, data architecture and customer strategy.

BAU (Business as Usual): Plan for the transition to BAU, including operating model design, identifying and building new roles, skills, and teams. This is far more than a 'nice to have', it's critical to realise the expected value.

4

Select the Right Software Solution

The software selection process should incorporate RFI, RFP, vendor scoring and POC (proof of concept) steps as needed. Consider factors such as:

- Architecture and integration with existing systems

- Key business functionality tailored to your business

- Availability of skilled resources to use and maintain the software

- Mission-critical use cases that deliver business benefits, not just features

- Vendor's ability to understand and deliver commercial value

- Confidence in vendor maintenance and upgrade roadmap

- Total cost of ownership

- Success rate with other clients and issues faced

EXAMPLE CUSTOMER VALUE MANAGMENT TOOLSET FEATURES

Campaign Management: Launch campaigns to groups of specific audiences and enable personalisation through content, timing and channel.

Orchestration: Automating, scheduling, arbitrating and monitoring campaigns to manage timely delivery, governance, tracking and prioritisation of activities.

Decisioning: Combining data, business rules and predictive analytics to optimise personalised next best actions according to overarching customer strategy.

Recommendation engine: Suggesting products or services based on individual customer preferences and purchase history.

Real-Time Inbound Marketing: Delivering highly targeted and consistent prompts (e.g. offers) to assisted and digital channels for use when customers are interacting and transacting through, e.g., the portal, app, store, or call centre.

Lead Management: Automated lead scoring to prioritise leads based on their engagement and likelihood to convert. Integration with chatbots and live chat for real-time customer interactions, and social media monitoring to identify potential leads and address customer concerns.

Channel Integration: Seamlessly integrate various channels (email, SMS, social media, direct mail, app, web, portal/kiosk, assisted, self-serve etc) for a consistent customer experience, also known as omni-channel.

Integrated Analytics: Utilise predictive modelling to forecast customer behaviour, campaign outcomes, and identify potential churn.

Customer Segmentation: Segment customers based on Recency, Frequency, and Monetary value, or their stage in the customer lifecycle (e.g., new, loyal, at-risk), or their relative potential value to the business.

ROI Tracking: Measure the performance outcomes and return on investment of marketing campaigns through, e.g., A/B, test and control groups to optimise performance.

Permissions and Preferences: Allow customers to customise their preferred communication channels and define content and communications they want.

Customer Data Management: Ensure data accuracy and completeness for reliable analysis and implement data governance policies to protect customer privacy and comply with regulations.

Feedback: Collect and analyse customer feedback to improve satisfaction and enable referrals and improvements.

CRM and Loyalty Integration: Integrate with CRM and Loyalty systems to provide teams with relevant customer data and campaign content information.

Commercial Tools: Offer negotiation optimisation, proposal generators, contract management, for example, can all help streamline the sales process.

A scorecard approach is an objective, systematic framework for assessing vendor capabilities against business requirements to make informed decisions. To create and use a scorecard approach:

1. Identify the most critical factors for vendor selection based on your business objectives and requirements.

2. Assign relative weights to each criterion based on its importance to your business, e.g. if data security is a top priority, you might assign it a higher weight than pricing.

3. Evaluate each vendor against each criterion on a numerical scale (e.g., 1-5), documenting the rationale for each score, providing specific examples or evidence to support your assessment.

4. Multiply each vendor's criterion score by its weight, then sum the weighted scores to determine the overall vendor score.

5. Compare overall scores across vendors to identify top contenders, analysing reasons for differences in scores to gain insights into strengths and weaknesses.

For example:

	Example criteria (can be weighted)	Existing solution	Upgrade existing solution	Solution A	Solution B	Solution C
Functional	Depth of functionality	1	2	5	4	2
	Product maturity	1	1	5	4	2
	Tactical or emergency campaign turnaround	3	3	5	3	2
	Time to implement	5	5	4	4	1
	Integration with existing capabilities	5	5	3	3	3
	Inbound channel capability	0	0	4	3	2
	Additional data source import/mapping	1	1	5	4	1
Non functional	Opex / capex required	4	2	4	2	2
	Availability & expense of developers	3	3	4	2	2
	Cloud based	0	0	3	3	4
	Tool time to competence for new users	3	3	3	3	2
	Score (percentage)	26 (47%)	25 (45%)	45 (81%)	35 (63%)	23 (42%)
	Fails	5	6	0	2	9
	Overall assessment	3	3	1	2	3

Match to requirement: 0 None / 1 Poor / 2 Partial / 3 Close / 4 Good / 5 Exact/complete

5

Managing and running the implementation project

Implementing any customer management tool, such as a campaign management system, is more than just a technical exercise. It requires a holistic approach that considers the potential pitfalls, data management challenges, and organisational readiness.

Consider:

- **Organisational Strategy:** Align the implementation with broader business objectives, ensuring that the system supports strategic priorities.

- **Data Governance:** Establish robust data governance policies to protect sensitive information and ensure data quality.

- **Team Capability:** Assess the skills and experience of the existing team and identify any gaps that need to be filled.

- **Channel Integration:** Consider the implications of integrating various channels, including training requirements and incentive structures.

- **Content and Creative:** Determine the ownership of content creation and ensure alignment with overall marketing messaging.

- **Financial Implications:** Evaluate the financial impact of the project, including ROI measurement, investment models, and pricing strategies.

- **Clear Communication:** Maintain open and transparent communication with all stakeholders throughout the project.

- **Risk Management:** Proactively identify and address potential risks to minimise disruptions.

- **Change Management:** Prepare the organisation for the changes that the implementation will bring.

- **Continuous Improvement:** Regularly assess the system's performance and make necessary adjustments.

By carefully considering these factors, organizations can increase the likelihood of a successful implementation that delivers value and drives business growth.

OPERATING MODEL FOR CUSTOMER VALUE MANAGEMENT

Maximising the benefit of a 1:1 customer management capabilities is more than just about implementation and use. It's also about the operating model that enables the organisation to plan, execute, measure, and optimise activities in the most effective way possible.

A Customer Value Management operating model centralises the protection and maximisation of value as the core objective of all customer management activities.

It is based on a change in mindset from "I have a product, who can I sell it to?", to "I have a customer, what's the best action to take?" – the transition from product to customer centricity.

This operating model provides the organisation with significant insight and clearly articulated levers that can be used to drive growth, profitability, manage bad debt, etc, and facilitates ownership of all aspects of the 1:1 customer strategy – from top line objectives and investment decisions through to channel briefings and logic management.

It also helps manage competing demands and personalities across product, propositions, and pricing, and ensure these are all balanced off against the best commercial outcomes for the customer and the organisation.

Core tenets of Customer Value Management:

Customer Value as the North Star: Measure and use the customer's current and potential value to guide all customer-related decisions, from acquisition to retention and upselling.

Data-Driven Decision Making: Leverage customer data to identify opportunities for value maximisation, and analytics to uncover patterns, trends, and insights that inform strategies and tactics.
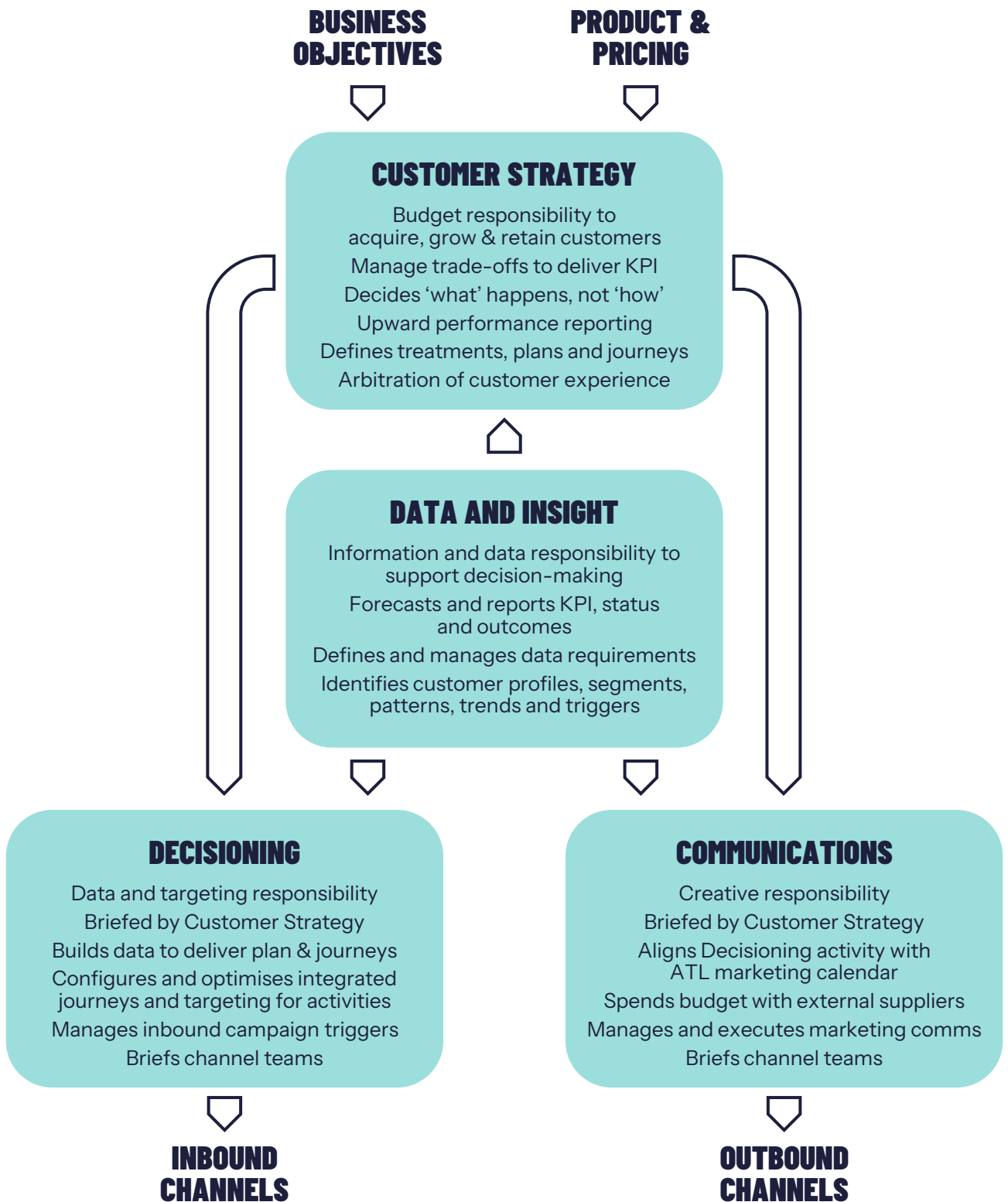
Personalised Customer Experiences: Create tailored experiences that resonate with individual customers and use data to segment customers and deliver personalised offers, content, and communications.

Continuous Optimisation: Implement a culture of continuous improvement, regularly reviewing and refining strategies, tactics, and processes to ensure they align with evolving customer needs and market dynamics.

BUSINESS OBJECTIVES

PRODUCT & PRICING

CUSTOMER STRATEGY

Budget responsibility to acquire, grow & retain customers

Manage trade-offs to deliver KPI

Decides 'what' happens, not 'how'

Upward performance reporting

Defines treatments, plans and journeys

Arbitration of customer experience

DATA AND INSIGHT

Information and data responsibility to support decision-making

Forecasts and reports KPI, status and outcomes

Defines and manages data requirements

Identifies customer profiles, segments, patterns, trends and triggers

DECISIONING

Data and targeting responsibility

Briefed by Customer Strategy

Builds data to deliver plan & journeys

Configures and optimises integrated journeys and targeting for activities

Manages inbound campaign triggers

Briefs channel teams

COMMUNICATIONS

Creative responsibility

Briefed by Customer Strategy

Aligns Decisioning activity with ATL marketing calendar

Spends budget with external suppliers

Manages and executes marketing comms

Briefs channel teams

INBOUND CHANNELS

OUTBOUND CHANNELS

KEY ELEMENTS OF THE CVM OPERATING MODEL

1. Establish governance to oversee customer value management activities.

2. Develop a comprehensive customer value strategy that aligns with the organisation's overall business objectives.

3. Define key performance indicators (KPIs) to track progress and measure success.

4. Implement robust data management to collect, store, and analyse data.

5. Ensure data quality and integrity to support accurate decision-making.

6. Develop data governance to protect customer privacy and comply with regulations.

7. Segment customers based on demographics, behaviour, and relative value.

8. Tailor marketing and sales efforts to meet needs and preferences of each segment.

9. Map the customer journey to identify touchpoints and opportunities to create value.

10. Optimise journeys to deliver seamless and personalised experiences.

11. Manage the entire customer lifecycle, from acquisition to retention and upselling.

12. Implement strategies to maximise customer value at each stage.

13. Use analytics tools to identify trends, patterns, and insights in customer data.

14. Leverage insights to inform decision-making and optimise customer experiences.

15. Measure and improve customer satisfaction and loyalty.

16. Implement feedback mechanisms, analyse the data, and address issues promptly.

17. Foster inter-team collaboration to ensure alignment and effective execution.

18. Equip employees with the skills and knowledge needed to deliver exceptional customer experiences.

19. Invest in technology solutions that support customer value management activities.

20. Stay updated on industry trends and best practices to remain competitive.

PEOPLE, SKILLS AND TRAINING

A successful CVM operating model requires a team of individuals who are equipped with the necessary skills, knowledge and mindset to deliver exceptional customer experiences. This section will explore the essential people, skills, and training considerations for building a high-performing CVM team.

By investing in the right people in the right structure and providing them with the right training, organisations can create a workforce that is capable of driving customer satisfaction, loyalty, and value.

The right leadership is critical

Having the right leadership is essential for creating a customer-centric organisation and having the vision and ability to grow customer value and achieve long-term success.

Effective CVM leaders:

- Create the right culture for customer-centricity and data-driven decision making.
- Ensure alignment with the objectives and strategy to deliver commercial value.
- Drive collaboration within and across functions to avoid siloes.
- Encourage innovation in new ideas, methodologies and approaches to improvement.
- Build effective relationships with suppliers and clients, both internally and externally.
- Optimise customer initiatives and activities through measurement and feedback.

Leadership remits and qualities

Chief Customer Officer

Configures and controls customer-centricity across the business.

Persuasive, Resolute, Big picture

Customer Strategy Director

Champions customer over product.

Scrupulous, Visionary, Goal-oriented

Head Of Decisioning

Optimises customer contact activity.

Programmatic, Meticulous, Productive

Head Of Data

Aligns data to business outcomes.

Proactive, Dependable, Thorough

Head Of Insight

Guides decisions through evidence.

Forensic, Evangelist, Innovative

One of the most important tasks of the Customer Strategy function is – in line with topline corporate objectives - the setting of the overall customer strategy and objectives to which all activities across CVM align.

Between them, the strategy and objectives inform, either directly through the planning process or indirectly through analytics and decisioning requirements, the activities and priorities of each of the teams across data, insight, decisioning, and communication.

To ensure smooth running, all functions within the CVM operating model, and the teams within those functions, must also be aligned through a combination of:

Clearly defined roles and responsibilities so that everyone knows what is expected and not expected of them.

Top-down cascading objectives, ensuring everyone understands their contribution to the broader customer strategy.

Clearly defined processes to facilitate partnering and efficient support between teams.

Shared incentives linked to customer outcomes to encourage a customer-centric mindset.

EXAMPLE ROLES AND RESPONSIBILITIES

CUSTOMER STRATEGY

Chief Customer Officer (CCO) oversees customer-focused culture and activities and prioritises resources.

Director of CVM / customer strategy / customer experience / customer shapes, steers and prioritises customer strategy and experiences according to the overall objectives.

Head of sales / acquisition / growth / retention / customer development prioritises and steers the day-to-day development and protection of revenue streams.

Head of Customer Experience / Customer Journeys / Customer Operations prioritises and steers day-to-day improvement of customer experience through touchpoints and activities.

Segment Manager / Journey manager defines and manages development activity for customer groups.

Data Planner / Campaign Planner designs customer activities, audience targets, proposition themes and creative briefs.

Customer Journey Analyst / Customer Experience Analyst designs, implements and monitors customer-centric processes to identify pain-points and opportunities.

DATA AND INSIGHT

Director of Insight / Data Strategy shapes and prioritises use of insight and data across the business.

Head of Insight prioritises and steers the day-to-day development and application of insight for decisions.

Insight Analysts scope, analyse, interpret and visualise data into insight and provide commentary.

Statistical Analysts provide analysis expertise to ensure validity and robustness of outputs and develop and maintain segmentation and scoring models.

Data Scientists are a hybrid of engineering and analytical roles but can be less productive and more expensive than a small collaborative team of specialists.

Data Analysts support the team with ad-hoc data preparation for analysis, reporting and targeting, and data documentation, quality and in-depth knowledge.

Reporting Analysts prototype and productionise regular business, channel and segment performance reporting and commentary.

Data Manager oversees development, maintenance, compliance and enrichment of data assets.

Data Engineer supports data sourcing, integration, cleansing, enrichment and manipulation, ensuring consistency and accuracy and working with IT and suppliers.

DECISIONING & COMMUNICATIONS

CRM Delivery Manager schedules targeting development tasks for outbound and inbound activity.

Campaign Manager / Campaign Executive develops creative content and assets to support targeting.

Segment Executive / Decisioning Executive / Selections Executive develops and executes customer targeting activities using data according to segment or targeting strategy.
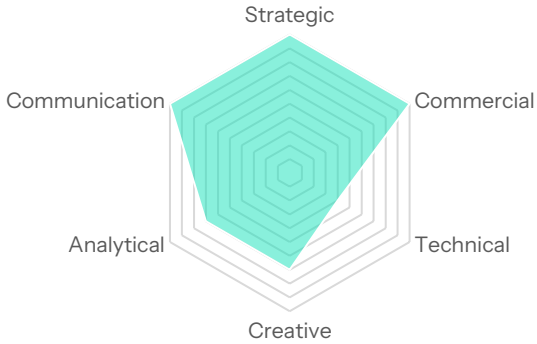
Head of Decisioning manages and optimises customer contact activities, business rules and data-driven targeting.
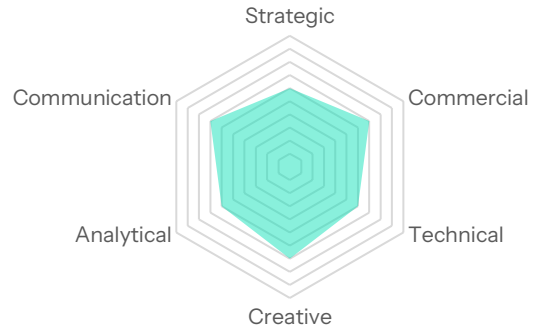
EXAMPLE APTITUDES

CUSTOMER STRATEGY

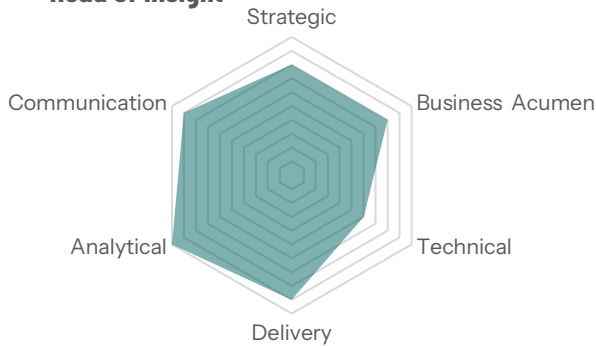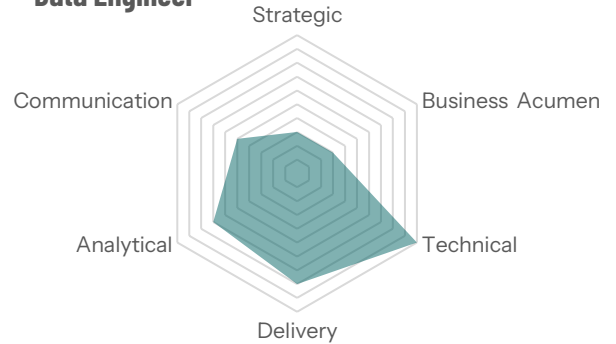### Customer Strategy Director

Planner
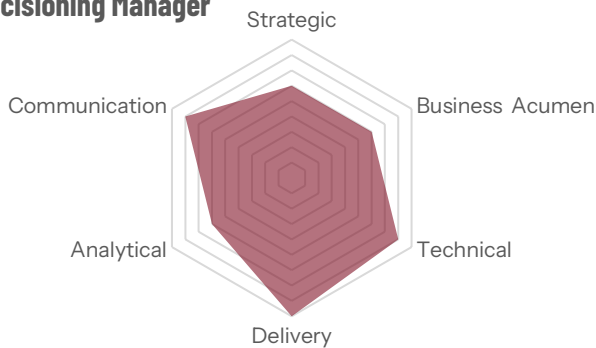

DATA AND INSIGHT
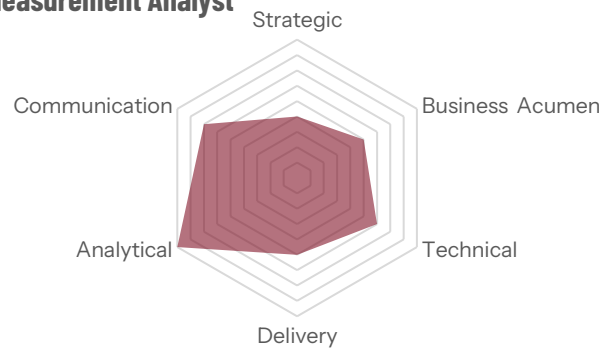
Head of Insight

Data Engineer

DECISIONING

Decisioning Manager

Measurement Analyst

Key

Strategic: Applies holistic, long-term lens to ideation & planning.

Technical: Expertise with tools, platforms, & methodologies

Analytical: logic, problem solving, pattern recognition, & data literacy

Communication: Clarity & quality of written & verbal communication

Commercial: Understanding of & focus on monetary impact

Business Acumen: Understanding of impact on wider business

Delivery: Project management & execution focus and ability

Creative: ability to ideate & problem solve in a flexible way

TYPICAL CVM SKILLS

In essence, a successful customer value management team requires a diverse set of skills that work together to effectively measure, analyse, and enhance the value of customers and achieve shared objectives. We help our clients to design, upskill and recruit the right teams. Here are some common skills:

Customer-centric thinking encompassing customer empathy, understanding needs, building relationships, and creative marketing.

Data-driven means analysing and interpreting data and the use of KPI and insight to inform decisions.

Commercial means translating business objectives into effective acquisition, service, growth and retention strategies and activities, product knowledge and negotiation.
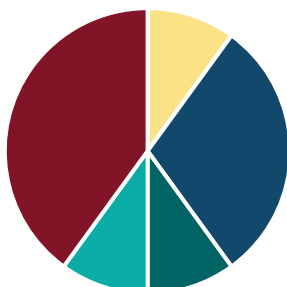
Interpersonal includes communication, collaboration, selling and storytelling.

Technical encompasses problem solving, logic development, project management, and use of specialist tools for marketing and analysis.

While these core skills are shared across the team, the specific emphasis and application will vary based on the role, for example:
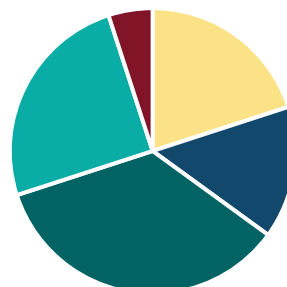
Data Analyst

Segment Manager

Head of Retention

TEAM DEVELOPMENT

Many organisations are investing in developing their existing talent to cultivate the skills needed for effective CVM. Organisations should consider a comprehensive training program that covers a range of topics, for example:

1. Foundational Skills

- Customer-centric thinking, such as empathy workshops, customer journey mapping, and voice-of-the-customer analysis.
- Data-driven decision making, such as data literacy, visualising data and data analysis.
- Commercial acumen, such as selling and negotiation, understanding the market and customer value.

2. Intermediate Skills

- Relationship building, such as active listening, building rapport and trust and account management.
- Problem solving and critical thinking, such as root cause analysis, decision making frameworks, case studies.
- Project management, such as planning, agile, time management and prioritisation.

3. Advanced Skills

- Strategic thinking, such as customer lifetime value analysis, market segmentations and targeting.
- Leadership and coaching, such as styles and behaviours, coaching and mentoring, team building and motivation.
- Innovation and transformation, such as emerging technologies, transformation strategies, innovation and idea generation.

4. Tailored Development

- Role specific training, such as customer success best practices, campaign development processes, data analysis techniques, growth hacking.
- Mentorship and coaching, such as 'buddy' shadowing for less experienced people, and providing guidance and support for career development.
- Certification, such as Chartered Institute of Marketing (CIM), Microsoft Azure Data Engineer.

Key considerations for a successful development program:

Alignment with business goals: Ensure the program supports the overall strategy and objectives.

Continuous learning: Foster a culture of continuous learning and proactive development.

Personalised approach: Tailor the program to meet the individual needs and learning styles of team members.

Measurement and evaluation: Track the effectiveness of the program and make necessary adjustments.

Data-driven culture: Fostering a data-driven mindset throughout the organisation, with employees' improving their understanding of data and its value.

Omni-channel Experiences: Providing consistent and seamless sales and service experiences across all channels, including personalised messages based on the customer's current context.

Customer Experience Focus: Putting the customer at the centre of business decision-making; using metrics to track customer satisfaction and identify areas for improvement; recognising employee satisfaction impacts customer experience.

Social Listening: and monitoring social media conversations to identify customer sentiment, market trends and proactively address concerns.

Low-Code/No-Code Tools: Making data, analysis, segmentation and activity management more accessible to non-expert users, e.g., by using chat-style interfaces to define campaigns.

AI-powered Analytics: Forecast nuanced customer behaviours, identify hidden churn risks, and recommend exceptional actions; analyse customer interactions and transactions to understand sentiment and intent.

Content Creation: Using AI to generate communication content, such as articles, imagery, email subject and copy-text, and other marketing materials to increase productivity.

Virtual Assistants: Using chat interfaces, via text, voice or video, to provide virtual expert support during more complex interactions in customer sales and service.

Neurotechnology: Analysing customer emotions to personalise interactions and improve product design, and targeting customers based on their subconscious preferences.

Hyper-Personalisation: Adapting experiences based on customer behaviour and context in real-time, or anticipating their needs and preferences.

Sustainable Customer Management: Implementing sustainable practices throughout the customer journey, ensuring products and services are sourced responsibly, and minimising the environmental impact of customer interactions.

Blockchain Technology: Used to prove data integrity and protection; implement transparent and tamper-proof loyalty rewards; provide visibility into product origins and ethical sourcing.

OUR RECOMMENDED APPROACH

Discover

Using our own maturity model, we can assess opportunities in customer management or focus on specific areas of challenge or opportunity that the client has already identified. Part of this is typical mapping the as-is–across customer management capabilities, such as data, channels, governance, analytics, systems, and operating models.

Recommend

Based on the target capability for data and/or insight, we can design the 'to be' to deliver the identified opportunities, including vendor assessment and recommendation. We are technology agnostic, meaning we offer an independent view. This is 'use case' driven, aiming to deliver recommendations with tangible commercial benefits.

Prioritise

Within recommendations there will always be a range of benefits and costs. We will help drive out the prioritisation of quick wins versus longer term capability development. We can also help build benefits cases in more detail for investment sign off if required. Prioritisation may include deployment of some channels or customer strategies before others.

Roadmap

The interlock with other areas of change within the organisation is critical. Particularly in the data management area, upstream change can impact plans. We can help you design the delivery roadmap and manage vendor and systems integrator.

Deliver

We can resource a bespoke team for you to move through delivery, including experience business change leads to drive the overall programme. Typical skillsets include systems architecture, business analysis, and data governance.

Embed

Almost all business change requires a focus on 'people' and 'process' elements. At the very least a change in customer management capability requires new people after it has been 'delivered' to operate. As well as organisation & operating model design, we have an extensive resourcing capability that enables you to put permanent team changes in place.

WE ARE HERE TO HELP YOU

Our aim is to grow our client's customer value. We help brands organise and use data to make decisions and automate technology to execute them.

There's a lot of pieces to that puzzle of course. Our 9-box capability model reflects the building blocks that make up effective management of your customer base.

The core principles of being customer and insight led have not changed, but there's been a rapid change in technology and the art of the possible.

This has huge implications for the capability needed in an organisation – from marketing right through to technology, data and people.

We're not just consultants; we've sat your side of the table working for some of the biggest brands across the world and faced the same challenges as you are today.

That's why we've designed a business around delivering & embedding real change that sticks, not just imparting theory.

It also means we are best placed to offer direct expertise and build teams of practitioners to help you realise your opportunity based on practical experience – and support for the whole journey if you need it.