



Customer Relationship Process Value Creation Mapping

A Customer Relationship Process across the lifecycle develops relationships, creating value and executing strategy. Companies that thrive and excel at value creation—no matter the economic conditions—understand and optimize what their customers value, while paying attention to profit. It's fundamental.

Developing a relationship is a joint collaborative process—a give and take of interactions—between the prospect or customer and the company (seller) and the company's frontline staff that moves a relationship forward or backward. Both sides need to be accounted for. When both are known the company has competitive advantage. The unknowns mean risk to value.

Interaction Process Flow	Seller Interactions Known	Seller Interactions Unknown
Customer Interactions Known	Competitive Advantage	Profit At Risk
Customer Interactions Unknown	Retention At Risk	Company At Risk

Our Value Creation Mapping methodology captures the interweaving and overlapping of customer and company processes to map what the customer experiences. A VCM can be used not only to improve a process, but to plan and launch a process as well. It is especially helpful in understanding processes new to many companies such as online community building or cross-functional collaboration. Our methodology integrates tools from operations, finance, and marketing and takes them to a new operational level. The purpose of the Value Creation Map (VCM) is to account for everything the company and its people do to create value for the customer, tied to profit.

The data from the VCM is tied to profit with any or all of several models:

- **Operational CRI Tracking System:** Calibrate customer relationship metrics to track relationship cause-and-effect in customer relationship strategy execution.
- **Profit Matrix:** Understand and optimize the experience of top priority customers and those with high profit potential, while paying attention to profit.
- **Productivity Model:** Quantify critical customer and staff activities to tie to profit.
- **Social Tactics Model:** Quantify social media for value in building communities..
- **Strategy Decision Model:** Detail the interaction process flow and its costs to carry out tactics for alternative customer relationship strategy evaluations.

To plan and launch a process a VCM can

- Align your teams—horizontally and vertically—to deliver what you promise.
- Map the potential customer experience.
- Anticipate what you will DO and what the customer will DO in the give and take of interactions as company and customer processes interweave and overlap.
- Balance the value provided to the customer and the value received for the cost expended by the company and the price paid by the customer.
- Identify where to improve profit while at the same time improving on what customers value.

To improve a process a VCM can:

- Show how you can cut costs without negatively impacting what customers value.
- Identify where to improve profit while at the same time improving the customer experience.
- Provide insight into how your organization is aligned to work together (or against one another) to create value for customers.
- Detail how important processes work and identify ones that need to be fixed or ones that are missing.
- Raise the questions of what you may be able to get rid of or stop doing.
- Point to areas where you may be able to build in additional value for additional gains for the customer and the company.

To start mapping the customer experience we recommend a pilot with customer-facing employees serving top priority, high-profit potential customers in a channel/product group and focusing on their most critical interaction processes such as:

- Ones with high impact on top priority, high-profit potential customers
- Ones with high impact on Brand, Product, and Relationship Value (the three aspects of Customer Value)
- Customer events (unhappy, makes referral, makes large purchase)
- Hand offs between functional groups
- Retention enhancing activities (cross-selling, contract renewal, community building)
- Value Cycle Interdependency

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Value customer relationships. Drive profit.

