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Optimize Your Customer Portfolio

Against the backdrop of a changing market landscape and dynamic customer demand, the case for optimizing customer portfolios is strong. Yet, despite enormous investments in CRM systems, many companies don't understand account-level profitability very well. Operating in this "fog" of customer profitability is very costly; sales staff are likely to over-serve low-value accounts and under-penetrate the potentially high value ones.

Be Obviously Different

A company's competitive advantage is the specific value its salespeople can offer their customers. Salespeople who bring innovative, highly differentiated solutions to the table that respond to their customer's unique business needs will gain credibility as trusted advisors. By understanding the customer's relationship and business value drivers, sales organizations can create value with every interaction. Relationship selling is all about building a partnership with your clients and listening to their needs. Once you've built that relationship, shown you care, and earned their trust, you are on the road to making them valuable customers.

On the other hand, it is both neither possible nor conducive to establish an intensive relationship with every customer. Entrepreneurs and management have to focus their attention on those customers who promise the highest impact. Optimize your customer portfolio to maximize revenue and profit is mission critical, making an in-depth understanding of current and potential value a basic requirement.

Applying the best approach to acquisition marketing based on customer value establishes the foundation for portfolio optimization which increases the number of highly valuable customers as a percentage over time. With their unbiased perspective, professional consultants can support your management finding the best approach to portfolio optimization.

Value-Based Customer Portfolio

A successful customer portfolio optimization has to start with a robust customer segmentation architecture that divides clients into groups that have similar value, characteristics, product affinity, behavior and/or needs. In a second step, your company's strengths and weaknesses have to be addressed and matched with the expectations and requirements of your most valuable clients. Through a careful analysis of where a firm is positioned on the dimensions of portfolio size, revenue concentration, and relational embeddedness, entrepreneurs and managers can direct business development and marketing efforts to maximize benefits. A thorough evaluation of these dimensions can help your management make the difficult trade-offs between focusing its efforts on gaining promising new

customers versus cultivating closer relationships with existing customers. And it helps keeping your customer portfolio flexible for future developments.

Addressing customer portfolio management is important in becoming a high-performance business. Outside experts can support your management to drive rapid performance improvements by configuring your business around the needs of your company's most valuable customers in a competitively advantaged manner.

MFB Resultants - We Create Results.

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