

Project

Further development of the Customer Activity Cycle for a global player in industrial b2b.

Concept

The Customer Activity Cycle provides easy-to-develop insights into the customers' way of working and the e-Business interactions they require of their suppliers.

Further development of the model was required to provide the link between

- customer activities
- the capabilities they expect the supplier to provide
- solution features and functionality
- business KPIs (key performance indicators)

The phases within the various Customer Activity Cycles provide a basis for discussing capabilities – depending on the customer type, the opportunities for influencing the decision-making process will vary and with them the capabilities that the user expects to find. The required capabilities were documented as notes on the CAC diagram.

Two trends become obvious in this analysis: As the customer progresses through the decision-making process, her information requirements increase. Simultaneously and proportionally, our willingness to interact increases, a fact that the complexity of the information channel must support. These insights were documented on a graphical matrix, which was superimposed on the CAC.

Using a simple Cause and Effects model, it quickly became obvious that the primary benefits of any proposed e-business solution can be measured in terms of

- customers – winning new customers, increased loyalty, less disaffection
- orders – increased frequency and/or value
- user satisfaction – with the resultant indirect influence on customer loyalty and order value (through cross-and up-selling)
- costs – order processing, pre-sales support etc.

Appropriate symbols, colours and metrics were applied to the matrix to give a graphical representation of the business benefits associated with implementing specific features for specific customer types. Consolidation across all customers provided a simple measure of the overall leverage to be expected from the implementation of specific e-business features and functionality.

In a final stage, these visual consolidations were modelled against the business KPIs, to provide an indication of the financial benefit of implementing individual e-business projects. This was done using index values, which provided an easy to understand method of forecasting growth in customers, orders etc. resulting from the provision of the identified capabilities. From there, it was a simple matter to calculate Return on Investment, Net Present Value etc. for the defined projects.

Role

My role in this exercise was that of moderator, provider of analytical insight, supplier of tools and Excel guru!

