

Customer Value, Inc. Introduces
Customer Value Accounting

**Gain New Insights and Quick Bottom-Line Payoffs
From Data You Already Have**

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Market-leading organizations that offer superior products and deliver more economic value to customers should be able to command price premiums for their products. Unfortunately, many such companies are getting push back from customers on the price premiums that they feel they deserve. Given the current economic malaise, you need to be especially clear in communicating your value proposition to customers. In order to counter customer push back and communicate why customers should pay a price premium for your product, you need to understand, more clearly than ever, the economic value to customers of your offering compared to rival offerings.

Customer Value, Inc. can help you to better understand your current economic value delivered, fine-tune your value proposition and pricing, and communicate this information effectively to your customers. We have developed new analytical techniques that bring together data on (1) monetary prices and (2) scaled performance scores, for you and your competitors. The result is a powerful analysis of customer-perceived value that quantifies the tradeoff of price for performance.

The Tools of Customer Value Analysis

- 1 **Price-Performance Profile** – Assembles the data for customer value analysis
- 2 **Value Map** – Helps you to set prices based on relative economic value, knowing cost
- 3 **Head-to-Head Value Comparisons** – Helps your sales team command the prices you deserve
- 4 **Value Scorecard** – Quantifies the economic value delivered to customers by your performance advantages on various attributes versus competitors
- 5 **Value-Strategy Simulator** – Simulates initiatives that will improve your performance and economic value delivered versus rival offerings
- 6 **What/Who Alignment Matrix** – Shows which functions are responsible for maintaining customer-value performance on each attribute, thereby setting the stage for improving performance

The Price/Performance Profile, an assemblage of data comparing your products with competitors' products from a customer perspective, forms the basis for many of these analyses. Starting with this profile, our Digital War Room™ software allows you to effortlessly generate analyses that will help you set prices, get the prices you set, and

understand and communicate your performance and your economic value delivered to customers. In addition, our software allows you to easily simulate initiatives to improve your performance and your economic value relative to that of rival offerings. (CVI licenses the DWR software to business practitioners working on business-unit, product-line, or new-product teams on an individual, seat-license basis.)

Many companies already have data on prices from competitive intelligence and on performance from market research. Conducting a customer value analysis of these data allows you to quickly gain new insights for *value-based* strategy, marketing, segmentation, product/service positioning, pricing, communicating, and selling. These insights often lead to short-term payoffs to the bottom line.

If you do not have data readily available, CVI can assist you in obtaining the data necessary to conduct a customer value analysis. If expert evaluators, like *Consumer Reports* or *PC World*, have analyzed your products, or your products have been covered in an industry-wide market research study, CVI can help you carry out initial customer value analyses based on those data. If data for an initial customer value analysis is not available (from market research, expert evaluators, or a management Delphi consensus), CVI can help you to gather it.

Please feel free to phone Bradley Gale at 617-227-8191 for a discussion of customer-centric competitive strategy at your organization and the options for learning more about customer value analysis and management.