

## **Next-Generation Customer Value Analysis (CVA): A Decision-Tool Approach**

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**An innovative approach to assessing energy suppliers' competitive position and leveraging customer values to acquire, retain and manage customer relationships by:**

- Identifying customer values that drive energy supplier selection and purchases
- Assessing and tracking competitive market position
- Determining specific, actionable relationship management strategies and tactics
- Simulating the impact of strategy implementation and competitor response on market share and revenue

**The approach addresses two major shortcomings of traditional customer satisfaction and customer value analysis approaches:**

- The results are not actionable - the measures used to gauge supplier performance and competitive position do not translate directly into specific actions that management can take
- The results are not financially consequential - The results are not tied directly to revenue impact; therefore, the financial consequences of taking (or not taking) actions based on the results are largely guesswork

**The approach provides actionable information tied directly to revenue impacts by incorporating:**

- Highly granular and actionable customer survey-based measures of specific customer requirements
- Assessments of supplier and competitor performance in meeting customer requirements
- State-of-the-art trade-off tools for linking competitive performance directly to customer purchase behavior and revenue
- A powerful simulation tool for testing - and optimizing - the impact of strategy implementation and competitor response on market share and revenue
- Methods for tracking competitive position and the market impact of strategic implementation over time

The approach has proven highly successful in aiding upper management to develop overall competitive positioning strategies, while providing directors and managers sufficient detail to develop specific implementation tactics.