

Philosophy

Universal Customer Value Management (uCVM™)

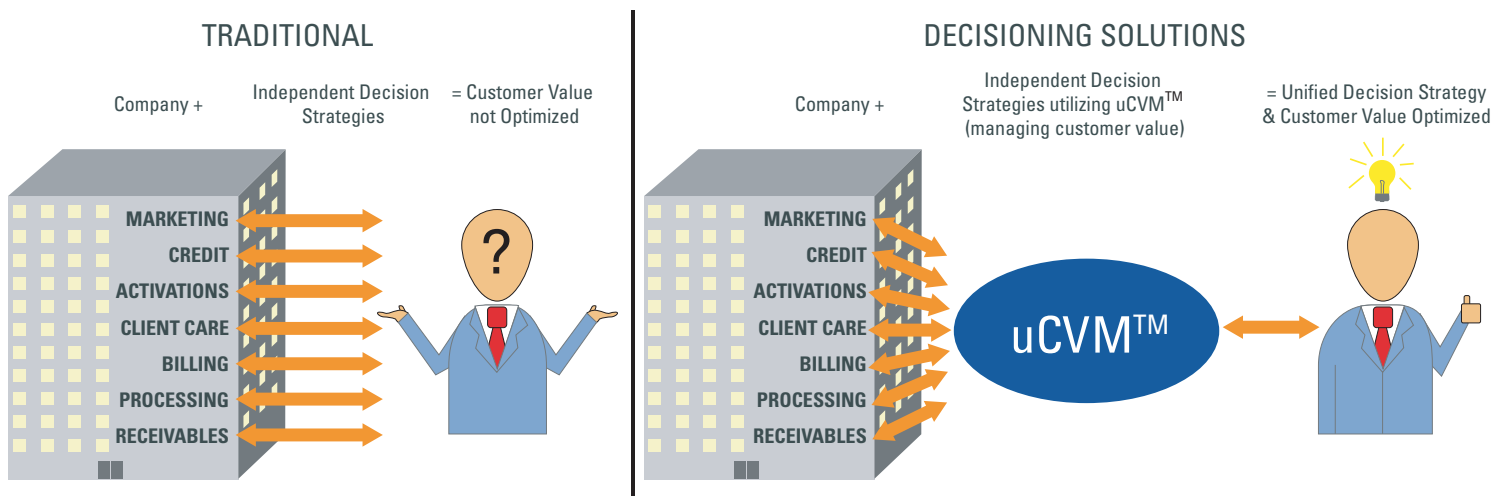
Decisioning Solutions is dedicated to developing and delivering Solutions, Analytics and Services using its philosophy -- Universal Customer Value Management (uCVM™).

All Decisioning Solutions products and services revolve around the most flexible means of making automated decisions without IT intervention. Using our solutions, organizations can dramatically increase the efficiency and effectiveness in departmental areas; however, without a philosophy or methodology on how these solutions can be fully utilized, these departments will continue to operate in departmental silos. uCVM™ is a theory that breaks down these silos to allow departments within an organization to align with one another.

uCVM™ combines theories of Credit Risk Management and traditional Customer Relationship Management (CRM) into a single blended philosophy. Implementation of the philosophy helps corporate users establish individual customer value, make customer treatment decisions for individuals based on a common value equation, and then execute upon the decision.

Example: Customer acquisition decisions traditionally focus on credit risk assessment only; however, this may not necessarily be the best approach to obtain the overall organizational Customer Value Equation. Organizations should focus on approval/acquisition strategies using their own uCVM™ metrics to extract maximum value both at the beginning and throughout the customer lifecycle.

It is the principle of uCVM™ that each department within an organization treat customers consistently and in accordance with their current value throughout the customer lifecycle.



For further information, please contact Decisioning Solutions at Info@decisioningsolutions.com



Getting Started

1. Define the organizational metrics that contribute to overall customer value. Ensure all aspects of the customer relationship are considered, including marketing, acquisition, customer care, billing and receivables.

Example: Organizations that take on more loss exposure due to their inherent products and services put more emphasis on credit risk decisioning, while other organizations that have means to limit loss exposures (i.e. pay or you are cut off) may increase emphasis on attrition and profitability while keeping credit risk decisioning static, etc.

2. Continually improve customer interaction by proactively predicting client behavior for opportunities and risks throughout the client lifecycle.

1. Targeting potential customers
2. Selecting/acquiring new customers
3. Managing customer value
4. Recovering customers

The value equation remains the same. In order to reach this common value, decisioning criteria such as data used, outcomes and ratios to common goals needs to be differentiated at each touch point.

Example: As the customer lifecycle continues, credit worthiness may not take center stage as it did at the beginning of the lifecycle. Therefore, decisioning strategies and the data used will be different.



3. Use the equation to treat clients consistently and in accordance with their current value throughout all divisions and channels of customer interaction.

Companies successful in implementing uCVM™ treat the client holistically and consistently through all divisions. When implemented properly the power of uCVM™ becomes evident. Businesses use client segmentation, risk, and value predictions to get the right message to the right client at the right time. By treating each client pro-actively and appropriately throughout their lifecycle, customer profit potential and business growth objectives are realized.

The result is a powerful strategy that enables tremendous improvement in operating metrics, EBITA, and shareholder value.

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Consistent Treatment

When customers are treated in a consistent manner, their loyalty to your organization can be strengthened. For example, your marketing department could be sending out a bonus offer to high-volume customers while your accounts receivables department is sending a warning letter to the same customer who has failed to pay his/her bill. Unfortunately, in many organizations, the left hand does not know what the right hand is doing. As a result, this customer is left confused and angry, and will possibly look to a competitor to serve their needs. These departments need to work together to maximize the customer relationship.

Current Value

Current value is a critical part of the customer relationship. Naturally a customer's value will change over time; therefore the actions you take on that customer should reflect the change in customer value. A customer who is treated the same way as he/she was at the time of acquisition although his/her value has increased may look at other alternatives. By not treating customers in accordance with their current value, organizations risk a higher turnover rate, higher credit risk and lower profitability.



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