

The Role of Internal Audit

Winning with Customers



D. KEITH FIGUES

Are Your Customers at the Center of
Your Business?

Winning Check-up

- \$ We know specifically **how** we help make our customers better off.
- \$ We understand **how we will** make our customers better off in the **future**.
- \$ We measure and track **how much** money better off our customers are **over time** doing business with us.
- \$ We measure and track **how much** better off our customers are by doing business with us **relative to other service providers**.

True Measure of Winning

In today's world, you must understand
HOW YOUR CUSTOMERS



BY DOING BUSINESS WITH YOU

And,
capture your
fair share



The Journey To Win With Customers

The beginning...



The lightning strike...



The enterprise...



MONSANTO



Change the Customer Conversation

What Matters to Customers

~~QUALITY & RELIABILITY?~~

~~REPUTATION?~~

~~RELATIONSHIPS?~~

~~PRODUCT?~~

~~TECHNICAL CAPABILITY?~~

~~PRODUCT FEATURES?~~

~~FINANCIAL STABILITY?~~

~~LONG TERM PLAYERS?~~

INCREASED PERFORMANCE

EARNINGS

GROWTH

RETURN ON INVESTMENT

SHAREHOLDER VALUE

DRIVE REVENUE

CONTROL COSTS

IMPROVE CASH FLOW

BUILD SHAREHOLDER VALUE

THEIR BOTTOM LINE

Help Make Your Customers Better Off

What is your Differential Value?

Your Value Proposition

Making the Connection

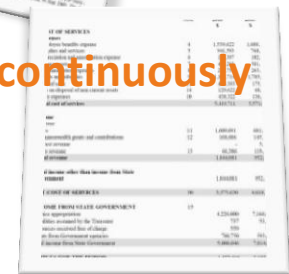
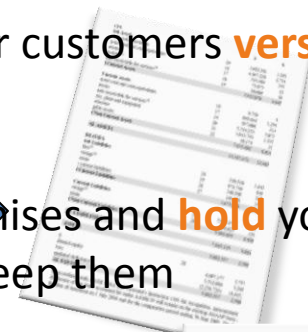
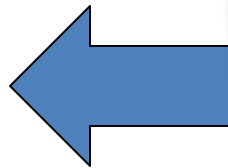
Your Customers' Financials

DVP

Differential Value Proposition: Understand how you are different from your customers versus their next best alternative

Make the right Customer Promises and hold your organization accountable to keep them

Measure success with Customers and continuously improve

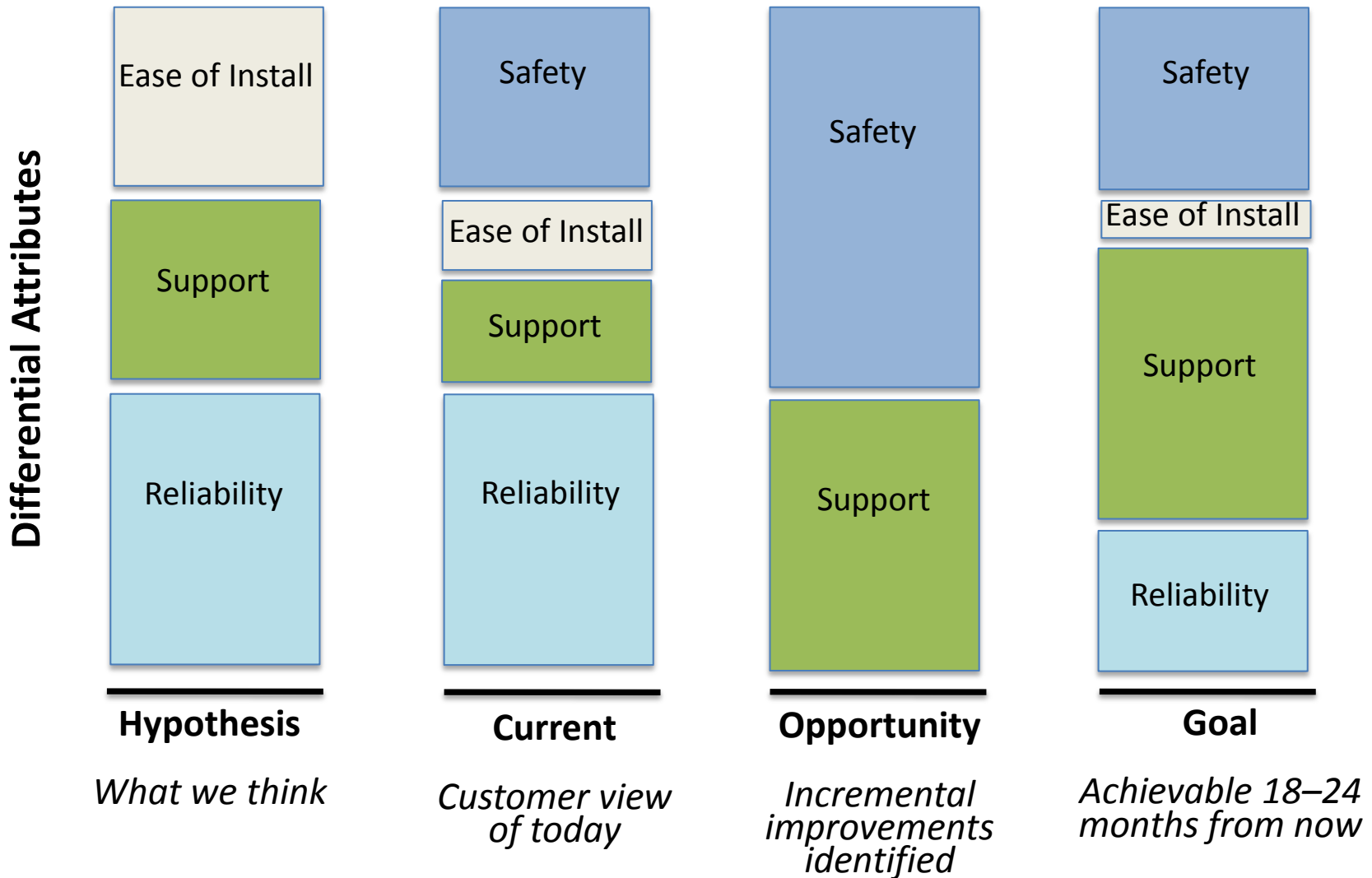


Measuring Differential Value

$$\text{DVP\%} = \frac{\text{Money Customer Makes with You vs. Other Alternatives}}{\text{Total Amount of Business with Customer}}$$

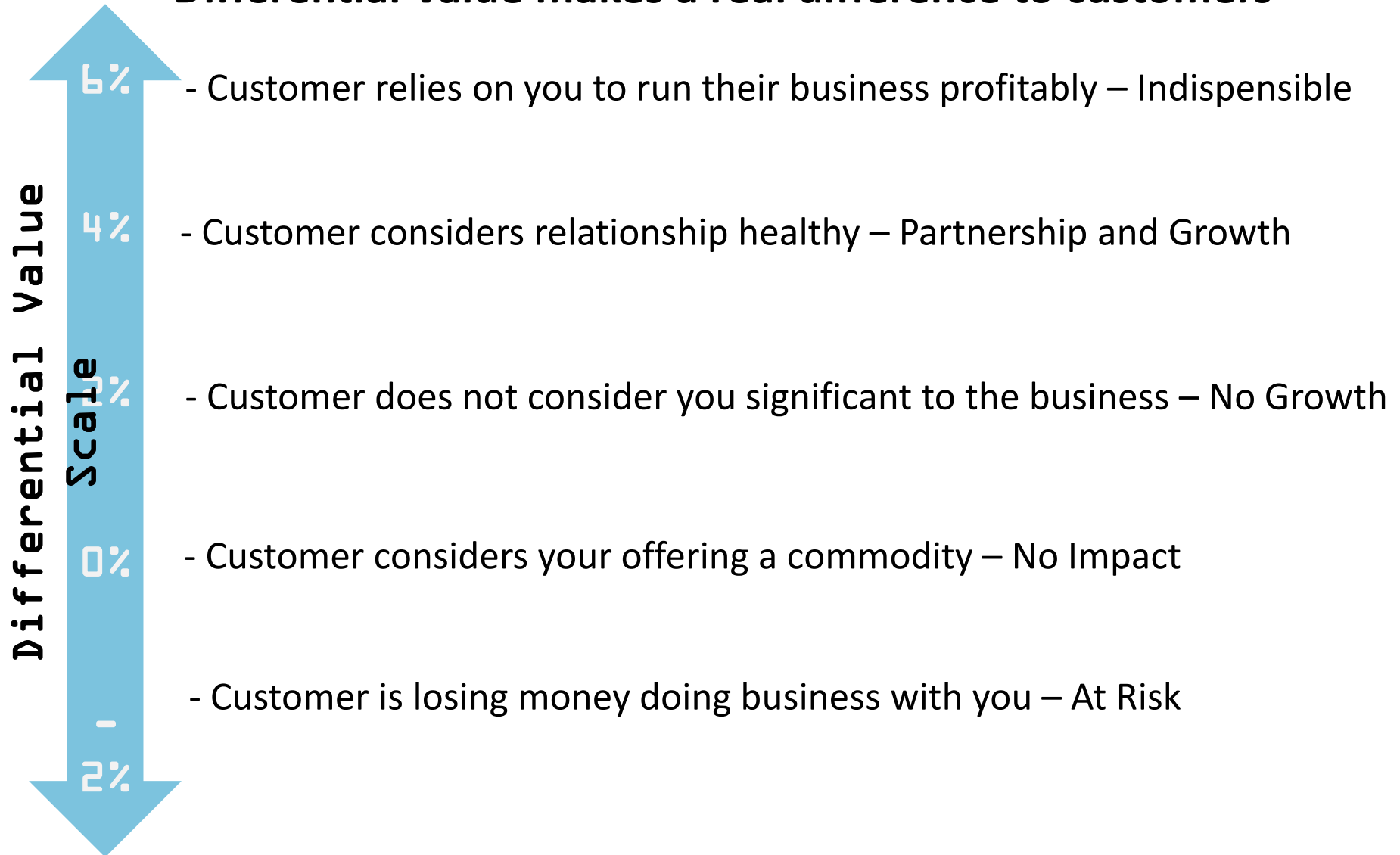


Measuring and Improving Value



What Differential Value 'Feels Like'

Differential Value makes a real difference to customers

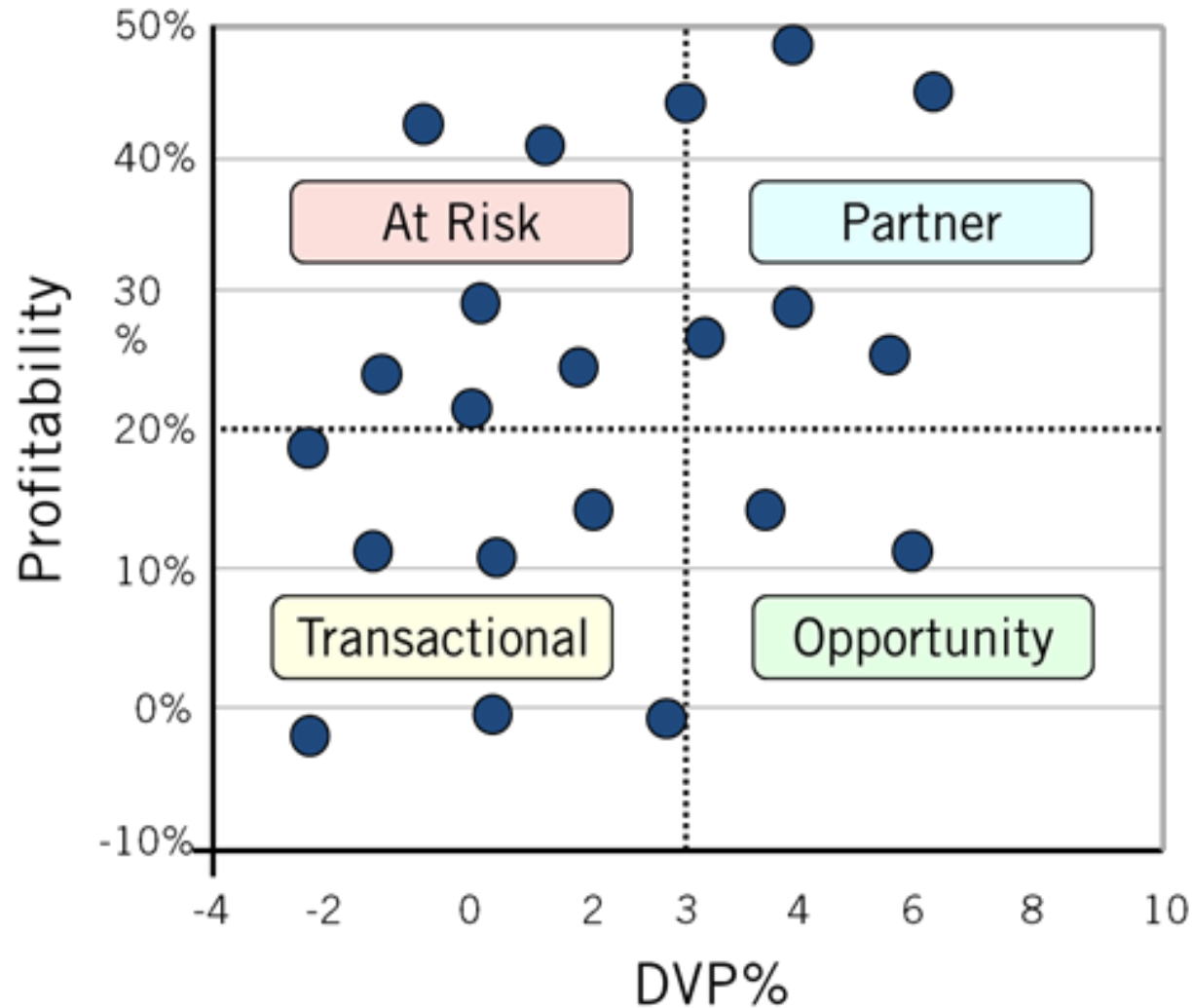


Finding Mutual Success – The LIST

THE LIST: Top 5 things to make our customers more \$\$\$

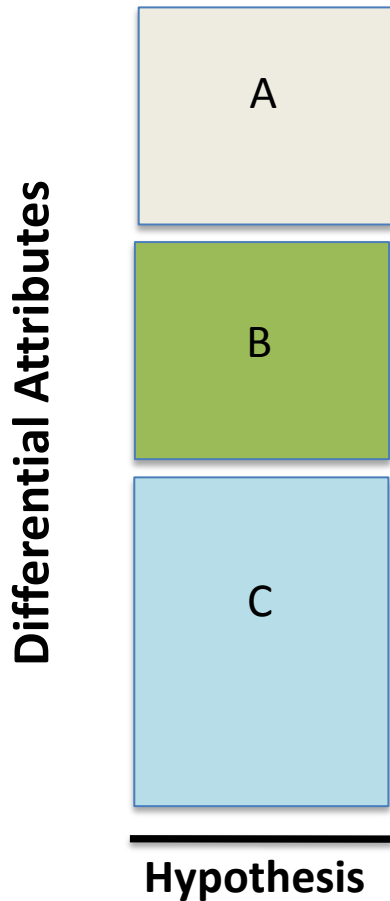
Investment	Opportunity	Impact on Customer
Product Differentiation	Upgrade existing low-end products to provide an offering for price-sensitive buyers.	\$3,082,000
Product Line	Fill gap in Product Line by offering High End Option that provides a natural up-sell to mainstream products.	\$1,843,000
Loyalty Programs	Simplify the paperwork required to participate in Loyalty Program.	\$1,645,000
Sales Organization	Increase focus down channel to drive demand with our customer's customers.	\$2,071,000
Marketing Materials	Upgraded materials required to help close the sale with our customer's customers. The materials need to be simplified and widely available in all branches.	\$5,401,000

Linking Differential to Your Success



Your Journey to WIN with Customers

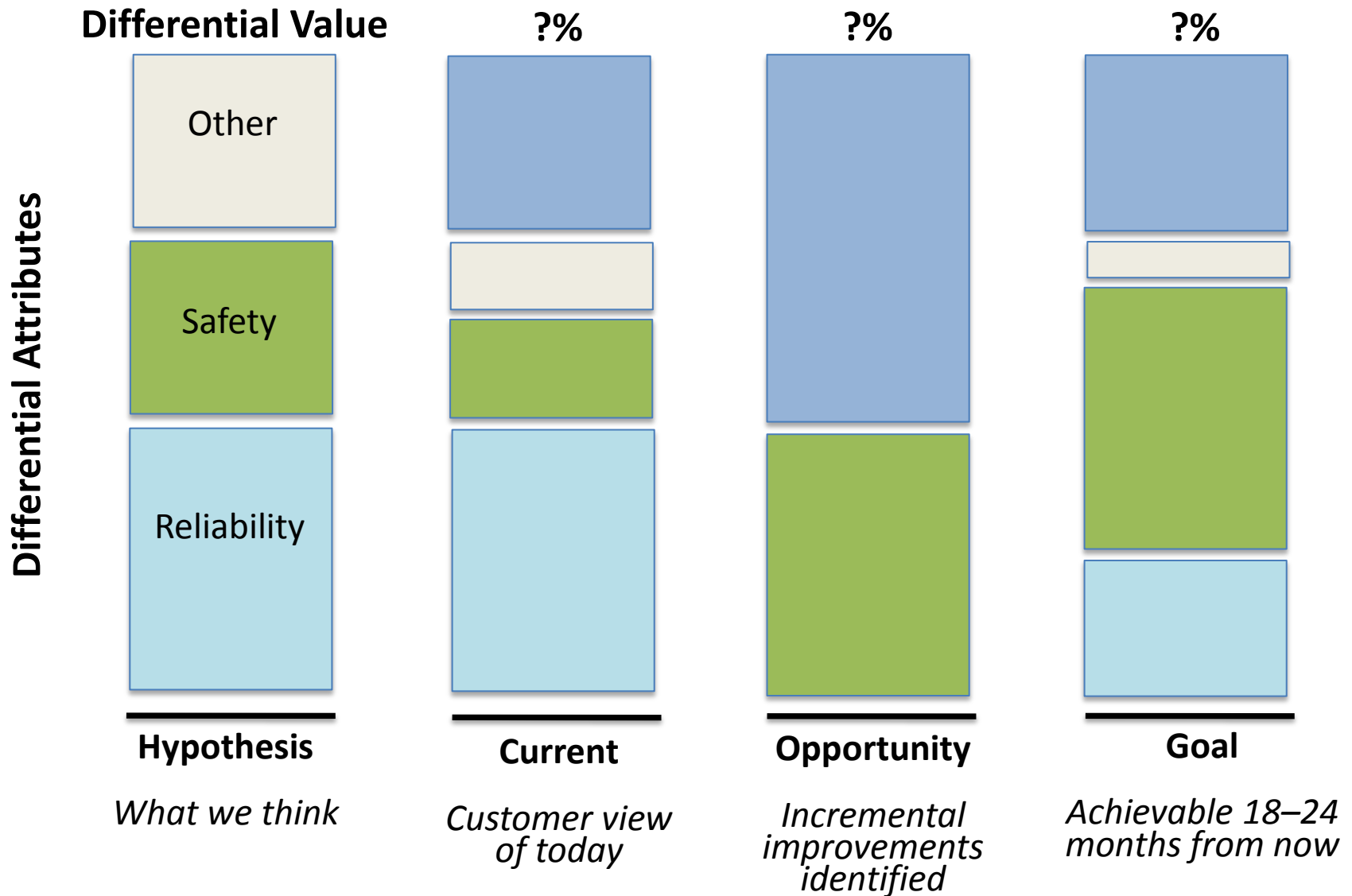
What is your Differential Value?



What we think

1. How do you provide Differential Value to customers?
(3 -5 Value **Differential** Attributes)
2. Where does the financial impact show up in customer's business?
(Sales Increase, Cost Reduction, Both)
3. Who receives the value for each differential attribute?
(Title of person in the organization)

What Does Your Customer Think?



Moving to Execution

- Ask a few questions
 - Are our customers better off doing business with us?
 - How much? How do we know? Does the customer agree?
 - How much better off can we make our customer more in the future?
 - Listen for the “echo” and adjust based on what you hear
- Fight the temptation of “perfection before action”

Keep Improving Your Winning Score!

Winning with Customers



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