

Seven Measurable Drivers that Indicate a High Degree of Customer Loyalty

Date: SAMA Annual Conference 2009

Presented by: Dennis J. Chapman Sr.
President / CEO
The Chapman Group

1

www.ChapmanHq.com

News Flash!

2

www.ChapmanHq.com

BUSINESS

THE SAM ADVISOR Vol. 1 Ed. 1 **May 11, 2009**

You're Fired!

*Largest Account leaves – Loss of Revenue and Profit
Shocks Entire Company, including Account SAM!*

3

www.ChapmanHq.com

**How could we have known this
was coming?**

4

www.ChapmanHq.com

Group Collaboration

- Interview your neighbor and be prepared to share:
 - Name, Title, and Strategic / Key Account
 - Time in their position
 - **How could we have known this was coming?**
 - In all businesses why are some customers more loyal to one supplier than others?
 - One Expectation from Workshop
 - One Interesting “little known” fact about your neighbor!

5

www.ChapmanHq.com

Initial Conversation Points

“Without customers you have no business”

- Dave McNally; Even Eagles Need a Push

It has been proven many times over that one strategically wise activity for any business to focus on is to retain their “best” customer revenues!

- *The “New” economy brings to the front the importance of this recommended business “Best Practice”!*

-Dennis J. Chapman

6

www.ChapmanHq.com

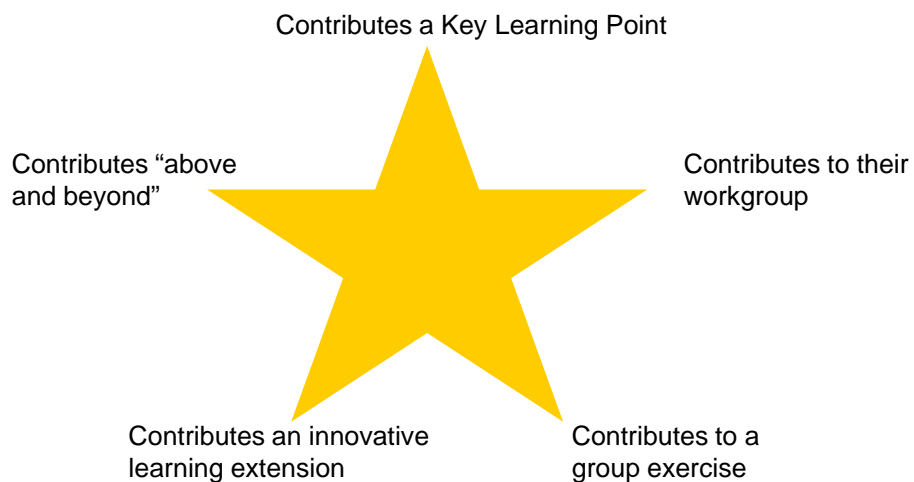
Program Goals

- Have participants learn and be able to identify **“Seven Measurable Drivers”** that Indicate a High Degree of Customer Loyalty:
- Operating according to the Basic **Success Formula** for Keeping Customers

7

www.ChapmanHq.com

The Star Contributor



8

www.ChapmanHq.com

***Fully engaged customers deliver a
23% premium over the average
customer in terms of share of
wallet, profitability, revenue, and
relationship growth***

- Sales Research Group, LLC

9

www.ChapmanHq.com

The Pillar for Optimizing Customer Loyalty

Client Centricity

Think like a Client – Act like a Client!

10

www.ChapmanHq.com

Grounding Point
Start Thinking / Measuring Dependencies!

Mutual Dependencies = Loyalty Drivers

Satisfaction
is a measurement in a moment of time of an account's testimony to your performance (usually by one individual)

Loyalty
is a measurement of key "customer dependency" indicators that predict the "staying power" of the overall account relationship (from multiple contact points) at multiple points of time within the same year

11

www.ChapmanHq.com

Seven Measurable Drivers that Indicate a High Degree of Loyalty

1. Emotional Dependence (ED)

Key Indicators - Personal and emotional response in a moment of time

- The Indicators:
 - Recent experience
 - State of reference

Example: _____

How to create? _____

How to Measure? _____

12

www.ChapmanHq.com

Seven Measurable Drivers that Indicate a High Degree of Loyalty

2. Structural Dependence (SD)

Key Indicators - The operational foundation of the relationship

- People
 - Depth of relationship
 - Experience
 - Integrity
 - Reliability
 - Ethics
 - Responsiveness
- Facilities
- Systems
- Distribution

Examples: _____

How to create? _____

How to Measure? _____

www.ChapmanHq.com

13

Seven Measurable Drivers that Indicate a High Degree of Loyalty

3. Business Dependence (BD)

Key Indicators - Economic and market positioning of the relationship

- Solutions
- Customers
- Competitive options
- Financial (pricing)

Examples: _____

How to create? _____

How to Measure? _____

www.ChapmanHq.com

14

Seven Measurable Drivers that Indicate a High Degree of Loyalty

4. Satisfaction (S)

Key Indicators - Recent event related (success/failure of delivery)

- Product
- Service
- Problem resolution
- Campaign
- Pilot programs
- Evaluations

Examples: _____

How to create? _____

How to Measure? _____

Seven Measurable Drivers that Indicate a High Degree of Loyalty

5. Performance (P)

Key Indicators - Utilization value / impact of any product / service

- Measured performance against required / expected standards

Examples: _____

How to create? _____

How to Measure? _____

Seven Measurable Drivers that Indicate a High Degree of Loyalty

6. Economic Value Proposition (ROI) – *“Mutual”*

Key Indicators - Financial implications in the relationship

- The economic impact of having / not having a supplier's products/services

Examples: _____

How to create? _____

How to Measure? _____

Seven Measurable Drivers that Indicate a High Degree of Loyalty

7. Alignment / Fit (AF)

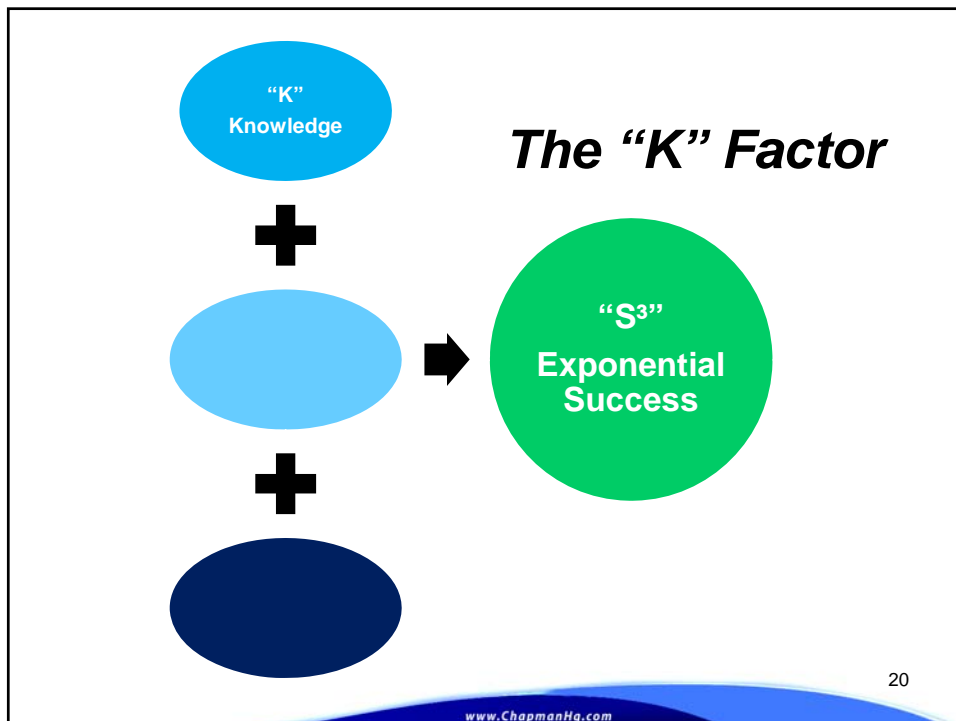
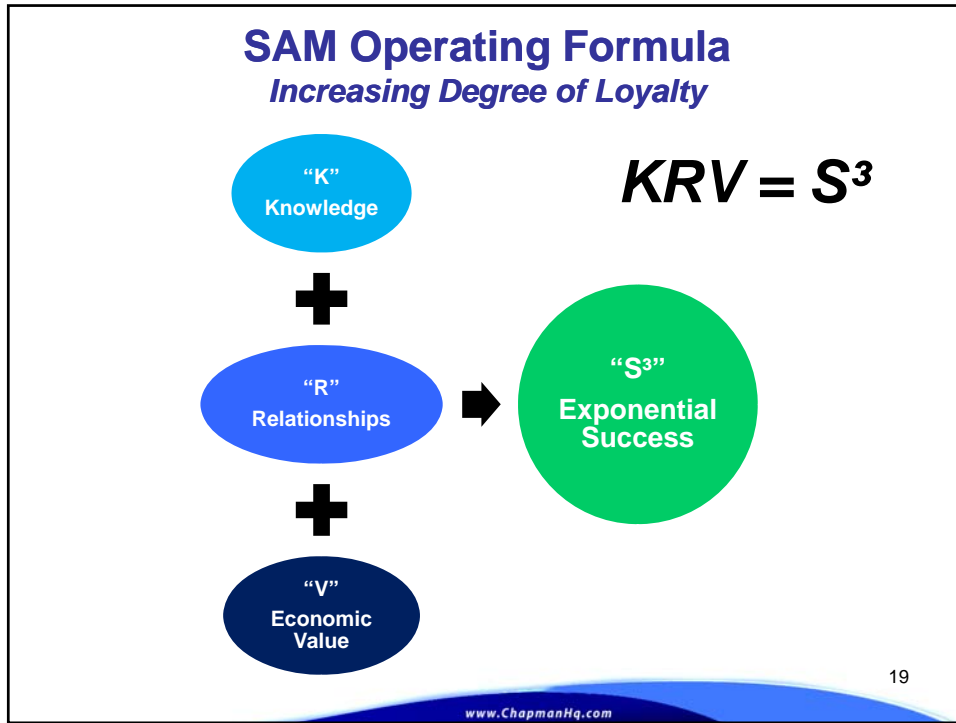
Key Indicators - The “fit” of the buy / sell relationship

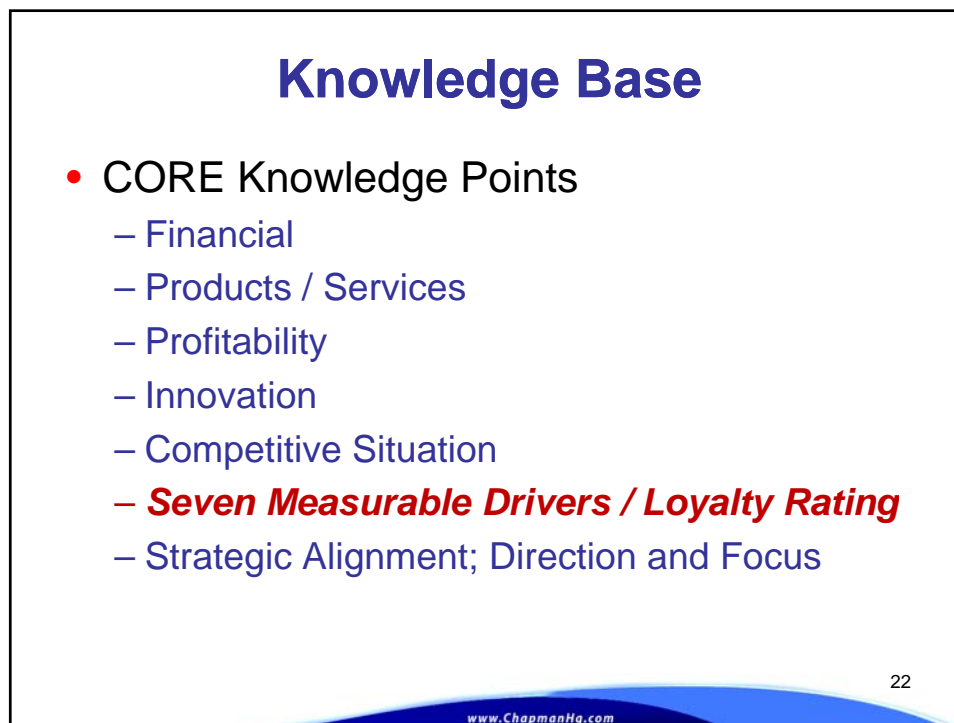
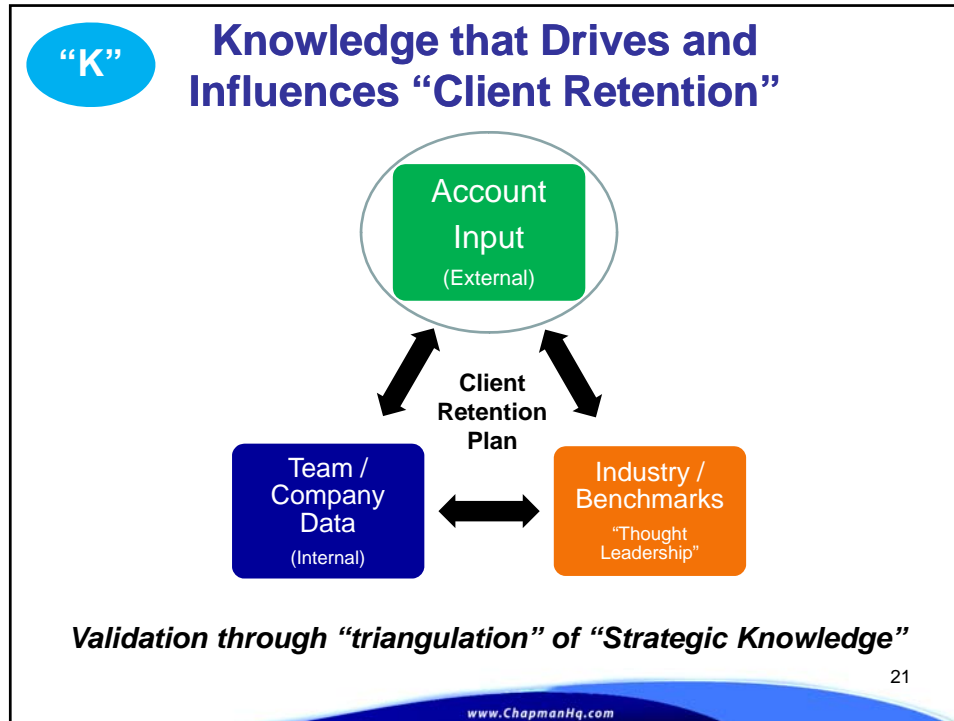
- Shared vision / mission
- Culture
- Collaborative practices
- Leadership
- Expectations

Example: _____

How to create: _____

How to Measure? _____



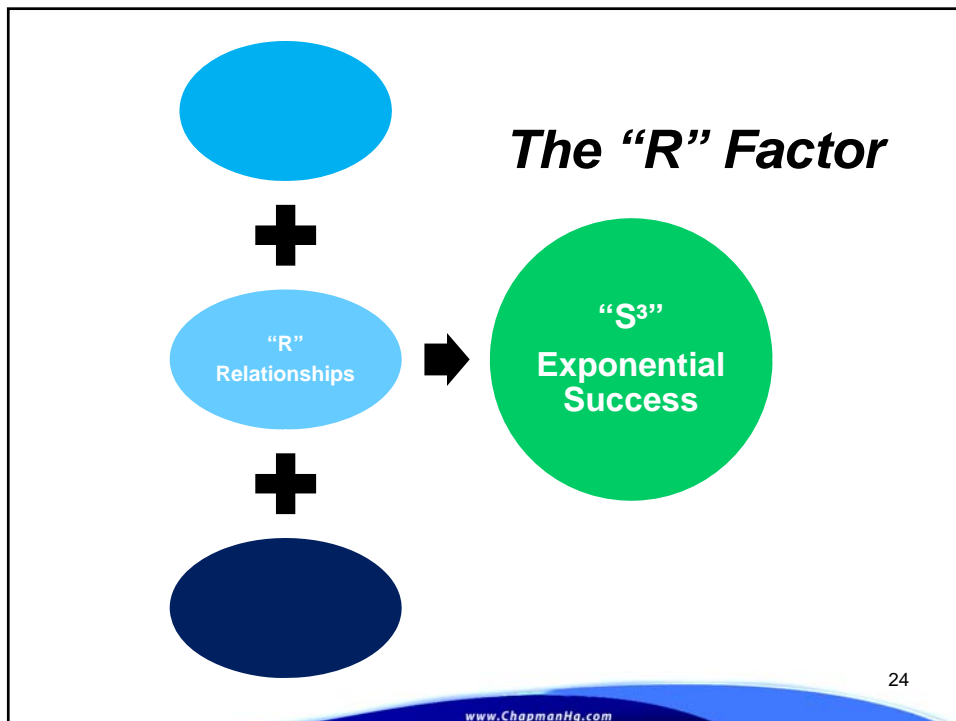


Turning Loyalty Measurements / Indicators” into Key Influences for Planning and Decision Making

- Utilization during “internal business reviews”
- Utilization within the “Collaborative Action Planning” process with accounts / Customers
- Integration into company’s “Executive Business Reviews”

23

www.ChapmanHq.com



24

www.ChapmanHq.com

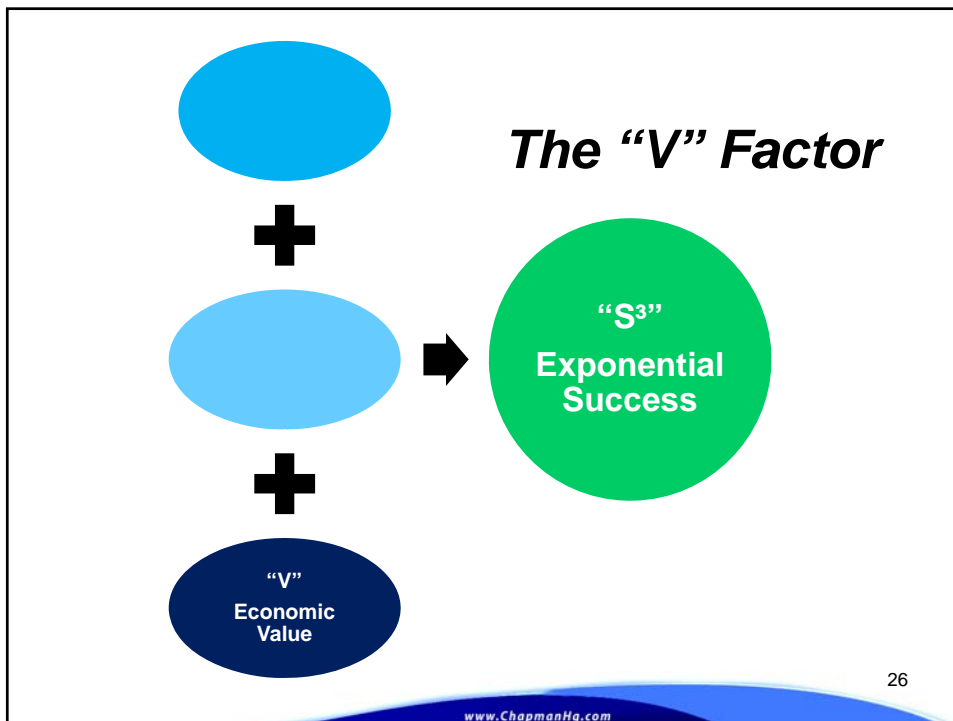
“R”

Relationships

- Relationship Management
 - Authenticity
 - Personal Engagement
 - Flexibility / Adaptability
 - Relationship Indexing
 - Multi-Dimensional Matrix
 - Management Level / Influencer Matrix
 - Must have – A Supplier Champion
 - Power Indexing

25

www.ChapmanHq.com



“V”

Value

- Economic Value Propositioning
 - Financial Speak
 - Partner in “Wealth Accumulation”
 - Expense Reduction
 - Cost Avoidance
 - Revenue Increase

27

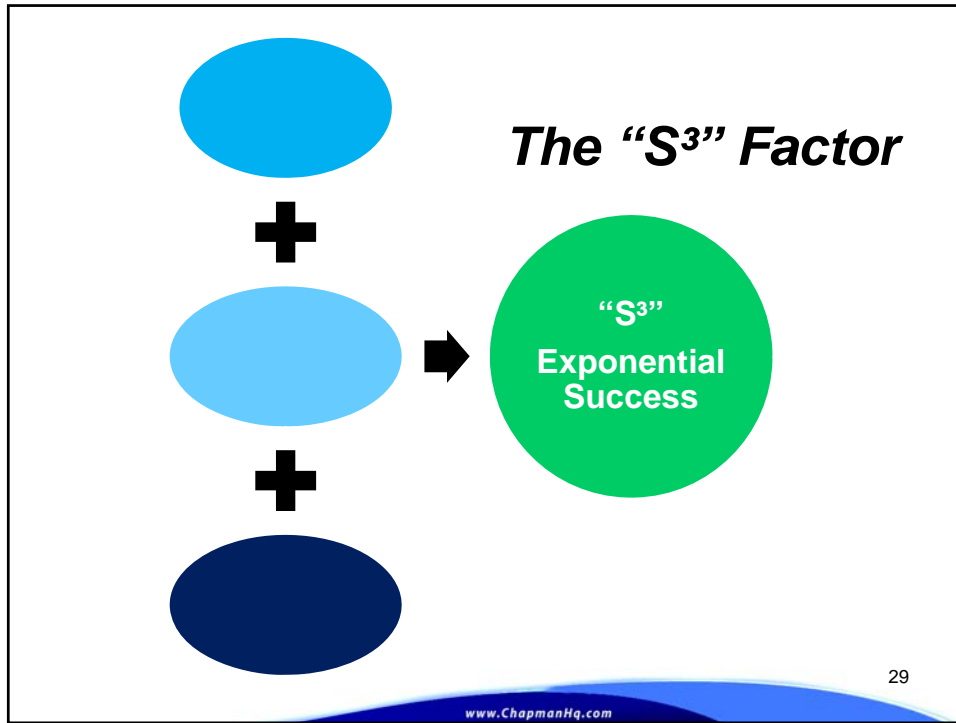
www.ChapmanHq.com

Re-Position Spend as Investment

Spend	Investment
Impulsive	Analyzed and well-founded
Minimal Long-term value	Short and long-term financial benefits
Experience versus impact	Experience and outcome measured
First to go in "cash crisis"	Last to go in "cash crisis"

28

www.ChapmanHq.com

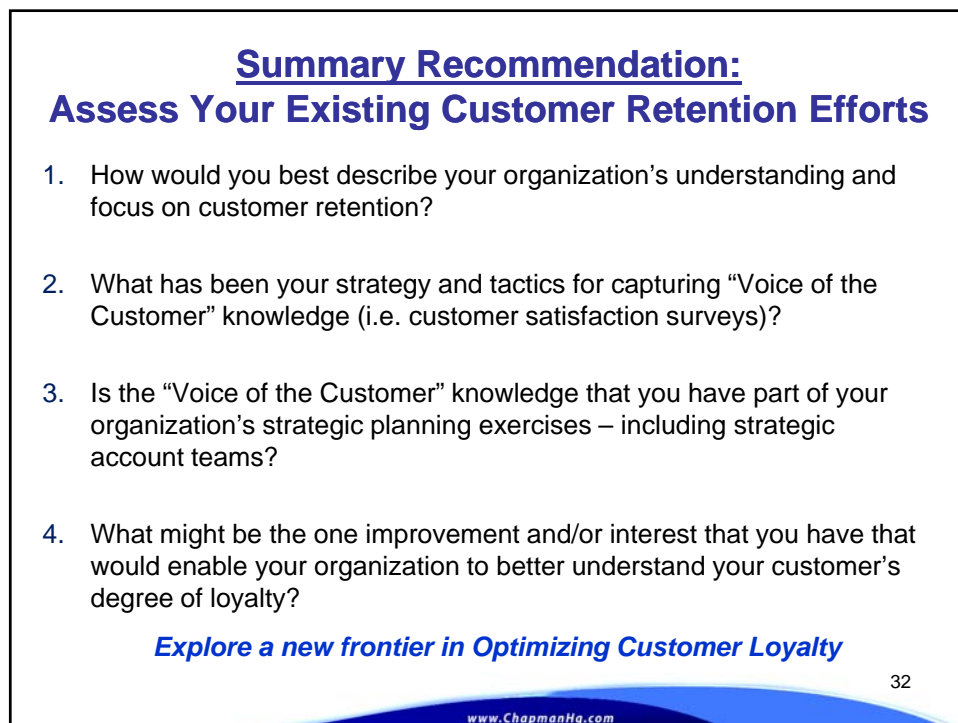
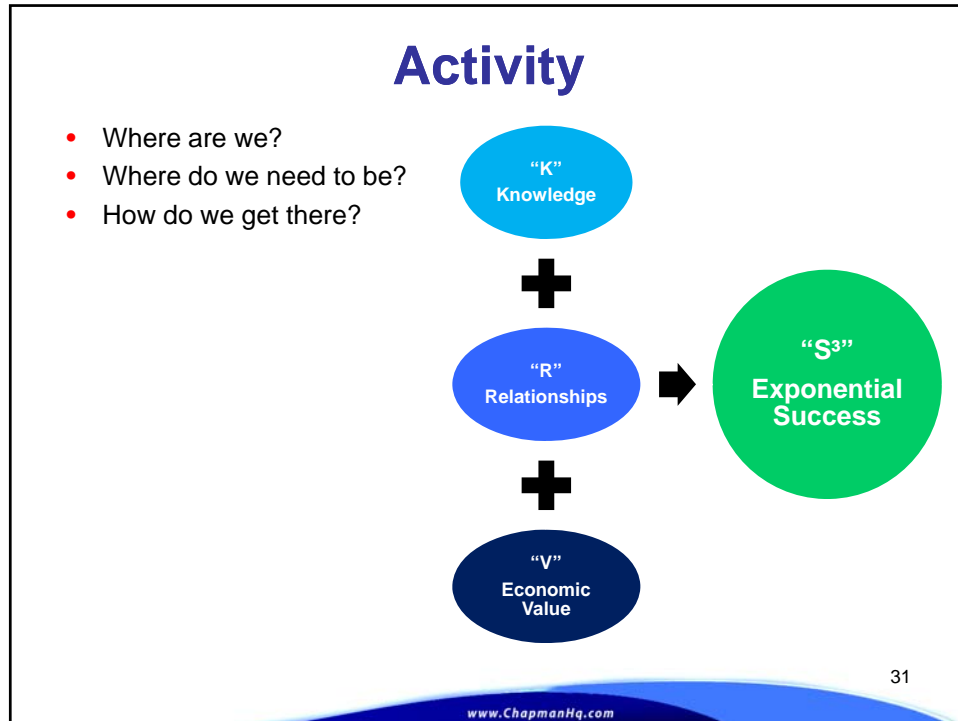


**Experience Exponential Success³:
A State of Mutual Dependencies**

- Emotional Dependence (ED)
- Structural Dependence (SD)
- Business Dependence (BD)
- Satisfaction (S)
- Performance (P)
- Economic Value Proposition (ROI)
- Alignment / Fit (AF)

30

www.ChapmanHq.com



Thank You!



33

www.ChapmanHq.com

Dennis J. Chapman Sr.

dchapman@chapmanhq.com / dennisjchapman.blogspot.com



Dennis J. Chapman is founder and President of The Chapman Group, a sales effectiveness consulting firm that specializes in optimizing sales performance. Dennis brings over 25+ years of executive experience in sales, marketing and business management to his clients in helping them achieve their goals.

Clients of The Chapman Group include many global Fortune 500 companies as well as a diverse portfolio of mid-tier accounts.

Dennis has developed sales, sales coaching, strategic account management and negotiating methodologies, processes and metric-based performance management tools that have produced significant and sustainable revenue results for his clients. Clients have included Baxter Laboratories, Allstate, Dell Computer, US Postal Service, Express Scripts, Hercules Chemical, GE Healthcare and GE Water Treatments and many others.

Before establishing The Chapman Group in 1988, Dennis' career included:

- Sales and management positions with Xerox, ROLM/IBM and as Vice President of Sales and Marketing in the high-tech reseller industry.
- Dennis is a graduate of the University of Massachusetts School Of Business, and has served as a panelist in the Johns Hopkins MBA - Capstone program.
- Dennis speaks on sales and sales management processes to MBA candidates at Loyola College in Baltimore, Maryland, and to major corporations across the country.
- Dennis has been published on the topics of sales, sales leadership, strategic account management and sales performance metrics in many national publications such as CRM Magazine, Velocity Magazine and Selling Power
- Dennis speaks nationally and internationally to more than 50 sales teams a year.
- Dennis has recently been named to the Board of Directors of SAMA (Strategic Account Management Association – global association).

34

www.ChapmanHq.com