MBA Course on Customer Value Management

University of Montana Gallagher School of Business Administration

You will find the course challenging, interesting and practical. I will do my best to make it worth your time and effort and something that you will want to and can apply in your business careers.

Course Information

- Course number:
- Section numbers:
- Course title (as shown in the University Catalog)
- Number of credits (1)
- Grading mode (traditional letter grade)
- Pre-requisite(s) – as listed in the course description found in the University Catalog

Text for the course: “Mastering Customer Value Management,” by Ray Kordupleski, published by Pinnaflex Educational Resources, ISBN 1-89673-07-3. It is available at the UM bookstore, Amazon. An electronic version is available on Goggle Books. The printed version costs $34.95. The electronic version costs $9.00. I will also have copies available for purchase on Friday evening at the start of the class for your convenience.

To prepare for the class please read:

The introduction, pages xiii to xx

Chapters 1 and 2, pages 3 to 36

Chapter 4 pages 81 to 89

Chapters 10 and 11, pages 177 to 219

After taking this class you should have a good understanding of how to capture and use customer data and competitive information to, create alignment, increase satisfaction, improve competitiveness and deliver superior business results. The course will prepare students for careers in general management, marketing, market research, operations, process management, and advertising.

There are six basic topics that form the core of the course.

Winning in the Key Markets (Customer, Employment, Financial,)

- What “customer value added” (CVA) is, why it’s important and how to measure it
- How CVA relates to “employee value” (PVA) and “shareholder value” (EVA)
Customer Value Measurement and Analysis
- Effective approaches for obtaining actionable information from your customers and your competitors’ customers
- Relating the data to your business processes

Using Customer Value Data for Business Planning
- The tools of customer value management
- How to use the tools to choose, deliver and communicate a superior value proposition to gain competitive advantage, win market share and create loyal customers.

Creating a Customer-Focused Culture
- How customer-focused companies use customer data, internal measurements and rewards to create a culture, that delivers sustained business success

Customer Value Management in Context
- How customer value management relates to other business improvement approaches such as customer satisfaction, Customer Relationship Management, Six Sigma, Customer Engagement, Total Quality Management, Net Promoter Score and the Balanced Scorecard

Case Study Exercises - Action Workshops
- Brainstorming your value position and proposition
- Using actual data from a real industry for strategic planning.
- Applying the lessons learned in a competitive business game

Some common questions about the course subject:

1. **Could you briefly outline what the principles of customer value management are?**

   For a business to succeed, it must beat the competition at attracting and retaining customers. Customers want products and services that are worth what they pay for and they choose the best value. This is easy to understand, but hard to accomplish.

   A firm needs insightful market data and proven management tools to systematically measure, manage, and create the best competitive value in the marketplace.

   Understanding the data and using the tools helps companies – choose their value proposition, manage their process to deliver the value and clearly communicate value to the market. Businesses that execute these steps effectively beat competition, win the customers, and have sustainable business results.

2. **Why is it important for businesses to understand this and apply it?**

   Never forget that customers have absolutely all the authority to determine which businesses succeed or fail. They speak with their money by choosing where to spend it, and they vote for the best valued products and services. Businesses that cannot attract and retain customers cannot attract capital from
financial markets and talented workers from employment markets. Therefore, businesses need to win, first and foremost, in the customer market.

However, most business leaders are focused first and foremost in one market – the financial market. They are comfortable using accounting data and financial management tools. Financial data provides the final scorecard to measure success, but it is after the fact. It doesn’t tell you how to win. Customer value data gives leading indicators of financial success. Customer value management tells you how you are doing in the competitive market and what you need to do to win the customers’ vote.

Grades:

Grades will be calculated from three elements. 1) One in class quiz given on Saturday afternoon based on the assigned readings and the lectures to date. 2) On Sunday there will be a competitive business case team exercise. The scores for each team will be used for each team member’s input to their grade calculation. 3) The last element of the grade is a two to three page paper which is due two weeks after the class. The quiz and the team exercise are each worth 30% and the paper is worth 40% of the grade.

Policies

All students must practice academic honesty. Academic misconduct is subject to an academic penalty by the course instructor and/or a disciplinary sanction by the University. The University of Montana Student Conduct Code specifies definitions and adjudication processes for academic misconduct and states, “Students at the University of Montana are expected to practice academic honesty at all times.” (Section V.A., available at http://www.umt.edu/vpsa/policies/student_conduct.php). All students need to be familiar with the Student Conduct Code. It is the student’s responsibility to be familiar the Student Conduct Code.