

# Customer Value Analysis

The Profit Engine Framework

APPLIED  
FRAMEWORKS 

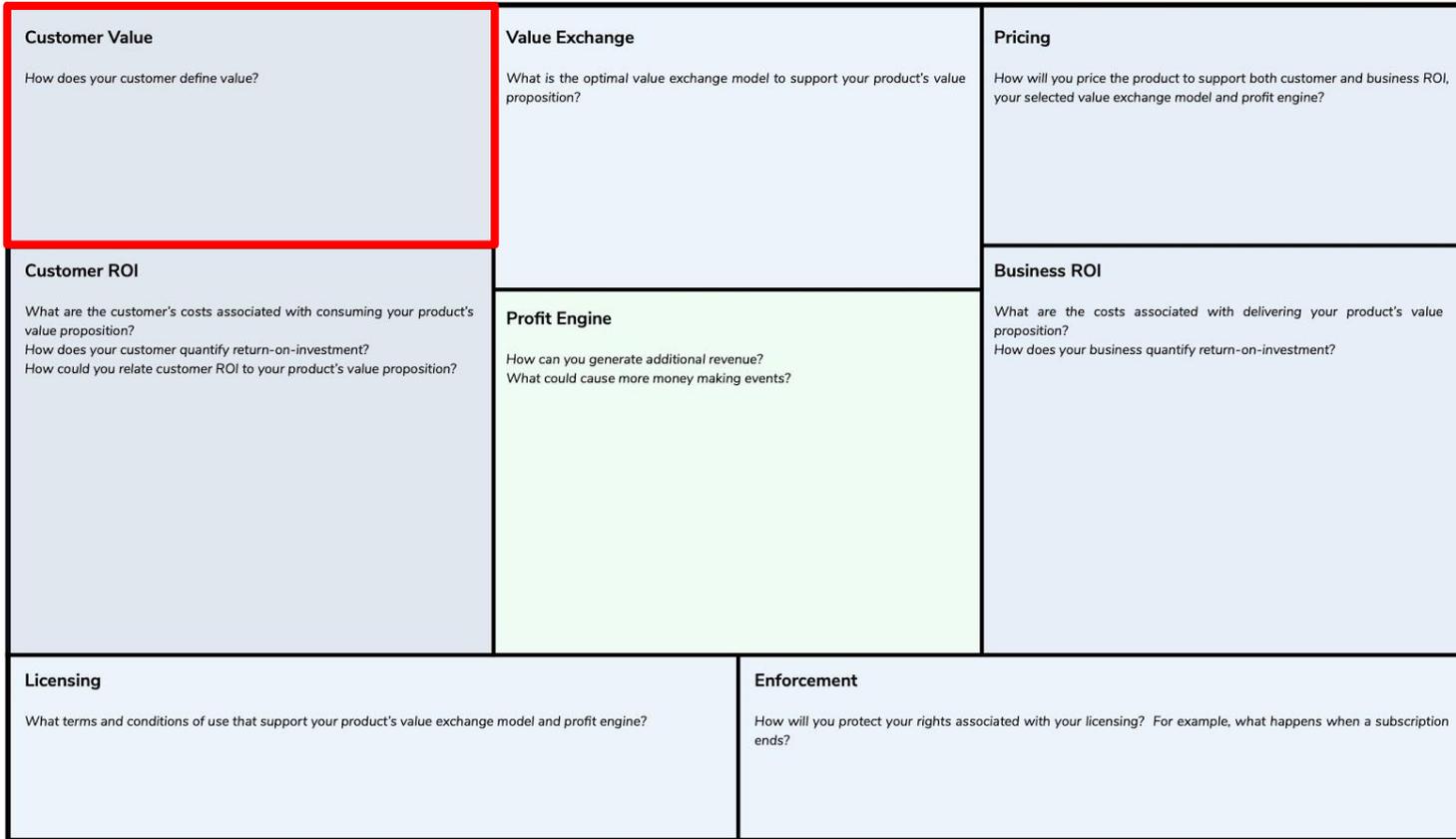


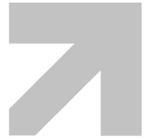
# Agenda

- The Value Challenge
- Value Definitions
- Types of Economic Value
- Estimating Value
- Describing Value
- Validating and Updating Value



<b>Customer Value</b> <i>How does your customer define value?</i>	<b>Value Exchange</b> <i>What is the optimal value exchange model to support your product's value proposition?</i>	<b>Pricing</b> <i>How will you price the product to support both customer and business ROI, your selected value exchange model and profit engine?</i>
<b>Customer ROI</b> <i>What are the customer's costs associated with consuming your product's value proposition? How does your customer quantify return-on-investment? How could you relate customer ROI to your product's value proposition?</i>	<b>Profit Engine</b> <i>How can you generate additional revenue? What could cause more money making events?</i>	<b>Business ROI</b> <i>What are the costs associated with delivering your product's value proposition? How does your business quantify return-on-investment?</i>
<b>Licensing</b> <i>What terms and conditions of use that support your product's value exchange model and profit engine?</i>		<b>Enforcement</b> <i>How will you protect your rights associated with your licensing? For example, what happens when a subscription ends?</i>





# The Value Challenge

- Economic value is *not necessarily* perceived value
- Customers ultimately define value
- Defining value drives...
  - Value exchange model
  - Pricing
  - Licensing
  - Profit drivers



# Value Definitions

- Use Value
  - The worth, utility of a product or service
- Total Economic Value
  - The monetary and psychological value of a product or service
- Hidden Value
  - Additional, non-obvious value
- Internal Value
  - Utility of a product or service to support business operations



# Types of Economic Value

- Increase Revenue
- Reduce Costs
- Increase Operating Capital
- Reduce Capital Investment
- Manage Risk
- Improve Optionality



# Estimating Value

- Competitive Reference Value
  - Next-Best Competitive Alternative
  - Doing Nothing (or Status Quo)
- Modeling
- Gather reference value through...
  - Research
  - Customer Interviews
- Iterative and ongoing

# Describing Value



## Value Quantification Framework

<b>Who</b> <i>Who is receiving the value?</i>	
<b>Summary</b> <i>What value does the solution provide to the customer?</i>	
<b>Magnitude</b> <i>What is the economic impact of the value? How can this potential value be measured? Alternately, what is the magnitude of value without the solution?</i>	
<i>How can the economic impact be expressed as a formula?</i>	



# Describing Value

<b>Accessibility</b> What changes does the customer need to make in order to realize the value? How “easy” is it to “get” the value?			
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Easy	Medium	Hard
<b>Revenue, Cost or Avoidance</b>	<input type="checkbox"/>		<input type="checkbox"/>
	Increasing revenue		Decreasing cost

# Value Statements



## **Costs**

With \_\_\_\_\_, you will reduce {type of cost} by [xx%]<sup>1</sup>; here is how....

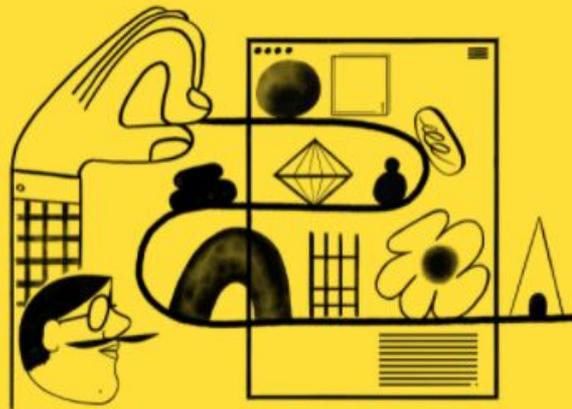
1 - alternatively you may talk about money saved per year (\$xxxK/year)

## **Revenue**

With \_\_\_\_\_, you will be able to accomplish {goal} with a value of [\$xxxK/year]; here is how....

# Marketing smarts for big ideas

Mailchimp helps **small businesses** do big things, with the right tools and guidance every step of the way.

[Pick A Plan](#)

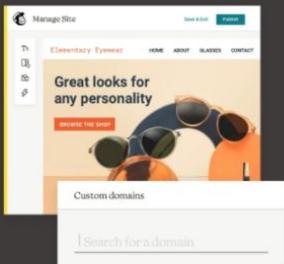
# Do it all with Mailchimp

Bring your audience data, marketing channels, and insights together so you can reach your goals faster—all from a single platform.

## Get your business online

Give your brand a home with a custom domain. Then create a website with built-in marketing tools to help you launch it.

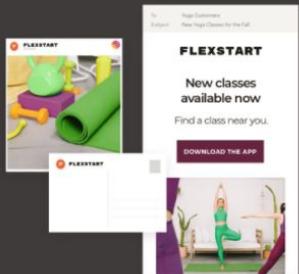
Websites and domains →



## Market your business

Send the right messages on all the right channels. Build emails, social ads, landing pages, postcards, and more from one place.

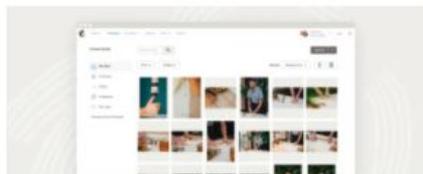
Marketing campaigns →



## Reach the right people

Put your people at the heart of your marketing with tools that help you get to know your audience and see who you should be talking to.

[Audience management tools](#)



## Create better content

Let your brand shine through with easy-to-use design tools and flexible templates. Our AI-powered Creative Assistant will even generate custom designs for you in seconds.

[Explore content studio](#)



## Automate your marketing

Add a personal touch without the personal effort through automated messages that reach your customers at exactly the right moments.

[Learn about automations](#)



## Take action with our insights

With all your data and insights in one place, you can see what's working best and get recommendations to help you do more of it.

[Insights & analytics tools](#)



# Describing Value



## Value Quantification Framework

<b>Who</b> <i>Who is receiving the value?</i>	Small businesses
<b>Summary</b> <i>What value does the solution provide to the customer?</i>	“All in one” marketing platform - websites, domains, campaigns Reach audience, create content, automate, analyze
<b>Magnitude</b> <i>What is the economic impact of the value? How can this potential value be measured? Alternately, what is the magnitude of value without the solution?</i>	
<i>How can the economic impact be expressed as a formula?</i>	

# Up to 6x more orders with automation

Make your marketing work harder so you can focus on running your business. Our data shows automations can generate up to 6 times more orders than bulk email alone.

[See All Smarts](#)



**17<sup>street</sup>**  
—ATHLETIC CLUB—

"Since using Mailchimp, I feel so much more confident in managing all our marketing. Like I got this."

— Marissa Axel, co-founder of 17th Street Athletic Club

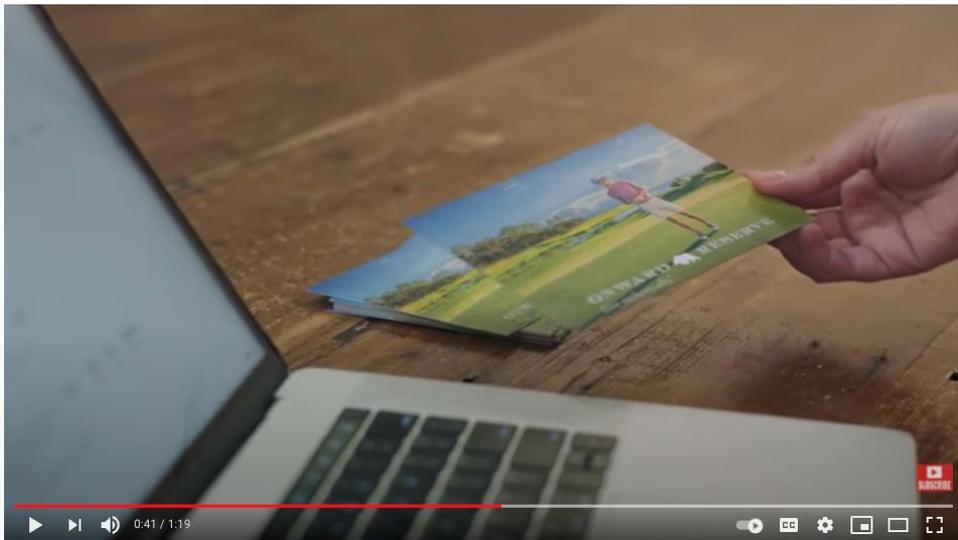
**37%**

lift on online bookings

**250%**

increase in email signups

Results not typical.



#Testimonial #Mailchimp

Clothing store sees ROI 5x what they spent using Mailchimp postcards

12,038 views · Dec 9, 2019

👍 43 🗨️ 13 ➦ SHARE ⌵ SAVE ⋮



**Mailchimp**  
25K subscribers

**SUBSCRIBE**

Onward Reserve, an authentic clothing shop and brand, sought to stay true to their brand and meet customers where they are. With Mailchimp's postcards, they were able to establish customer re-engagement, reach new customers, and practice event follow-up. As they considered many different marketing angles and channels, it made sense to bring in 1 with a physical presence. Onward Reserve was able to see a 5 times Return on Investment from Mailchimp postcards.

Mailchimp postcards help you say hi to customers in real life. With or without mailing addresses, postcards help you find more people who are like your best customers. Learn more or get started today! <https://bit.ly/PostcardsYT>

# Describing Value



## Value Quantification Framework

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<b>Magnitude</b> <i>What is the economic impact of the value? How can this potential value be measured? Alternately, what is the magnitude of value without the solution?</i>	Acquire and maintain more customers = LTV Measures: Signups, Orders, Marketing ROI
<i>How can the economic impact be expressed as a formula?</i>	Example: “With Mailchimp, you can increase orders by up to 6x.”



# Describing Value

<b>Accessibility</b> What changes does the customer need to make in order to realize the value? How “easy” is it to “get” the value?	Import or add contacts. Set up campaigns. Design emails. Manage campaigns.
	<input type="checkbox"/> Easy <input checked="" type="checkbox"/> Medium <input type="checkbox"/> Hard
<b>Revenue, Cost or Avoidance</b>	<input checked="" type="checkbox"/> Increasing revenue <input type="checkbox"/> Decreasing cost



# Customer Value Analysis

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