

Maximizing growth potential with existing customers through key account strategy

For a Technology Services Organization



Client Situation

- The client, a publicly traded technology services provider in the Middle East, experienced rapid growth and a surge in customer acquisition. In order to maintain a competitive edge and provide optimal customer service, the company identified a need for a robust customer segmentation system that is based on quantifiable performance metrics.
- Key Challenges in the client's existing environment:



1 Rapid growth in number of customers, making customer focus difficult



2 Lack of commonly recognized Customer Segmentation system across departments



3 Deal level strategy followed by the sales team rather than one focused on customers



4 Lack of tailored customer experience for key accounts

- The Client engaged Avalon Consulting to develop a comprehensive customer segmentation framework and recommendations on differentiation strategy across the firm

- The existing customer strategy was evaluated through focus interviews with CXOs of Corporate strategy and sales divisions
- A MECE hypothesis was developed, to determine the factors for differentiating between a star customer vs a business-as-usual customer
- **Anchor points** were established through comparative analysis of customer performance and further stakeholder interviews
- Quantitative data was obtained from internal systems like CRM and ERP, while qualitative data was gathered through focus interviews with relevant stakeholders
- A quantified **customer segmentation model** was then developed to define evaluation metrics and weightages for classification and aligned with cross-functional teams within the organization
- Criteria-wise and final scores were derived based on anchor points / rating scale, rank of accounts, and mapped to **three Tiers of customers**
- Recommendations were provided for a **customized differentiation strategy** for each tier and business processes with governance mechanisms were established for **periodic review**
- The implementation was successfully kicked off and client got our support in implementation as well.

Throughout the execution of the project, Avalon worked closely with a diverse set of internal stakeholders across different hierarchies to design and implement this Customer Classification framework.

Impact of our Interventions



Identification of upselling and cross selling potential



Pivoting the company strategy to being more customer-centric



Higher focus and resources allocated to high value customers



Tier 1 accounts outpaced the overall growth rate of the firm (5%) by more than 2x, during its first year of implementation, and is expected to grow further in coming years

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