

# Managing Customers for Profits

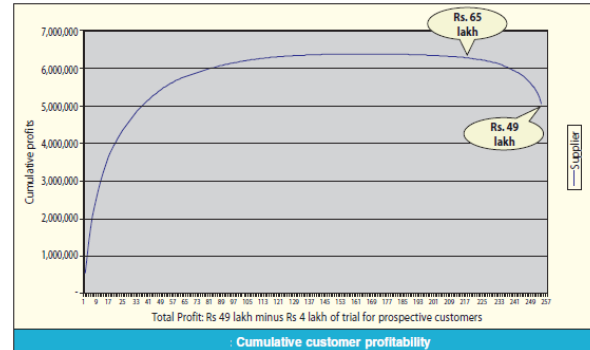
“The true business of every company is to make customers, keep customers, and maximize customer profitability”.

- Theodore Levitt



## Programme Overview

“Do anything, but get that eluding market share! We can't give an inch to competition” "... results in customer schemes, freebies, ATL and BTL discounts. . Sales force is motivated to sell smart, lure customers and take the company to “increased market share”. In this entire melee what is often forgotten is that the purpose of any business is to make money. Firms end up increasing sales but the margin shrinks.



## Program Benefits:

Programme will enable the marketing focus to ensure enhancing the profitability through quality customer relations. About 50% of the customers may contribute to 177% of our profits while the other 50% erode that 77%. Program will sensitise the participants to ensure that

- Existing highly profitable customers are protected from poaching
- Expensive services, if they add value to the customers are priced, based on cost-to-serve.
- Business is gained with low cost to serve customers, where discounts are to be driven by cost to serve.
- Win-win relationships are established with lower cost-to-serve customers
- May be concede permanent loss customers to competitors.
- Market Share is focused on high profit customers

## Programme Objectives:

By the end of the program, the participants will understand:

- The need to Focus on sustainable bottom line
- How to nurture customers who are profitable in the longer run.
- Pricing methods to enhance customer value
- Ways to enhance marketing and sales effectiveness for profits
- Ways to look beyond the existing customer to sustain profitable growth



## Program Content:

- Goal congruence and need for looking beyond the functional boundaries for sustained profitability
- Customer Value Creation – and cost as a key for survival
- Understanding existing customers
  - Pricing
  - Customer Pyramid
  - Customer/Segment/Channel Profitability
- Measuring Marketing Effectiveness
- Looking beyond existing customers - Impactors and the Impacted
- Value Chain Analysis – focusing on profitable customer

## Who should attend?

Decision drivers on customer selection, segment, positioning, marketing communication, and People responsibility for profitability reporting



## Pedagogy

Interactive sessions, breakout exercises, creating insights through the participants' experience. Live Cases from the industry will be discussed.

## Program Director:



## M Hariharan

Director

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Visiting Faculty at SPJIMR

since 1997

Hariharan is a pioneer in the domain of Strategic Cost and Profitability Management with three decades of experience. He advises companies to align their Products/services (Design Thinking) and processes to meet their customer value (Lean) and there by improve their bottom-line performance. He has developed frameworks and models to articulate and quantify the efforts of operations to enable sustainable bottom line improvement. He has been advising corporates across industry sectors, like Steel, Cement, Automobile, Auto ancillary, Bank, Insurance, Power, FMCG, Jewellery, Infrastructure Construction, Projects, IT, etc.

He is a Chartered Accountant and an Management accountant and certified in Design Thinking from MIT Sloan. His uniqueness is his cross functional expertise in Correlating, Integrating and Aligning concepts across domains.

He is a prolific writer and a seasoned trainer. He has conducted 1000 plus training programs and trained a number of managers on the concept of Lean, Design Thinking, Constraints Management and Cost Management.

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