

# Stratum™

## Customer Analysis

CUSTOMER VALUE  
ASSESSMENT

CUSTOMER  
SEGMENTATION

CUSTOMER  
MANAGEMENT



Value
9,179.53
11,426.60
9,611.01
e 7,189.65

Companies are continuing to adopt a more customer-centric approach to doing business, realizing that in this competitive marketplace, a satisfied customer is an extremely valuable asset. To ensure that the most profitable customers remain satisfied and that sales and marketing efforts are aimed at retaining the right customers and attracting the right prospects, we need to know our customers more intimately. And that starts with having a single, integrated view of customer activity from which revenue-building and customer management decisions can be made.

Stratum addresses these challenges by helping companies identify their most valuable customers, group these customers based on purchasing behavior and other attributes, and then target them with promotions and sales efforts that are designed to increase customer loyalty and boost sales revenue. Stratum completes the cycle by measuring customer satisfaction and the resulting buying behavior.

## Customer Value Assessment

By understanding the relative value of each customer, you can then begin to focus sales and marketing efforts on the most profitable ones and those with the most profit potential. Stratum allows you to examine customer and channel value from multiple perspectives, such as lifetime sales, gross margin contribution, and by factors that affect profitability – discounts, freight and handling, and average selling price.

- Determine lifetime sales by customer and customer type to identify your most loyal customers and largest market opportunities
- Identify and rank customers who are considered "high value" based on discount level and gross margin, and uncover areas where discounting is cutting into profits
- Evaluate how sales revenues and gross profits are trending by customer and channel to anticipate future sales and profits and focus retention efforts on customers whose purchases have decreased
- Measure the impact of average selling price and cost of goods sold on gross profits to determine if prices or costs are eating away your profitability
- Isolate the effect of freight and handling costs on customer profitability and discover low profit customers that may require more cost-effective shipping methods
- Assess year-to-date sales revenue performance relative to budgets, forecasts and last year's performance, to determine variance to plan

FUNCTIONS	KEY ELEMENTS ANALYZED / PLANNED	MEASURES / REPORTS (included in Stratum)	BENEFITS
Customer Scorecarding	Channel Discounting Profitability Lifetime Value Loyalty (recency of last purchase)	Lifetime Revenue Contribution Discount Impact Net Profitability Performance by Month Channel Profitability Trending RFM Ranking	Improved customer management Better understanding of bottom-line contribution by customer Increased customer revenue & profitability

## Customer Segmentation

After identifying your most valuable customers, Stratum allows you to further profile, segment and rank these customers so they can be targeted for additional sales opportunities. You can apply specialized metrics to segment customers and then build specific promotions or sales efforts around select customer groups. Afterwards, easily track sales generated from promotional activities and compare them to your planned sales.

- Segment customers by Propensity to Buy (PTB) to determine those customers most likely to purchase new products or more existing products. The PTB metric is customized to accommodate those factors most relevant to your business model and may incorporate previous sales volume, seasonal trends, regional sales, etc.
- Rank customers based on the recency of their purchases, frequency of their orders and the value of their purchases and then segment them into groups and design promotions and sales efforts to target each group with up-sell and cross-sell promotions
- Isolate customers into "opportunity groups" based on purchasing behavior, such as customers that bought from you last year but did not buy this year.
- Compare actual to expected results by campaign to measure campaign effectiveness and associated costs, and refine programs for future campaigns
- Import campaign or sales transactions from your contact management system, if you are currently using one, to track results and measure sales revenue generated

FUNCTIONS	KEY ELEMENTS ANALYZED / PLANNED	MEASURES / REPORTS (included in Stratum)	BENEFITS
Potential & Historical Analysis	Opportunity Analysis	Opportunity Analysis	Increased sales focus
	Pipeline Analysis	Propensity to Buy	Improved revenue
	Propensity to Buy	Campaign Effectiveness	More effective campaigns
	Campaign Management		

## Customer Management

Stratum supports efforts to improve customer service levels by supplying you with the information you need to make informed decisions that put the customer first. Plus, you'll understand the impact that order fulfillment, returns and call center activity have on sales performance and have the insight needed to help you improve performance in these areas.

- Identify customer and product return patterns over time to uncover potential problem areas and measure the impact of returns on revenue.
- Compare order fill rates and order line fill rates this year versus last to determine if company goals are being met and what is causing any variances to plan
- Improve customer service by analyzing what products are causing backorders and the duration of backorders, so that problems can be remedied and customer expectations met
- Rank and measure the severity and type of customer complaints, as well as how effectively customer service representatives are responding to these complaints, to increase customer service levels
- Review year-to-date sales revenue and problems reported by customers to identify any correlation and understand how customer service issues are impacting profits

FUNCTIONS	KEY ELEMENTS ANALYZED / PLANNED	MEASURES / REPORTS (included in Stratum)	BENEFITS
Order Fulfillment Analysis	Problem Analysis	Return Patterns	Increased customer service levels
	Fill Rates	Return Impact on Revenue	
	Returns	Return Reason Ranking	Better management of returns
	On-Time Delivery	Order Fill Rate	
		Order Line Fill Rate	
		Order Shipment Rate	
		Backorder Duration	
		Problem Severity Ranking	
		CSP Performance	
		Problem Impact on Sales	

# The Multiple Planning, Analysis & Reporting Options of Stratum

## Leverage Pre-Defined Analysis & Reporting

Stratum lets you gain an immediate return on investment by providing hundreds of pre-built business views and reports that are easily configured to your business. Plus, it's ready to accommodate you with a modular approach that lets you extend its analyses and reports across the enterprise as you need them.

## Powerful Planning Applications

Stratum reaches beyond the capabilities of other analysis and reporting solutions by letting you to model out and predict sales forecasts, pricing, inventory replenishment and more, using a collaborate budgeting and forecasting function.

## Inquiry

You can leverage Stratum's powerful inquiry capabilities to drill down into a specific area to pinpoint the answers you need. Plus, you can view the data in graphical format, making the process of analyzing the performance of your business faster and easier.

## Quick KPIs

Stratum includes more than 500 pre-defined sets of Key Performance Indicator (KPI) measurements. These KPIs give executives and managers the ability to quickly identify your company's strengths and weaknesses and provide a starting point for performance improvement by showing whether or not your business is in line with its strategic objectives.

## Alerts

With built-in alerts, you gain crucial monitoring, proactive notification, and automation capabilities that help your company adapt to changing conditions and avoid alarming scenarios pertaining to payables, receivables, budgets, sales, and inventory. Pre-set any number of business rules and let Stratum protect you from failing to respond to deviations from acceptable levels by automatically sending alerts to those people who can take immediate action.

## Dashboards

Stratum also offers dashboarding capabilities to give your executives a one-stop, graphical snapshot of the business's health. Our dashboards are easy to understand, often highlighting important KPIs, revenues by period, product sales by category, actual vs. budgeted financial indicators, and expenses by category, to name just a few. We've also made it easy for you to include Stratum dashboards on portal pages.

## Flexible Information Delivery

The options you have for delivering Stratum analyses and reports to the corporate office, plant floor, remote sales reps, customers and supply chain partners are virtually endless. You'll find that it's an ideal solution for power users who require the ability to plan, forecast and drill deeply into your organization's performance data ... and that it's perfect, too, for more casual users who simply require browser-based access to their performance metrics!

## Flexible Reporting

When you wish to send static reports of your operational analyses to internal users, customers or suppliers, Stratum lets you automate the entire process of creating, generating and distributing great-looking reports. The reports can be saved in numerous formats like Adobe PDF and Microsoft Excel. Plus, they can be systematically scheduled for regular distribution by email to any user you desire, whether internal or external to your business.

## Robust Data Repository

Stratum protects your current technology investment by integrating with and leveraging the data you already have in your ERP, CRM and other business systems. Our enterprise connectors allow you to easily extract, transfer and load your data into an enterprise data repository that ultimately becomes the "single version of the truth" for your entire business.



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