

Discussion Guide
Using and Stewarding Customer Data
October 4, 2007

Customer data is the lifeblood for many firms, from insurance to retailing to manufacturing to service. Using the data they collect and purchase, firms can tailor their offerings to provide compelling value to their customers. New online innovation is further accelerating the opportunities to create value with data. In the first generation of the web, “mass customization” and “one-to-one personalization” ran into implementation challenges, but the second wave of investment in the web has brought strongly improved capabilities—in data capture and management, in analytics and targeting, and in real-time feedback mechanisms. Regardless of whether in online applications, in CRM systems, or other databases, security and privacy issues are clearly more poignant than ever and data quality issues no less challenging. Data of all types is increasingly available and customers are increasingly aware that companies gather data to use to compete for more business. Companies of all types are trying to get closer to the end customer. A new set of customer expectations is emerging, both regarding security and privacy, but also regarding expectations of use to serve and understand throughout the customer lifecycle and across the business. We have divided the day into four sessions, and provided some questions below to consider for each.

Session 1: *Strategies for Exceeding Customer Expectations (with Lifecycle Data Use)* (Please come prepared to share: (i) an example of how your firm created true customer surprise and delight with data; and (ii) an example of a missed opportunity to do so that cost you). This session will be about broadly defining the current environment around the use of data and the business strategies and approaches to successfully maximize data use to exceed customer expectations in delivering products and service throughout the lifecycle.

- How has the general environment around collecting, using, and stewarding data changed in the last few years? What are the most significant markers of change and how do they affect your thinking?
- What are the new customer expectations and what are your strategies for meeting and exceeding them with data use?
- What is the main driver for your data efforts: (i) improve marketing productivity; (ii) cultivate customer relationships; or (iii) establish competitive advantage? Has customer data provided you with strategic insights on your business and/or better customer relationships, or is the value of customer data purely in improving marketing efficiency?
- To what extent is real-time, dynamic use becoming the standard? For consumers? For B2B sales forces?
- How has your use of customer data changed in the last few years? What are key enablers of and challenges to smart use and stewardship? What are your least successful attempts?
- A fundamental question that may shape your views on data stewardship is the question of ownership: Who owns the data, you or your customer? Does that change if you bought it elsewhere? Paid the customer for it? Does this differ by country?

- What are the differences between how you view consumer customer data (B2C) and corporate customer data (B2B)?
- Do you take a lifecycle information management view of the data? Is your current use of data more transactionally- or more business intelligence-oriented? Do you use data to manage the customer lifecycle?

Session 2: Implementation: Making It Happen *(Please come prepared to share a tough execution challenge you faced supporting a customer data initiative and how you addressed/are addressing it.)* This session will focus on the practicalities and challenges of implementing strategies.

- What are the practicalities and issues of going from strategy to execution in use of data? What is the biggest challenge you have faced over the last two years in going from strategy to results? How have you addressed this?
- What are the organizational barriers? How does organizational design help or hinder the strategy? Is customer centricity vs. product centricity still an issue? Short of reorganizing by customer segment, what techniques can make capturing and using data easier? What sort of change needs to take place within the company to make this work?
- How do you wrestle with the fundamental issues of data quality and standardization, especially in a global environment? Would your data be better if you opened it to customers (in the belief that data must be used to improve and customers could self-serve on improving it)?
- What are the challenges to ensuring usability of data? How do you view the process of using data to create information to create intelligence?
- How do you measure success in use of data? Is increasing contextual use of data a metric? Customer lifetime value? How do you calculate and manage to them? How has data availability influenced your use of these concepts?
- What challenges has the multichannel environment presented for your use of customer data? Do you have a “single view of the customer”? How do you create a customer view if relationships exist in various parts of the organization (e.g., entity, subentity, individual)?
- How can you ensure that customers are willing participants in helping create value from data? How does Web 2.0 impact this and change how you engage the customer community? Must we now go to market with customers instead of marketing to them?
- What/where is the balance between showing you know something about the customer and creating concern over “capture and keep”? Could this be helped by making the purpose for use of data explicit to customers (i.e. giving them an easy way to understand it will make them more forthcoming)?
- As the internet offers opportunities for more real-time data, what are the opportunities or challenges around implementing its use and executing dynamic customer experience management?
- Who has chief stewardship of the data? Best centralized or distributed? How does IT enable?

- How do you create an appropriate model of data utilization and management? How does a corporation's data warehousing strategy or organization of data support the use of data (i.e., turning data into information)?

Session 3: *Privacy and Security: Meeting Requirements and Achieving Competitive Advantage* (Please come prepared to share a story of when you horrified a customer from a privacy or security point-of view). This session will be about the regulatory environment around collecting, using, storing and stewarding data, especially as regards privacy and security. We will also discuss whether privacy and security can be used as a competitive advantage and come back around to meeting and exceeding customer expectations with use of data given this context.

- Would you argue that your privacy, security and information transparency policies could be viewed as a competitive advantage? Why? If so what have you done to make it so?
- Beyond legal differences, what are the cultural between (and within!) Europe and the U.S. in terms of how privacy is viewed and what customer concerns are? What do we have to learn from each other?
- Is privacy a bigger issue in some channels than in others? Legally? Culturally? Customer mindset?
- In some industries it seems it is no longer operational issues around fulfillment, language, taxes, etc., that limit a multi-country or global approach, but rather privacy and security regulation? How are companies dealing with this?
- Where are we headed on privacy? Are Europe and the U.S. on convergent or divergent paths?

Session 4: *Partnering around Data* (please come prepared to share the principles you use regarding partnering and data). This session will focus on what partners you need to execute your strategy and the advantages and difficulties of sharing data in the value chain/network.

- What partners (outside vendors, channel partners, etc.) do you need and utilize to implement your strategy? For provisioning? For analysis? For stewardship?
- What is your strategy for choosing and managing third party data sources? How do you bring the "pipes" in to one place and integrate the disparate sources?
- Could industry (or customer segment) utility models—e.g., Data Trust Corporation (DTC) as central repository—be a fruitful way of cutting costs and improving data?
- Do you analyze data or use partners/vendors to do that?
- What sharing of data do you currently do within your value chain/network or with outside partners? What is the chief goal of this sharing? For whom is it creating value?
- What are the chief challenges to sharing data within your value chain/network? What are the lifecycle considerations of shared data?
- What are the important considerations around data sharing in distribution channels and independent distributors/dealers? If you can't share data on individuals/entities, can you share at aggregate or macro level?
- What is your key take-away from the day? What is the most impactful change you could make, the idea you heard that could have the biggest return for you?