

Current Value

- **Current Value is the value of all purchased by each customer**
- **Ideally CV is calculated and expressed in terms of customer margin contribution**
- **The currency of current value needs to be determined in terms of finance system practicalities**
 - **Top line revenue contribution vs some degree of margin contribution depending on what the system can provide**
 - **Net of rebates, CoGs, CoD**
 - **In some cases (commodity products/services), “currency” proxies or surrogates need to be identified**
 - **product weight, shipping volume etc**



Current Value

- **The method and period of data collection (finance system extraction) should then be set and implemented**
- **Snapshot – does not attempt to account for growth/trend at point in time**
- **Such data should be attained for every customer over the defined period**
 - **Ideally there would be some means of flagging customers by their value chain segment**
- **The analytics of listing ALL customers top to bottom by CV provides some useful insight to the current spread of business**
 - **Pareto analysis**
 - **Shape of curve analysis**

