

HELPSCO, LLC

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Managing Value: Optimize, Reduce, and Eliminate

Customers define value, whether they know how to articulate the benefits they expect from your product or service, or just know when they receive it. Customers also know when they don't receive value, and consequently take their business elsewhere. Worse yet – they never tell you why. In this scenario, the buyer and seller both lose. *But by thoughtful intervention using the right methods and tools, customer value can be optimized, while lowering business cost and improving quality when properly managed.*

There are three types of value in the 'value chain': customer value added (**CVA**), business value added (**BVA**), and non-value added (**NVA**). **CVA** are the features and characteristics built into your product or service that helps customers solve their problems, for which they are willing to pay. **BVA** represents the internal business support functions necessary to support the creation of your product or service to customers. These internal functions (e.g. corporate finance, legal, human resources) are not directly part of the processes that create value for the customer product or service. **NVA** is the wasteful enemy of all businesses, using resources that contribute no value to the product or service delivered to the customer.

To manage these three types of value, businesses should regularly review their processes and take corrective action in this order: 1) eliminate NVA, 2) reduce BVA, and 3) optimize CVA.

Through effective value management, improvements can begin materializing within weeks, with little cost required. Businesses will enjoy the benefit of lower costs that can be passed on to customers, while earning a sustained advantage over your competition.

Key Takeaway:

Customers are willing to pay for your business process steps that contribute to the product or service value they seek. Businesses should regularly identify and eliminate NVA, reduce BVA, and optimize CVA. By employing effective value chain management, businesses should realistically expect to improve customer value, earn a sustained competitive advantage, and lower their operating costs to invest in future growth.

About Helpsco, LLC

Affordable Quality for Your Success

HELPSCO, LLC is an insured business management consulting company based in Slingerlands, NY, owned by Jeff Collette (MBA and Lean Six Sigma Black Belt), who has 30 years of experience in business management, Lean Six Sigma speed and quality improvement, financial controllership, managerial finance, project management, regulatory compliance, reporting, analytics, problem solving, sales, and customer service.

HELPSCO helps businesses manage and control costs, improve quality using proven and objective quality management tools, and achieve returns on invested capital greater than your weighted average cost of capital.

Please call HELPSCO at (518) 760-1254 or email service@helpsco.com to get started.