

# People-Centric

Technical Creativity, Customer Segmentation, & ELTV

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Q1: Do you have a strong desire or interest in learning or knowing something?

*Curiosity*

Q2: Do you routinely have ideas and the willingness to take meaningful action to see those ideas come to fruition?

*Bias to Action*

Q3: Are you someone who brings a fresh perspective to problems posed to you by friends, family or colleagues?

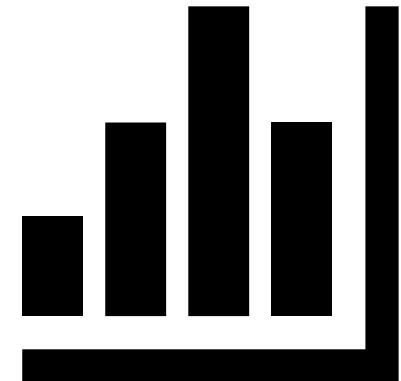
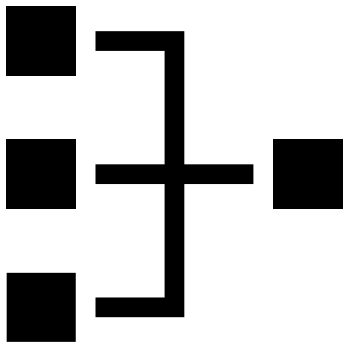
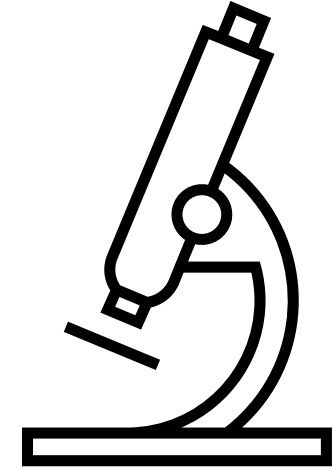
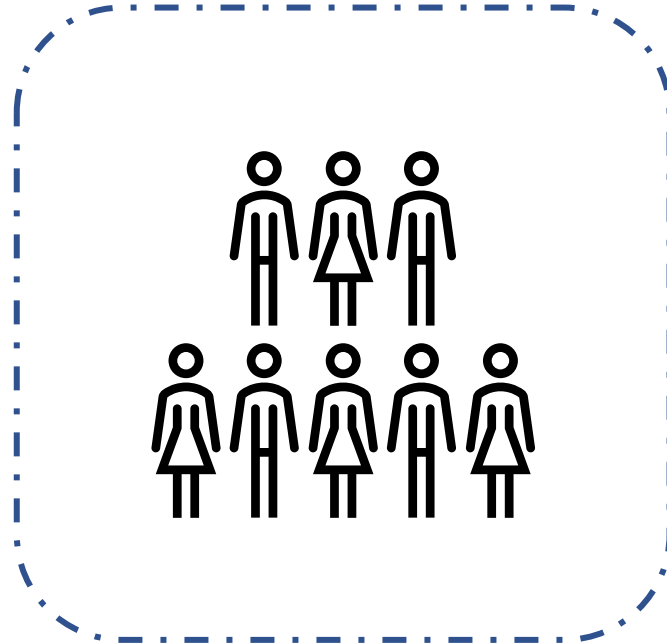
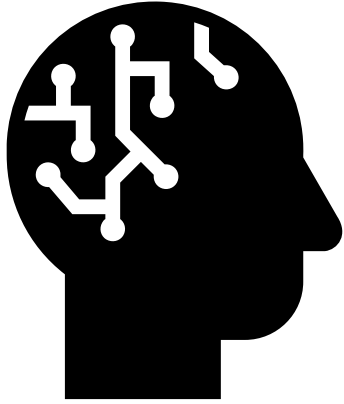
*Reframing*

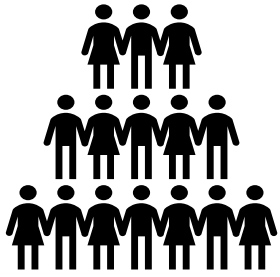
Q4: Are you someone that is considers themselves observant, keenly aware of the events that go on around them or in society?

*Awareness*

Q5: Do you consider yourself to be a collaborator?

*Collaboration*

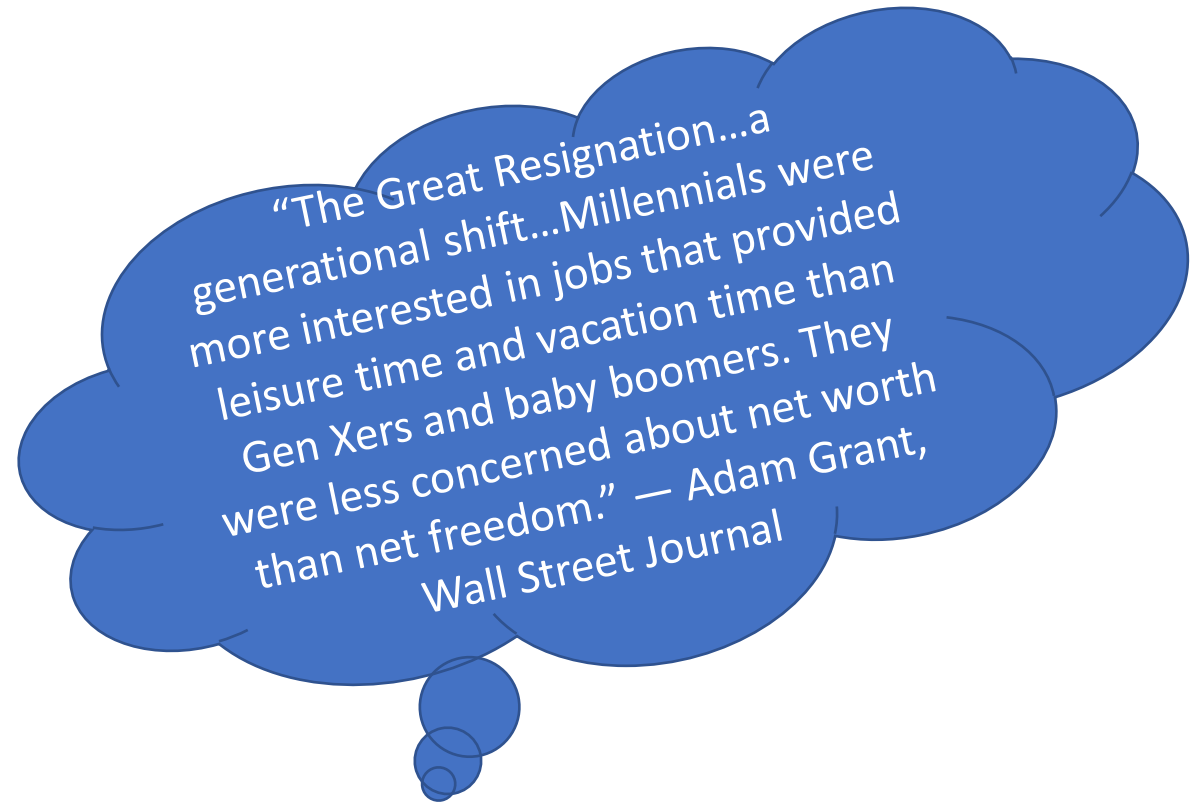




4.3M

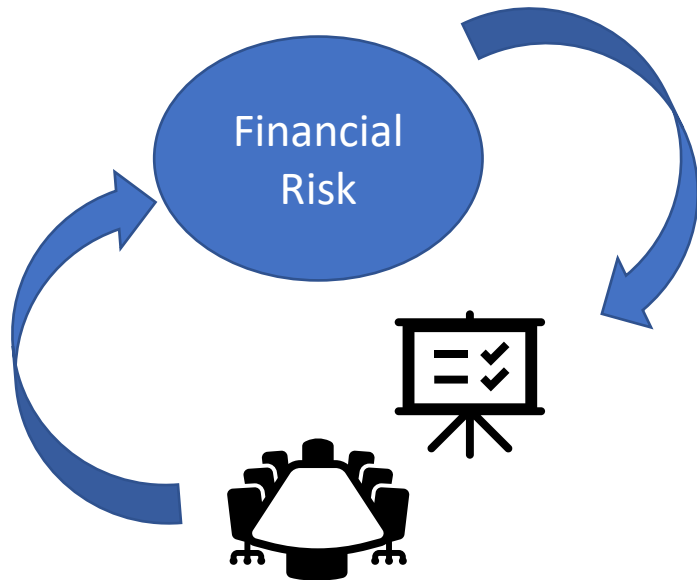
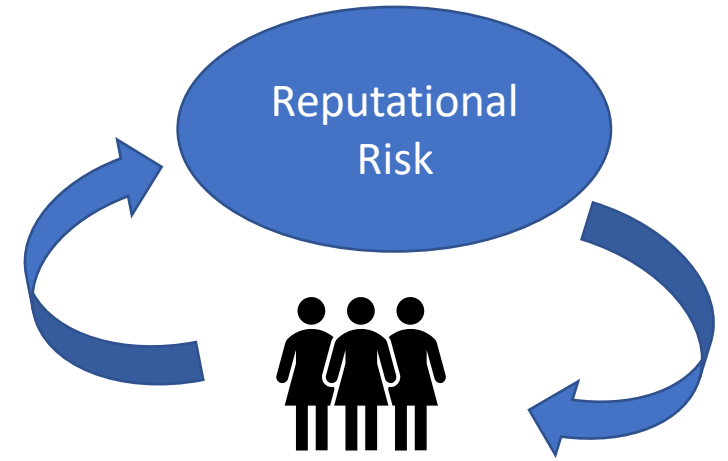
## NOW HIRING

10.4M Job Openings

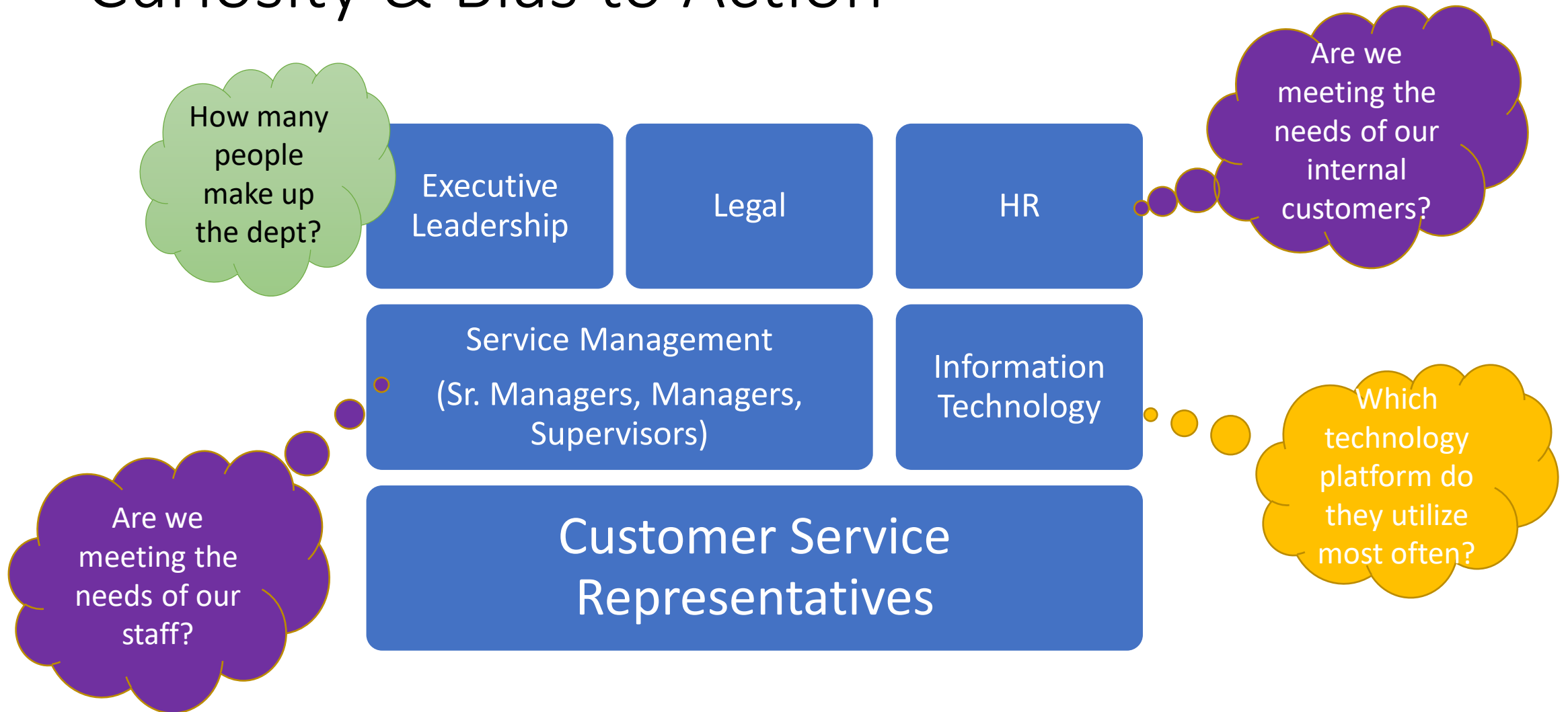


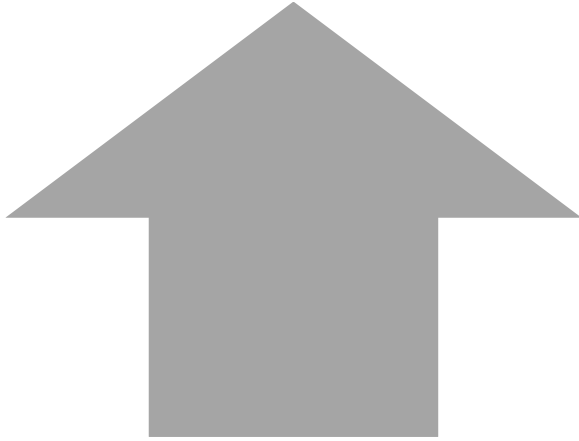
- What is risk?
- Common Types of Risk
  - Strategic
  - Compliance
  - Operational
  - Financial
  - Reputational
- Impact:
  - Project Risk in my case and for most project-based organizations



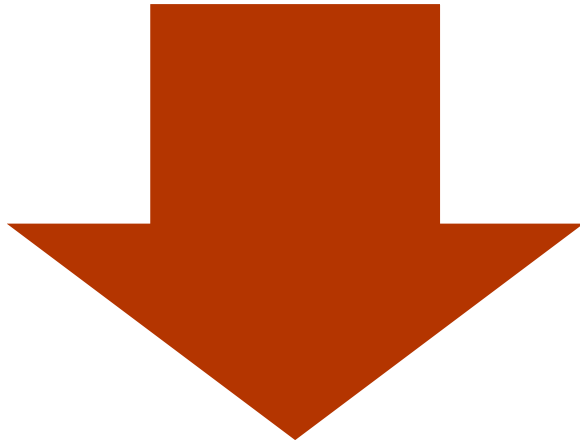


# Curiosity & Bias to Action





Attrition



Capacity



# 8 Wastes of Lean

**Manufacturing**

**Services**

Skills: Underutilized  
Resources (people)

Motion (people)

Transportation  
(material/data)

Inventory

Overproduction

Waiting

Defects (errors;  
rework)

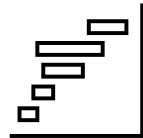
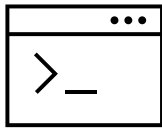
Over-Processing

# Capacity Constraint

- Capacity: maximum output of the product or service over a continuous period, determined by the slowest task in the value stream
  - i.e. Processing 30 transactions per hour
- Takt Rate: customer demand rate for a product or service continuously
  - i.e. 40 transaction requests per hour
- Total Cycle Time/Takt Time = # of associates needed
  - *Ex: 22mins/5mins = 4.4 associates needed*
- Lean and Kaizen

# Attrition

- What is Attrition?
- What is Attrition Rate?



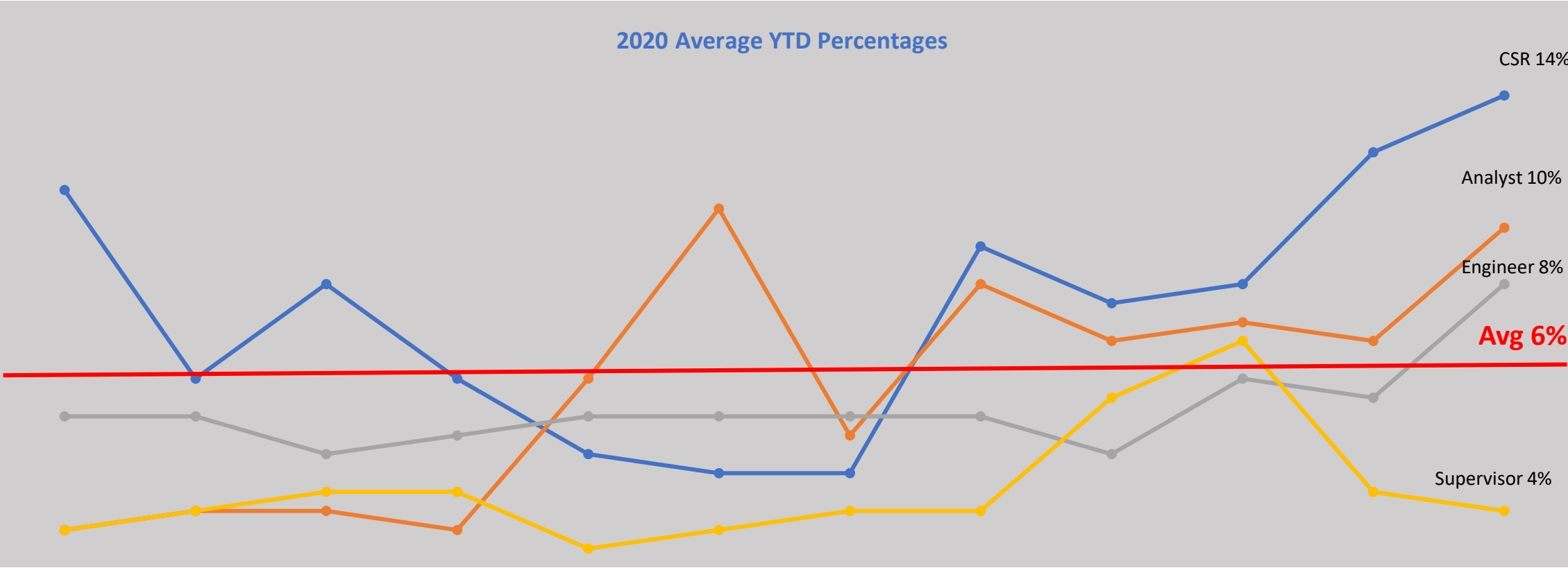
Human Resources Information Systems (HRIS)

$$\text{Attrition Rate} = \frac{[(\# \text{ of Empl at Beginning of Period}) - (\# \text{ of Empl at End of Period})]}{(\# \text{ of Empl at Beginning of Period})}$$

$$\text{Ex: } \frac{[(650) - (600)]}{(650)} = \frac{50}{650} = .0769 \text{ or } \mathbf{7.7\%}$$

# Awareness

2020 Average YTD Percentages



# Breakout Session – 5mins

## Questions to Discuss:

- Has your organization seen any attrition prior to or during the pandemic?
- If so, which departments have been most effected?
- Which business risks have become visible to you and/or leadership?

# Segmentation



Executive  
Leadership

Legal

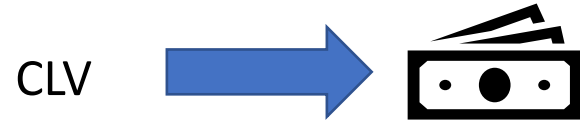
HR

Service Management  
(Sr. Managers, Managers,  
Supervisors)

Information  
Technology

Customer Service

# Customer Lifetime Value (CLV)



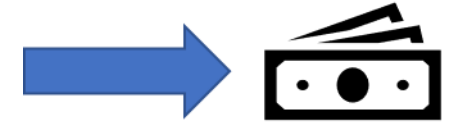
- Metric in Customer Experience (CX) programs
- CLV can be calculated at a company level, a customer segment level, or an individual level
- **Average Purchase Value**
- **Average Purchase Frequency**
- **Customer Value**
- **Average Customer Lifespan**
- **CLV = customer value X average customer lifespan**
  - **Resulting in a monetary value showing how much you can reasonably expect the average customer to spend with your organization over their lifetime.**

# Employee Lifetime Value (ELTV) - I

- True value is measured with more than money
- Wealth of positive customer experiences, innovations, cost savings, and efficiencies
- Tool that allows them to show how much those intangible actions are worth
- **New framework, pioneered by Maia Josebachvili,...important as organizations vie for increasingly finite pools of talent and are forced to optimize their resources in the wake of the pandemic**
- **Defined as a quantitative measure of the long-term contribution an employee makes to an organization over their lifetime with the business**
- Draws upon the same principles as Customer Lifetime Value



# Employee Lifetime Value (ELTV) - II



## ➤ Four Steps

### 1. Estimate Average Human Capital ROI (HCROI)

- *(Revenue - (Total Cost - (Regular Compensation Cost + Total Benefit Costs ))) + (Regular Compensation Cost + Total Benefits Costs) **OR***
- *(Profit / average number of employees) / (Employee Cost / average number of employees)*

### 2. Estimate Average Annual Compensation Cost Per Segment

- *Average annual salary plus benefits of an employee may be \$115,000*

### 3. Estimate Average Tenure Per Segment

- *Use a sample of employees who have exited and averaging the tenures found at the time of exit*

### 4. Calculate the estimated ELTV per individual or per segment by multiplying it out

- ***Segment average ELTV = (HCROI) x (annual cost) x (lifetime tenure)***

# ELTV Human Services Worker - III



## ➤ Four Steps

1. Estimate Average Human Capital ROI (HCROI)

- *Estimated to be 1.25*

2. Estimate Average Annual Compensation Cost Per Segment

- *Average annual salary (\$41,600/yr.) plus benefits (\$12,896) of an employee may be \$54,496*

3. Estimate Average Tenure Per Segment

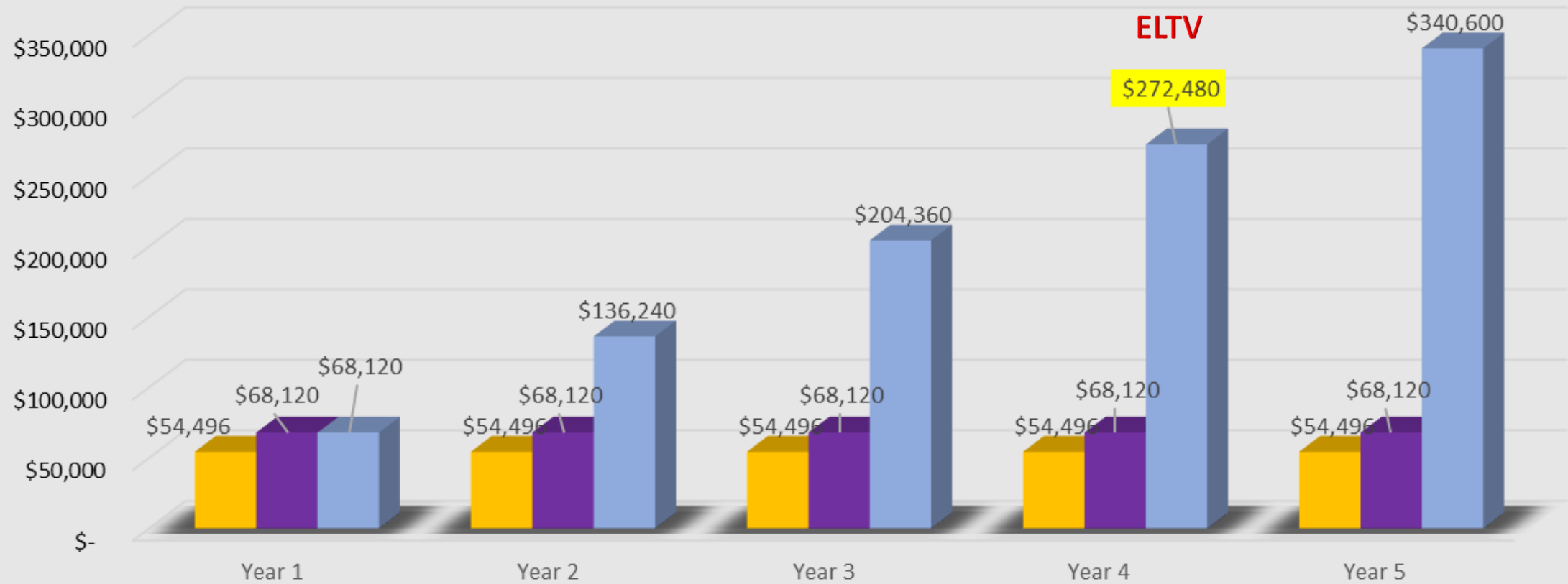
- *4 years*

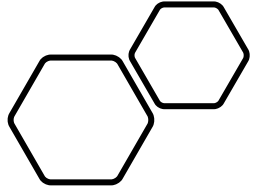
4. Calculate the estimated ELTV per individual or per segment by multiplying it out

- **Segment average ELTV =  $(1.25) \times (\$54,496) \times (4) = \$272,480$**

## ELTV - Human Service Worker

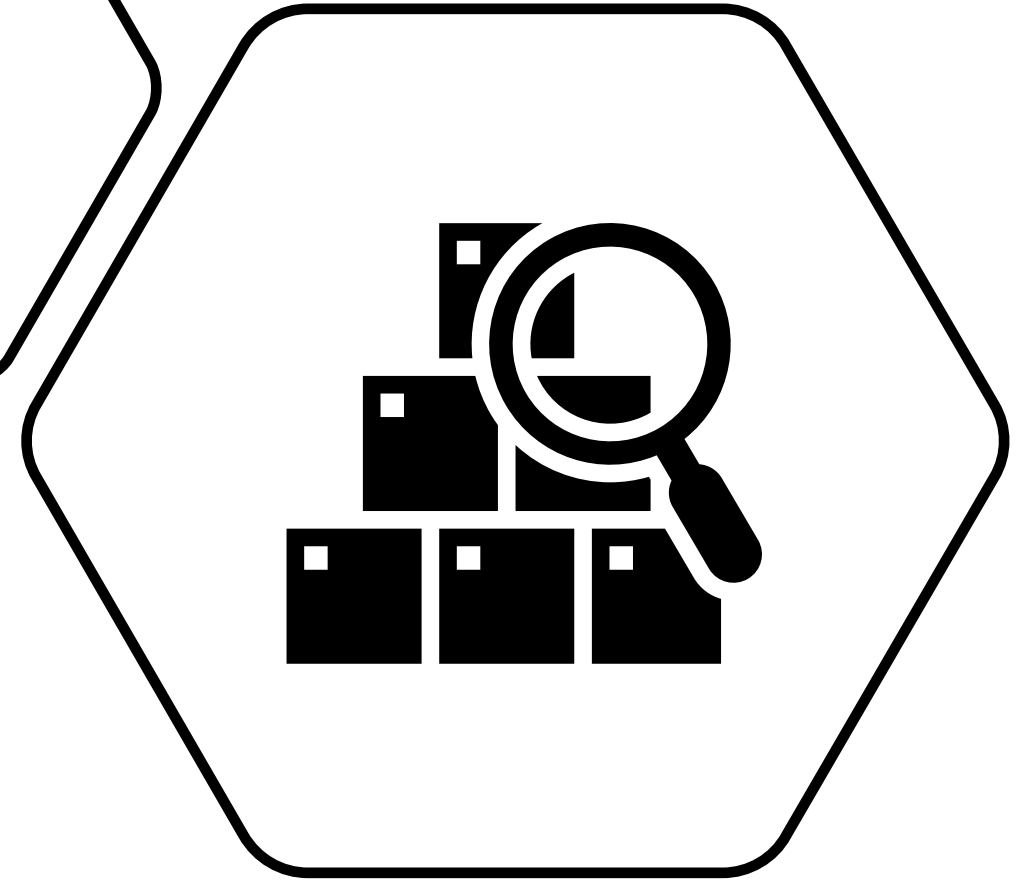
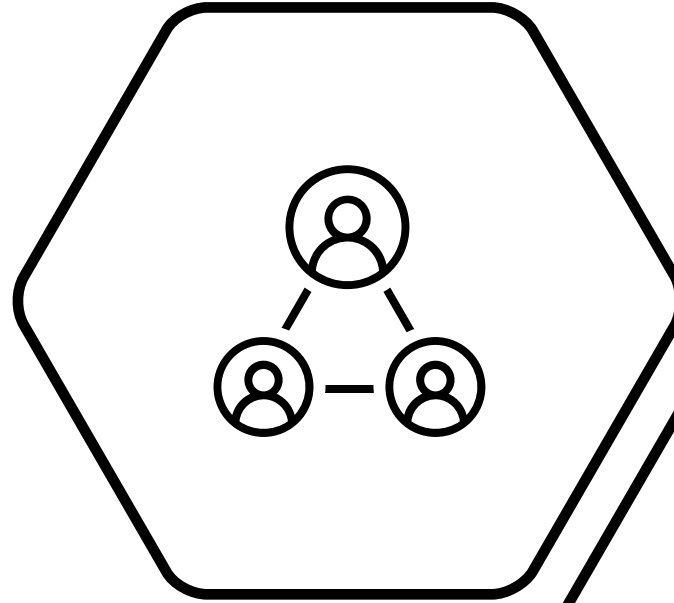
Cost Value Lifetime Value



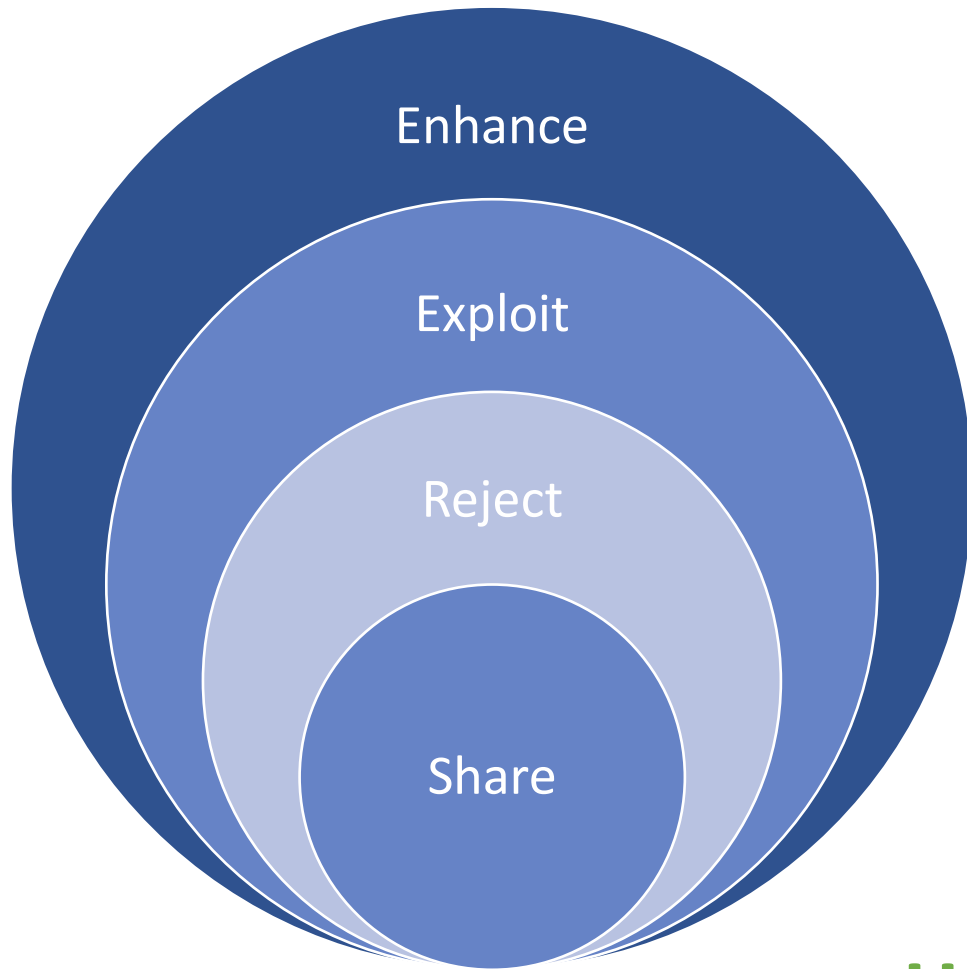


# Employee Lifetime Value (ELTV) - IV

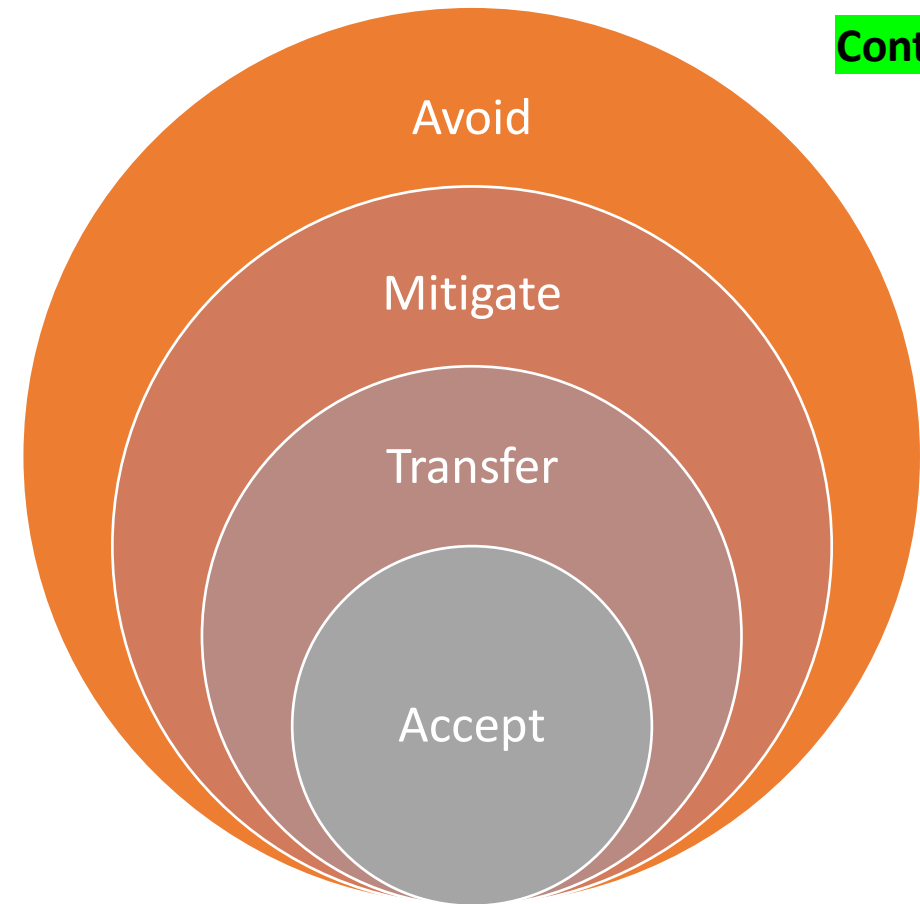
- Utilization:
- KPI's or in-house created indexes
- Organizational performance management and improvement
- Opportunity to address root causes behind the mass exodus of employees



# Common Risk Management Responses



Opportunities



Contingency Plan

Collaboration

Threats

# Use Your Technical Creativity

- Curiosity
- Bias to Action
- Reframing
- Awareness
- Collaboration



## Thank You & Stay in Touch

- You can contact me via LinkedIn
- **Vincent Burris, MSc., CQE, CSSBB, PMI-DASM**