

Effective segmentation

Obtaining data on client value template



Before you can categorise your clients using a customer segmentation matrix, you will need to collect and tabulate your client value data.

The worksheets that follow can be used to guide this process, and you can amend these as you wish to suit your company's objectives and strategies.

The first worksheet will enable you to refine your client segments and sub-segments. The second worksheet will enable you to tabulate your client value.

Regularly update and refine these templates as you gather more data and insights about each segment, allowing you to adapt your services and strategies effectively.

Worksheet 1: Understanding your client segments and sub-segments

When considering your client base, you can use the table below to fully determine each segment of your client base. Once you have completed this, you can summarise the most critical insights and findings for each segment. These key takeaways will help to inform your strategies and decision-making in managing and growing each segment.

1. Demographics

Describe the demographic profile of this segment. *Are there any common characteristics such as age, gender, location or occupation?*

Are there any sub-segments that you allocate these clients to? *This could include: Wealthy retirees/ Pre-retirees/Fast saving individuals*

Describe a typical member of each sub-segment. *For example: What are their interests? What is their income and expenditure pattern? What type of investor are they?*

2. Client behaviours - complete a new template for each sub-segment

Sub-segment name:

What products of services does this sub-segment need?

How does this sub-segment typically interact with our company?

Is the servicing cost of the sub-segment low, medium or high?

What percentage of staff time would you estimate this sub-segment uses?

Does this sub-segment place any specific demands on the business?

Does this sub-segment create any specific risks for the business?

Rating out of 10, how would we rate how we meet the specific demands of this sub-segment?

Demands not met				Somewhat met				Demands 100% met	
1	2	3	4	5	6	7	8	9	10

3. Opportunities

Is this sub-segment growing or declining?

Are revenues from this type of client likely to rise or fall in future?

What competition will we face in this sub-segment in future?

Out of 10, how would we rate our ability to improve our proposition to this sub-segment?

Not likely to improve				Somewhat likely				Very likely to improve	
1	2	3	4	5	6	7	8	9	10

Worksheet 2: Client value table

When referring to client value, the key data you will need for each client is the revenue they produce for the firm. When this data has been collated, start to tabulate it into quartile or decile rankings, adding it to the table.

	QUARTILE 1	QUARTILE 2	QUARTILE 3	QUARTILE 4
	Top 25% firm revenue	2nd 25% firm revenue	3rd 25% firm revenue	Bottom 25% firm revenue
Clients				
How many clients are in this quartile?				
% of total clients				
Client value				
What is the lifetime value (LTV) ¹ of these clients?				
What loyalty score does this quartile achieve?				
What is the client loyalty value (CLV) ² of the quartile?				
Asset values				
Highest Asset Value ³				
Lowest Asset Value				
Average Asset Value				

1 LTV = the total of the net present value of anticipated future cash flows (revenue minus costs) of an individual client. See [Understanding Client Value](#) for a full explanation.

2 In brief, Client Loyalty Value can be calculated as: Customer Loyalty Value (CLV) = Loyalty rate x LTV. See [Understanding Client Value](#) for a full explanation.

3 See [Effective Segmentation](#) for more information. Highest Asset Value can be defined as the highest net worth or value that your client's investment portfolio has reached over a given period of time. Lowest Asset Value would denote the lowest net worth of your client's investments and the average should be calculated.

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