

Business Resilience Toolkit

Service distribution channels

Presented by Jane Arnott, General Manager, Consulting and Business Services

Transcript:

Can you describe your channels – or routes – to market? Do you know how resilient they are?

In this video we're going to look at how you can manage risk around your service channels, and make informed decisions around where you put your resources.

Hello, I'm Jane Arnott and I'm the general manager of consulting at Community Business Bureau (CBB)

Your route to market – or channels – are the ways you reach your customers and they access your services. In this context we're looking at your delivery or distribution channels. This is the place where you deliver your services. It might be at your own premises, at your client's home, at another agency of organisation – such as a health care provider or community centre - in the community, or online.

Understanding how your service distribution channels work is important to building your understanding of your business risk, and what works.

Let's look at ownership and control of your channels. For example, if you offer counselling services and you deliver these direct from your own premises, you own and control this point of distribution, but if you are working through a youth services agency, you don't own or control this environment. It may cost you less to deliver services through the youth agency, and it may be a great option for your clients, but your business risk may be higher. The youth agency could decide not to offer the service any more, or to offer it through someone else. So, some of the decisions about service provision are outside your control.

It's worth having some of your distribution or delivery channels under your own control, so that your service delivery isn't at the mercy of another organisation. Don't forget online as a possible option, if it's suitable for your service.

This also relates to your customer segment and value proposition. Do you know which service delivery channels enable you to reach clients most efficiently – or provide more social impact?

Knowing what works allows you to make sure you invest time and energy in what's effective. It allows you to set benchmarks. If you get really good engagement when you offer services from your own site, you can use that as the benchmark you need to reach to measure whether alternative channels are effective – for example, working at the local clinic or community centre.

If you understand the engagement levels and the costs, you can start looking at return on investment, or profitability, per customer or service. You can start to build some really strong metrics that enable you to understand which delivery channels are most effective – and that can be from both a social impact and a financial perspective.

This supports your business resilience because understanding the effectiveness of your channels means that the decision on where to invest or divert resources, or what to cut, is evidence based.

But one size may not fit all. If we take our youth counselling example, some clients may prefer to attend sessions at your office, others at their school or local youth centre, whilst others may prefer online. Having diversity in the options for clients to access your services may allow you to reach more people, and have more impact, but it also provides a safety net of alternative options if clients aren't able to access the service through their preferred channel. For example, during COVID lockdowns, many providers of group based capacity building activities, offered their programs online as an alternative.

So, having a range of distribution channels may help you to reach more clients – and deliver more impact. It also gives you some protection against the risk of one or more of your service delivery locations not being available. Having the metrics on the effectiveness of different channels provides you with evidence to support decisions on cost savings, or investment and growth.

Related videos to watch next: all videos in our Risk Management series.