

Roadmap to CRM Success...

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Customer Relationship Management (CRM) has traveled a long way from the days of sales force automation. Today CRM is a key business philosophy and technology tool that covers the span of managing customer relationships to analyzing the success or failure of those relationships. Overall, CRM provides a collection of information about how customers are being treated today and the opportunity to develop a culture and process to increase sales performance tomorrow.

CRM has two component areas "Operational CRM" which is the infrastructure dealing with the delivery of Sales, Service and Marketing and the "Analytical CRM" which deals with the business intelligence aspects of analyzing the data to determine action.

The question is whether any business can compete effectively and grow without adopting a CRM customer focus. This is not specific to any industry or size of business but is true across the board. Better customer knowledge and service is the key and how to achieve it is by using the tools provided by CRM.

Building Customer Loyalty is a key driver to CRM ... and the CRM solution is the foundation to help manage and deliver for your customers.

The following are several key considerations when planning and traveling on the road to a successful CRM. In order to harvest the potential of a CRM solution some work needs to be done to prepare the ground so that you obtain all the benefits that can be achieved. Since each business is different some considerations may be more important than others, but all should be considered:

- Identify Business Objectives

What are the primary business objectives that you want the CRM to help you achieve? It is remarkable that so many CRM initiatives go forward without being able to answer this question. Being able to say more than "increase sales" may require a little extra thought but will provide dividends when asked later if the solution is successful.

This also reduces the potential for the technology to drive the choice of the CRM solution versus the business objectives during the selection process. In order to avoid this, the identification of key business objectives needs to be identified up

front. Have the sales targets and growth plans been defined? How do you communicate with your customers today and how do you want to communicate with them tomorrow? If the salesperson needs to call in or stop and plug in a laptop to see e-mails – would you want them to be provided automatically via the cell phone to speed up communications? There are some existing applications or solutions that would provide additional information for the sales call that need to be integrated? Which objectives need to be accomplished first to aid in achieving the goals of the business plan?

A CRM solution can assist in reaching these goals, but defining as many of these objectives in additional detail helps the business to have benchmarks for measuring success.

- Commitment and Executive Support

Getting the team on board to start thinking and using CRM is not the easiest task. Since CRM can wrap in sales, service and marketing information, each of these areas need to be represented as part of a core team when planning and implementing CRM. In this way each group can understand what CRM is and can provide their comments and ideas to what the solution needs to deliver.

Since CRM interfaces to your customers it will typically need information from you other solutions, therefore you may need operations or IT personnel on your core team.

Marketing will be able to run more targeted campaigns using CRM when customer contact and behavioral information is shared by those that have the information. However, daily job activities or ownership boundaries of the existing solutions or processes may lie in the way of sharing resources or information.

If these discussions don't yield agreements, top management needs to make it clear it will make the decisions or appoint someone that will. While many of these points may sound like they involve only large companies, the need for clear decision making is the same for smaller organizations as well. Smaller organization can also suffer from the lack of communication and support when faced with balancing daily business activities and implementing CRM. The lack of cross-functional coordination and senior leadership is a major risk to any CRM project.

Regular communication is critical to a successful deployment. Keep the communication clear and focused on the initial business objectives.

- Realist Expectations

Don't boil the ocean is a favorite saying when implementing a CRM solution. The reason is that CRM is often seen as a solution to all of the issues or problems existing in the business. CRM is a cross-organizational solution that will

Customer behavioral data relates to how the customers interact with your business...what are his/her traffic patterns when purchase a product or what products they buy and when.

Remember just automating a broken process produces the same result just faster.

bring cultural, process and technical changes to many areas of the business. But you need to be realistic on where to start and how much to do at once.

This is where defining your objectives is key with the understanding that some things are going to be more important than others. Rushing to put in demographical data is a wonderful objective but make sure that the behavioral data about the customer is also being captured. The behavioral information can be a much more significant tool in developing a marketing campaign than demographics alone.

CRM can seem overwhelming because it touches all parts of your business...Phasing the deployment makes it more manageable....Remember you eat an elephant one bite at a time!

Laying a plan for several steps or phases of change will give greater results than a "big bang" attempt that may fail or cause confusion. The ideal CRM implementation will be one that embraces gradual improvement and benefits with a minimum of disruption to the daily flow of business.

- Process Improvement First

Each business is different, with different markets, customers and organizations. What each will have is a business process that they follow when doing business in the real world.

Even before starting with CRM the ability to define that existing process is a key step in understanding the business and how CRM will be able to help. If not already defined, then the major business processes will need to be mapped. Business processes involving the major objectives defined for the CRM solution will be focused upon first. A central location should be established for storing the processes so they can be easily retrieved and modified as the business changes.

Several traps and opportunities will now present themselves. The first is that the “as is” processes works so why change them. This will need to be resisted, since this is an opportunity to make a series of incremental or greater improvements to the existing processes. Many of the CRM packages have been shaped on learning from existing businesses and present an opportunity to improve the current process.

Another opportunity is to involve key customers in the new process and solution. They will know what your shortcomings are and what you need to do to make communications better in order for you to discover additional business opportunities. This also provides a customer that may be willing to be the first in line in trying new processes now that they now have a self interest in obtaining improved products or services more efficiently.

Conclusion

Loyal customers are the key to success in today’s business and knowing your customers wants and needs is vital to providing services they value. Customer Relationship Management is a tool to help you delight your customers while building loyalty and repeat business.

Successfully deploying a CRM solution requires thinking above and beyond the technology requirements. On the strength of a clear objective, a strong sponsor, a holistic approach and a series of small phased milestones you can successfully implement and deploy a CRM solution that not only delivers on your business objectives, but one that is accepted and embraced by your users.

This article focused primarily on the business aspects of CRM however careful consideration must also be given to the selection of a partner and technology solution to support your efforts as you move into the next steps of your deployment.

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In our future newsletters we will discuss the topics of partner selection, software solution selection, phased implementation, user adoption, results analysis, etc..

Watch for your December edition.