

CRM: THE WHOLE OF ORGANISATION APPROACH

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CRM systems are useful for tracking complaints, ensuring service and product quality, analyzing the effectiveness of promotions, and reducing the cost of customer service. This will provide some short term Return On Investment (ROI) from cost savings, but not high returns that a comprehensive CRM system should offer.

Peter Gillson explains why the approach to CRM often yields poor returns, and how a "whole of organisation" methodology delivers continuous improvement, innovation, combined with long term bottom line success. Peter outlines below the five (5) essential steps to creating a system that will deliver to business objectives, increase internal buy-in and ultimately create the kind of ROI you expect.

1. Analyse Existing CRM

An effective CRM implementation requires a complete in-depth analysis of existing systems at every consumer touchpoint. Even without official CRM procedures, a customer service culture may still exist, and it may differ across your business. You need to be aware of what these systems are and, more importantly, who drives them.

If there are existing barriers to effective CRM, which may be business related, operational or cultural, then it is unlikely that a new software system will solve them. Implementing a new system built on ineffective structures or procedures will often lead to confusion and resentment.

Basic questions that need to be answered include: How does customer communication flow through the organisation? What information is needed by which people/departments, and are they currently receiving it? How are CRM issues identified, internal and external complaints resolved and improvements implemented? What reporting standards currently exist?

2. The "C" In CRM

Often forgotten in Customer Relations Management systems are the very people who should be the ultimate focus – the customer or C factor. Once the need for an improved system is determined, the organisation establishes an internal needs focus. It would be easier for most organisations if customers stopped writing letters and posting them. It would be cheaper if customers could didn't need to speak to 'real people' on the telephone. This takes it to the extreme, however the latest CRM system geared towards VoIP and Internet "Contact Us" pages with all the latest CRM 'smarts' is not going to return a high ROI if customers still contact you by snail mail, telephone and fax.



Systems should be based around four key areas:

1. Who your customers are and how they like to communicate with your business
2. Customer categories (eg trade, end consumer, key accounts, preferred suppliers, etc).
3. Who your customers will be in 5 years and how they will want to communicate with your business
4. How can you match your internal processes, policies, procedures, structures and costs to best accommodate the majority of your customers' current and future needs.

This always ensures that your system can deliver acceptable short to medium returns, and continue to deliver excellent ROI in the long term.

3. Who Else?

Who else in the organisation may benefit from CRM information? What would these people like to see? It may seem intuitive to ask these questions, however many organisations believe CRM systems are the responsibility of complaint handling, customer service, quality assurance, or sometimes an IT initiative. A system geared too much towards QA and complaints may not be useful to marketing and new product development. Conversely, systems based around marketing initiatives and customer research may not deliver useful results for corporate compliance and product complaints.

It is important to undertake stakeholder analysis to communicate why the system is needed, what the major system focus will be and what organizational role and responsibilities may need to change in response to CRM implementation. It is also necessary to manage internal expectations, especially when there are so many confusing definitions of CRM.

4. In A Perfect World.

After all the major stakeholders have been consulted, everyone has a picture of "The Perfect System" that will solve all content management, data collection, analysis and customer service issues. Someone will be able to build it for you, probably not within your budget and definitely not in the time frame you need to have the system in place.

The best approach is to look for a flexible 'off the shelf solution' that has the ability to customise and meet defined business needs. When choosing a system you should also recognise how your product lifecycles and customer event strategies will affect your future system needs. Ensure that the system can grow and change with business and customer sophistication and respond to innovation and organizational change. The cheaper options may show good ROI for now, but when you need to add a VoIP component or consolidate your system to a single regional or global database, it could be costly and time consuming. Installing a flexible system now will save money in the medium term, and guarantee a profitable consumer focus.

5. The Total Organisation

An effective system strikes a balance between technology and the people who use it. The best CRM system will not stop unhelpful or aggressive employees, or reduce the need for training and development. Changing internal CRM is more of an attitude adjustment than a software implementation. Meaningful CRM event strategies must be developed to deliver customer retention, loyalty and subsequent ROI. CRM software is the portal where CRM effectiveness is monitored, controlled, analysed, planned and improved. Your ROI will be realised with a thorough implementation plan encompassing software, systems, customer relationships and business strategies.

Conclusion

CRM is more than customer service or complaint handling. It's about managing how your company communicates with your customers to build brand equity, repeat purchase, loyalty and ultimately, brand advocacy. This doesn't occur through reducing inbound call costs or installing software. It occurs from the time customers first hear about your business, through numerous product trials, and then their continuous contact with your company and brand through multiple channels. This involves the total organisation. Contact centers, complaint handling, enquiries, sales, marketing & advertising, loyalty programs, quality assurance, operations, PR and corporate relations, and HR all fall under the one strategy. The mix of these factors, as well as product and consumer event strategies, should be considered during implementation to ensure your CRM system delivers its full return on investment potential.

SFI Cares

SFI develops flexible systems that are customized to fit your business needs on a local, regional or global scale. They have developed CARE software for many medium to large companies that manufacture household and iconic brands, and a number of service based organisations and SMEs. As the Director of Global Solutions since the company was formed in 1993, Peter Gillson has witnessed change in the way business has approached CRM. Peter, in conjunction with Technical Director Mark Hudson, consults frequently with senior management to develop innovative and flexible solutions for changing business and consumer sophistication..