

Peter Gillson



Peter Gillson is the Director of Global Solutions at SFI International and has been involved in the CRM industry for 13 years.

Peter has worked across many industries in Australia, Europe, UK, Canada and the USA to implement internal change and increase CRM effectiveness.

Regularly consulting with business about current and future trends in customer relations management and changing consumer value perception, Peter uses his understanding of key performance drivers to develop flexible CRM software solutions that deliver meaningful bottom line results.

Peter is currently Public Office & Secretary for SOCAP Australia, and has been a member for 10 years.



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Who are SFI?



SFI create customer relations management systems that are driven by both business and customer needs. We have developed an understanding of business that allows it to create flexible products, a shared vision for customer satisfaction and process improvement, successful implementation, and enhanced growth.

We have a unique approach, modeling our CRM solutions and event strategies around the customer lifecycle to ensure that our systems are appropriate, pragmatic, manageable, and always customer focused.

Our approach also includes the concept that the total organisation should be involved in the CRM process and help our clients to create a stronger customer focus, and actively drive adjustments that come with changes in customer value and the way they do business.

Knowledge, Capability, Capacity



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“The significant problems we face cannot be solved at the same level of thinking we were at when we created them.”

- Albert Einstein



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Are CRM systems really the answer?



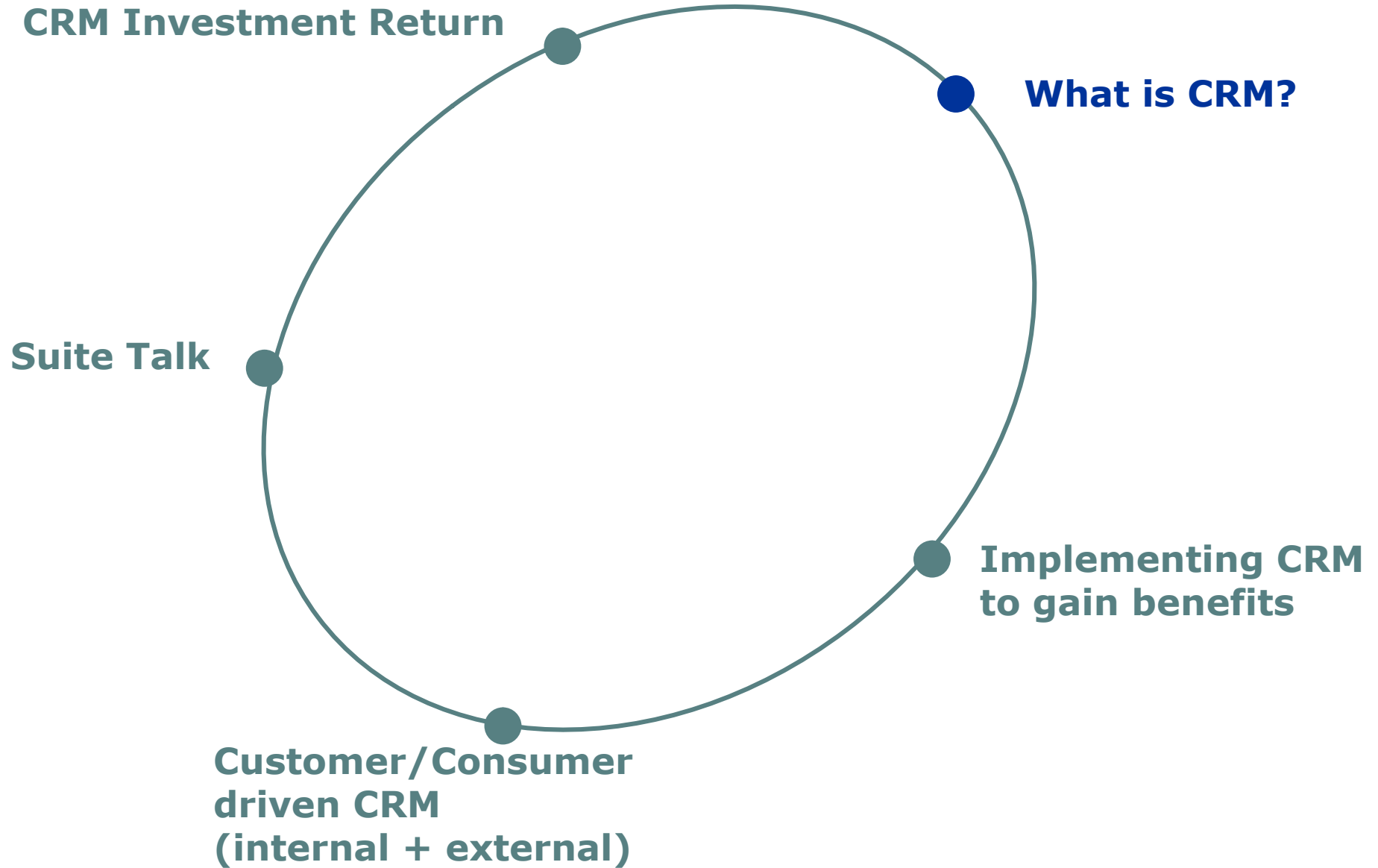
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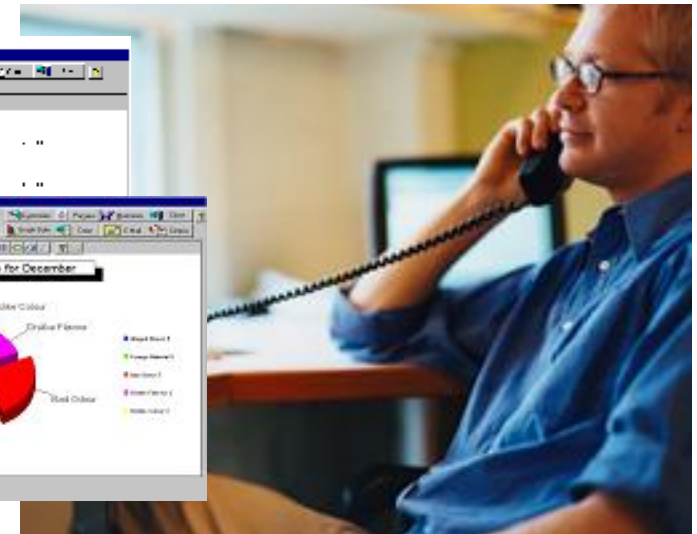
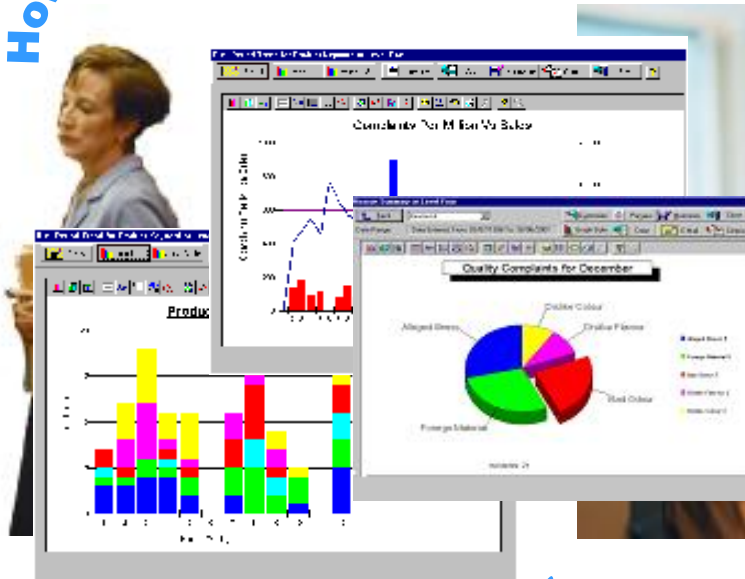
WHAT IS CUSTOMER RELATIONS MANAGEMENT?

Are they the answer and what is CRM?

How will this affect our bottom line?

How may we help you?

Is anyone listening?



I want a complete view of my customers

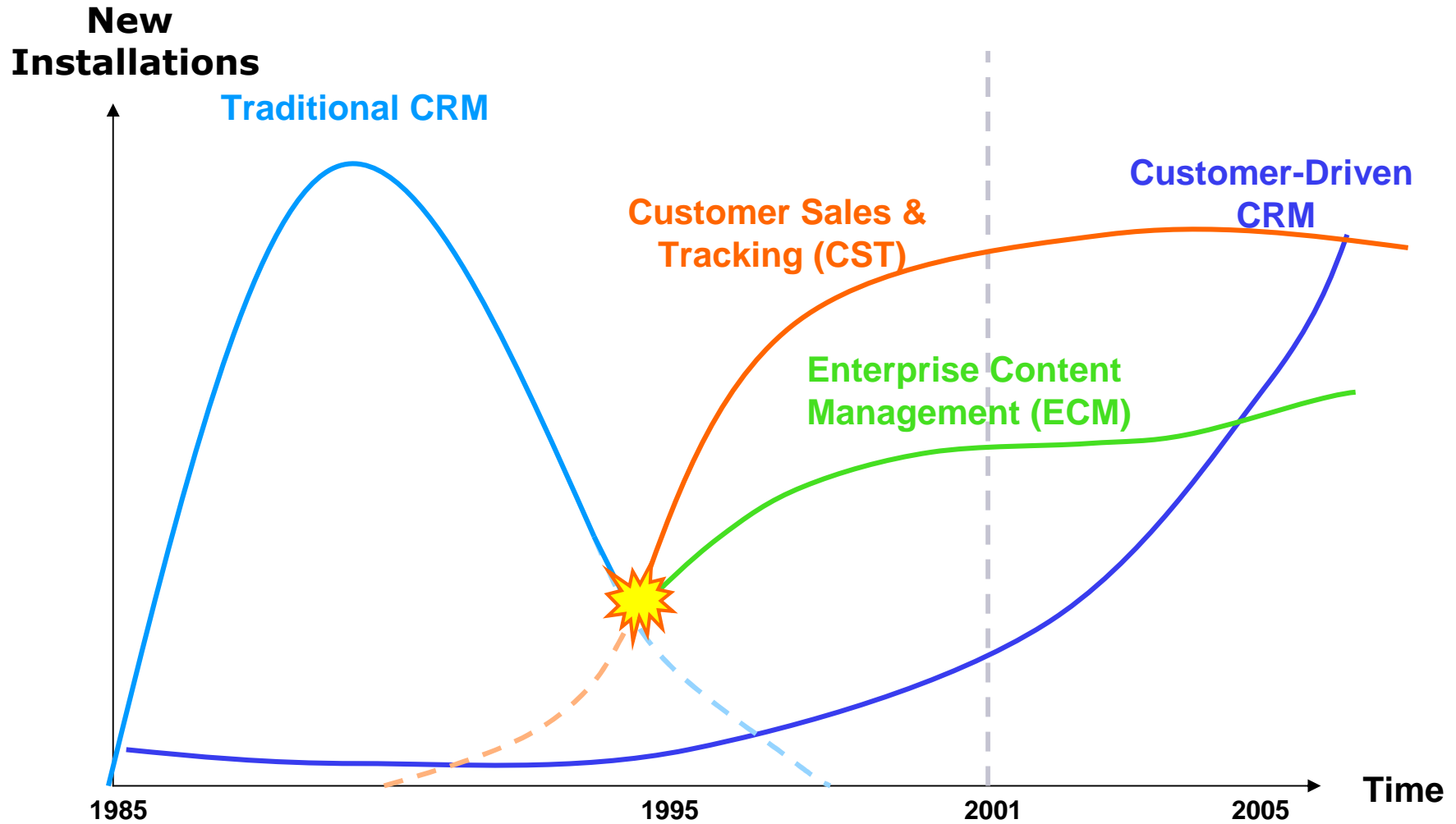


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HISTORY OF CRM



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TRADITIONAL CRM

Elements of a traditional CRM system:

- Functional/operations based
- Warehouse driven
- Which plants did product come from?
- Where are the products now
- Logistical efficiencies
- Existing data capture, but unable to effectively “mine”



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CUSTOMER SALES & TRACKING (CST)

Elements of a Customer Sales & Tracking system:

- Judging sales performance (internal or supply chain consumers)
- Sales tracking
- Cost per sale
- Effectiveness and efficiency of the sales force merchandising
- Influence/control retail
- Push factor that the organisation can use to increase brand awareness, loyalty, advocacy etc.
- Internal customers



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CUSTOMER SALES & TRACKING (CST)

Comments worth viewing:

John Graff, vice president of marketing and customer operations at National Instruments, said that few CRM failures result from flawed technology. "In my view, the single biggest reason is a lack of a business strategy," he said during a forum at OpenWorld Without a business strategy for CRM, companies can rarely gain any return on a CRM investment, Graff said. For example, he said, some companies buy a CRM tool and install it but "don't know what the business process is. They just press a button and get data. There's no strategy (for how to use the data). It's not easy stuff."



Izmocars, a provider of Internet tools to the automotive industry, also suffered through multiple CRM failures before undertaking a successful effort that relies on Siebel's OnDemand hosted sales force automation software. Izmocars blamed a variety of technical and cultural problems for its failed CRM efforts, which were based on Siebel's Enterprise software, Salesforce.com's hosted systems and Microsoft's CRM software.



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CUSTOMER RELATIONS MANAGEMENT

Customer Relations Management (CRM) definition

- Customer relations – outward looking
- Management– internal looking

- Customer relations management must use the whole of the organisation to view the entire customer relationship experience

- To separate CRM from the rest of the organization, or to not achieve complete organizational integration, will ultimately lead to the failure of your CRM system.



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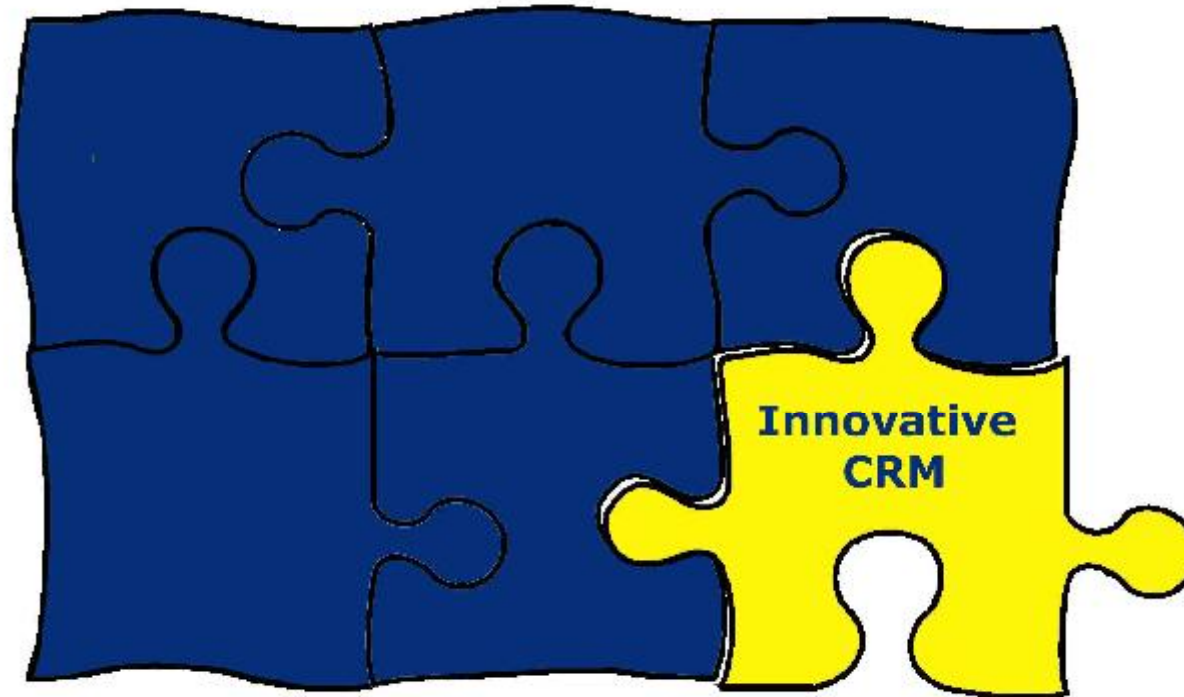


CUSTOMER DRIVEN CRM

**Operative
Customer Sales
Tracking
(CST)**

**Sales
Evaluation &
Performance**

**Customer
Focused CRM**



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CUSTOMER DRIVEN CRM

Elements of customer driven CRM:

1. Customer/consumer satisfaction driven, not complaints driven
2. Efficient contact management develops loyalty and advocacy
3. Track consumer viewpoint just as readily as you track products on the shelf
4. Core traditional CRM elements, compatible with traditional CRM systems, but have evolved.
5. CRM contributes to bottom line rather than supporting it through budgeting and forecasting.



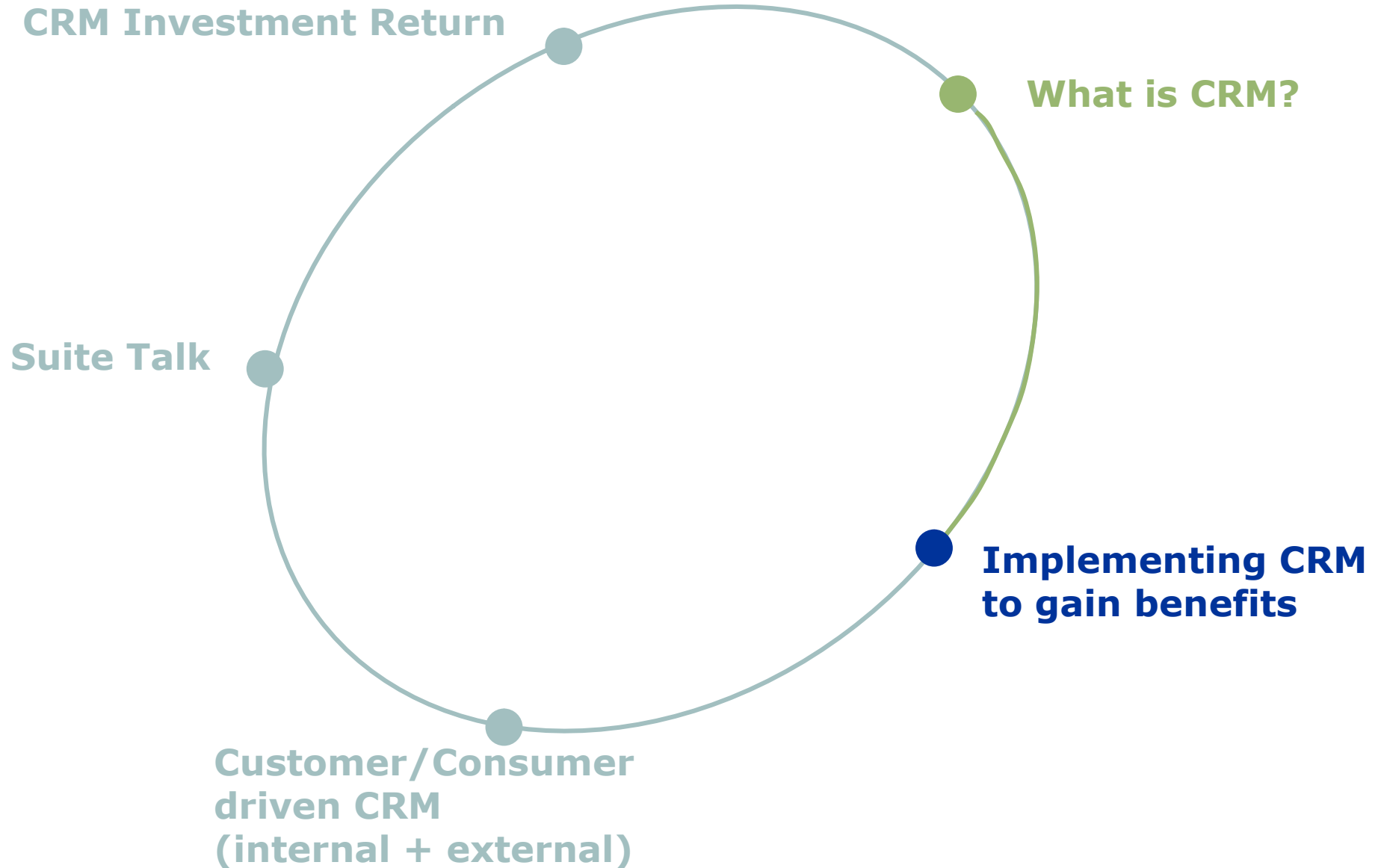
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FULL BENEFIT OF CRM

For full benefit, CRM must be focused on bottom line results, customer loyalty and retention, and driven by technology and consumer sophistication and understanding.



CRM is not a software system, it is a business strategy.



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CASE STUDY

Organisation is implementing a CRM system for 3 main reasons

1. Compliance Laws
2. Legacy Systems
3. Dissatisfied customers



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CASE STUDY

The Customer Service Manager is concerned about a number of things:

- Complaints sent to QA Manager.
- Needs a mouse to operate
- Current monthly marketing reports not available
- Customers don't yet use the new technology the system offers
- System may not increase customer satisfaction through internal efficiencies
- The software changes data collection, but many important processes are still manual



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CASE STUDY

Possible CRM system issues:

- Reluctant to spend resources to customise software for business needs and objectives
- Lack of stakeholder consultation
- The software is attempting to change workflow patterns and the existing chain of command.
- Increased time efficiencies are unclear, given the need for paper manuals & mouse.
- Needs of high-tech consumers met, but unlikely to offer ROI for existing consumers
- The organisation has confused internal time efficiencies with customer satisfaction
- Customers do not have a vote in the current solution.



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CASE STUDY - SUMMARY

Organisations must find a solution that offers:

- Technology
- Practical (meets needs today and tomorrow)
- Strong workflow processes
- Has sound history – knowledge base, and organizational learning



"You should check your e-mails more often. I fired you over three weeks ago."

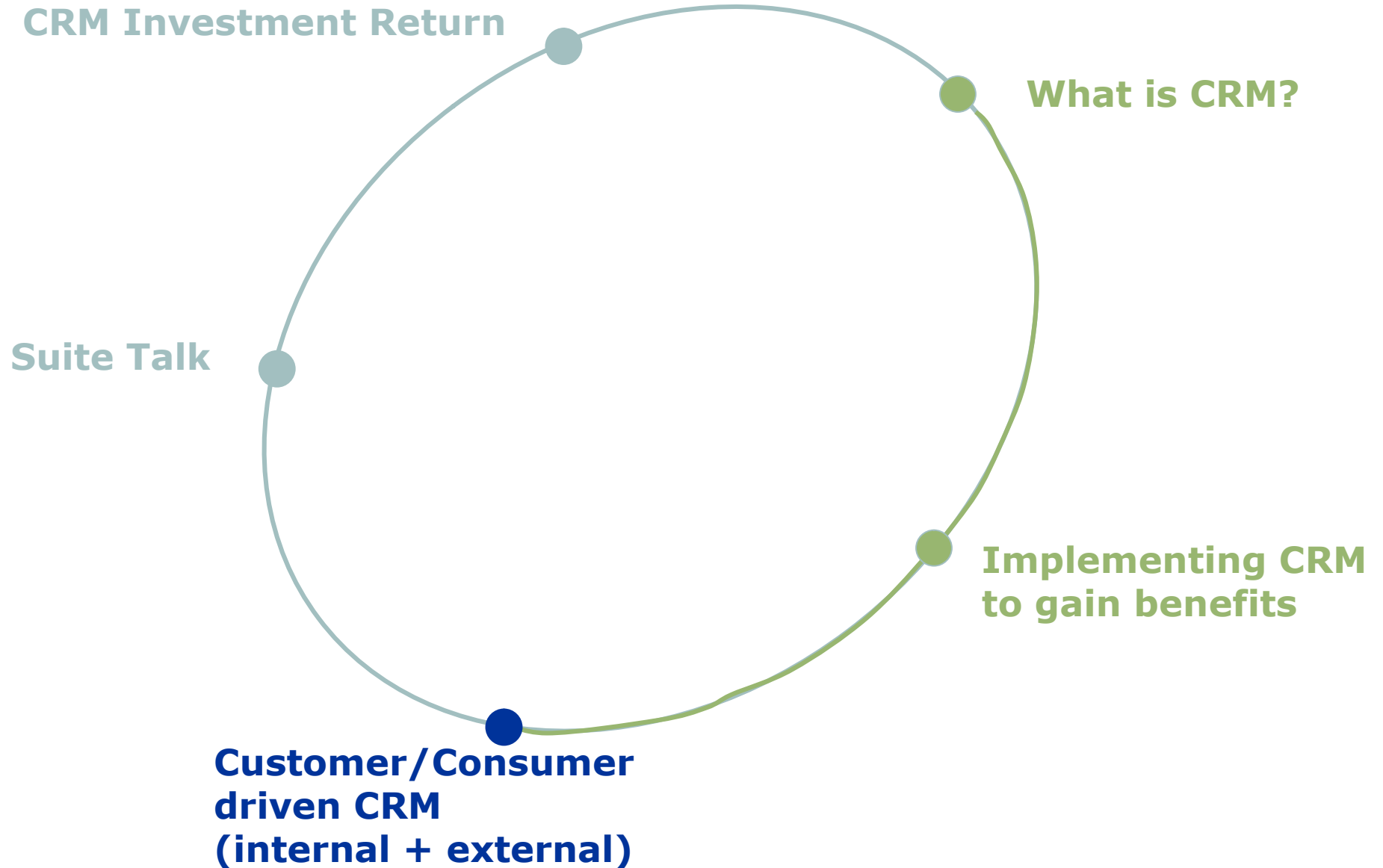


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WHO ARE MY STAKEHOLDERS?

- Stakeholders include internal and external customers
- People/Departments affected by a CRM system
- Those participating in the CRM system



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CUSTOMER DRIVEN CRM

Customers/Consumers:

- Customers/consumers are some of the most important stakeholders of your CRM system, but are also the most silent
- Loyal customers multiply your bottom line, so they must be considered when implementing new customer initiatives.
- If you take the customer focus out of your CRM system, you risk losing customers to competitors.



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CUSTOMER DRIVEN CRM

Participants in CRM:

- There is already some form of existing CRM in your organisation
- Automate the inefficient parts of the CRM system
- Develop or enhance the existing processes
- Technology can often overpower the “people” and customer factor.
- “The software is fine, but no one is using it properly”. Remember the need for change management



"Our employees are our greatest asset. I say we sell them."

AHAJOKES.COM



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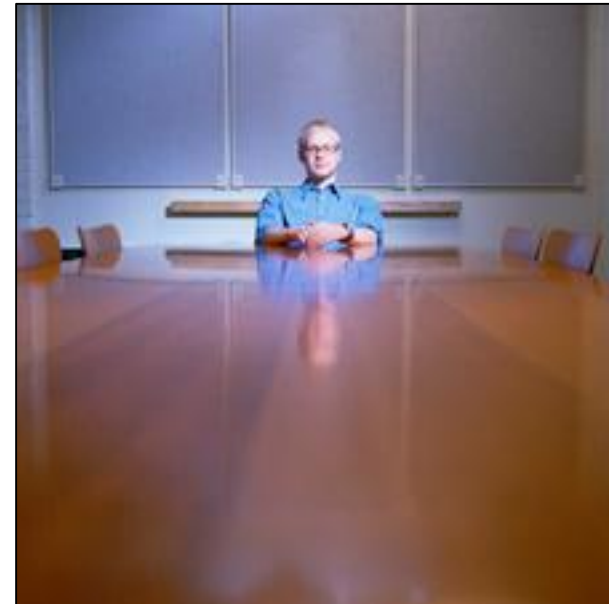
TASK



Think about when a person contacts your organisation.



Write down how many departments would be affected.



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CRM & THE TOTAL ORGANISATION



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CUSTOMER DRIVEN CRM

People that rely on customer data:

- Most companies only use 10% of the data it collects.
- Make sure stakeholders are aware of what data is collected.
- Is there information that will give the total organisation a better understanding of customer value?
- Make your data mining work more effectively for your department and organization.



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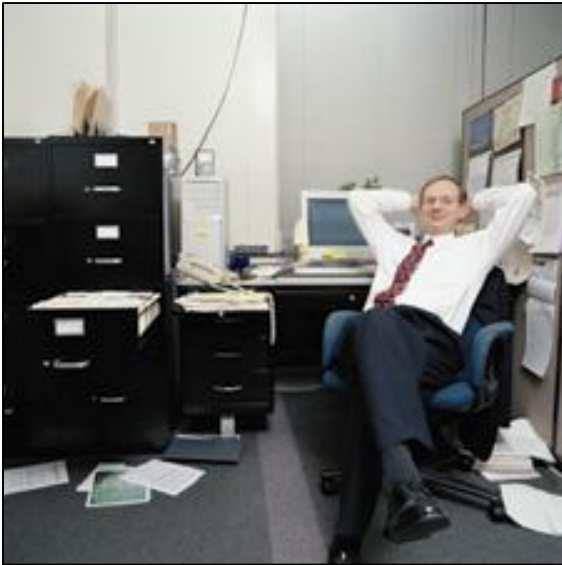
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CRM PERSPECTIVE

There are differences in CRM needs between customers/consumers and the organisation.



Ensure that your CRM system satisfies both internal and external customers.



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CRM FROM A CUSTOMER PERSPECTIVE

Internal business needs of CRM systems include:

- Customer/consumer data collection perspective
- Customer data collation and reporting to improve strategy and measure current spend effectiveness
- Quality Assurance
- Legal compliance
- Stay in-line with competitive offerings, including service and price
- Offer brand support in cost effective manner.
- Retain customers/consumers



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CRM FROM THE CUSTOMER PERSPECTIVE

Consumers want:

- Organisational 'face' (eg recent mars recall and media response)
 - article can be found at www.newstext.com.au
- Service and support for the product they have purchased
- To know about new or existing products that may suit their needs
- To feel valued and understood
- Easy two-way communication that doesn't waste time.
 1. Uncomplicated
 2. Ease and ability of contact
 3. Not having to re-explain to each person
 4. Ability to access and submit any forms needed
 5. Hassle free purchase
 6. A relationship with your organisation should make tasks simpler, not more complicated.



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CUSTOMER DRIVEN CRM

Whenever there is a struggle between technology and organizational culture, culture usually wins



“Most organisations know how to build or buy the right technical solutions to address their problems or opportunities.

Where they tend to fail is in that space where technology and corporate culture intersect.”

Daryl Conner - Managing the human aspects of CRM projects: Installation Vs Realization



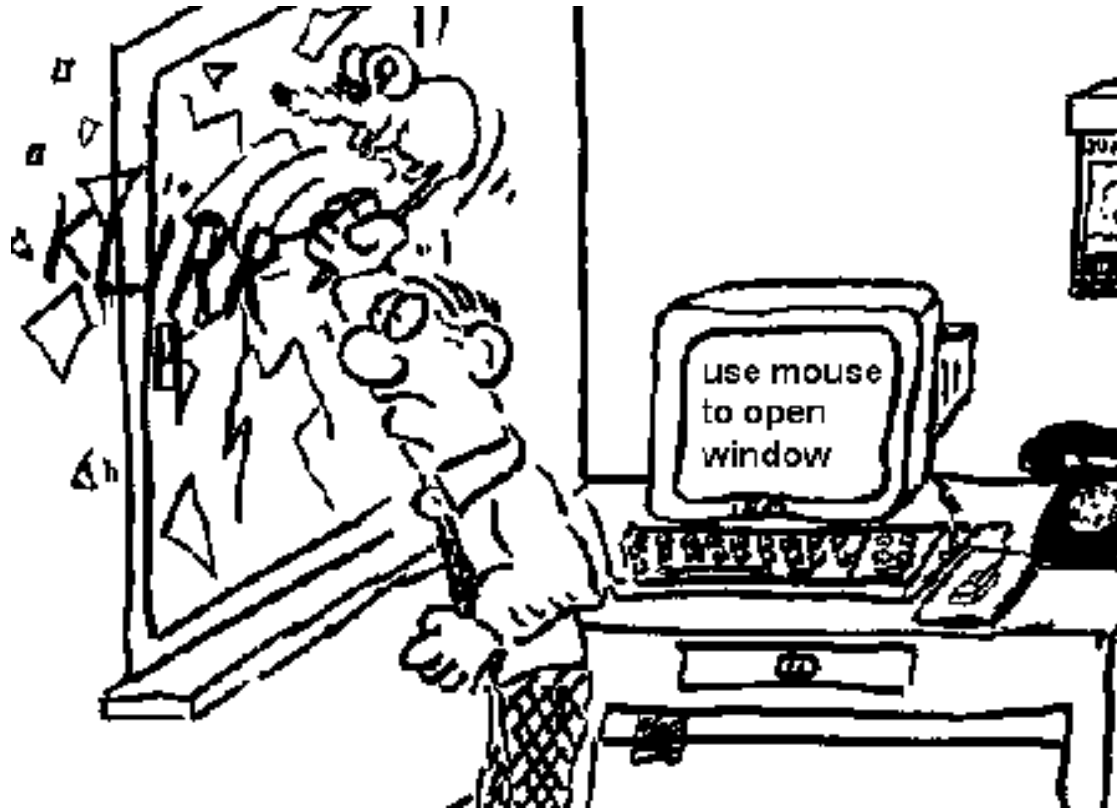
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CUSTOMER DRIVEN CRM

- How much training and product knowledge is given to the company representatives answering the phone?



Make sure your training programs are clear and explain your expectations well



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CUSTOMER DRIVEN CRM

Do you have the right attitude?

- Are the employees representing your organisation intuitive, emotionally intelligent, analytical, and motivated?
- Are your employees brand loyal themselves?
- Do customer service have the authority to make decisions, can they send out gifts of meaningful value?
- Do your employees understand your customers and what's important to them?
- Do your staff have the resources they need to satisfy customers.
- **Does your organisation have the right attitude to effectively implement a CRM system?**



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ENSURE BRAND LOYALTY

Are your employees brand loyal?



At the front line: Pepsi driver drinking Coke



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CUSTOMER DRIVEN CRM

Do you have the right attitude?

- Employees can determine both customer delight and dissatisfaction if they believe in the brands and the company itself.

Issues affecting staff loyalty to employer and brand

	Lower Brand Loyalty Employees	Higher Brand Loyalty Employees	Percent Difference
<u>Employee Product Perceptions</u>			
<i>Greater number of features than competitor</i>	28%	48%	+20%*
<i>Higher overall quality than competitor</i>	41%	73%	+32%
<i>Better overall value than competitor</i>	38%	65%	+27%
<i>More prestigious than competitor</i>	34%	58%	+24%
<i>More durable than competitor</i>	36%	50%	+14%
<i>More reliable than competitor</i>	32%	59%	+27%
<u>Employee Attitudes Toward Employer</u>			
<i>Company is customer-focused</i>	32%	59%	+27%
<i>Proud of company</i>	28%	48%	+20%
<i>Company is well-managed</i>	38%	65%	+27%
<i>Like working for company</i>	41%	73%	+32%

* Actual difference is +71% (48%/28%)



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Source: Fram and McCarthy Study, 2003



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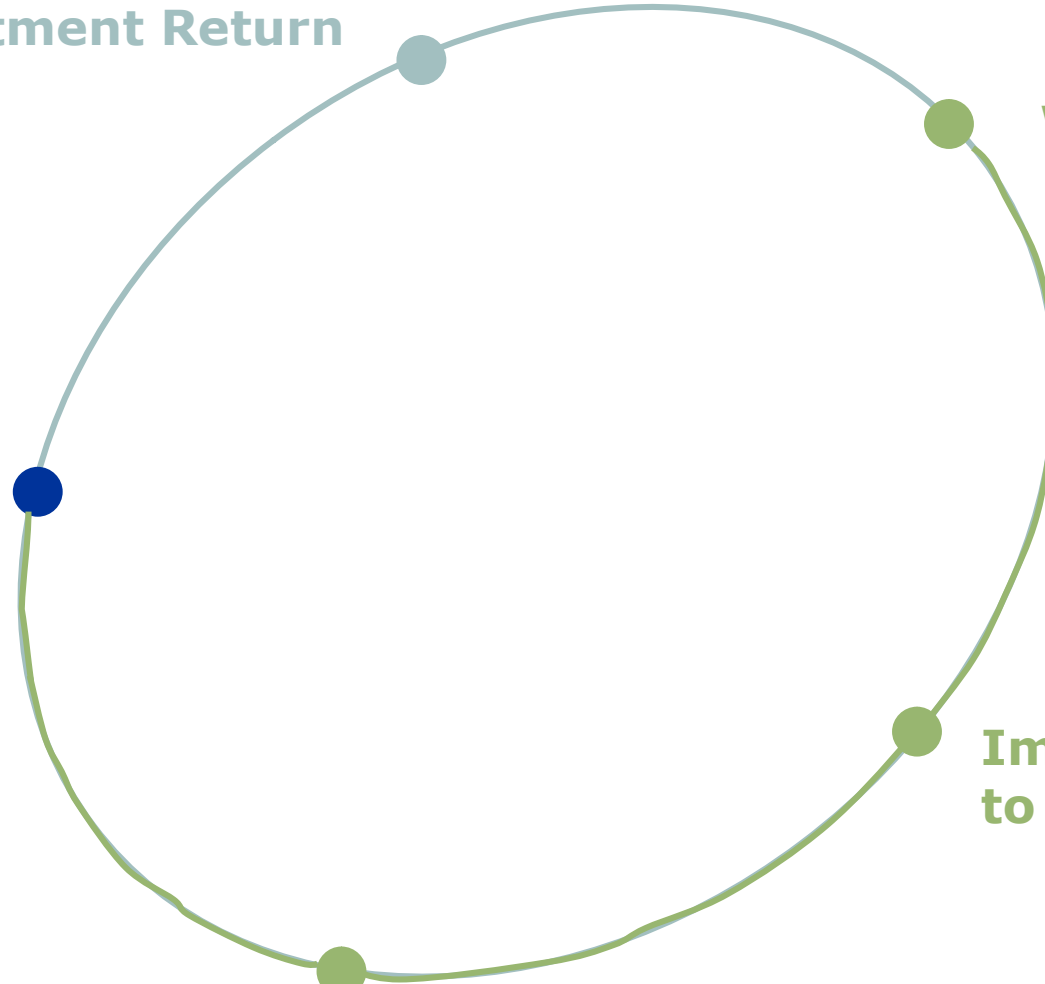
CRM Investment Return

What is CRM?

Suite Talk

Implementing CRM
to gain benefits

Customer/Consumer
driven CRM
(internal + external)



SUITE TALK, PARTNERSHIP & GROWTH

Partnership & Growth:

- Demonstrate industry knowledge, capability to deliver
- Commitment to R&D (% of spend)
- Sees your success as their success (support, maintenance, upgrades)
- Systems are often heuristic – constant monitoring



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SUITE TALK, PARTNERSHIP & GROWTH

Suite Talk:

- Flexibility to grow as your business grows
- Flexibility to adapt to changing consumer sophistication
- Not “one size fits all”, but pay as you require functionality



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Privacy laws by region:

- EU DPA consent & 7th Amendment (2004)
- Asia Pacific NPP (December 2003)
- Employee access to specific customer information
- Ensure that the system you are implementing will be updated quickly as privacy and compliance laws change



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SYSTEM SECURITY

- Must have a secure system to ensure customers trust the brand
- Loyal customers will re-consider a relationship with a company that does not protect their identity or security.
- Consider customers and not just costs when outsourcing – occurrences in India

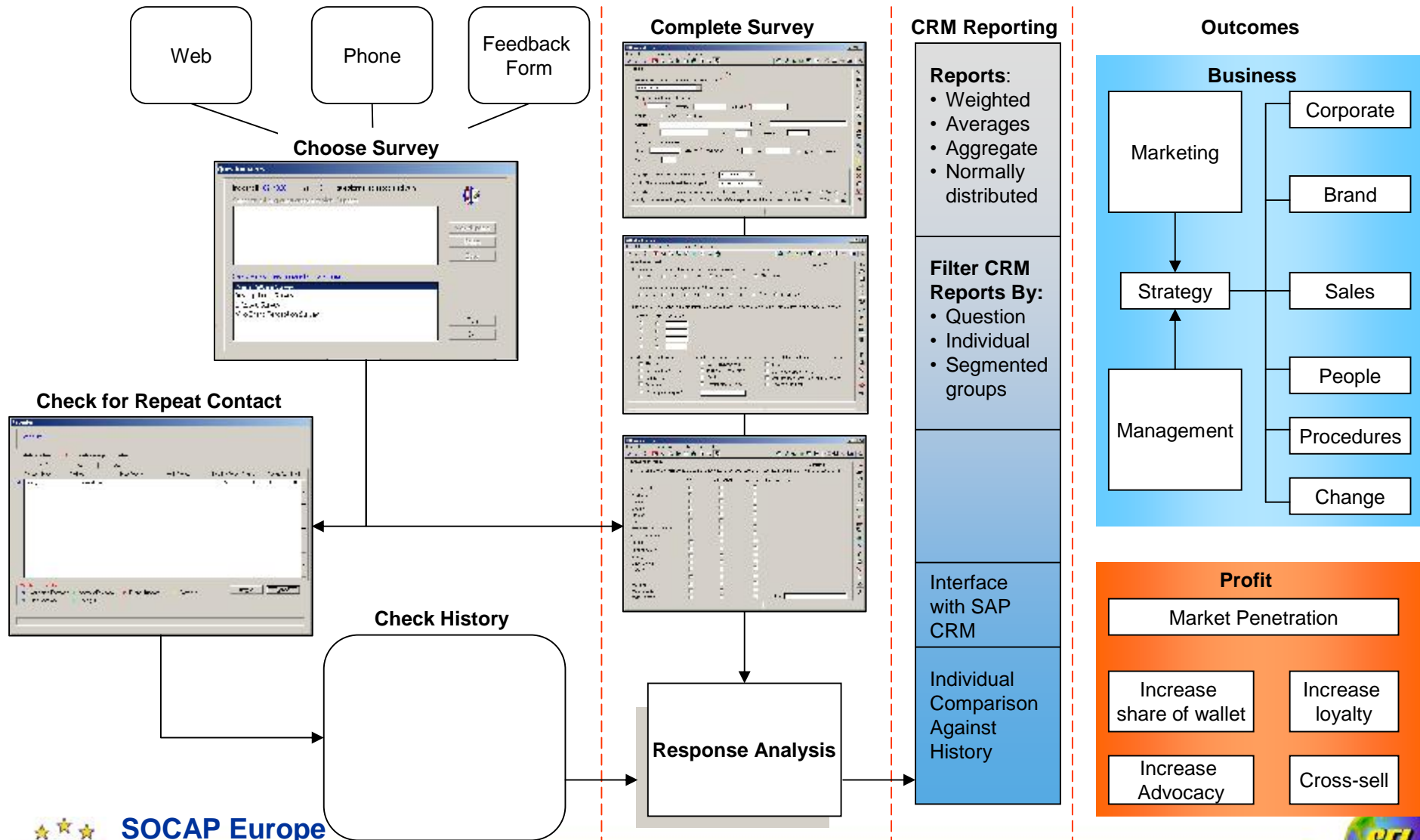


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SUITE TALK, PARTNERSHIP & GROWTH



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SUITE TALK, PARTNERSHIP & GROWTH

SYSTEM OVERVIEW

Single database, multiple locations, multiple countries	✓
Provide consistent information to all consumer touch points	✓
In-built security clearance levels to protect sensitive information	✓
Fully integrated system	✓
In-built workflow that supports and enhances your existing processes	✓
Custom, automatic, and user designed reports for any field combination	✓
Ability for internal administrators to change encyclopedia, templates, thresholds, triggers, products etc	✓



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SUITE TALK, PARTNERSHIP & GROWTH

CONTACT MANAGEMENT

Ability to check for the existence of previous records for each contact	✓
Verbatim comment field able to handle large volume of “free text”	✓
In-built security clearance levels to protect sensitive information	✓
Mandatory fields ensure valid data. Attention drawn to missing data.	✓
Attach emails, electronic file notes, images etc. to customer record.	✓
Track movement of a case through stages, and track critical action dates	✓
Automatic emails to disperse important information (eg death complaint)	✓
Fast entry design: Automatic population of fields, reduced keystrokes etc	✓



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SUITE TALK, PARTNERSHIP & GROWTH

WORKFLOW MANAGEMENT

Attach all file types to contact history	✓
Assign / re-assign tasks to employees or 3 rd Party	✓
Pop-up and instant messages	✓
Up to date, real time information	✓
Automatic triggers, flags, thresholds and letters	✓
Easy to use, automatic “fill in” from other sections	✓
Ability to reallocate work, for example if a consultant is away	✓
Automatic emails to disperse important information (eg death complaint)	✓



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INTEGRATED SYSTEM

Receives and delivers product/sales/manufacture data to 3 rd party eg: SAP	✓
Receives and delivers data in MS Outlook and Lotus Notes	✓
Load consumer contacts from the Internet and check for repeat contact	✓
Integrates with MS Office (Word, Excel etc) for reporting and correspondence	✓
In-built workflow that supports and enhances your existing processes	✓
Uses your standard responses or customise at operator level (letters, emails)	✓
Supports storage and retrieval with other CRM/CST systems eg – E-piphany	✓



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SUITE TALK, PARTNERSHIP & GROWTH

REPORTING CAPABILITIES

Schedule reports to be automatically produced at defined times	✓
Generate comparative statistical analysis such as incident trends	✓
Incorporate information from external data sources into reports	✓
Create custom graphs, add KPI target lines to create meaningful reports	✓
Create executive summary, CPM, and financial impact reports	✓
Report by complaint, product, brand, site, market, country, region and more	✓
Additional threshold filters for more specific activity watching	✓
Generates an audit trail monitoring all create, update or delete functions	✓



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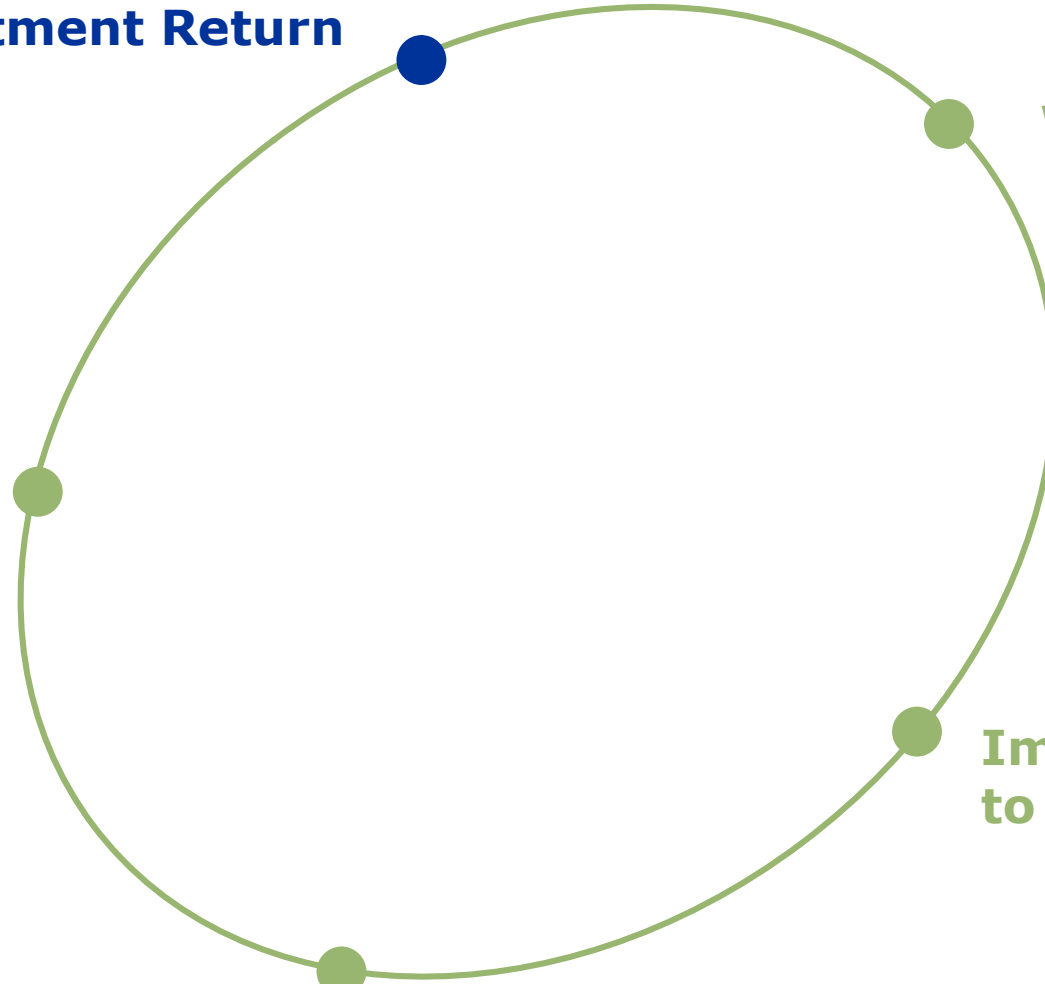
CRM Investment Return

What is CRM?

Suite Talk

**Implementing CRM
to gain benefits**

**Customer/Consumer
driven CRM
(internal + external)**



CUSTOMER LOYALTY

- There is a distinct difference between customer loyalty and a customer loyalty program
- More than 94% of business travelers are members of more than one airline loyalty scheme, with the average membership at just over 3 such programs.
- Loyalty programs may help reinforce existing patterns of loyalty, but won't prevent a dissatisfied consumer from switching to the competition
- Target customers, cross-sell or up-sell other product offerings, create valuable database to conduct surveys and collect customer trends data - helps you add value and gain competitiveness.



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CUSTOMER DRIVEN CRM

CRM Talk:

- **CRM** is about acquiring new customers, retaining valued customers and servicing and selling to existing customers to provide an end result where they become your marketing department
- **More and more quality CRM** solutions are providing automated responses and links to data sheets for qualified responses, CTI integration, inbound screen pops, predictive dialing, easy to follow scripts and built in smarts that point the operator in the right direction to discuss sales opportunities to further build brand awareness and enhance the bottom line as the consumers value increases
- CRM has become a **key driver** in the call centre. Increasing brand loyalty and support is being driven by such areas as how a company treats you. This can start with a very first impression from the initial contact through to the follow-up process and the on going support.



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CRM Talk:

The financial impact of a customer's loyalty is staggering. -- A recent Harvard survey put it at a 5% improvement in customer retention could increase profits by up to 85% through that customer's lifecycle. 65% leave an organization's products because of poor service with only 4% likely to return.

*Look at the total implementation
Don't just blame the application*



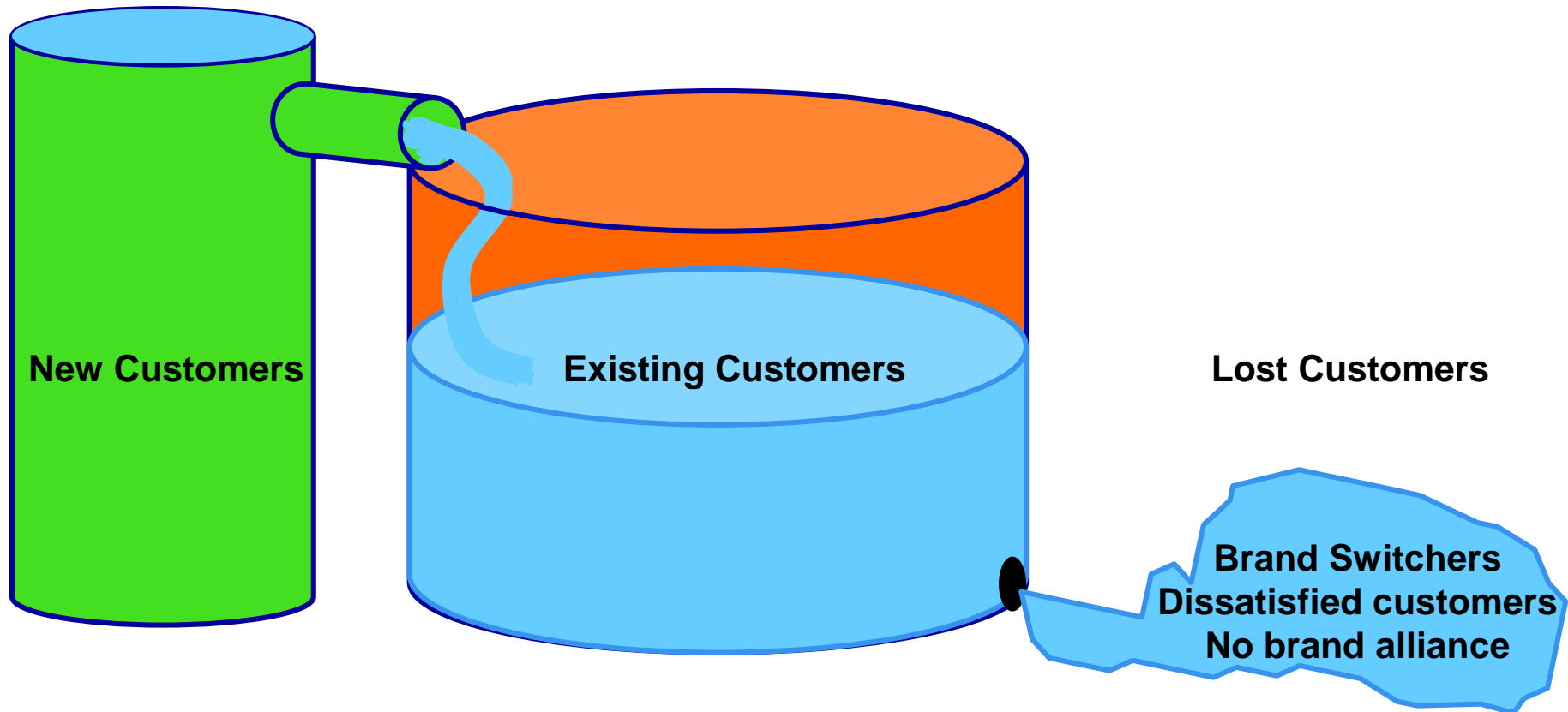
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LOYALTY, ADVOCACY & THE LEAKY BUCKET

Advocacy increases product/service trial



Loyalty reduces the leak in your customer bucket



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CUSTOMER DRIVEN CRM

Loyalty:

Multiplies bottom line through:

- Cross-selling
- Reducing costs of acquiring new customers
- Efficiencies in support from customer knowing products and how to purchase



Advocacy:

Increases your bottom line through:

- Reducing costs of acquiring new customers
- Reducing branded advertising
- Silent Sales Force

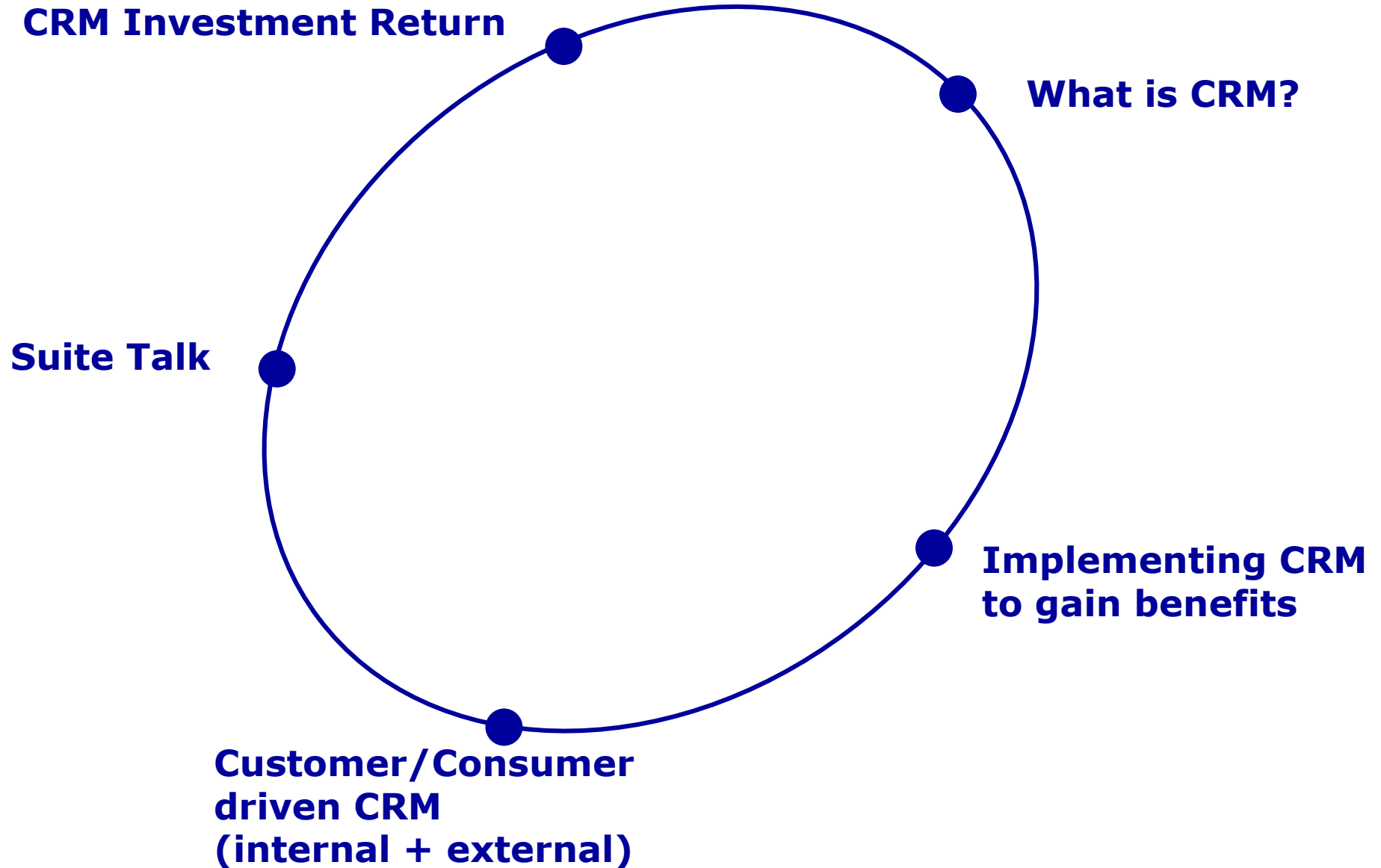


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Are CRM systems really the answer?



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CRM FROM THE CUSTOMER PERSPECTIVE

For the majority of customers, CRM is face to face good old fashioned customer service:

- Customer/Consumer Driven
- Business Driven



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