

SELECTING AND USING A CRM SOLUTION

There are many ways to make a bad CRM technology decision, but only a few ways to make a good one.

Sales pitches and slick product packaging can persuade people to buy a software product but falling for vendor hype isn't the only way to mess up CRM technology selection.

Some other real situations are:



- "The M.D. plays golf with the software company's Sales Director."
- "Our main competitor uses it."
- "The guy who's in charge of CRM here worked used it at his last company."
- "They told us the whole thing could be done in three months."
- "We already had their database product"

These reasons range from understandable to dangerous.

But are they as dangerous as an individual manager, who decides to go it alone, allowing a CRM software tool or a specific functional goal to define the CRM deliverable. The risks are far more serious than the rewards. They include:

- Money being spent on low-priority capabilities.
- Subjective interpretation creating rework and wasting resources.
- Lack of integration with other technologies.

Most companies haven't worked what they need from CRM, how it will impact their business processes or what organizational changes it will create.

Requirements-driven CRM establishes structured requirements to dictate your technology decision. Yes, it takes longer than "knee-jerk development" but that is so much riskier.

While requirements-driven technology selection is definitely a CRM best practice, the way to go about it differs depending on the type of CRM you're planning to do. After all, simply deploying sales force automation to your salespeople may be all you presently require.

However, having a vision for everything you will need in your eventual CRM functionality is also important. Have a CRM strategy, and you'll know likely times, costs, impacts, benefits etc.

But simply having a list of business requirements is not enough information to begin evaluating CRM technologies. Business requirements must drive a series of functional requirements. The difference between the two is that while a business requirement describes the customer-focused "need, pain, or problem" that CRM must solve, a functional requirement describes how to solve it.



Once the functionality is clear and documented, you can map a list of your candidate CRM products to each specific function, making CRM selection a breeze.

Once you have selected your CRM solution, of course, you have to be able to use it and proper use is not about just understanding the technology but also about understanding what CRM is and is not and getting the company culture 'right'.

Customer Relationship Management is not a 'fad' it is a business philosophy that helps to increase revenue, reduce costs and to build and retain a loyal customer base.

But for it to work you must do some basic things right.

Create a customer culture

Get everyone to put themselves in the customer's shoes in everything they do - to be the customer. Getting everyone to think from the customer's perspective is a challenge requiring a change in most organisations from:

- Customer service is what the shop / call centre / front of house do



- Customer service is what it's about and we all contribute to their experience

Many organizations use phrases like "customer-focused" or "customer satisfaction" and they are indicators that CRM is important. However, if there is nothing in place to create a customer culture, you are not likely to move far from the traditional product focus. It is driven, like most things, from the top.

Create a customer friendly structure

Your structure must promote cooperation not silos.

Things that help are:

1. **Your own customer language** – American Express for example does not have cardholders but Cardmembers and the card says member since Members are clearly more important than just customers.
2. **Treat everyone as a customer internally.** That's EVERYONE! Managers must treat subordinates like customers too. Get each department to have



complete service standards for their customer departments that have been agreed by producer and customer department jointly. Have a completely joined up process map leads to better customer service and experience.

3. **Send problems right back to** source – it's amazing how quickly problems tend to get solved when complaints – N.B not 'issues' but "complaints" – are sent right to the source of the problem for resolution.
4. **Manage major problems and seasonal peaks with joint task forces** – this also gives multiple insights and multiple solution possibilities. Celebrate successes, let everyone know about them.
5. **Move managers around** to gain experience and transfer knowledge around the business and to give everyone a wider view of the whole "customer experience" at all "customer touch points".



6. **Make everyone in the organization speak to customers** for a period of time every month. Same principle as the one above!
7. **Measure the right 7 or 8 CUSTOMER** KPIs and know how to drill down through each. CUSTOMER information is the cornerstone to successful CRM giving all departments, managers and staff a common CUSTOMER view that can show strategically and tactically what is happening, where it's happening, why it's happening etc. Notice the CUSTOMER in front of KPI, information, view – is cash flow or CUSTOMER flow the prime?

A CRM system only works when you really have thought through all of the above. CRM systems are not panaceas and cannot fix poor management. Customer Relationship Management software is there to help companies with their CRM so that they allow staff to provide the service that customers everywhere expect these days, to reduce attrition rates improve advocacy among customers and increase the lifetime value of each relationship to improve revenue and profit. A good CRM system needs to encourage users to interact with the application as well as be in-tune with the business.

To be fully effective at Customer Relationship Management an organisation has to position itself so that the customer is as the centre of their business. True Customer Relationship Management means that the business has streamlined customer management through the integration of all customer 'touch points', such as marketing, customer service and payment in such a way that true customer satisfaction.