

ABC OF CRM

Rob Brickle spells out how to make CRM a success.



Rob Brickle: astonished at how Boards can justify the cost

Here are a few key observations on investment in CRM technologies...

- The customer is king. With business so tough, the need to both retain and acquire customers, always a fundamental strand of competitive advantage, is even more important to growth and survival.

CRM has an integral part to play in helping with the key requirements of customer retention and attracting new customers, while also improving customer lifetime values and saving overall costs. However, this must be clearly understood in the context of strategy, and not purely as a technology solution focused on the transactional aspect of customer relationships.

- Justified expense? CRM is not necessarily a cheap investment and the market is still confused. CRM is seen as including everything from contact management and call centre systems to fully integrated enterprise-wide solutions.

Investing in the technologies can be expensive, so companies must have a clear understanding of the requirements and benefits and how these can be measured and delivered, as well as a comprehensive implementation plan, before embarking on this path.

Interesting then that organisations still report they have not realised the benefits expected; and that whilst they believed they had measurement criteria in place to gauge success, in practice they have not been able to do this. Return on investment is therefore unclear.

Frankly I am often astonished at how Boards, which sanction this expenditure, can justify the cost. And all this ignores the length of an implementation, which in itself could be significant and have far-reaching implications for an organisation.

- Are the drivers completely understood? A number of factors lead organisations to buy a CRM solution. They will all be stakeholder-driven, and will be aiming to make some of the improvements cited earlier, as well as greater efficiencies and increased profit. The question is: are they clearly understood?

Customer satisfaction is a common example of this lack of understanding: it may well be a key component in customer relations, but arguably it is not as important as customer loyalty. Loyalty is a leading indicator of purchasing intent and thus something which lends itself to a proactive rather than reactive customer management strategy.

To maximise the benefits of a customer management strategy and its supporting technology, organisations must:

- Involve customer-facing components of the business, especially account management, in defining the requirements and objectives of any solution.
- Obtain and listen to customer feedback. A customer-driven change programme is one of the greatest tools a company can deploy and one which will ensure alignment with the chosen market. But this can only be achieved if there is an appropriate mechanism in place to analyse this information and the will to integrate it within the business strategy.
- Create a client model which can be accessed at multiple levels throughout the organisation and provides different views on the data for different parts of the organisation so they can service that customer community.
- Define the objectives and benefits the company expects to achieve. Ensure these are measurable and then manage and measure the success of the implementation as it develops.
- Consider a progressive development of the customer management strategy. Great benefits can be achieved by taking small

manageable steps rather than a giant leap!

Last but not least – make sure that the investment you make in populating any CRM system delivers information that the business can use and doesn't just become a beast and a burden that requires constant nourishment without any return.

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