TIME TO GET BACK TO THE CUSTOMER!

Saying the recession's ended is the easy bit, says Rob Brickle. The real trick is surviving the recovery.

Rob Brickle: the good times are not simply going to roll again

The recession is officially over – apparently! So now is the time for all those companies that have survived to congratulate themselves for coming through one of the nastiest downturns since the Second World War.

Wouldn't it be wonderful if that was it? Unfortunately it isn't, because now the really hard work starts as we all work through the recovery. Undoubtedly there will be both winners and losers, with a marked distinction between the two.

Predictions suggest there will be a significant wave of mergers and acquisitions post-recession. And whilst this has not yet materialised, there are signs of this activity in the marketplace – look to your own customers and suppliers for examples as well as the national press.

Some people argue that there is a high degree of over-capacity in the market anyway. So if a second dip in the economy did take place, it might have the useful effect of removing some businesses that cannot easily become competitive (though this would have a hugely negative impact on people employed by them and organisations that supply them).

In the end, this is surely a reflection of the way in which the whole world is changing. You cannot simply continue to position your offer, whether it be products or services, in the way you may have done as recently as 18 months ago – the environment is changing too quickly. You need to keep pace with that change if you are to succeed and maintain your customer relationships.

The best companies will have been planning for recovery in the depths of the recession. They will have been positioning and investing in their relationships during the trough in the economy; they will also continue to control costs and manage cash carefully as growth returns.

So now is the time to re-build the order book. And hopefully for most companies, sales cycles and lead times will shorten as opposed to growing the way they have been. Customers may be more receptive and prepared to make decisions rather than 'hunker down'.

Business investment, which supposedly fell by a precipitous 20% last year, is still not expected to stabilise until the second half of this year. However, it is not all bad news. According to a recent Reuters poll, economists are expecting sluggish growth of around 1.1% this year but they think this will accelerate to a healthier 2.3% next year. The Bank of England's monetary policy committee thinks growth in 2011 could be 3% or more.

However, CBI director general Richard Lambert cautions that growth over the next five years may well be slower than over the five years before the downturn. So whilst things may be on the up, the good times are not simply going to roll again!

And, against this backdrop, how many customer relationships have been lost or weakened during the recession instead of cultivated and strengthened? This will be one of the attributes that maybe separate the winners from the losers in the ensuing competition for business.

Miles Templeman, director general of the Institute of Directors, was recently quoted in the *Financial Times* as saying: "It is fundamental to business leaders of small and large companies to always be thinking about where they should be headed, what they can do to improve and grow their business as well as what they can do to take costs out."

What better way to do this than to have a fundamental understanding of where your customers are heading, their needs and concerns, as well as an intimate understanding of the factors that drive the relationship between your organisation and theirs?

But how many companies invest in understanding their customer relationships in this way? If you aren't doing this, now more than ever may be the time you should be thinking about it.

I am often surprised, when you consider the relevant cost versus return ratio, that companies don't engage more in this activity. Also don't forget the companies who have not bought from you for a while. One of the best ways to grow out of a recession may be to re-engage with these organisations.

So what of CRM technology? A recent US study showed that the implementation of CRM systems has increased significantly from 57% of the firms surveyed to 72%. It also concludes that 41% of the firms that do not yet have a CRM system in place will be evaluating or implementing one within the year.

The suggestion is that organisations see CRM technology as an increasingly valuable asset to their sales efforts. There is a word of warning attached, though, as the study finds that whilst the rate of implementation may have increased, the rate of adoption across the organisation, and in particular by the workforce, has not.

This goes to show that one of the inherent problems with CRM systems – highlighted in earlier articles – still exists: they are not implemented within a cohesive customer management strategy that maximises the investment to the organisation, linking the systems with processes and procedures that drive value from the physical customer relationship.

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