

KEEP ON RUNNING

Rob Brickle cuts to the chase in analysing the true requirements of CRM software.



Rob Brickle: too much complex transactional data

I would like to share with you an African parable relayed to me by a colleague...

Every morning when the sun comes up in Africa, a gazelle wakes up and knows it must outrun the slowest gazelle or be eaten by a lion and die. At the same time every morning when the sun comes up, a lion wakes up and knows that it must outrun the slowest gazelle, or starve.

So it does not matter whether you are a gazelle or a lion, when the sun comes up – start running!

In today's marketplace, competition is fierce, irrespective of where you sit in your particular industry or sector. The demands placed on you as an organisation to succeed – be better, more efficient, more competitive – increase each day.

Clearly, responding to customers is key to achieving success, and companies constantly search for innovative solutions that will help achieve this aim. Nowhere is this more acutely seen than in customer relationship management.

Many executives think CRM is all about technology. In reality it is a complex interplay of processes and technology. And companies who understand this interplay find the balance necessary to be successful in their CRM implementations.

CRM applications should be an enabler – a means of adding value for the account manager, the organisation and the customer. What often happens, however, is that CRM systems are incomplete in terms of what they contain.

For example, one element commonly missed is the 'voice of the customer'. It is difficult to develop a complete picture of a customer and discover business opportunities when that customer is represented only as a series of purchasing decisions.

To move your organisation from managing transactions to managing relationships, your integrated CRM systems must incorporate more than they typically do. Interviews conducted with key sales managers, IT managers and CRM implementation managers in several Fortune 500 companies highlight the following themes:

- There is too much complex transactional data in current CRM systems that does not provide strategic value to account managers. Because of information overload, account managers are either hesitant to use these systems or they are unable to gain a strategic perspective.
- CRM applications tend to be inward looking. Most are focused on improving and optimising internal processes; they neither incorporate customer feedback nor contribute to the overall relationship with the customer.
- CRM applications need to offer more than simply the electronic storage of information already available. Critical strategic information, if made available only through the CRM application, makes buy-in easier and faster. Technology should provide quick access and analysis of information not otherwise available.

So how do you maximise the benefits of a CRM strategy?

1. Involve your account managers in defining the functionality and objectives of the CRM solution. IT and sales professionals need to work closely when defining the infrastructure, functionality and – importantly – objectives of the CRM solution. You don't want your CRM application to become just another technology burden for account managers with no benefit to the customer.
2. Get customer feedback on existing processes. The end result of an integrated CRM application is to increase customer loyalty, reduce the cost of sales and increase revenue. So it's important to learn the customer's needs and plan accordingly.

3. Create a client model that can be accessible at multiple levels throughout the organisation. For example, finance require one kind of view into client information; marketing need to analyse data a different way, and so on. Implementing an integrated CRM solution is an enterprise-wide effort, so there has to be buy-in and collaboration at multiple levels in the organisation.

4. Let the business model define your CRM software specification – not the technology itself. Organisations can get caught up in the 'cool' features the CRM package offers; they forget that the core need of an integrated CRM program is to create satisfied and loyal customers.

Account managers need to identify different scenarios under which they will access and use customer information. This needs to be done before you choose the CRM package, because once the software has been identified, it becomes difficult to modify the features.

In summary, organisations need to steer their CRM beyond technology features, and account managers need to play a critical role in designing how the application will help them.

One key to a successful CRM initiative is the integration of strategic customer information into the system, as well as the analytic tools that will be available for understanding the transactional data.

All parts of the organisation also need to be considered, to ensure that the information generated by the CRM application helps them better manage the real relationship with their customers.

● *CRM Software, Call Centre & Marketing Software Expert Rob Brickle is managing director of customer-driven change consultancy Bsquared Consulting. Tel: +44 (0)20 8939 3840. Email: rob.brickle@bsquared-consulting.com.*

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