

PSC White Paper



Thoughts on CRM

Making the right choice to meet today's collaborative needs.

Introduction

Customer Relationship Management (CRM) is here to stay. Just about every software vendor has either developed a CRM product or added CRM features to their current offerings. There are on-line hosted services, on-premise systems, and products you can carry around on your laptop or PDA. For many of us, CRM has become part of our corporate DNA.

It is, therefore, no surprise that CRM has also become part of everybody's plan to improve their customer experience and boost sales. We not only want to do more of it, but we want to do it better and faster. And why not? Just because our execution in the past may have been less than perfect, CRM, as a concept, is still quite sound. And that is the point. CRM is no longer just product. It is a way to think, a way to run your business, a part of your corporate collaboration strategy.

Here are our thoughts on why thinking about it differently may make a difference as you consider CRM as part of your future.

Doing CRM Their Way

As many of us know firsthand, the early efforts to implement CRM were less than successful, not to mention expensive. CRM's initial failure was not for lack of effort – there are dozens of new CRM products and even more CRM "features" that have been added to existing products. But because it was positioned as a *product*, users were limited in the way it could be used. They had to use their CRM the software vendor's way.

In its initial incarnation, CRM created problems in three areas: product constraints, lack of diversity, and tactical focus.

Product Constraints. Businesses (and cultures) more often than not are 'managed' by their processes rather than the other way around. When processes are managed with software products, businesses have little choice but to conform to the constraints of those products – doing it their way. This especially becomes a problem for CRM because no two businesses are the same; making the selection of the software that will most closely meet specific company needs a difficult task. Also, those products developed with limited features and flexibility did not respond well to the natural dynamics of ever-changing business relationship. This has led to high costs, unmet expectations, and general dissatisfaction with certain well known products.

Lack of Flexibility. Each business views its 'customer relationship' differently. Some view it as contact management, others as sales force administration, and so forth. So when it comes time to purchase CRM software, the selection is made from the available products that meet a specific need. This is aided and abetted by software developers that, by their very nature, have their own view of the world. While not initially apparent, the importance of flexibility sets in after the product has been in use for a while. Users soon learn that the spectrum of customer relationships is quite broad and that the products that address specific functionality have built-in boundaries and limitations. Some CRM products do not integrate well, others are not scalable, others compete with existing functions already performed by other systems, and still others do not look at the whole business cycle. There is no CRM that is "one size fits all."

Tactical Focus. CRM is typically embraced one department at a time. Even within a department perspective, CRM users, who thought they were getting a wide range of functionality, ended up getting one that was much narrower. CRM users thought that the software would be all encompassing, that it



It's all in the way we listen.®

PSC Group, LLC is a professional services consulting firm that specializes in business process architecture, information technology and back-office integration. We have extensive experience with a wide variety of collaboration products, applications, processes and systems including ERP, CRM, Portal, and Workflow.

When it comes to workflow, business intelligence, information management, and the control of business processes, PSC can provide you with a competitive advantage through the smart and effective application of technology.

CONTACT

Chicago

Rick Parham
office: 800.592.8003
direct: 847.969.8464
rparham@psclistsens.com

Kansas City

Jeff Ney
office: 800.592.8003
direct: 913.234.8170
jney@psclistsens.com

Minneapolis

Mike Tapper
office: 800.592.8003
direct: 952.448.2300
mtapper@psclistsens.com

PSC Group, LLC
Chicago, Kansas City,
Minneapolis

www.psclistsens.com

could track all aspects of customer relationships. What they forgot is that relationships, particularly those with customers, are at the very heart of the entire organization from order entry to the shipping dock, not just the province of one department. They did not understand that although software could lend a hand with the day-to-day administration, the management of relationships was more of a companywide responsibility that could not be assigned to a piece of software.

Designing the New CRM

Vendors and strategic thinkers have gone back to the drawing boards to rethink CRM. We think this is a good idea. Whenever things don't work out, it is always better to go back to the basics and revisit the underlying principals of what you are trying to accomplish. Let's have our own quick look.

Business is all about opportunities...opportunities to sell to new customers and provide better service...opportunities to buy from new suppliers and control your costs...opportunities to improve internal processes and be more efficient...opportunities to make money, beat the competition and grow the business. Managing a business is about managing opportunities.

Business is also about relationships...the relationships that provide the energy, lubricate the business machinery, and determine the success or failure of the opportunity. Opportunities and relationships go hand in hand. Opportunities to sell products depend on your relationship with your customer. Opportunities to develop products and cut costs depend on your relationships with your suppliers. Customers matter. Suppliers matter. Relationships matter.

Business is about teamwork and collaboration...collaboration among the various departments and your suppliers to deliver the goods, resolve customer issues, and make sure the customer is satisfied while still making a profit. Having the customer information ready and available when you need it and when you need it is paramount.

The pressures of global competition and tough economic times have intensified the need to better manage our relationships. It's a buyer's market. There is more supply than demand. The focus is clearly on the customer. Victory goes to those who know what the customer wants, when they want it, and how much they are willing to pay. Victory also goes to those who work as a team. Victory goes to those who have the best relationships. Customer relationships matter. Supplier relationships matter. All relationships matter.

Doing CRM Your Way

CRM is more about corporate strategy, opportunities and relationships than about department functionality. Although primarily customer centric (because that is where the money comes from), CRM is really the sum of all of the relationships and opportunities up and down the supply chain – with suppliers, distributors, bankers, everybody. Since these relationships vary from company-to-company and department-to-department, the challenge is to accommodate the differences while managing each opportunity. This time around, the best practice is to look for a product or a framework-based solution that can respond to the dynamics of your uniqueness.

The new way to think about CRM starts well before software gets involved. It requires the upfront input and involvement of the entire enterprise. Anyone and everyone that has a piece-of-the-action needs to be a participant in the planning process. Each link in the chain has a different view of the customer and therefore a different need for information. The more you know about your customer the better you can identify the needs. The greater the knowledge, the better the relationship.

Metrics are also important -- metrics that measure the overall benefits, the ROI -- not how many CRM phone calls are answered per minute. Prioritize what functions are important, select the metrics, and then start designing your CRM solution. Stay away from hard code. Use application level tools and frameworks that will enable you to do CRM your way with as little disruption as possible. And above all, be prepared to change – quickly. Your customer will and you will need to stay in step.

And finally, don't over look the technology, particularly the back end. If you can't change your integration points or business rules in real-time, or if you can't interface with your other processes, your CRM system will soon be out of date.

So remember, do your homework first, think as broadly and deeply as you can, then chose the CRM product or solution that meets your needs.

It's all in the way we listen.®