

Successful CRM systems start with a customer focused philosophy

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Increasingly, organisations from different business sectors are using customer relationship management (CRM) systems to help boost sales and revenues. Depending on the approach that they adopt in selecting and implementing such a solution, they may have mixed results in terms of their sales and revenues. In this article, I discuss various aspects that will help to ensure a successful implementation of a CRM solution that provides practical business benefits.

There are many perceptions of CRM systems, ranging from a sophisticated contact management system to a sales planning and management system and that CRM systems are primarily a tool for Sales functions. CRM systems do indeed encompass these important customer and sales related functions, but CRM systems can have a greater scope and consequently a greater contribution to the success of a business and its' relationship with its end-customers. An appropriate CRM system can bring benefits throughout organisation, covering marketing, sales and customer service functions as well as facilitating better exchange of customer information with the various back office functions such as invoicing and distribution. To achieve this scope and impact, when an organisation is considering implementing a CRM system, it firstly needs to realise that customer relationship management is a philosophy as well as a system and that philosophy needs to be adopted in all aspects of the organisation's business as a first step. The true CRM philosophy is a tried and trusted one that involves putting the customer first. To implement the philosophy, an organisation needs to view every interaction or task that impact on a customer through the customer's eyes in terms of whether it adds any practical value to the relationship with the customer. It is important not to underestimate the scope of this review as it not only includes activities where customers interact directly with an organisation, but also those back office administrative activities that are deemed necessary in fulfilling customers' orders or queries.

To help define the 'success' that the organisation is aiming for with the customer focus review and the new CRM system, a set of clear and concise business goals should be defined. These goals can include specified targets such as growth in repeat customers, faster turn-around of customer service queries, improved success rates from marketing campaigns. Later, as new process changes are being implemented and after the appropriate CRM system is implemented, these targets can be measured to assess the progress that the overall review and implementation is achieving.

Another key element in this review is the involvement of the 'right' contributors to ensure no innovative changes are missed. The 'right' contributors include employees that work with the processes on a daily basis, as well as the customer of the various processes under review. As organisations have developed, the definition of customer has broadened as well to include not only the traditional end-customer, but also other internal employees who await the completion of a process or receipt of information before being able to complete their own activities. Seeking feedback from customers, internal and external to the organisation, can help to highlight problems which were previously unnoticed, due to the daily routine in the organisation, where everybody

just got on with their responsibilities unaware of the impact on the quality of service to the end-customer. Another important contribution to the review can be made when the organisation takes time out to review and learn from the latest best practices from its own business sector, its competitors and other business sectors with similar processes.

As with any organisation-wide project, it is important to ensure that the team charged with the implementation has appropriate representation from the organisation's internal functions and that team is being lead by an individual who has an in-depth understanding of CRM concepts and the benefits it can bring to the organisation. In addition, this implementation team and its leader should have access to a project steering group which would consist of the organisation's chief executive and each of the internal function's representatives on the senior management team. With the planned process changes and the implementation of a new CRM system, this steering group will provide the necessary authority and support for whatever measures are necessary to ensure a successful outcome to the project.

With the appropriate project team and steering group in place, the next component to assist the progress of the customer focus review and implementation of a CRM system, is the establishment of an effective decision-making framework. The decision-making framework maps out the various roles and decision-making and communication responsibilities of the steering group and project team, as well as the organisation wide communication processes that will be used on the status of the project. Such a framework helps to ensure that any decisions made as part of the review and implementation are made in a comprehensive manner and are effectively communicated throughout the organisation.

In selecting the appropriate CRM system for their organisation, the project team need to ensure that the system can support the new customer-focused processes. By compiling the detail behind the new customer focused processes into a business requirements document, the project team have the correct checklist with which to assess the relative fit of different CRM software solutions to the organisations' specific needs.

To ensure that the assessment of different CRM solutions is completed comprehensively, the implementation project team should use a structured tender process, based on the specified business requirements. In addition to the business requirements, a list of technical requirements should be drawn up to ensure that the CRM system will operate and integrate with the other systems in the organisation's IT environment. Typically, the technical requirements can include:

- The operating software system(s), database system(s) and hardware platform(s) in use within the organisation
- Web/user interface design standards (if applicable)
- Data integration requirements with other systems in the organisation
- Likely transaction levels that occur in a regular business cycle within the organisation

A structured tender process involves the use of a comprehensive set of selection criteria, encompassing degree of fit with business and technical requirements, degree of customisation needed, analysis of the different cost factors as well as assessments

of the quality and experience of the system suppliers. By scoring the various suppliers and systems according to the selection criteria, the list of suppliers can be reduced to final two or three likely candidates. The tender process then progresses to the review of 'proof-of-concept' demos from each of the final candidates, visits to reference sites and final discussions to clarify each proposed solution's fit to requirements. Using this detailed analysis, the implementation team will be in position to make a recommendation to the steering group for its choice of the appropriate CRM system.

After an appropriate period of time when the implementation is complete, usually three to six months, a post implementation review should be undertaken. This review will focus on how well the desired business goals and benefits identified at the start of the project were met by discussing the impact of the new system with the users on the day to day running of the business and measuring the changes in the identified targets. The conclusions from this review can lead to variety of recommendations including extra user training, further system or process enhancements to support the business better and potential new uses for the system. Ideally the business goals can form the basis of a set of business metrics that can be used on an ongoing basis to ensure that the CRM system supports and enhances the customer focus of the organisation.

With the definition of a customer broadening and the inclusion of all processes either directly or indirectly impacting on the customer's experience of doing business with an organisation, the potential for the appropriate CRM system to be more than a point solution becomes evident. From planning marketing campaigns, to sales pipeline analysis to the management of after-sales care to ongoing customer contact, the right CRM solution can encompass all these functions and ensure that the information is shared between front office sales and marketing functions and back office finance and administrative functions. The implementation of any system within an organisation can be a challenge, but with the appropriate focus on process, technology and change management, it can be managed in an effective manner.