

### CRM – Fashion or Fact

Yet another three-letter acronym enters the vocabulary of the ever-confusing world of technology and customer service delivery. But is it confusing and is it technical, is it fashion or is it fact?

The answer to the above is maybe, possibly, definitely and yes.

#### ***CONFUSING, TECHNICAL***

It maybe confusing if you allow it to be. It is easy to be bamboozled by supplier and consultancy rhetoric, gobbledegook and sanitised bullshit because let's face it some of the products and techniques of last year and the year before are looking a little tired and the e-volution business is creating new challenges by the day yet the goal of unremitting revenue growth still features high on the priority list. So we all need to sell something new and as buyers, clients need to seek their new Mecca!

Is it true that CRM (Customer Relationship Management) is nothing more than a bandwagon which has been rocking and rolling for a few years now? Yes, maybe but only recently have the more enlightened organisations and their people pulled themselves together and realised the potential of end-to-end solutions which record customer information and continually record their needs, habits and preferences and predict behaviours such that stronger bonds are formed between supplier and customer and as a result loyalty is gained, churn is reduced and product penetration increases. This results in lower costs, fewer replacement acquisitions, etc. Add to this a pro-active responsibility towards customers – where (in a service/call centre, for example) we take the initiative as opposed to waiting for the customer to do so, and we have a new and mutually more effective way of doing business. So in that one statement alone we have created yet another definition to ensure that some consultants continue to hold their rightful position in the wealth circle! How cynical can you get!

CRM, Data Warehousing, Relationship Marketing, Lifetime Values, and Virtual Marketing – the words add up to the same thing. And despite system solutions, the whole thing is as much about the way in which you organise yourselves and conduct business, as it is about specific products to help you achieve success. You have to know the how, why and when before selecting the what.

So the one thing CRM is doing is to pull disparate threads together and present a total capability encapsulated in one acronym. But going to a so-called CRM provider will not necessarily mean that they can supply all the parts, although recent mergers, acquisitions and consolidations are ensuring more one stop shops. For some, the thought of entering the CRM maze may be thought provoking at one end of the scale and sphincter moving at the other end. But fret not!

The best so called CRM solutions are services or capabilities which “enables” the information which already exists in most organisations – (differentiating here between information – useful and “dealable” customer understanding - versus data – usually just a pile of garbage which people rarely do anything useful with) - to be properly available and utilised everywhere within the entire, seamless (there's a new concept!) business enterprise.

“Everywhere” is a significant word. And it means what it says – everywhere. Everyone, everywhere and anywhere within the organisation who touches the customer at any point of the

life cycle (one of the first things you need to do is to map out and understand the customer lifecycle by the way), must have information access (for many silo-based organisations this is likely to prove “testing” to say the least), so as to make decisions for the business and present seemingly personalised opportunities to the customer – sometimes referred to as “mass customisation” (probably also invented by a consultant). Without information the customer is unable to make a decision, without information the business is unable to present the customer with options. The “one size fits all” approach moves to clear bespoke provision of service and products but from a single model or platform. In a service centre (call centre to the less enlightened) environment, for example, this means that the most important people within the business – your staff – have every possible piece of information at their fingertips against which to provide the customer with what he or she wants and needs. These people are the ears and eyes of the business and working with one hand tied behind their back (or sometimes all three!) has to be a thing of the past. They make decisions based on fact, they create an offering, and they are truly knowledge empowered.

There are only two key points to remember. Firstly to achieve this information revolution and to be able to truly manage the customer relationship, marketing, sales and customer service must become one. Instead of speaking from different orifices they must unite in one end-to-end, customer focused operational unit. Without customers, death is certain. Death may not come swiftly but is likely to be protracted and painful – but without unity of function and enterprise purpose death is guaranteed. Size is no longer of any relevance (thank goodness!) – customer intimacy is the goal. The new e-models don’t and won’t follow the norm. Secondly just think of CRM as a knowledge capability. Knowledge gained from information and interpreted to fit your product and services, matched against my needs as a customer is “where it’s at”. Some can’t work out what the e-stuff is all about; when is the bubble going to burst; how can 10 people threaten my establishment of 10,000? The answer is global reach, speed of reaction – their value is in customer knowledge, which is a product in its own right. The parallel is marriage or co-habitation versus a series of quick relationships that lead nowhere. Knowledge is omnipotent, is all-powerful. But use the gift of knowledge wisely and remember that those who gave it to you need to be treated with respect – this implies confidentiality and other unfashionable words. Abuse of knowledge will create chaos and downfall. Stop – we are getting a little biblical!

Consultants and suppliers have without doubt confused the CRM scene – some may consider that this is their role in life! There is even one idiot supplier in the USA who has launched a CRM Telephone Headset! Systems here and solutions there, software, middleware, hardware, technology, applications – you name it they have the conclusive answer. Vendor loyalty is not required in some models and with the market changing and consolidating by the day it’s hard to keep up, even if you are an expert or perhaps a guru (whatever that is!!). Sounds like all meditation and no action to me! It ‘aint that hard, though. You no longer need to throw all your old solutions away – we have the technology to re-build you by using new and old and making it work with a few new bits of clever DNA. The more important thing is you can only use information that you have bothered to gather and you can only understand customer behaviours and preferences if you have tracked them. Contrary to popular belief, a CRM system will not magically tell you about your customer’s life history if there is none or if you have not historically maintained it! Technology hardware vendors have realised the error of their ways and, albeit 10 years behind the mainframe market, they have switched to total solutions provision where the real value and cost of their product is in integration NOT the hardware. And solutions are turned around with speed – because unless they are the world will pass them by! 3 months, 6 months, not 3 years and 6 years.

## **FASHION OR FACT**

CRM is definitely a fashion – the “Emperors new clothes” perhaps! It comes in all shapes and sizes, all colours and at most price points. When you buy you may need more than one item. Doubtless you will be told you need a complete wardrobe but sometimes if you can stand the clash of colours of item a with item d, then stick with it (you may have noticed how double breasted suits come and go in popularity and how old wardrobes are often useful) as more than you think can be harmonised. You can buy CRM almost anywhere and you are spoilt for choice. But as with many fashions, some things just won’t suit you and your personality, your culture, your objectives. Some organisations may need to go to a health farm first so they can fit into the right solution for them, some may need to change their outlook and attitude.

Whatever, choose wisely. Your choice is not just the “product” and the provider but the organisation that peddles the solution – the organisation which relies on huge revenues from integration back into the clients operation. The top consultancy firms have “arrangements” with the major “CRM” providers and their financial reward often amounts to two or three times the cost of the product itself – because it needs lots of expert consultants to install it and whilst we’re “in” we might as well sell you a couple of other bits of consultancy as well! It’s the same as marking up manufacturer to wholesaler to retail to consumer but much more besides.

Is your CRM investment today likely to provide you with a first generation product with a life of two years or maybe less? – ask the question NOW! If so, you may still wish to buy it but beware of the need to upgrade moving forward – is the product flexible and scalable? What happens to your large investment when the next “earth moving” product comes along? Will your supplier put his money where his mouth is? – ROI is often stated to be within 3 months when taking such things as churn, up-sales, cross-sales and other matters into consideration, so why don’t these suppliers sell to me on a risk and reward basis. Try and ask and see what the answer is!! Splutter, splutter.

CRM is a fact though. It is without doubt here to stay. What will it be called in two years time? I dare not hazard to guess. BPR (Business Process Re-engineering) was a long-used term (now just “Processes”) – popularised years before as Work Study. TQM – which has died the death of a true acronym warrior – has been around for years, emanating from the once proud and much more expansive manufacturing industry.

Who cares anyway? It is of no real consequence – it’s just a marketing tool..

We would like to introduce another acronym – basically because we don’t want to be left out of the race to find the next three-letter word.

The real challenge is CMR – Customer Managed Relationships. The whole market will need to adjust itself to self-service, where customers will make their own choices based on their own knowledge of themselves, their own knowledge of comparative products and services and increasingly their ability to access information or “knowledge” globally through rapidly advancing technology. Customers will choose how and when they “talk” with you. Talk will be voice, data, video, whatever. However, we believe that the power of human to human contact will still be the major access choice for sometime to come – just as physical books will still have a significant presence in our society (please god). But omnipotence will not be the sole preserve of the provider for much longer. Sharing is the game with knowledge still providing the winning hand.

You have no choice but to provide the customer with what they want and when and how they want it – we are all customers so you must know that that is the only way forward. The billing

example is not untypical – I want my bill on A5, not A4, I want it in large typeface, I want in green with blue spots (no accounting for taste), I want my multi-product discounts grouped and taken off my residential bill and my SME (here we go again – another acronym) bill will show the full rate, I want to view my bill on my Interactive Digital TV, I want to pay through my WAP 'phone, I want to....., I want....., I.

The better organisations, many of whom have embraced new technology and working methods, will be the winners but many of these new age providers need to continually remind themselves that the customer will decide if he wants to use you or not – not you but he. Some of the best “new” organisations in the world seem to be so wrapped up in technology they may have forgotten a few basic rules that have always and will always apply. Keep it simple at the front, be honest - it is the ONLY ethic, continue to innovate and change, remember the customer (nearly) always has a choice, address issues - don't avoid them, PEOPLE differentiate you, it's easy to differentiate at the outset but harder to maintain edge and momentum (always stay ahead of the game), involve your customers in their (your) business - but above all remember to answer e-mails, because most of you guys out there sure as hell don't. On that one issue alone, will decide if you get my business or not! My relationship with you depends on your relationship with me and vice versa and so the world goes round. Some things never change.

CRM is here to stay – long live CMR!

**Peter Murley**  
**mpathy Customer Experience**