

CRM: Getting from here to there!

By Bruce Gregoire, President, Desktop Marketing Solutions, Inc.

Gertrude Stein, in describing the city of Los Angeles, once commented famously that “there is no ‘there’ there”. Perhaps this aptly describes how many direct marketers feel about the current state of CRM (Customer Relationship Management) in our industry. The term itself has begun to lose meaning as software vendors, consultants, and researcher organizations have attached it as a catch-all label for their products and services. And like Los Angeles, it’s territory has spread widely, to include some or all of the following: sales force automation, database marketing, campaign management, mobile sales, order management and fulfillment, analytical processing, call center operations, customer web portals, and the list goes on. Without trying to settle what CRM is and is not, it might be worthwhile to note the areas where others are finding great difficulty in implementing CRM, and highlight how you can truly get from here to “there”.

Enterprise Issues

First of all, a definition from Jay Curry, author of *The Customer Marketing Method*:

CRM is the art and science of how companies deal with their customers.

Mr. Curry goes on to say that what has given CRM such a boost in recent years is that modern information technology now allows us to deal with customers individually, even though we may have millions of them.

Sounds simple, right? Then why is it that Gartner Dataquest recently found that as many as half of all CRM implementations fail? Other than simple execution failures, the single most frequent mistake companies make is to confuse a CRM strategy with a technology implementation.

Experiences of other practitioners confirm this: William Brendler, Ph.D reports “there are dire consequences for those who fixate on the technical and ignore the human side of implementing CRM”. This approach, in his experience, is responsible for most of the CRM failures.

A second area where organizations struggle is developing a “customer-centric” focus. Another difficult-to-define concept, but at a minimum this would include those activities that are apart from or beyond the typical sale of products and services. The successful examples are well known to marketers: Amazon.com in consumer marketing, Dell in B-B. The lack of profitability at Amazon begs an important question: How much customer centricity can your organization really afford?

Marketing and Channel Integration

For marketers, the goal of integrating multiple channels (and their supporting applications) presents painful challenges. For example, only a small minority of retailers allow customers to return merchandise purchased on the web to a retail store. Naras Eechambadi, CEO of Quaero L.L.C. describes the situation in this way: “The first wave of the Internet revolution consisted of companies developing their web sites. Next, E-commerce used the Internet for transactions with customers. The third wave of e-business will require companies to truly personalize the interactions with their customers - hello e-mail! Marketers will need to find not only the right message for each customer, but the right channel”.

Peppers & Rogers writes that for firms moving their products or services through channel partners, establishing relationships with both end users and channel partners is crucial. This requirement in turn has created a niche within CRM sometimes referred to as “Partnership Relationship Management”.

Database Integration & Quality

The metaphor most often mentioned in this regard is “silos of information”: marketing data residing in multiple locations and databases. Getting this data “normalized” to be interpreted and used enterprise-wide is difficult. Take the example of finding the B-B decision maker “contact” name at a customer location: is it the bill-to person from accounting, the ship-to end user, or the person who placed the order?

In my own experience, the quality of data passed around an organization is a vastly underrated success factor. Said another way, lack of credibility in data is a typical reason for users to stop using a

system, regardless of software features, functions, and management dictates. Early in my software career, I received a complaint that my user group was unsatisfied with the information in my management reports. I responded that to my knowledge the reports were 95% accurate. The response that came back was telling: which 95% should they consider correct? The lesson was clear: less than 100% accuracy (or more importantly, user perception of 100% accuracy) can cast credibility problems over an entire system.

Implementation: Back to the basics

The points below should not be new to anyone who has implemented an enterprise-wide project like CRM:

1. Define what the “there” is: The maxim still applies that if you don’t know where you are going, any road will take you there. Organizations need to define the objectives of their CRM programs: Specific, measurable, attainable objectives, with resources defined and a timetable for completion.
2. Break up the project into stages: Each stage needs to be a bite-sized chunk – with something implemented sooner preferable to perfection planned for later. Employ strong project management disciplines and milestones, to insure that your team does not fall into “analysis-paralysis”.
3. Consider the non-technical issues: Is your organization customer-centric? What are the human obstacles to achieve your objectives? Does your organization measure customer loyalty or customer lifetime value (after all, isn’t this the true measure of success)?
4. Technical issues: have your system requirements been analyzed and documented (before you talk to vendors). Do your requirements evolve from your current business plans and strategies?

More on CRM:

For more information on CRM, check out the following web sites:

www.CRMguru.com

www.1to1.com

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