

CRM is not just a tool

By Kevin Cookman of The Chalfont Project

For Janet, the VP of Sales and Marketing for GenX Pharma, it has been a tough year. The company's top product came off of patent protection this year in their top market and the Generics have already hit in the markets in 7 of their 10 biggest country markets. The pipeline doesn't look like it will bring anything big and new for another couple of years. Regulation in many of the markets has led to less face time with Prescribers for the sales reps. Some of Janet's top sales reps left for competitor's right after the last round of cut backs. Then some of her team suggested that it was time to move away from a traditional territory sales management model and look at Customer Relationship Management, CRM as it is popularly known. They went out, looked at the options and picked one of the best - and most expensive by the way. The Executive Board congratulated Janet for her initiative and approved the major budget needed to "do this right".

Janet's vendor did great work with her team and the local country sales offices; the implementation partner had a methodology that really kept things moving. The first country to implement went incredibly well, everyone was excited and all the Country Managers were clambering to be next in line. Janet decided to go for a fast roll-out running many projects in parallel around the world. Then the chinks started to appear. The western region of the US dropped the new CRM system and went back to using their old TMS system three months after roll out; France killed the project before the system ever went live, saying their user testing team had rejected three prototypes and weren't willing to continue doing this again and again, when their basic requests were never met. Some of the countries that seemed to be going well at first were now reporting utilisation problems, the reps simply weren't putting all the information in. Even that first great success seemed to be backsliding. Now the Executive Board has called Janet in to tell them, "What went wrong, and who is responsible for this mess?"

What will Janet tell them? "We underestimated the complexity of the system or our people are much more resistant to change than we ever imagined?" Will she say "I made a mistake" and offer her resignation? Will she understand what went wrong here? Her story is not uncommon in Pharma or any other industry for that matter. Like many companies undertaking a

"Customer relationship management (CRM) systems have delivered only modest gains in revenues despite millions of dollars of investment, according to new research.

Less than a third of 237 global executives interviewed in an AT&T-sponsored study said were satisfied with the quality of the CRM deployed by their company.

And more than half of all CRM programmes are failing to deliver a return on investment, despite companies continuing to invest heavily in the technology"

CRM delivering only modest gains

By Robert Jaques [10-12-2003]

large IT system like CRM, she made the simple mistake of getting so caught up in the software implementation that the purpose and even more importantly the people were overlooked. Janet would answer this statement saying: "We had an excellent communications plan, rallies sponsored by the top managers, the logic fully explained, everyone was excited and said they were on board, and then they abandoned their promises". Why did this happen? How could it have been prevented? At The Chalfont Project, our founder, Dr. Leandro Herrero, will tell you that "real change is behavioural change." What is called a change programme for most big projects is really only communications about process and systems changes that will be coming, followed by training on those new systems and processes. Then we all hope and pray that these new systems and processes will be so compelling that they will be adopted naturally. Unfortunately, this is rarely the case. What does this mean?

In simple psychological terms our behaviours that are repeated (habits) exist because they are somehow reinforced. In our businesses we reinforce the

behaviours of our sales people via pay, commissions and bonuses, recognition, promotion and also with pressure. If we look back at Janet's CRM programme, will we find that the traditional product oriented marketing changed to a new Customer Relationship focus? Will we find that all of this new information the sales reps were asked to put into the new system was taken by the financial, marketing and business intelligence team and fed back as useful knowledge those reps could leverage for more productive sales calls? Will the sales management team have changed the things they recognise people for, praising them publicly for sharing knowledge and insights that helped another rep make a deal? Was a new reward system devised to support the CRM strategy? Was there a CRM strategy? Were admin staff, call centre staff, Clinical Trials personnel adding insights into the system to support the sales reps? If these things were not happening, is it any wonder that the Sales Reps quickly became disillusioned with spending a few extra hours each night putting all this additional information into the new system? What was the purpose behind the new CRM initiative? Did we believe that this expensive software was actually a magic wand that would convert us into a Customer Focused Company?

At The Chalfont Project we believe that any company wanting to do CRM has two options. First, you can **hope** that all the conditions are aligned so that the necessary behavioural changes will happen naturally. But then we believe that "**Hope is not a strategy**". The second choice is to have a methodology based on proven human behaviour principals as a work stream driving change in parallel with the technical IT implementation methodology you are following. This leaves out hope and gives you the opportunity to assure a successful move to CRM.

Is it too late for Janet? Fortunately not. Although it is cheaper and safer to run a Behavioural Change Management programme in parallel with your CRM effort, it can be used to rescue failed projects or for improvement of under-utilised systems. It is an option that is a much better alternative than having completely lost your CRM investment.

If you are interested in more thoughts from The Chalfont Project on Behavioural Change Management for CRM, check out our website information at www.the-chalfont-project.com

If you want to have a conversation on how Behavioural Change Management might help your project, give us a call at +44 1494 432 088 or send an email to Kevin-Cookman@the-chalfont-project.com.

Create sustainable behaviours that reinforce your business strategies and tactics

We firmly believe that the main success factor to a new CRM system, organizational change, IT development or any other change in your company is the effective change of employee behaviour. Our extensive expertise and experience in the social sciences and leadership areas will give you that behavioural aspect to your business changes that you cannot get anywhere else.

With in-depth analysis of your company, its people, processes and technology we will provide you a methodology that will:

- Increase your chance of successfully implementing CRM or other systems and changes to your company
- Check the "soft decisions" of strategy and requirements that have already been made or are about to be made
- Reduce the learning curve and time for roll out
- Take employee buy-in beyond rational understanding towards an emotional and behavioural change
- Find, analyse and remove behaviours that lead to failure and limit success
- Find, analyse and reinforce behaviours that promote success
- Create sustainable new behaviours that increase chances for success
- Come up with on going practical action plans to make the most of the changes