



SRD Group Ltd

**DMA
CRM Workshop Review**

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Strategic Resource Development Group Ltd

PO Box 300 361, Albany, Auckland, New Zealand Telephone: +64 9 414 4555 Fax: +64 9 414 4556 Web: www.srd-grp.com



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Objective of Workshop

The aim of the workshop was to provide a networking opportunity and to explore solutions to commonly encountered non-technical issues surrounding Customer Relationship Management (CRM). A survey was conducted in order to rank the issues and provide a topic to be work shopped. The highest ranked issue was – “How can we manage the cultural changes required in implementing and running a CRM program?”.

Secondary areas of focus:

- How does an organisation define a clear overall CRM business strategy that will impact (positively) on the entire organisation?
- What are the possibilities/potential of CRM?

The idea was to harness the experiences and learning of the entire group and to come up with solutions or ideas that the attendees can take back to their organisations and implement in order to get more value out of their CRM. This paper is a reflection of the group’s input and the outcomes of the workshop.

Workshop attendance

The workshop had 29 attendees.

The attendees were from various industries and included a cross-section of roles including CEOs, Managing Directors, Sales and Marketing Directors/Managers/Analysts, IT Directors/Managers, CRM Managers and others. The industry types were also wide and varied.

Anecdotally and via email the workshops were viewed as good and worthwhile attending. Most attendees when asked said they would want to attend future workshops.

Description and Summary of Workshop

As a starting point, all attendees were asked to write down and then submit their interpretation of CRM. The outcome was many iterations of a similar understanding (see Appendix). SRD Group then provided the following as a guide but not as an absolute definition;

“Customer Relationship Management (CRM) is a business strategy to select and manage the most valuable customer relationships. CRM requires a customer-centric business philosophy and culture to support effective marketing, sales, and service processes. CRM applications can enable effective customer relationship management, provided that an enterprise has the right leadership, strategy, and culture.”

There was some debate on this, in particular around how you define the ‘most valuable customer relationships’ given that some customers may not provide enormous revenue directly but are key influencers of others who spend a great deal on a particular product or service. How do you know whether someone will be a big spender in the future?

The consensus reached was that it is very important for organisations to define specific value criteria and then identify which customers meet those criteria. These criteria need to have some form of future forecasting value. Customer banding should take into account financial and non-financial aspects e.g., Influence in market, projected revenue of customer, financial stability, relationship status, openness to change etc.

Given the myriad of different definitions and variables that exist for CRM and that this sometimes leads to 'paralysis by analysis', SRD Group provided a simple way of viewing CRM that is all encompassing – "The way we do business"*.

CRM includes and affects so many elements of a business; it contains valuable information (hard and soft), processes, platforms and structures. If done right, it will play a major role in most, if not all, strategies the organisation is pursuing.

It requires strategic vision and it needs to be viewed as never ending, as a journey. This journey will take you over hills, through valleys, across plains, over rivers; it will not always be easy and the vehicle (the system, the people and its supporting processes) will require constant supervision, regular services and refuelling. Each destination reached is only the transit point for the next stop.

After discussing the merits of viewing CRM as a journey, the group then brainstormed what would be required to make CRM a success based on the general consensus of what it was – 'The way we do business'. It was decided the 'CRM journey' requires:

- A vision for where it will take the organisation
- Clear strategy and plan
- Linked to key organisational strategies
- A customer focus
- Commitment and buy-in throughout the organisation (most importantly from senior management)
- Behavioural change
- Willingness to change
- What's in it for me?
- What's in it for others?
- What's in it for the organisation?
- CRM culture
- Short, medium and long term measurement
- Continuous skill coaching
- Ongoing support and reviews
- Linkage to performance management
- Flexible, reliable technology
- Data integrity

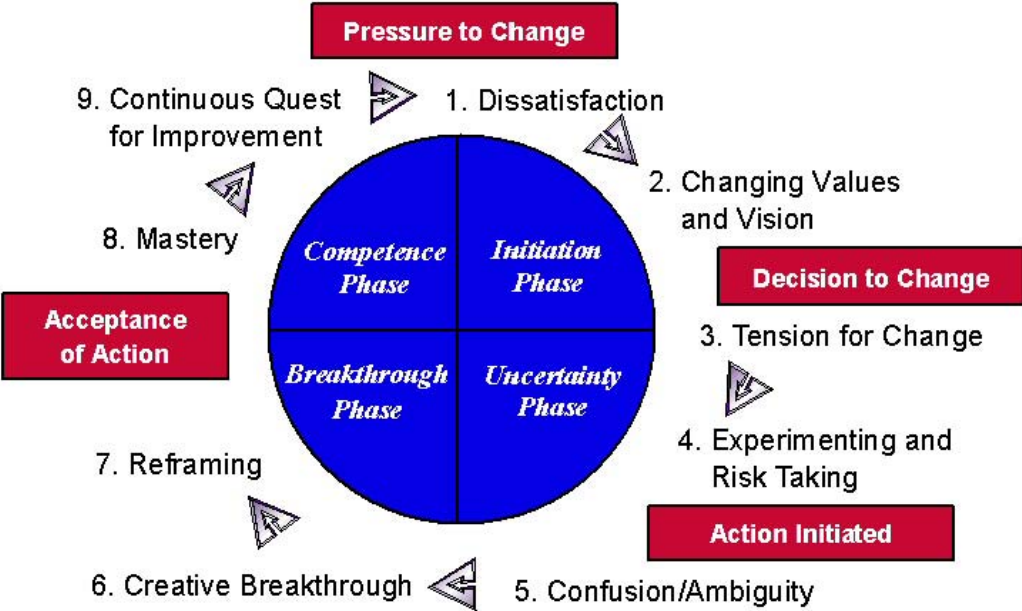
Following the identification of the above we touched on what the definition of culture was and how that related to CRM.

Culture is defined as "the ideas, customs and art of a particular society". For an organisation it could therefore be "the ideas, customs and ways of doing things in the organisation". When CRM is introduced it means - "there will be new ideas, new customs and new ways of doing things".

SRD Group then introduced the 'Transformational Change Cycle' model as a way of viewing what happens to organisations when change is introduced. A brief explanation follows.

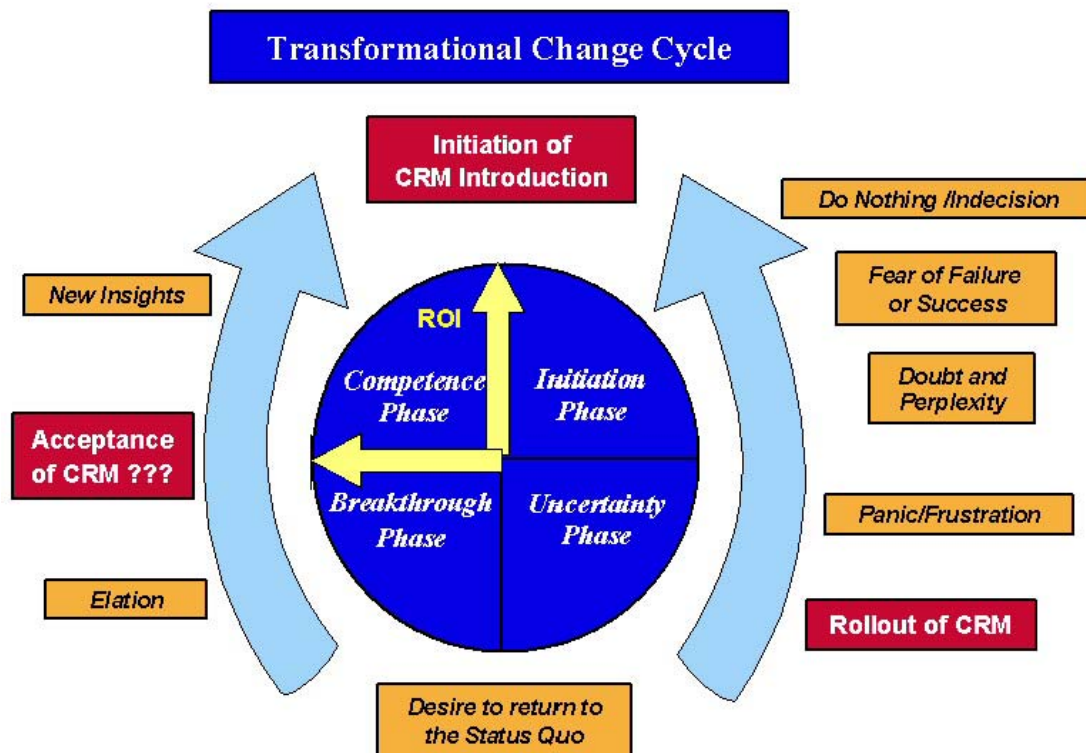
*This definition is credited to Warren McKenzie of Cater Holt Harvey

Transformational Change Cycle



The above reflects the organisation and change - Change can typically be viewed in 4 quadrants, each quadrant will have different actions or variables associated with it, but it is only once the 'Competence' quadrant is reached that the true benefits of the change introduced are realised.

The outer arrows and tags of the 'Transformational Change Cycle' below describe typically what an organisation's people go through when a CRM is introduced.



There is always a strong underlying desire by many people to return to the way things were, to where “we were comfortable”. The most important step is getting people past the ‘Acceptance’ point and into the 4th quadrant – Competence. If this is not achieved their behaviours will not be maintained through future disruption/change and a return to ‘old ways’ could happen.

Once there has been acceptance of the CRM and people have reached the Competence quadrant in terms of skills, processes and CRM role integration, this is when an organisation gets its Return On Investment (ROI). Just how quickly (and if) they reach that quadrant depends on how the organisation sets in place its cultural change management programme.

Having reviewed all of the above, the group was then divided into three separate workshops. The brief of these workshops was to discuss and come up with a cultural change management programme taking into account what actions needed to take place and where and when in the ‘Transformational Change Cycle’ model.

After 45 minutes of debate and planning the results of each workshop were presented back to the larger group. Collectively the recommended approach was:

Generally in the ‘Initiation’ Quadrant

One group in particular said that it is paramount to understand what CRM is, its potential impact on the business and what is going to be required to make it a success. This understanding needs to start with the Senior Management Team (SMT) and then be

cascaded down through the organisation in the form of short workshops. This will aid in the development of the CRM strategy, plan and vendor selection.

They also agreed that it was important to develop and agree the Stakeholder Team and a separate Project Team for the CRM journey. The Stakeholder Team should include at least one senior management team member. This team needs to (amongst other responsibilities) formulate/evaluate the vision, formulate the strategy in line with all other organisational strategies, develop the plan, set some measurements, select the vendor/consultants and review and report the progress and status of the journey to the SMT and the organisation.

The Project Team makes all these things happen, they are the 'feet on the street', the 'doers', they bring the plan together. Ensure the CRM Manager, end user representatives, vendors, consultants and department stakeholders are in this group.

All of the groups agreed that after the Stakeholder Team has developed the CRM vision, it needs to be communicated. Ensure that there is two way, open communication throughout the organisation about what the vision is, what's the 'big picture', what CRM is, its relevance and how it will BENEFIT 'me', others and the organisation, what some of the barriers are and how the company will be overcoming those barriers and providing support moving forward.

People also need to know what their contribution to the success of CRM should be.
Communication needs to be strongly evident in all quadrants and should instil confidence and dispel uncertainty.

All groups agreed that during scoping of the technology, include users so as to get their input into 'their' system as 'they' will be using it..... or not, if not included, consulted or in agreement with how it reflects business processes/information requirements now and in the future.

Identify as many champions as possible to develop into 'super-users' later on, but also try and identify sceptics so that you have the ability to influence them early on. A sceptic turned advocate is often the best ally.

Make sure human resources is involved and has a clear understanding of the change that CRM will introduce and how it will affect the people and their departments responsibilities.

Generally in the 'Uncertainty' Quadrant

The groups believed that it is in this quadrant that scoping continues with prototyping and testing being carried out with the Project Team. As the system approaches its 'first cut' rollout pilot, standards for usage need to be set. There needs to be clear definitions set for each variable that appears in each drop down box, tick box or any field in the system.

The system needs to be integrated into the various roles of the users so they know exactly what is expected of them, when and how. These expectations need to be set into short, medium and long-term objectives for the users. Regular system measurement, through reports, can feed off these objectives enabling the organisation to monitor CRM progress through the Breakthrough Phase and on to the Competence Phase eg. nameplate completeness, interaction analysis, customer profiling.

Training on the system needs to include all the aspects of initial best practice and functional 'how to' training and must be relevant to the role and type of user. Be wary of how much training gets done on the first occasion. Focus training around quick wins and initial objectives. Follow this up with more advanced sessions after the users have had a chance to explore the system further.

Conduct and review a pilot before progressing to full roll out. Perform a gap analysis on original scope and pilot system to identify any shortfalls or initial enhancements required.

Everyone agreed that you should not take the big bang approach and include all the 'bells and whistles' that many technologies have to offer. This can dilute the impact of the CRM and drown the users in a sea of complex functionality – even if it is simple to utilise.

It was also made clear that it was important to recognise the pace of uptake and ensure that middle management, in particular line managers have adequate training and support. They will often feel vulnerable because of their lack of 'technical skills'. They will face pressure from above to make CRM work whilst encountering resistance from below. All whilst trying to deliver on other agreed targets. If they do not have the infrastructure to help them deal with all of this then things will come off the rails.

After initial training, have a mentoring and support programme set up for users so they have plenty of access to skilled individuals to aid them through the phases of Uncertainty and Breakthrough. Provide support for operational day-to-day tasks to ease the load as they go through this initial learning experience.

During the Uncertainty and Breakthrough phases there will be a very strong desire by users to return to the way things were and hence the need for all the support and drivers to get them through this period. It's important to engineer the quick wins so the users are provided with tangible evidence of the benefits of using CRM.

The groups all put forward the notion that reports based on initial objectives need to start running from the end of month one following the rollout. This needs to be followed up with a clear monthly communication on how the users, the departments and the organisation are tracking in relation to these objectives.

It was agreed that objectives set at this stage do not directly impact the Performance Reviews of the individuals as they need a 'bedding down' period to become familiar with the change and skills the CRM requires.

Generally in the 'Breakthrough' Quadrant

It was unanimous amongst the groups that mentoring, ongoing coaching, communication, monthly reports and reviews continue in this quadrant. It is during this stage, and because (or if) all of the right support is in place, users start to recognise some true benefits of the tool.

This needs to be capitalised on with the sharing of these experiences with other users – 'share the excellence' type of programme. These can be done in the form of a reward programme. It will/could also result in the initial best practice being tweaked.

Ensure the CRM Manager, or as some organisations have titled them, Effectiveness Manager continues to develop champions and ideas for the system continuously.

It is in this stage that KPI's need to be introduced to the individuals Performance Review with appropriate weighting being agreed by management. If the weighting given is not enough to affect the outcome of the review then it will not be enough to help drive the required behavioural change.

Set up an enhancements/suggestions register and include these in the communications plan so that people know they have been heard. It does not necessarily mean that they will happen but at least reasons and responses can be provided.

Generally in the 'Competence' Quadrant

Again, the workshop attendees agreed that mentoring, ongoing coaching, communication, monthly reports and performance reviews continue in this quadrant. As there are a greater number of people who are now in this quadrant more complex but value adding features can now be looked at from an enhancement point of view. Once changes are made the cycle will

begin again but on a scale that reflects the size of the changes made – the same support processes should however be in place to manage these changes.

This is the ROI quadrant, it is where true benefits are realised.

Conclusion

The general consensus of the group was that the requirements/actions in each of the quadrants above, were all required in order to help bring about cultural change to facilitate a good successful CRM. None of the above is 'rocket science', but cultural change management is essential.

Agreeing that they are essential is one thing, how to implement them though is the next part of the CRM puzzle.

Above all, subscribing to the KIS principle seemed to be the most agreed upon variable.

Keep It Simple! Remember, it is simply "The way we do business".