



CRM Health Check Review

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This Document

This document contains the average ratings of the companies that responded to the CRM Health Check Survey. It is not an in-depth analysis of the results but does have some areas highlighted for attention.

Objective and Structure of the Survey

The purpose of this survey was to establish a reference point for organisations on a variety of generally non-technical factors that are considered very important for Customer Relationship Management (CRM) success.

If they participated, companies can compare their results with the average responses (termed average respondent) of other companies which participated in the survey and that have implemented CRM systems. These results can then be used as a guide to focus on particular areas for improvement so that the organisation can increase the results of their CRM journey.

Even if a company did not participate the results should make interesting reading and provide some insights as to how other organisations are 'collectively' performing against the various factors measured in the survey.

The structure of the survey was designed so that for each question a respondent could rate a statement in terms of how their organisation performed/performs against that statement and then rate the relative importance they place on that statement. The idea behind this was to generate a gap analysis of sorts so the organisation could get a feel for where they need to focus more effort to improve the returns they are getting from their CRM.

Some questions may have appeared the same but in fact were measuring different things.

Summary of Survey Results

The survey was sent to 70 companies that were predominantly large multi-nationals. We had a 33% response rate to the survey. It was completed by 23 out of 70 companies. Where more than one response was received from a company, the results received were averaged for that company.

We would like to thank all those who took the time to complete the survey.

We received some feedback saying that all the Importance Ratings were 'obviously 10' so why have them. Interestingly though, the results show that the average Importance rating provided by respondents was in fact 7.23. The Importance placed on the variables is therefore not automatically the highest available score.

The ratings that SRD Group would place on these Importance ratings would, however, be closer to 10, which would make the gaps in the survey that much bigger and therefore, in SRD Group's experience and expertise, the results more concerning.

The results, even without the higher importance rating, still indicate that there are non-technical areas that companies need to improve on in order to get the most out CRM.

A very concerning gap appears for the statement: "The organisation has a CRM strategy that is documented, clearly defined and aligned with the overall corporate strategy". The average respondent rating for Importance was high, with a score of 8.0. The Current Status is however only 4.9.

This is an area that, for achieving long term success organisations need to focus on. If you do not have a CRM strategy that is aligned with your overall corporate and other strategies then achieving maximum results is nigh on impossible.

Possibly related to the undocumented CRM strategy is the relatively poor ratings provided on Current Status around the communication and understanding of the vision and strategy by ALL members of staff. If staff do

not understand or buy-into where you are going to and how you are going to get there then the chances are you will never get there.

It is all very well saying that you have 'told' the staff something about what is happening and what you expect, BUT have you measured that understanding. The only way to be sure that someone has understood something is to measure it. Companies measure sales, cost of sales, expenses etc, etc but the knowledge and strategies that are required to make a company a success often go unmeasured! Why?

Not having appropriate measures for measuring ROI of the CRM strategy is also of concern. Importance was rated as 7.6 but the Current Status was only 4.6.

The average respondent ratings for the following statement, "Our organisation has solid CRM processes that are optimised by a CRM system" were 7.9 and 4.6 for Importance and Current Status respectively. This indicates that overall the organisations that responded to the survey were not in a position to maximise their use of their CRM system either because of the system or the poor processes. Both need to be examined to bridge the gap.

The average respondent ratings for the following statement, "Our organisation is a strong believer in gathering and continually analysing metrics about our corporate, department and individual performance." were 7.9 and 5.9 for Importance and Current Status respectively. However, what was interesting to note was that the high importance score was only reached due to 5 respondents rating it a maximum of 10 (3 from one organisation). Metrics in some organisations are clearly not seen as very important.

Data integrity and validation was given high ratings in terms of Importance (8.5) but scored quite low on Current Status (5.4). If data is not accurate then adoption, usage and value will all also be low or deteriorate over time. Having the best technology with poor data will ultimately land in failure so time, resource and effort by all stakeholders must be put into keeping the data as clean and up to date as possible.

Internal expectations are also very important to manage but the ratings provided for the statement "The boundaries of the technology and the scope of the project have been clearly communicated" indicate that this is possibly not the case for the majority of the respondents which may be contributing to a lower performance or ROI on the CRM investment. The scores were 7.2 and 4.9 for Importance and Current Status respectively.

One of the corner stones of CRM relates to the "single view' of the customer with integration from other systems allowing for dynamic decision making". This is clearly not the case with the majority of the respondents as the average ratings were 8.1 and 5.0 for Importance and Current Status respectively.

A single view is not necessarily an easy task but it should be striven for. Not all the information has to be real time but all pertinent customer information should be available in a single repository for all staff members to access when needed and at a level of frequency that is acceptable and understood.

A large gap also appears around the statements regarding the relevant KPIs/MBOs that should be in place surrounding CRM usage. Companies need to ensure that appropriate weighting is given to CRM in performance reviews and conditions of employment otherwise they are quite possibly not helping to 'future proof' the organisation.

When considering the low Current Status scores received on training related questions it appears that the respondent companies could focus on improving in this area. Training is critical to the success of a CRM strategy. Companies should ensure that they develop consistent Best Practice for the use of the system by role in order to get the most out of it.

The lack of focus and involvement and feedback from the Senior Management team also appears to be light by most companies' ratings relevant to importance - Current Status average of 5.2 versus an Importance rating of 8.1.

CRM is a strategy, it needs to be owned by someone in the SMT as such and it needs to be reported on at this level and feedback (positive wherever possible) provided in a regular, consistent format. People need to

know that CRM is a priority for the company; communications coming from the SMT usually make this plainly evident.

It was also interesting to note that most of the respondents believed that it was very important (8.8) to “have programmes in place that listen to the customers on a regular basis, programmes that measure satisfaction and delight, which involve the customers in moving the company forward by adding value to the relationship”, however the reality was somewhat different. The Current Status average was only 5.7. How can you create great customer experiences if you have no measurement of what you are delivering against the expectations of the customers? This is clearly an area that most of the respondents need to focus on.

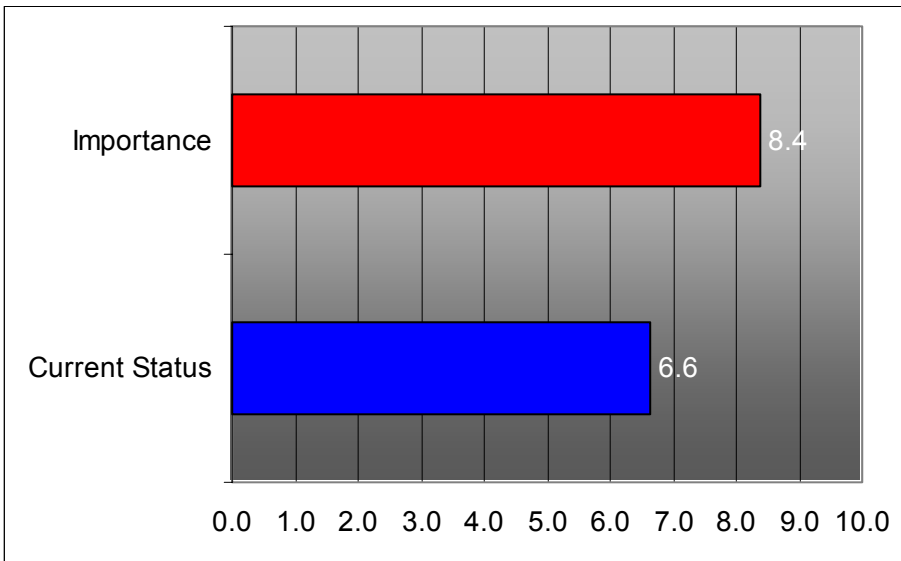
If your organisation would like further information on how to deal with some of the issues raised in this document then please contact SRD Group directly through Neil Stewart on neil.s@srd-grp.com.

What follows are the results of the survey per question. Section 1 was personal information and is therefore not reported on.

Strategy

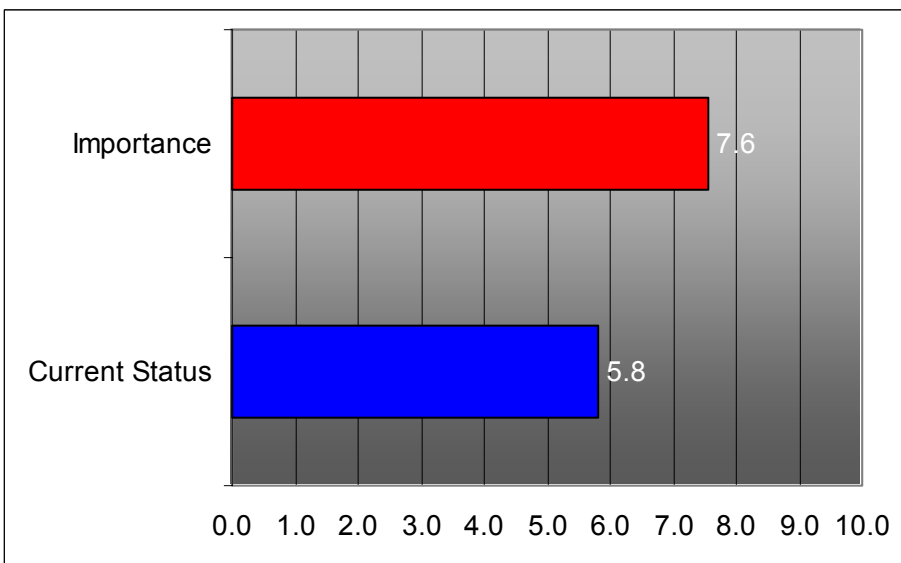
Question 2.1

The strategic vision for the company commits the organisation to pursue a customer centric culture.



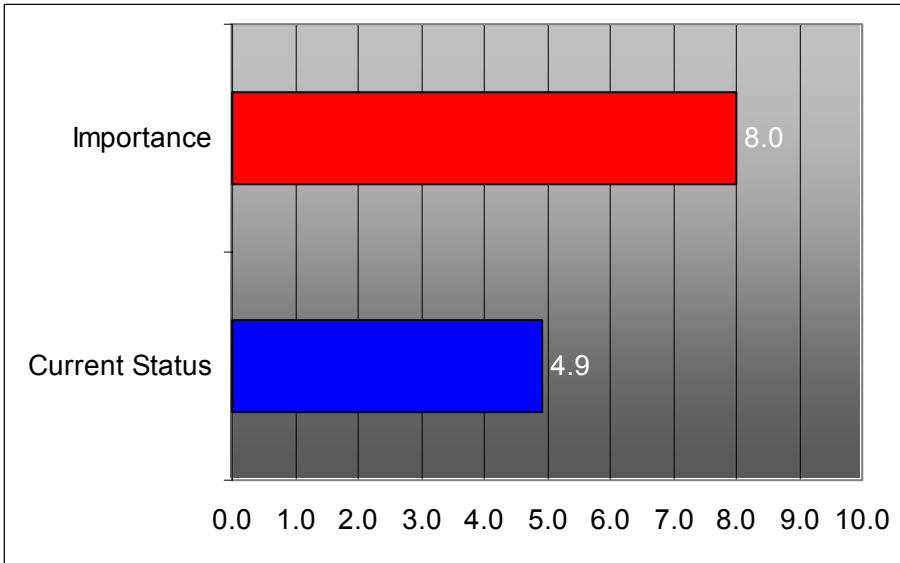
Question 2.2

The organisation understands that CRM is a philosophy or strategy not a software tool.



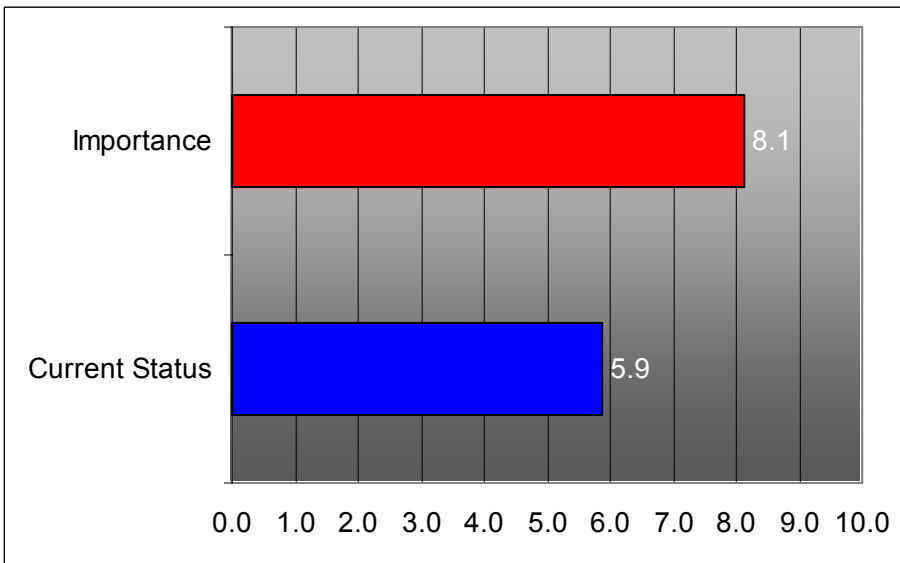
Question 2.3

The organisation has a CRM strategy that is documented, clearly defined and aligned with the overall corporate strategy.



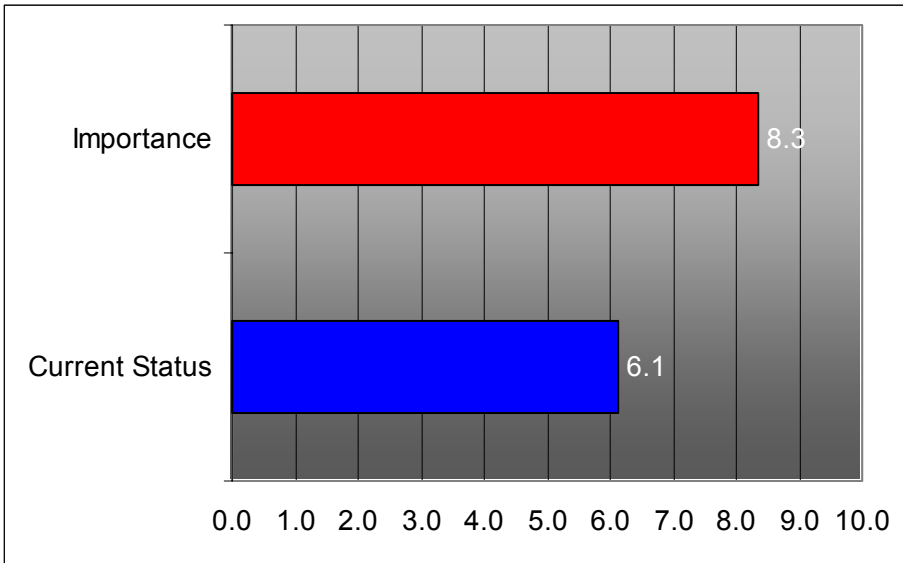
Question 2.4

Each of the Senior Management Team (SMT) members subscribes to a singular vision and the strategy; they can clearly articulate it the same way to all of their sub-ordinates and it is an agenda item at regular SMT meetings.



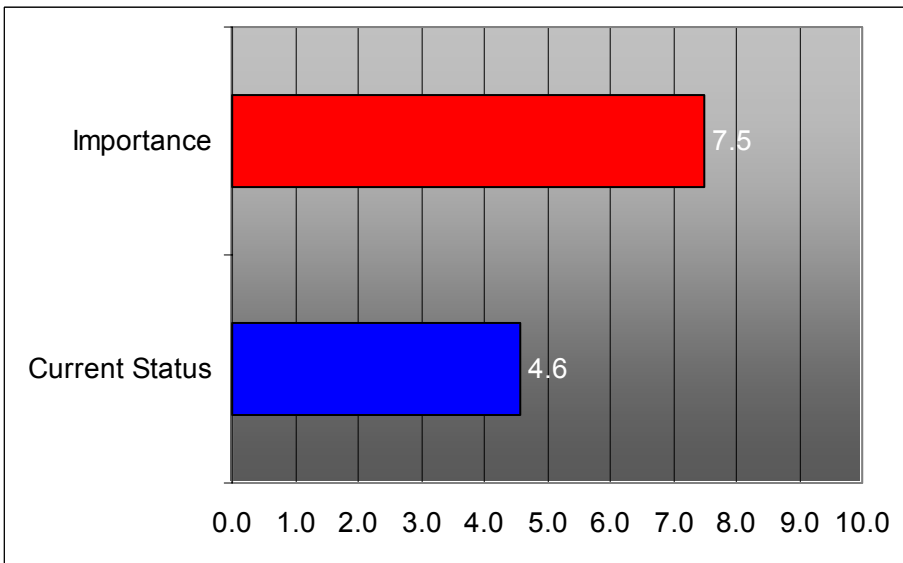
Question 2.5

The understanding of this vision and strategy has been clearly communicated to ALL staff



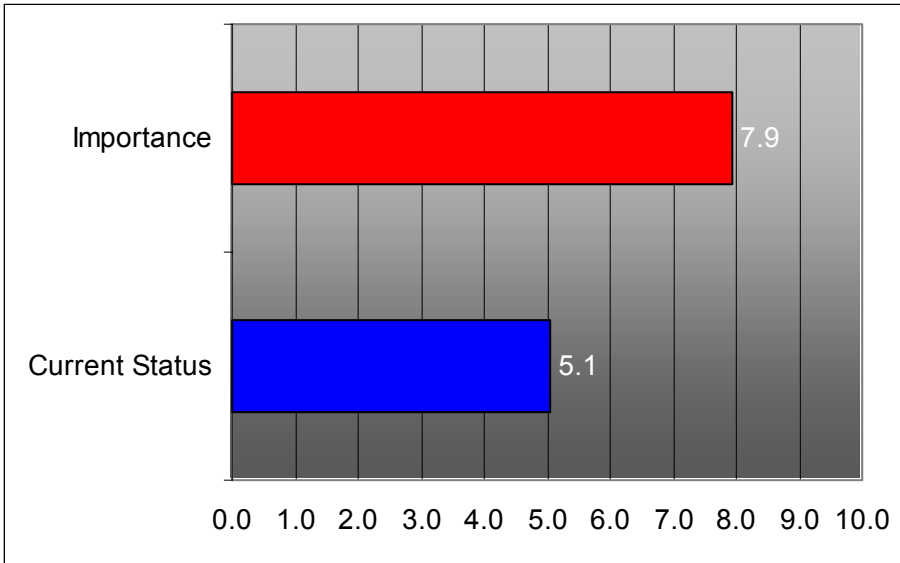
Question 2.6

The communication has been measured to ensure that there is a clear and complete understanding of this vision and strategy by ALL staff.



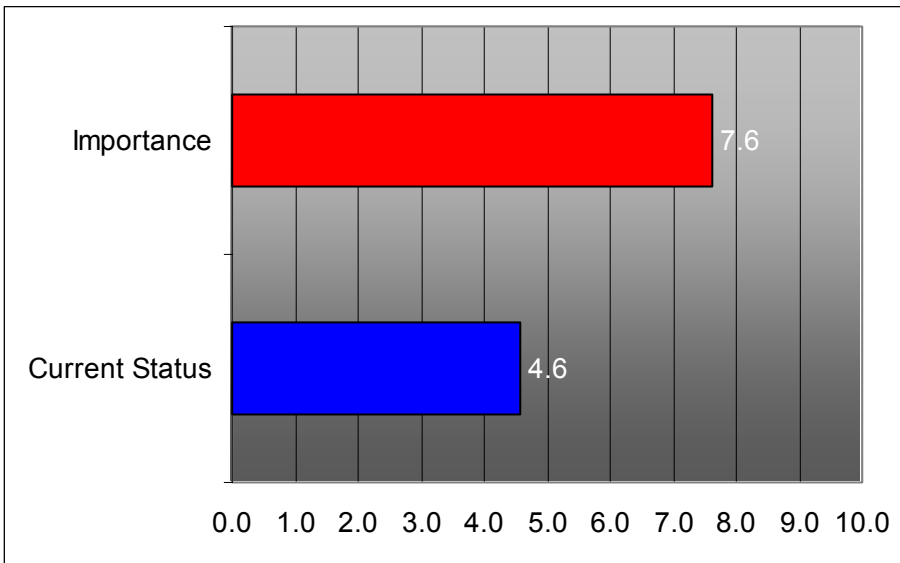
Question 2.7

Processes have been developed so that the objectives to be met by the strategy can be measured and achieved down to ALL staff.



Question 2.8

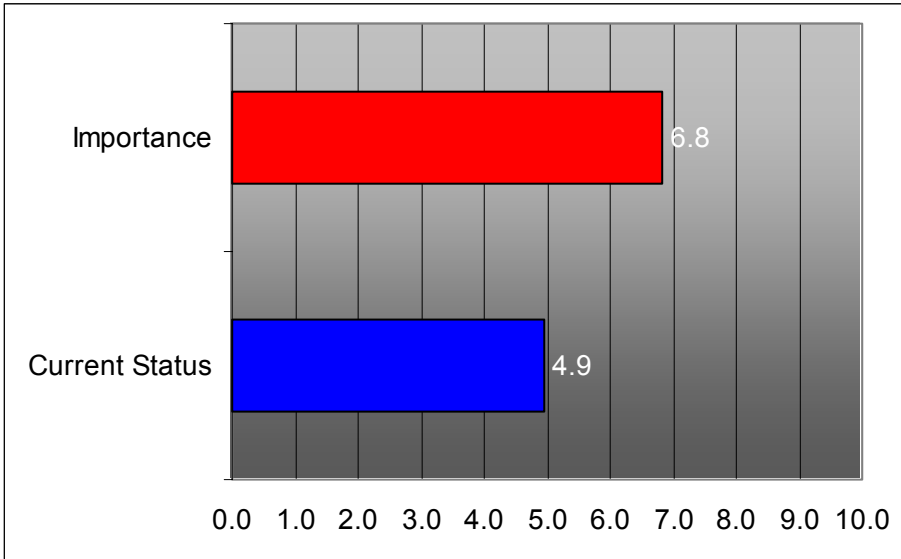
The organisation has clear Return On Investment (ROI) measures in place for CRM.



Process

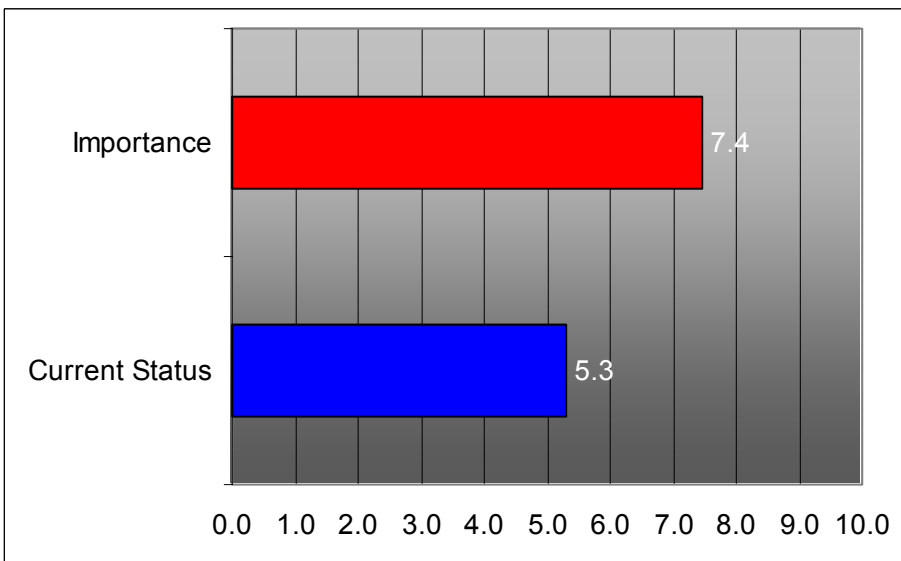
Question 3.1

The organisation initially carried out a re-engineering exercise to establish best practice processes that supported our CRM strategic intent and continuously reviews these processes in line with any strategic or tactical changes.



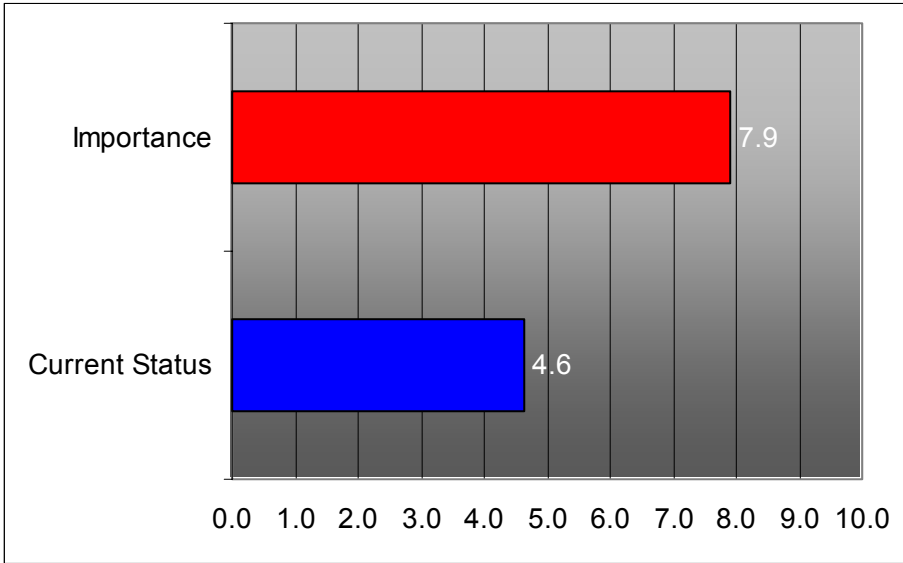
Questions 3.2

Our organisation clearly communicated the changes in processes and the practical application of these changes as a result of the CRM introduction.



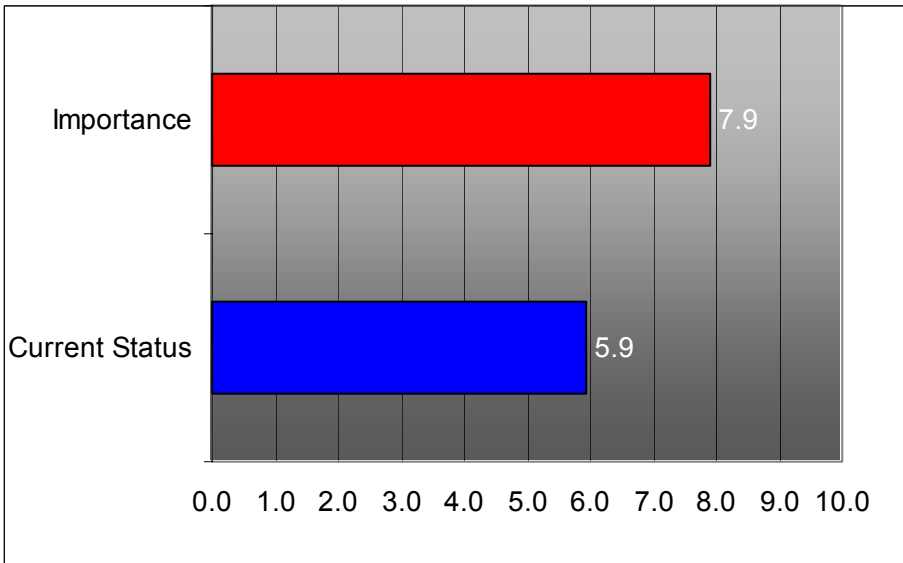
Question 3.3

Our organisation has solid CRM processes that are optimised by a CRM system.



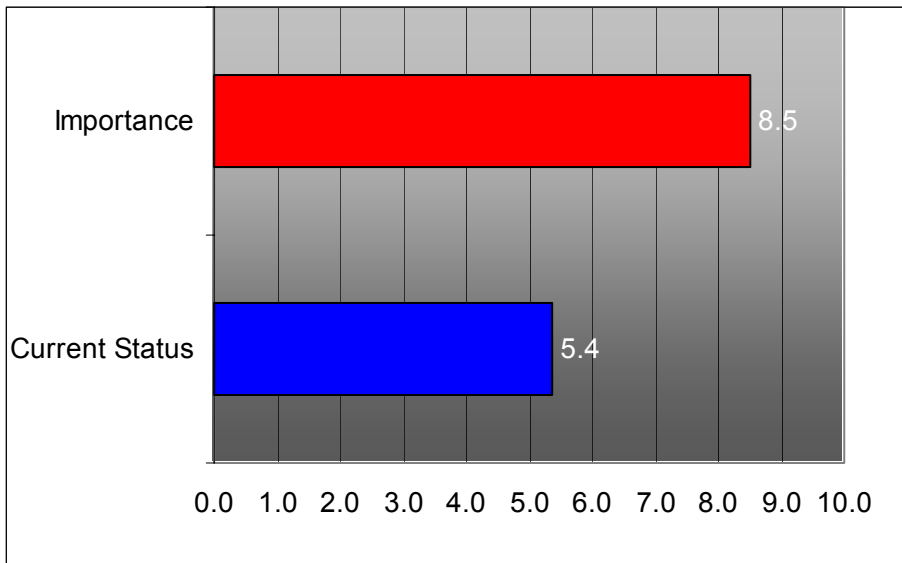
Question 3.4

Our organisation is a strong believer in gathering and continually analysing metrics about our corporate, department and individual performance.



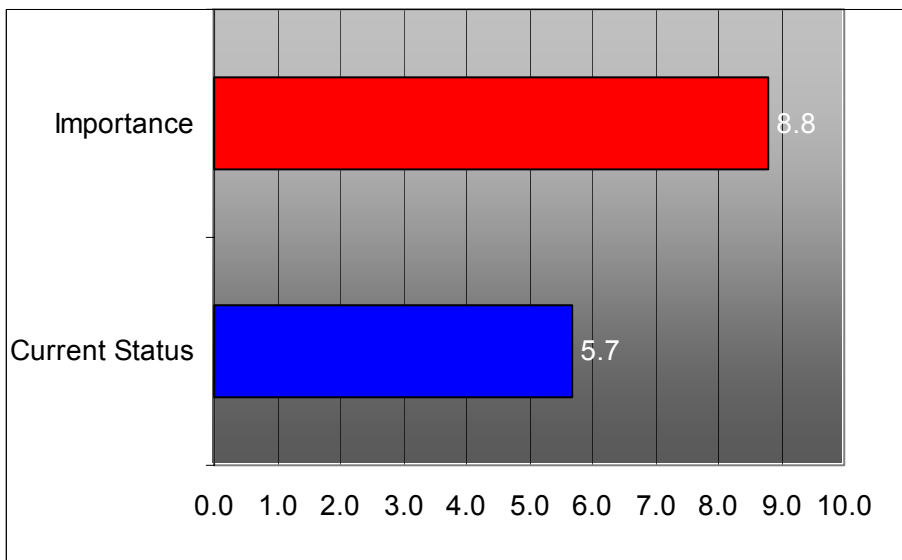
Question 3.5

Data, by its very nature, goes bad quickly unless a firm has adequate processes in place to ensure its continued validity. Our organisation has solid processes to deal with data integrity and validation.



Question 3.6

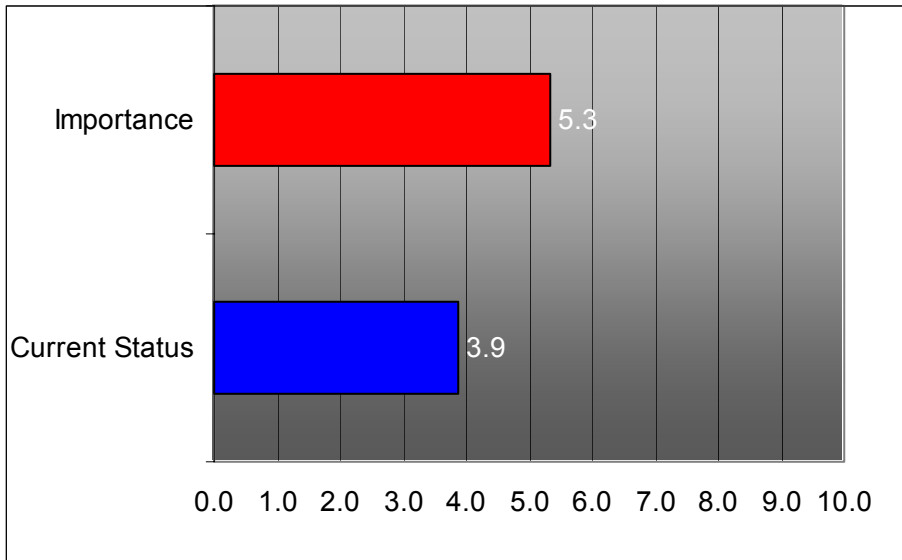
Companies need to ensure that they are LISTENING to their customers, internally and externally. They need to EXCHANGE ideas and thoughts for having a mutually beneficial, valuable relationship. They need to have programmes in place that listen to the customers on a regular basis, programmes that measure satisfaction and delight, that involve the customers in moving the company forward by adding value to the relationship.



Process

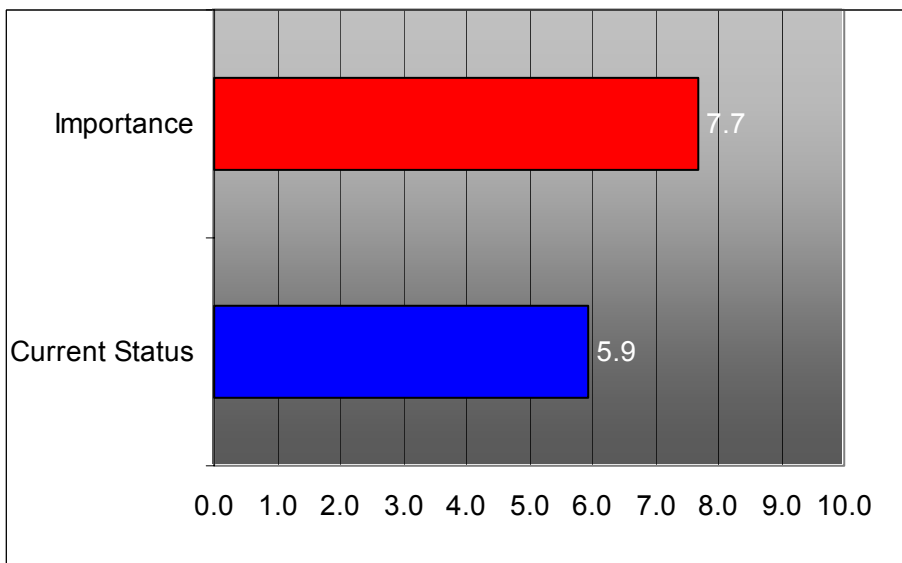
Question 4.1

In our organisation the Information Technology (IT) department is responsible for CRM.



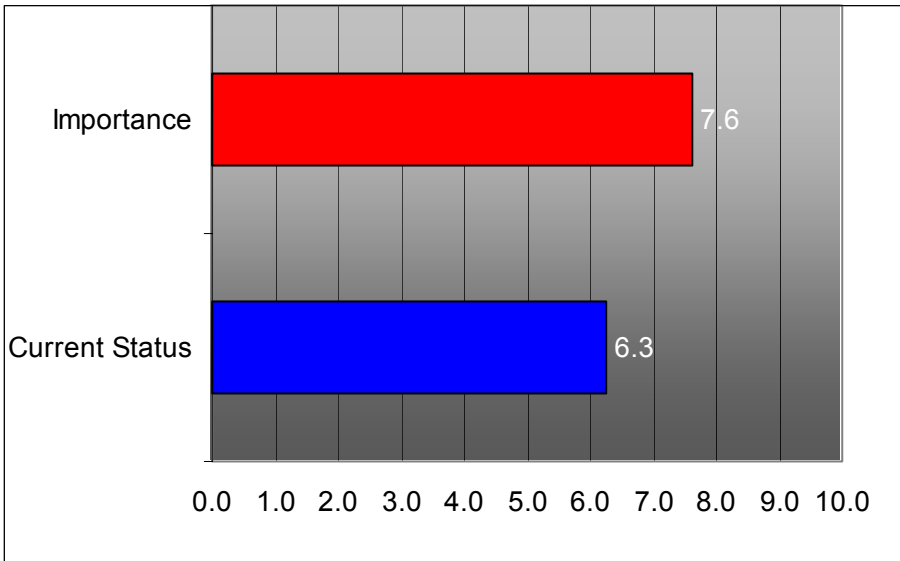
Question 4.2

The IT department has a coordinator who can speak of business value with decision makers, of measurable results with managers, show the value to users and discuss system specifications with the IT department.



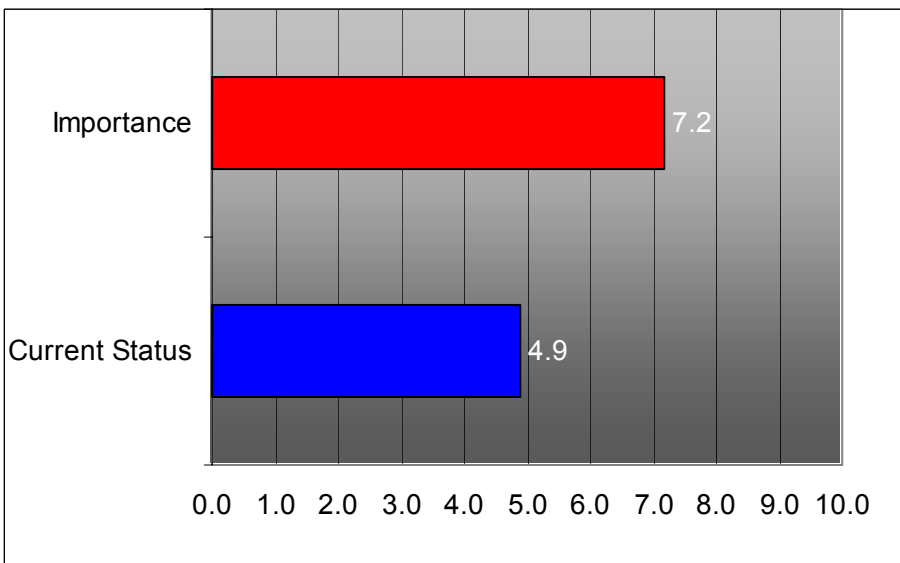
Question 4.3

Our CRM system allows for the creativity and innovation of our processes and people, which the competition find difficult to duplicate. It helps with discipline and conditioning for what works for our organisation. Our CRM solution recognises the uniqueness of our organisation.



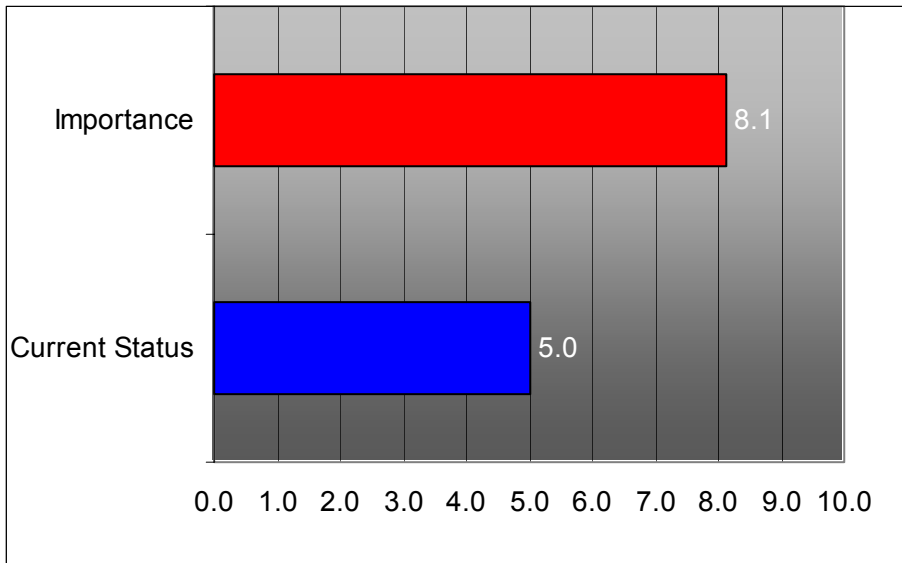
Question 4.4

The boundaries of the technology and the scope of the project have been clearly communicated.



Question 4.5

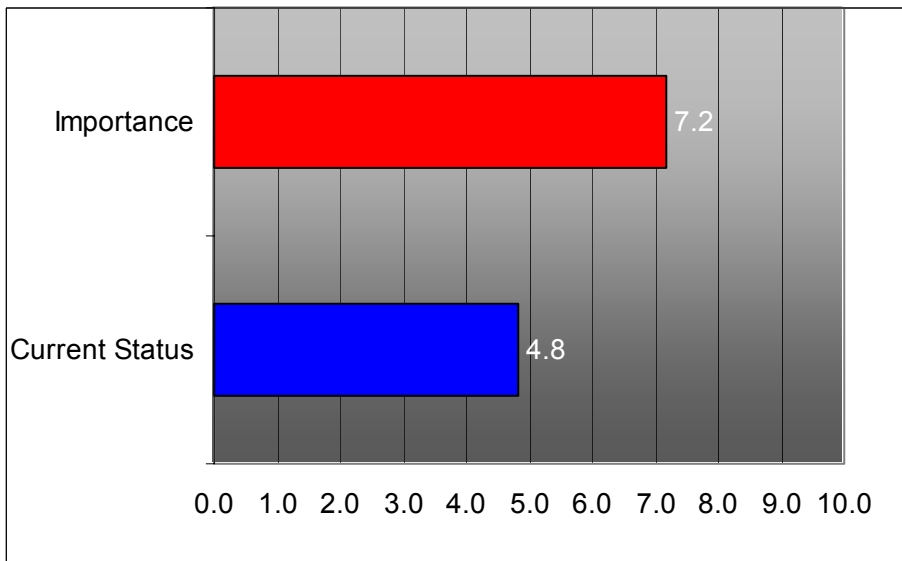
CRM in our organisation provides us with a 'single view' of the customer with integration from other systems allowing for dynamic decision making.



People

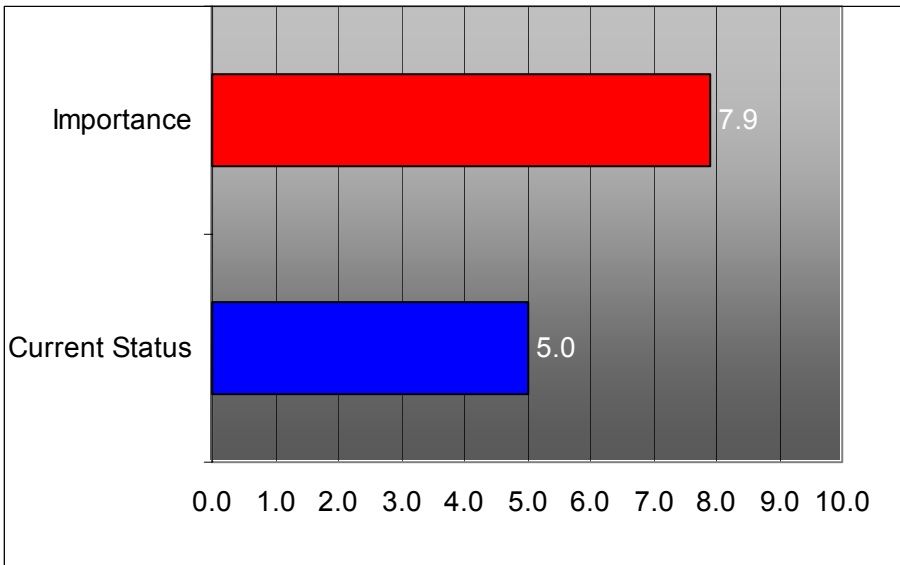
Question 5.1

Our Key Performance Indicators (KPIs) or Management by Objectives (MBOs) were changed to measurably reflect the CRM objectives.



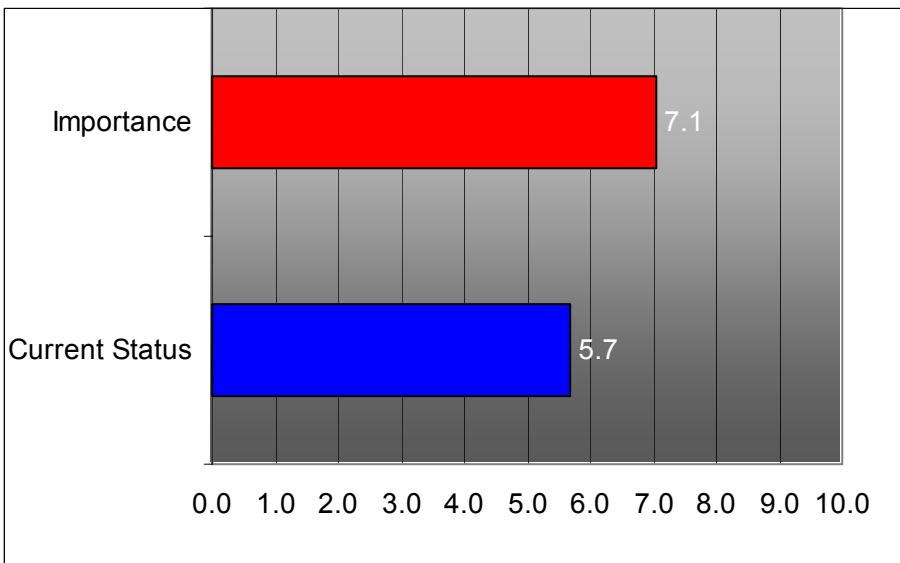
Question 5.2

All of our staff have a clear and complete understanding of the significant weighting CRM KPIs/MBOs have for performance reviews.



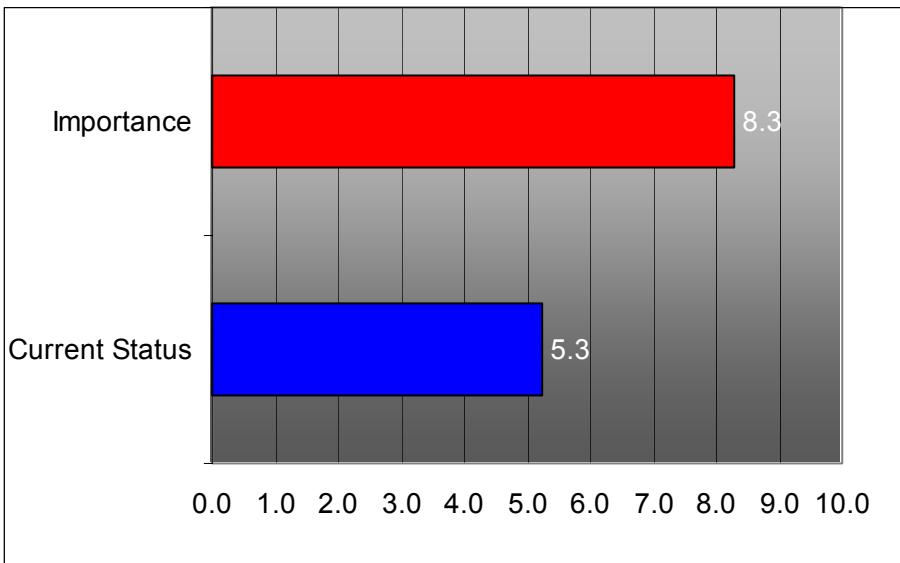
Question 5.3

In our organisation staff have been told to just use the CRM system, rather than being coached on the benefits of W.I.I.F.M (What's In It For Me) and W.I.I.F.O. (What's In It For Others).



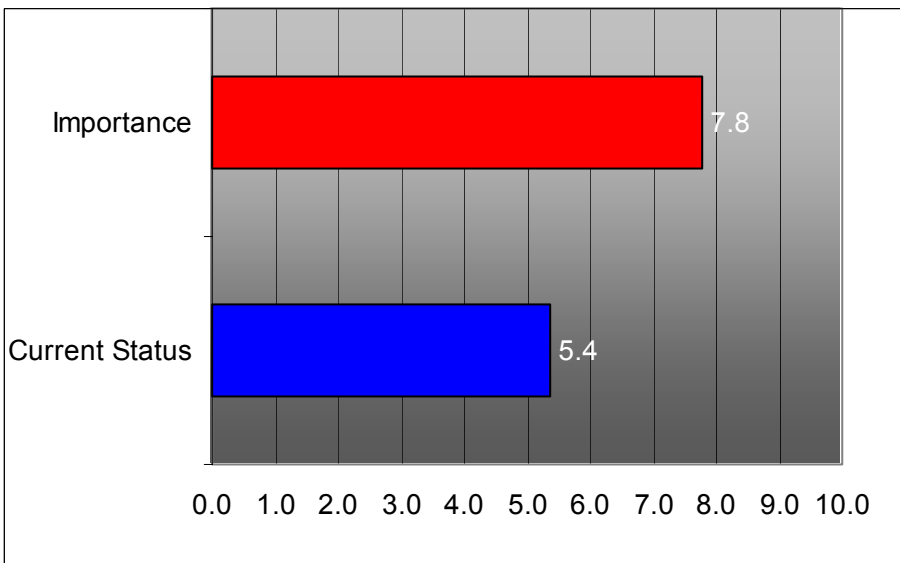
Question 5.4

CRM users can see and measure the benefits and their performance better with the CRM system.



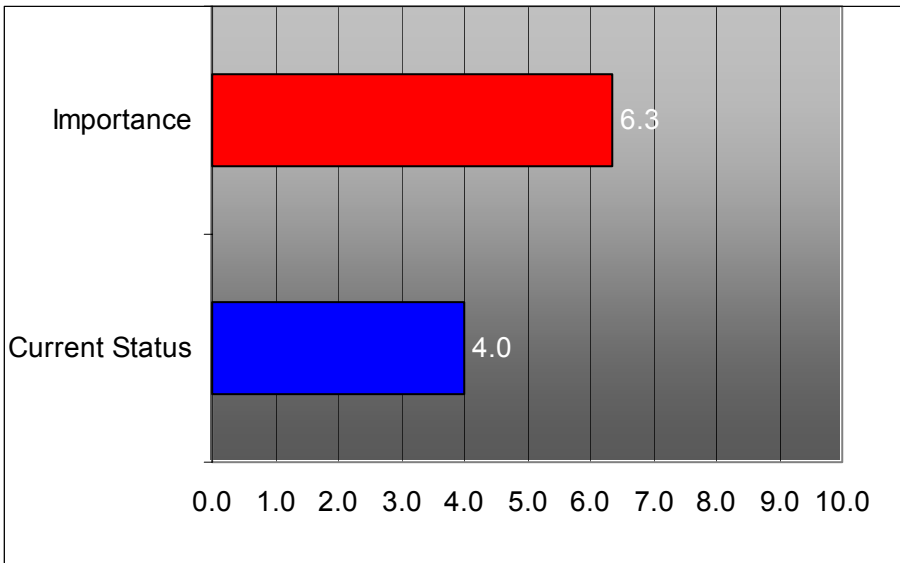
Question 5.5

We accept nothing less than 100 percent user buy-in with CRM. We make it clear that using the CRM system is not an option but that it is a requirement of employment. It's the way we do business.



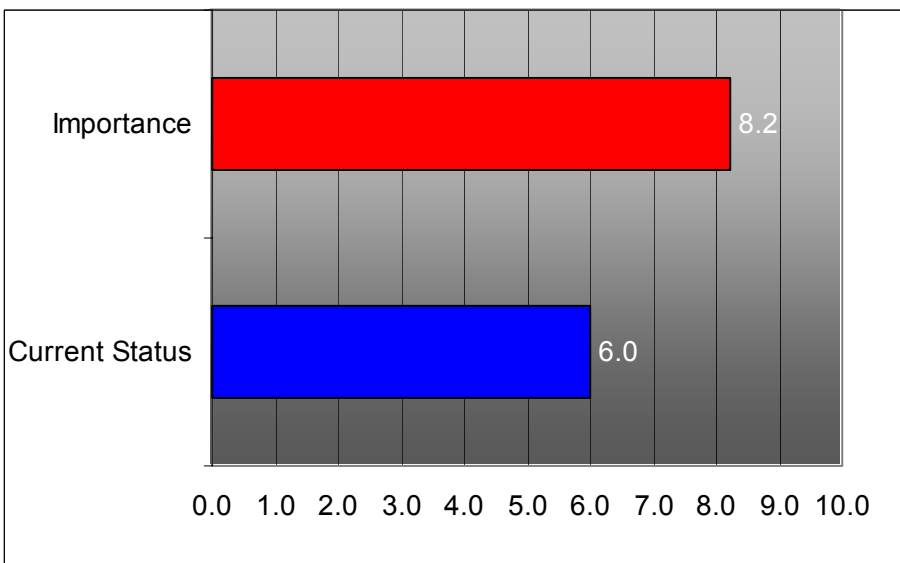
Question 5.6

Our CRM strategy has had an impact on the recruitment policies and the skills and attitudes required of potential candidates.



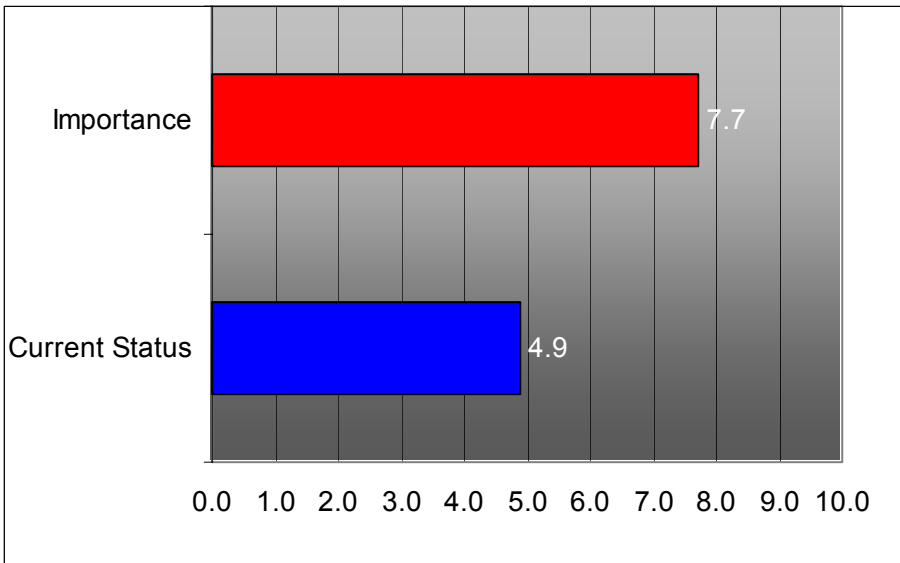
Question 5.7

CRM training for new and existing staff is considered pivotal to most roles and consists of the communication of the strategy, training on the use of the technology in their role and the ongoing measurement of an individual in relation to set CRM objectives.



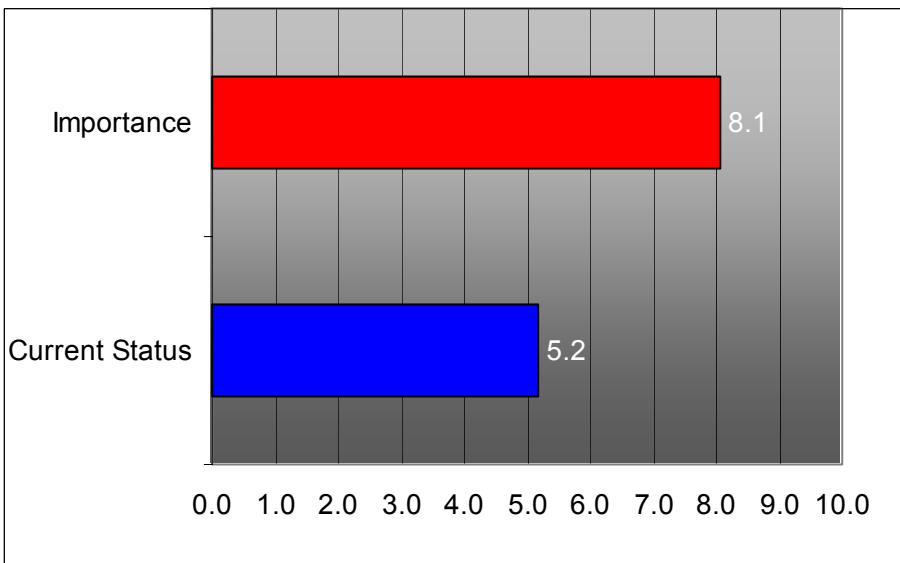
Question 5.8

CRM training is considered a continuous process and we regularly do refresher and updates training in line with strategic and tactical changes.



Question 5.9

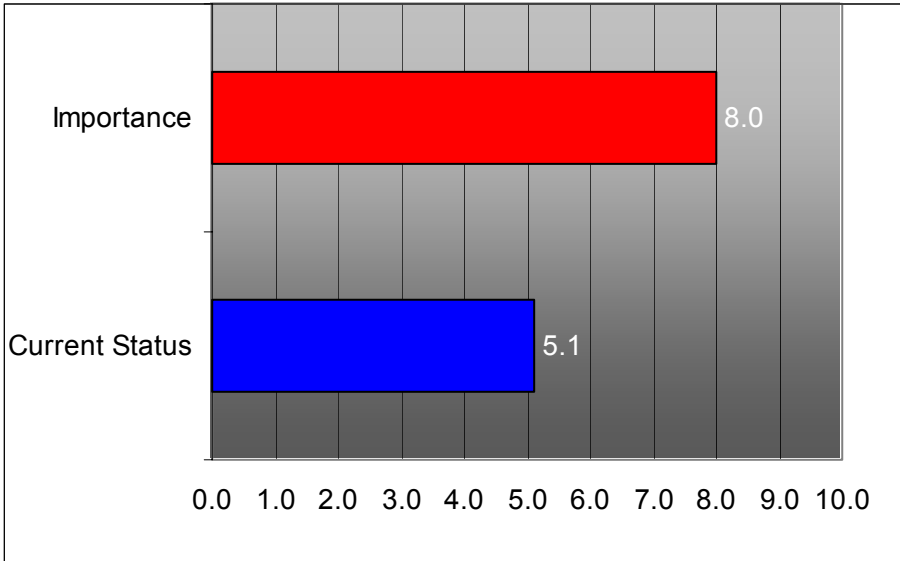
When performance is measured or scored, productivity improves. When performance is measured and reported back, the rate of improvement accelerates. In our organisation the CRM and management team provide feedback frequently in a positive and honest fashion.



Culture

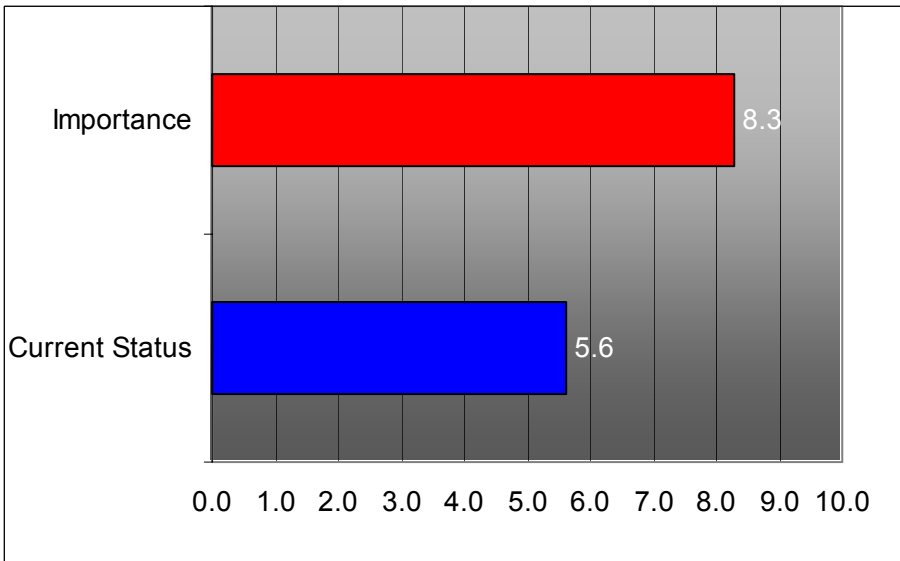
Question 6.1

In our organisation the SMT realised/es that our culture ("the ideas, customs and ways of doing things in the organisation") would have to change to maximise the return on the introduction of CRM.



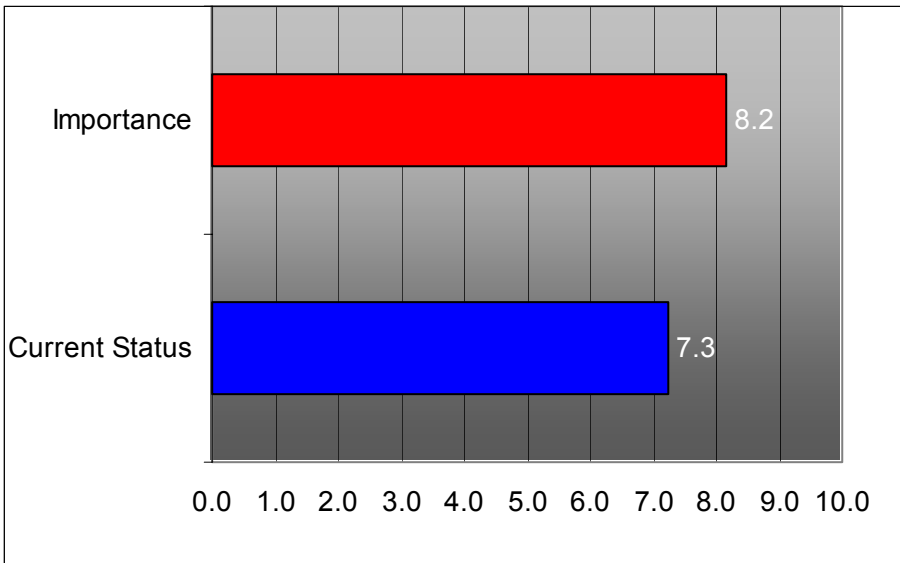
Question 6.2

We have created a cross-functional culture that rewards people for sharing information and collaborating.



Question 6.3

Our people do not have to get permission to do things, and people feel safe and trust that they are going to be judged on results not punished for taking risks.



Question 6.4

Our culture promotes a philosophy of continuous improvement and constructively challenging the status quo.

