

GETTING CRM RIGHT FROM THE START

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The world of Customer Relationship Management (CRM) is maturing, with Gartner projecting the CRM market to hit \$36.5 billion by 2017¹. While booming in terms of sales and complexity, this growth is undercut by lackluster customer results. According to a late 2013 report by Econsultancy, only 28% of companies are satisfied with their conversion rates. Before organizations can master new fields such as mobile and social CRM, they still must prove their competency in the CRM basics.



DROWNING IN DISCONNECTED DATA

Although there are many key performance indicators at play, many C-level executives evaluate the effectiveness of a CRM program based upon the marketing and sales engine's ability to convert leads into customers. An issue that underlies much of marketers' conversion disappointment is the tendency to underestimate the customer. When you consider today's hypermodern, digital consumers, not only is the customer always right, they're onto your tactics too.

Audiences are familiar with data collection – whether it's retailers asking for email addresses at the register, or research firms asking for professional details in exchange for a white paper. As such, there becomes an unspoken contract that if the customer is willing to surrender his or her data, it's being used to deliver a stronger, more consistent or targeted end user experience. Capturing data for data's sake is a breach of this "agreement." Harvesting quality data from the right channels is the only way for brands to hold up their end of the bargain.

From a more technical perspective, the problem is rooted in poor integration of CRM systems. Among the waterfall of data being collected within organizations, only a fraction of it can be translated into marketing action. To complicate matters this data is often siloed, preventing it from being shared with stakeholders in the position to influence or adjust marketing decisions. Further, only a little over a third of organizations, (37%) possess systems that are capable of integrating data between sales and service, support, channel, in-store or field assets².

Collecting actionable data and ensuring it is properly shared is only half the battle. The value of customer data has a short shelf life; traditional CRM insights represent little more than a snapshot in time, whether they're part of a larger trend or merely a fluke. With only 9% of organizations claiming that their customer intelligence systems produce real-time insights³, it's unsurprising that so many marketers struggle to meet their conversion expectations. Even when organizations gather data in real-time, many fall short by failing to act on it within a defined period of time before it loses value.

A PLEDGE TO MASTER THE BRILLIANT BASICS

If your company, like over 70% of businesses⁴, has been plagued by some of these CRM deficiencies, take comfort in knowing that a) these challenges are common and b) there are plenty of available remedies.

One proven approach is to consolidate each of your customer-facing business functions on a central CRM platform. This is where smaller, more nimble organizations have an edge – the more complex an organization, the less likely (or able) they are to deploy a single CRM application. Furthermore, depending on the size of your firm, this type of project may be better served by a phased implementation versus one major roll-out. Especially if multiple departments will be relying on the same platform, and if a variety of



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legacy applications will need to be replaced, this shift is one best made over time.

Regardless of company size, it is important to determine if a single CRM approach will work for your organization. It is not suitable for all types of businesses, such as in companies where individual departments depend on niche programs to manage customer needs. In situations where maintaining separate systems is unavoidable, there is still room to integrate across platforms. Having a 360-degree view of any given customer is contingent upon connecting all of the data points relevant to them. At the very least, businesses should allow different CRM systems to “talk” to each other so that departments are notified of any data-driven actions that take place. For example, if a life insurance sales team just sold a policy to a brand new customer, the marketing team should be made aware automatically so they can update their prospect lists accordingly.

Whichever method you choose, the end goal is having the ability to match up customers’ data and paint a full picture of who they are, what they need and what they’ll want later. Such advanced data management requires effort and planning, but is the mandatory foundation for mastering CRM basics and ensuring future scalability. There’s a vast selection of software tools (e.g., SQL and/or NoSQL databases) on the market to facilitate this step, so long as organizations are dedicated to building the best solution for their business and their customers.

Once companies have graduated from CRM 101, it’s time to think about the data you have in your arsenal and how it can be optimized for newer channels added down the road.

ACCESSING NEW FRONTIERS

The sooner organizations can perfect the basics of traditional CRM systems, the faster they’ll be in a position to experiment with the latest developments in customer insight technology.

Increasing customer activity on mobile devices presents an entirely new opportunity for organizations; integrating that mobile data into a CRM system presents its own set of opportunities and obstacles. First and foremost, organizations must determine if their customer have a need for mobile. From there it is important to keep in mind that integrating mobile data into a CRM system requires that the data be analyzed while understanding that: device sharing and query skewing, (a potential customer searches differently on their mobile device than on their desktop). That being said, mobile data provides a treasure trove of customer data, such as geolocation and other behavioral cues.

This largely untapped potential makes smartphones, tablets and wearables an especially promising source of customer insights. However, in order to fully reap the wealth of knowledge available, organizations must fine tune their CRM efforts in order to harvest the most relevant data, while ensuring that insights aren’t



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skewed by the nature of mobile search and website interaction.

Social CRM is another rising but poorly understood aspect of customer conversion, with organizations often using it to reduce costs or tailor offers to customers, but rarely succeeding at both. As highlighted by Salesforce's acquisition of social productivity start-up Monymoon, the ability to balance both priorities will become a requirement for many organizations.

When implemented well, mobile and social CRM can have a measurable impact a business's bottom line. Properly connecting these additional data sources into your organization's CRM system is another key stride towards a richer understanding of each individual customer. Having a larger volume of quality information ultimately translates into more sales, shorter sales cycles and a healthier revenue stream overall.

GEARING UP FOR SECOND WAVE CRM

Social and mobile only make up part of the second coming of CRM. In the next few years, one can only imagine how trends like wearable devices or the Internet of Things will transform customer relationship management further. Regardless of what the future brings, there are actions organizations can take now to set themselves up for simple growth down the line.

1. *Know thy customer*

Like all major marketing decisions, brands first need to arm themselves with a thorough understanding of where their customers are – and more insightfully, where they're going. Forget what other industries or competitors are adopting; the best indicator for change is found in the audience you're trying to convert. If your customer base isn't doing business with you on smartphones and tablets, don't make an unwise investment into mobile CRM yet.

Along those lines, gauge whether or not a new channel would actually solve a problem or fill a desire for your customers. We haven't yet reached a point where people buy new car insurance via an app while standing in line at the grocery store without comparing prices elsewhere), so auto-insurance companies are a prime example of a weak business case for launching a customer-facing mobile solution and integrating that solution and data with a CRM application.

2. *Integrate with a purpose*

Once you've validated the need and utility of a new CRM channel, be prepared to properly merge the data at hand. Start by envisioning the outcome you want (e.g., whether it's putting an initial social CRM focus just on Facebook rather than Facebook, Twitter and Instagram) and come to a conclusion about the type of data your business needs to make stronger, more impactful decisions.



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Again, start simple. Once you confirm or debunk the value of tracking customer actions in Facebook, then it's time to consider moving on or adding a focus on Twitter activity. Whether it's mobile or social information you're looking for, determine the best process for collecting this specific type of data, and the most accurate process for integrating it with the inputs you've gathered from other channels.

3. See through the “shiny new object”

It's all too easy to get caught up in the newness of things like social and mobile CRM. Any business trying to stay competitive would go to great lengths to get their hands on the latest and greatest in customer management technology. Smart businesses, however, are a little more particular. Without a clear determination of the value-add a new CRM tool brings over one or even five years, the process becomes muddled and the business becomes disjointed.

Map out a strategy for how a new CRM program would be managed proactively, and how its content would be kept relevant over time. More importantly, understand the risks of adoption. Taking on a channel as colossal as social means dealing with its ups, downs and 24/7/365 nature. Is your team equipped to dive into the business and legality of social media monitoring? Are the right support resources in place to maintain these new platforms?

As IT in all of its forms becomes more democratized throughout the enterprise world, a decision as specific as whether or not to expand CRM is one that requires front and back-office buy-in, not to mention c-level support.

DRIVING TOWARDS A MORE EDUCATED TOMORROW

As the scope and complexity of CRM continues to flourish, a solid footing in the basics of CRM becomes invaluable – whether you're adopting these tools for your own firm, or advising others through the process.

The novelty of CRM advancements means nothing without business substance. Adding social and mobile channels won't succeed if basic data management is still an afterthought – and your customers can sense that.

Building a CRM system based on trends alone is a lot like living in a beautiful new mansion where the plumbing doesn't work - as opulent as it may look on the outside, it's still unlivable. Make it a point to worry about your CRM's foundation first, and consider adding the guesthouse later.



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SOURCES

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