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11

Resetting Your CRM Strategy

Now you are on the final chapter. You've created a strategy. You've investigated specific topics like e-commerce and handling conflict. And you've been reminded in Chapter 10 that, to be successful, your CRM initiative needs to keep moving forward. What's left? Some how-to's for sustaining your CRM effort. In this chapter we'll apply a process for assessing, aligning, and continually renewing your CRM strategy.

Michael Hockmuller, a senior organizational development consultant for the City of Austin, TX, calls this process "conducting a corporate reset." As Michael explains, "We created this process as a check for our business plans, and find it works well for testing any organizational strategy. The purpose is to find alignment between what customers want, what our strategy tells us to do, and the tactics we've chosen to implement that strategy. Sometimes we are right on track, but usually one of two things has happened. Either customer needs have shifted, so our strategy no longer points us in the best direction. Or, there has been 'drift' in what employees are doing to implement the strategy. A corporate reset ensures that everyone is implementing the right strategy for the right reasons." We've customized this process for use in resetting your CRM Strategy.

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Follow Through

Most managers and executives begin strategy development with positive intentions about revisiting the process, renewing goals, and making adjustments to reflect market changes. Yet, in the hectic activities of day-to-day operations, those good intentions can fall to the wayside. To help you follow through:

- Set a date in your planner today for your first and second—and even third—CRM strategy reset. Make a written commitment to yourself to follow through.
- Include resetting your CRM strategy as one of your annual objectives. Make a commitment to your boss, and ask to be held accountable.

Ready, Set, Reset!

The process for resetting your CRM strategy has three phases. As in Chapter 4, where we looked at a process for creating your CRM strategy, the way that you implement this process will vary with the nature and complexity of your customer relationships. However, the basic roadmap remains the same. Phase 1 looks at how your CRM strategy is impacting your target customers. Is it working to create the experiences, the buying patterns, the recommendations, and the expanded business opportunities you originally sought to create? Phase 2 requires you to look internally. How well is your CRM strategy understood, received, and implemented by the employees responsible for creating and managing your customer relationships? In Phase 3 we take the information learned by looking outward and inward and use it to reset the CRM strategy.

Phase 1. Are You Hitting Your Target?

The ultimate test for your CRM strategy and the tactics you're using to implement it is *customer satisfaction*. Go back to your ideal Customer Service/Sales Profile. Are you getting the number of initial/stand-alone transactions that you want or need to give your profile a strong foundation? How about repeat customers? And customer advocates? Are the percentages of each of the three levels of customer relationship right for your business?

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Subjective and Objective

CRM measures can come in the form of *subjective* measures, such as customer satisfaction surveys or tracking complaints and compliments. And CRM measures can be *objective*, looking for hard data such as average length of transaction, transaction accuracy, ability to resolve customer issues in the first contact, and the like. Make sure you look at both.

There are at least four questions you need to ask in Phase 1 of your CRM strategy reset.

- *Are your CRM strategy measures in place?* You will typically have CRM measures at two levels. The first measure the overall CRM strategy and often look specifically at how well the CRM strategy contributes to the larger organizational business goals and objectives. The second measure the individual tactics you implement. For example, measures of customer retention or customer churn address overall business goals. Measures of length of time on hold or in line address tactics.
- *Is the data from your measures being collected, analyzed, and shared with the right people in your organization?* For example, comparing the two types of measures cited in the paragraph above can tell you which tactics contribute to your overall goals, which are neutral, and which may actually detract.

For Example

Knowing Enough

A call center manager who knows everything to know about average length of call but doesn't also know how that relates to customer satisfaction, customer loyalty and customer buying behaviors doesn't know enough.

- *Are the measures accurate?* Just because you have a system in place to capture CRM performance data, doesn't mean that that system is working.
- *Are your measures an appropriate reflection of your CRM strategy?* If, for example, your CRM strategy stresses creative and innovative solutions to customer problems and needs, that implies that you will value creative and inno-

vative employees. However, an organization we're familiar with tracked these "creative and innovative" solutions by asking employees to fill out "exception reports" every time they had to create a special solution. The tone of the measurement and tracking process made employees feel defensive and a bit concerned that they were going to get in trouble for working outside the box. This is not the way to encourage creative responses to customers.

Accurate Measures

For Example

Kristin Anderson recently worked with a client to analyze customer transaction data for trends in customer spending patterns. She was the first to notice that, depending on how you asked the POS (Point of Sale) system to run the data, you could get some very different numbers. Not good—and, actually very easily corrected—once the problem was surfaced.

Are you using inaccurate or misleading CRM performance measures?

The Reluctant Yes Problem

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"I don't get as concerned about hearing 'no' to one of these four questions, as I do about failing to hear a resounding 'yes,'" explains Steven Dietz, an OD consultant with the City of Austin, TX. "If I hear a 'no,' the problem is likely to be obvious to everyone, and it will be relatively easy to focus attention on fixing it. It's the qualified or reluctant 'yes' that can allow poorly aligned strategies and tactics to remain in place."

Phase 2. Does Your CRM Strategy Work for Your People?

This phase is about checking in with the employees responsible for creating, managing, and expanding customer relationships. Is your CRM strategy working for them? If they do not feel aligned with your CRM strategy, it won't matter how carefully you crafted it, and it will never live up to its potential.

We find that internal focus groups are a terrific tool for this phase. In a small department or functional area, you may want—and be easily able to—involve all employees. For larger

For Example

Missing the Mark

Carol Kerr recently signed up to rent movies at a new video store. Completing the 6-inch by 4-inch new member form, she noticed that it asked for her home phone number and ZIP code twice. Why? "Because that's the way we have to enter it into the data base. They use one phone number to search for your record. The other is so we can contact you if there is a problem."

It's great that the technology system is designed to easily pull up customer records, but asking the customer to write—and the service representative to enter—the same number twice doesn't make sense. Can you find examples in your department or area of CRM tactics, tools, or measures that miss the mark?

areas or for a company-wide CRM strategy, look to talk with a representative sample of employees.

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They're All Important

It's obvious to think about employees who have direct contact with your external or internal customers. Don't forget, however, to include the important employees who support them.

Create a discussion guide of the topics you wish to cover and the questions you will ask. Your discussion guide should also include:

- **Introductions.** Usually, you will ask someone outside your department, or even a professional focus group facilitator, to guide the discussion. The facilitator, often called the moderator, should introduce himself or herself and provide an opportunity for the participants to introduce themselves.
- **A statement of purpose.** Explain that you are working on resetting your CRM strategy and that their feedback is vital to the process.
- **A statement of confidentiality.** If you are recording the session, how will the audiotape be used? Usually, you will explain that the focus group report or summary will include participant comments, but that no participant will be identified by name.

Focus groups Guided discussion groups of six to ten participants. The purpose is to elicit reactions, ideas, and concerns. (Note: Focus groups are not a time to correct or educate.)

There are many great books and resources for conducting focus groups. We still go back to Ron Zemke and Thomas Kramlinger's classic *Figuring Things Out: A Manager's Guide to Needs and Task Analysis* (Addison-Wesley, 1982) for a description of the employee focus group process.

Folks from your organization's market research area will tell you that there is a science, with very specific rules, for conducting focus groups. We often take a more relaxed approach with internal focus groups, but for the novice facilitator it makes sense to start more formally and to use someone with experience as your focus group discussion leader.

- **Housekeeping about the process.** Tell the group how long the focus group will last. Plan for 90 minutes as an average length. You may want to ask participants to turn off pagers and cell phones.

Discussion questions for a CRM strategy reset may include:

- It's important for any business to create, maintain, and expand customer relationships. What approach or approaches does your department or functional area use to accomplish this? (The moderator may use a flip chart to capture a list of comments.)
- Do you believe (a particular approach) is working? Has it been helpful to you in your contacts with customers? Why or why not?
- What do you think your organization should do to create, maintain, and expand customer relationships?

One of the things that we often find is that support employees feel out of the loop when it comes to your CRM strategy. They may be focused on their specific job tasks but often feel disconnected about how and why their job duties are important to the company and its ability to serve and retain customers.

Special Treatment for Special Customers

To avoid routine responses, employees in all areas must continually focus on being sensitive to customer needs, especially when those needs change and process or tactics are realigned to better meet them.

One research firm began to do a lot of government contract business. Government customers have some unique needs. As you might expect, there is a lot of paperwork and a number of hoops to jump through when you are a supplier to a government agency.

The account managers failed to explain these new customer requirements to employees in an internal support area. These employees began to see the government customers as being unreasonable and demanding. They resented the special treatment these customers required.

After this attitude surfaced through an employee opinion survey, management was able to take steps. They met with this group and began to give them the information they needed to understand why government customers needed to be handled differently, how important this new segment was to overall business goals, and why the CRM strategy supported all these extra efforts to please this customer.

The result? Support services were no longer at odds with front-line contact employees and their government customers. Service and satisfaction improved for everyone.

TEAM LRN

Phase 3. Time for Change

Now, you're ready to create the reset for your CRM strategy. Pull together the information you gathered in Phase 1 and Phase 2. It may be helpful to display your key findings in two parts.

First, list the CRM strengths and successes you uncovered. It's important to acknowledge and celebrate what you're doing well.

The second part of your key findings identifies weaknesses. Prioritize this list. If your findings show that you need a major CRM strategy reset, revisit Chapter 4 and use that process once again.

More often, your list of weakness or opportunities will focus on specific CRM tactics and tools. You can address these in a working session with a group of the individuals responsible for

Is It Strategy or Tactics?

In our experience, CRM strategies have more longevity than CRM tools and tactics. As you move into Phase 3, be cautious about information that seems to say that you need to totally redesign your CRM strategy. More likely, it is the tactics and tools you're using to implement it that are misaligned.

We've seen more than one case where CRM databases and information collection tools hijacked the CRM strategy process. When tools drive the process, it's easy to get caught up in all the things you *could* do, or that customers *should* want, and to miss what they actually require and what works.

customer relationships. Again, use some of the brainstorming processes described in Chapter 4. And remember those Post-it™ notes we told you to keep—the ones that your team used to create your initial list of potential CRM strategies? Now is the time to pull them out, dust them off, and use them to jump-start your new discussions.

Don't Forget to Celebrate!

Usher in your reset CRM strategy and newly realigned tactics with a celebration of your successes. This can be a terrific time to do an annual awards event for employees in your organization or department who've gone above and beyond for customers or who contributed to your CRM approach with their innovative ideas.

Closing Words

There are three final thoughts we would like to leave you with as we bring this book to a close.

Having a clear and appropriate CRM strategy is a nonnegotiable for business today. Your CRM strategy should link to and support the overall business strategy and goals for your organization. This is as true for internal service-providing functional areas, as it is for non-profit and volunteer organizations, as it is for government organizations, as it is for traditional consumer retailers. It doesn't matter who your customers are, what types of products and services you provide, or what forces are acting upon your marketplace. Every manager needs a CRM approach

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Tool Test

How do you know if you have the right CRM tools? Certainly not by choosing the biggest and newest, the one with the most bells and whistles.

The right CRM tool for you is the one that:

- Allows you to implement your CRM strategy
- Works for you (and you and your team are willing to work it)
- Works for your customers, and
- Is affordable.

as a guide to business success.

CRM is a comprehensive approach for creating, maintaining and expanding customer relationships. It's a mistake to confuse your CRM approach with the tools and tactics you choose to help you implement it. Your CRM tools may be high-tech or low-tech.

CRM tools can't substitute for good customer service skills. At the end of the day, the best customer experiences are human and feel humane. It takes people—people who understand what customers want and who care about delivering it to them—to create those experience. Even if the customer and the service provider never meet, when solid customer-handling skills inform the design of the e-commerce interaction, satisfaction is increased.

We'd love to hear what you are doing to create, maintain and expand customer relationships. If you have a comment, a question, or an idea to share, please let us know. You can contact us by:

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Manager's Checklist for Chapter 11

❑ Conduct a CRM strategy reset to find alignment between what customers want and what your strategy tells you to do and the tactics you've chosen to implement that strategy.

- ❑ The ultimate test for your CRM strategy and the tactics you're using to implement it, is customer satisfaction.
- ❑ Resetting your CRM strategy has three phases: how your CRM strategy impacts target customers, how well your CRM strategy is understood, received and implemented by employees, and how to take what you learn to create the actual "reset."
- ❑ Having a clear CRM strategy is a non-negotiable.
- ❑ CRM is about your approach, not the size of your tools.
- ❑ CRM can't substitute for high quality customer service skills.