

The Big Giant Mortgage Company and the Big Giant CRM

(a true story)

What drives your CRM project?

Customer satisfaction?

Revenue targets?

Politics?

Spending budgeted money?

Users needs?

About three years ago, I spoke to an IT manager we'll call Tim*. This is a true story. Tim worked for a really, *really* big mortgage lending company in Southern California that we'll call "the Big Giant Mortgage Company." You know, the kind that was granting lots of home loans in those days. It was a really great time for the lending industry since interest rates were down, and the real estate market here in Southern California was hot, *hot*, *HOT*, and there were lots of home loan originations and refinance loans to generate lots of revenue.

You can imagine the issues that the Big Giant Mortgage Company was encountering in the then "craze" of "refi's" and homes being sold as soon as the sign went up on the front lawn. Their challenges included: (A) hundreds of leads flying in from newspaper, magazine, radio and TV ads, with a need to manage them, track their source, and to spend more money on the most productive advertising media, etc. (B) In addition, the marketing department needed to quickly get those leads to telemarketers who follow up on them, to convince the prospect that the Big Giant Mortgage Company was the best lender to work with.

Next, the qualified leads that traveled from the advertising source, through telemarketing, found their way to the licensed loan reps, who determined the client's credit rating and the best loan for their needs and budget. If the relationship was a good match, the loan traveled to underwriting, where all of this paperwork became an official loan document. The borrower must meet with the lender to sign the paperwork for final processing and all of these events must be scheduled, tracked and followed up on quickly.

Obviously, these folks need some help managing all of the potential revenue they stood to gain with the initiation of new loans, as well as, the refinancing and servicing of existing loans. They needed a customer relationship management solution and they need it *fast*. Enter the dog and pony show from every vendor courting the Big Giant Mortgage Company.

And the Big Giant Mortgage Company bought one all right... the biggest one they could find. They fell hook, line and sinker for all the smoke and mirrors of... we'll call it "the Big Giant CRM." So, if you are one of those families that owns a SUV the size of a big giant semi-truck and trailer, you know what I mean. You may be a good prospect for the Big Giant CRM, too.

Why did they buy the biggest CRM solution they could find? Good question! I think it can be compared to an infant's need for a security blanket. Studies have shown that the need for security in the choice of a CRM solution, is similar to a child's need for a security blanket – there is no well-founded need for the blanket nor for the Big Giant CRM company – except that it makes the owner "feel" better and not so vulnerable.

The truth is... the Big Giant CRM will no doubt cost your organization more to buy, implement and maintain, and likely not deliver any more value than one at half or even a quarter of the cost. If you are a shareholder of the Big Giant Mortgage Company, is this how you want your money spent? If you own a big giant SUV with all the bells and whistles and you rarely if ever – probably *never* – haul the full capacity of eight kids around or fill it to the brim with cargo, then you don't have to answer that question. The rest of us know your reasoning (or

lack thereof.) In fact, you may be a good candidate to work at a big giant company and buy big giant software applications.

Now back to our story and Tim, the IT guy... Tim stated that the Big Giant Mortgage Company needed the system up and running *immediately*, since the lending market was so HOT! They were trying to deploy the Big Giant CRM across 20 divisions and they were having a hard time integrating it to the IBM iSeries platform servers they ran on. But, by the way, the Big Giant CRM publicly stated they no longer support the iSeries server long before this sale ever took place. Shame on the Big Giant Mortgage Company for not doing their homework and making that decision! We tried to tell them! Then they came to the realization that the Big Giant CRM implementation would be a "multi-year" project. SURPRISE! We told them that, too. When do they need it? *Now!* Remember, this was a hot market for lenders.

I asked if he had groups knocking on his door with 20 to 100 users who just need a CRM solution *now* to manage their business. Tim said, "Often, and we make them use the Big Giant CRM." Then I asked, "But what happens now that the Big Giant CRM isn't ready for three years?" Tim replied, "That's another issue!" So I asked, "Isn't it important to the business to have a CRM tool that isn't so costly and doesn't take so long to deploy?" Tim replied, "They're going to get the Big Giant CRM."

Bells went off! Tim was speaking in code! Translated, Tim's answer meant, "They didn't ask me!" Tim – their own IT manager – was not consulted by management about this purchase and they will pay for it dearly in lost opportunities and efficiency, project overrun costs and overpayment, not to mention years of added IT staff and IT time to keep it up and running – all for an expensive security blanket for which Tim is noticeably lacking in enthusiasm. Then the phone went dead as Tim's nose hit the grindstone again.

Where do the needs of their *customers* fit into this? What is the cost to delay the launch of the CRM tool for three years when they need it *yesterday*? How much money are they losing while deploying the Big Giant CRM? I venture to say that they are losing millions of dollars! ...And most hilarious of all, the Big Giant CRM will be obsolete in three years when it is installed! Please muffle your laughter so as not to disturb your office and cubicle neighbors. Real-life situations make the funniest stories. Maybe you can learn something from this one.

Rich Hall is an author, humorist and public speaker, who three years ago was Vice President of Sales and Marketing at Touchtone Corporation, a developer of CRM solutions for the IBM iSeries, hosted CRM solutions and WebSphere CRM solutions. Rich has over 20 years of sales and marketing experience with high-tech companies such as TRW, Pitney Bowes, Parker Hannifin and Cooper Industries. He polishes his comedy routines at Toastmasters International and during interminable departmental meetings. Please contact Touchtone Corporation info@touchtonecorp.com or (714) 755-2810 for questions about less expensive and more quickly implemented Wintouch CRM for the iSeries.

**Name changed to protect the innocent*