

What Do C-level Executives See as the Biggest CRM Challenge?

A White Paper
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I have discussed the value of CRM with hundreds of company presidents, managers, IT staff members and customer service employees. Almost all of these functional groups agree that Customer Relationship Management can have real value for their organization.

Oh sure, occasionally I encounter a high level executive or sales manager who says that they don't need CRM because they have only 10 major customers or they only manufacture 5 products. They give a weak excuse about why they don't need to treat their customers better or improve their efficiency. The bottom line in all these cases is that they are relying on the memories and relationships of their staff and their ability to communicate well with all other departments that interface with the customer. We all know that employees don't stay forever anymore and that every department doesn't always know what every other department is doing. And if they do, then they are spending too much time talking to each other anyway! Some day, these "I don't need it" folks will learn! We'll give them a few more years to realize it, or to "run the numbers" and have an awakening. In the meanwhile, let's get back to the biggest CRM challenge...

C-level executives see the biggest challenge they face when considering CRM, buying CRM, or having already implemented CRM, is teaching the users the value of the information, so they can take full advantage of the power of that information.

Companies who have succeeded thus far by passing customers from department to department (one department to get prices, another for delivery, another for quotations, another for order status, and finally another for credit terms, etc.) – essentially ignoring the customer's needs – may not know how to take good care of customers. The availability of past sales figures on a customer's account screen may mean nothing to a customer service rep (CSR) if they haven't used this information to their advantage before. To know what share of your product lines a customer has purchased from you versus the competition may never have been available in the past. Hopefully the lights will start to go on, and they will realize that this information can have very real value. All too often, however, customer-facing employees have not had this information or been trained how to use it.

CSRs may not know anything about how orders are produced, or how the order gets to the shipping department, or what the credit department does to approve a customer's credit. Inside sales may be mainly order-takers and not think of the other product lines that the customer could be buying from their company or how to bring this to the customer's attention. And they most likely do not have easy access to this information. Many CRM solutions have not been integrated at all with back-end data – to show order information, marketing or financial data, inventory or production status – thus leaving the

sales and customer service staff in the dark about who this customer really is and what they really need. More importantly, you need to know what this customer's potential value is to your organization. Not having this back-end information shortchanges the potential value of the CRM system. And all too often, it leaves CRM performing only a contact management role. Even some of the biggest CRM systems costing millions of dollars have been unfortunately misapplied and poorly installed. No wonder that CRM has received such a bad rap!

Why are CRM systems installed without integration to the back end? Sometimes corporate management is not listening to their IT people. Generally the IT people know what will integrate best with the existing data. For example, if the customer has their customer data in a DB2 database, installing a Windows-based SQL database CRM software is not the best choice. Other reasons may include:

- Whoever was in charge of buying the CRM software did not know the value of accessing and integrating the existing customer data
- If sales or marketing is charged with selecting the CRM software, they may not know what server is used for orders, order history, inventory, production and financial data
- Some buyers are choosing solutions for the appearance of the user interface or an "attractive desktop"
- Tight integration with a popular though possibly less important application, such as email or calendaring
- Some existing ERP systems have lost their luster and CRM buyers think they should move the entire company to a new system and server platform, which often cripples the company for years and gets no better results than upgrading the old system or providing access to the existing ERP data with a CRM system
- The proper skills to define the integration needed or to maintain it may not exist in the current IT group

For any of these reasons, CRM benefits may be lost if the system is not integrated properly with the existing company data and software. While this may seem like a difficult or expensive task, much of the difficulty and cost may be kept in check by simply selecting the right software and/or vendors in the first place. So, the integration is definitely the key to realizing the promised benefits of CRM, but biggest challenge is still ahead...

The bottom line is that CRM is a tool that all employees need to be trained to use – and I'm not referring to a training program on what the software can do and which buttons to push. While this is important and users need to be proficient on the features needed for their particular role, they need training on how to use the CRM solution to impact the bottom line! It certainly helps if your employees know how to find out what a given customer bought last year, but what may generate *more* revenue is knowing why the customer isn't buying the same item from us this year.

Much of the knowledge needed by CRM users centers around solution selling techniques. Customer-facing employees should be able to interact with customers, to determine their needs, what they want or don't want, if the price is acceptable, etc., and this information should translate into solutions to problems for your customers and



additional sales opportunities for your firm. These questions should reveal cross-sell and up-sell opportunities, new product ideas, outdated pricing (low and high), customer service and sales deficiencies, poor treatment by the any department, etc. The biggest challenge is then acting on this information.

Acting on the data may take many forms – from new responses by the CSR, to forwarding feedback to the marketing department. This may entail a new empowerment of the inside sales group or CSR team to be able to discount prices, change sales reps or send out replacement products that were damaged in shipment. Other uses of the data may include halting a shipment due to poor credit or an added fee to make this a profitable order.

Some of this data should flow back to the marketing department. This information could drive the development of profitable new product lines, product extensions, or more profitable pricing strategies. Management may want to restructure the way the customer is handled with realigned customer service or sales organizations. Managers, however, must welcome information whether good or bad. Then systems must be put in place to act on this valuable information. Sometimes this role falls to a CRM Director or VP, or possibly a business development or marketing person.

The combination of having the right information available to the right people, and the users' ability and knowledge to act on the data, are what make CRM highly successful. One without the other has little value. The question is... Where does your company stand? Do you have the tools? Do your employees know how to uncover opportunities and generate revenue with them?

If your organization is missing either piece of the puzzle you must take steps to correct the problem. If you don't have CRM, and you don't see the value, talk to some experts or CRM software companies to get their input on your particular situation. Unless you are an extremely unusual company, you are loosing money every day by not benefiting from the ROI that CRM can return throughout your organization. If you have a well-integrated CRM tool in place, but are not seeing the return on your investment, then it's likely that your employees are not trained to use the system in concert with the customer service and sales skills that can win new business and cut costs.

Wintouch eCRM is a CRM solution that allows users to view data about the customer, such as: recent sales, inventory, orders placed, credit status, opportunity focus, contacts, etc. This data enables all staff members to be up to speed on account status and potential, and empowers your employees to know what to ask, to get more business! Wintouch is available in an IBM iSeries-based client/server version, which can be fully integrated with your existing AS/400 servers, software and data. For additional information, please contact Touchtone Corporation.

About the Author...

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