

Getting The C Back Into CRM Cutting Through the Hype and Organizational Fog

The concept of Customer Relationship Management (CRM) has been with us for a number of years now and yet the industry continues to struggle with a definition and user organizations continue to experience abysmal success rates. What's wrong with this picture? Why are we collectively struggling?

To start with, the technology and information required to establish a true CRM capability is enormous and goes beyond convenient industry boundaries in terms of a certain type of application. Likewise, an organizational commitment to CRM implies a shift from a functional stovepipe management to a customer centered delivery process orientation; this represents major organizational change. The truth is, that the track records for successful installation of monolithic systems and major organizational change management initiatives are both poor, so it should come as no surprise that CRM initiatives have a poor success rate.

Defining CRM

Though tempted, I will not enter the CRM definition sweepstakes; however, I will submit to you that the word "Customer" is in there for a purpose and we neglect it at our peril. First and foremost we must recognize that CRM is a business strategy that commits the organization to the delivery of superior value to its customers. This is a CEO or General Manager type of directive and must be backed with an effective change management initiative.

The second component of the CRM definition is the enabling part and includes the technology piece. Better stated, it involves the use of technology to establish an infrastructure that supports the business strategy. This infrastructure can involve a wide breadth of technologies and therein lies the problem of description.

Do Not Pass Go

The obvious words of wisdom here are, if you don't have the business strategy component of the definition then stop the initiative. CRM is not a bottom up initiative.

The Broader Perspective

Most senior managers realize that they must pursue growth strategies to generate shareholder value. The rate of change within the marketplace is also painfully evident to everyone in business; therefore, a second major area of concern is the ability for the organization to adapt to new processes and tactics. The third trend is the increased awareness of the need for balanced metrics that reinforce corporate strategy and guide decision-making. All of these trends favor a customer-focused strategy but the linkage between management direction and change management needs to be made explicit to gain the right type of support and leadership to gain success.

Customer Relationship Management is all about learning the values, needs, and behavior of prospects and customers. The objective of this learning process is to determine how to deliver superior value in a profitable manner. To accomplish this objective implies that the organization gathers information regarding the customer and relates that information to operational decisions and processes. By its very nature, it is an adaptive and interactive process; it is evolutionary rather than revolutionary. At the same time, organizations can ill afford to study these issues to death; therefore, it is key to establish a strategy and a framework for sequential improvement. In

this manner, the Customer is placed back into CRM and user organizations will focus on adaptability and continuous change.

About GSP & Associates

GSP & Associates, Inc. is a consultancy that is dedicated to helping user organizations to leverage their investment in CRM related tools. The company provides expertise in the strategic and operational application of CRM tools, sales tools, sales process modeling, and business case development and ROI analysis.



About The Author

Glen S. Petersen is an internationally recognized speaker, writer, practitioner, and thought leader in the Customer Relationship Management (CRM) and e-Business industries. Mr. Petersen has held senior level management positions with systems integration and end user organizations. As a visionary and early adopter of Sales Force Automation (SFA), in 1986 Mr. Petersen led one of the first successful national implementations of SFA in the United States. Realizing the tremendous future of this new technology,

Mr. Petersen joined a SFA software start-up company in 1988 and had the pleasure of working with many of the pioneering organizations that deployed sales force automation at a time when most organizations were unaware of its existence. In 1991, Mr. Petersen left the vendor community to do consulting. This experience combined with his background in operational and strategic planning places Mr. Petersen in a unique position to advise and assist clients in this challenging area of change management and technology integration. During this period, Mr. Petersen has developed a number of proprietary facilitation techniques, which help organizations to better understand the potential of these technologies, and how to rally the organization around a single threaded, phased implementation approach. Prior to founding GSP & Associates, Mr. Petersen was Senior Vice President at ONE, Inc. and Ameridata, a \$1.3B provider of hardware, software, and services. In these positions, Mr. Petersen sold and directed operational strategy engagements and helped major corporations articulate and justify their CRM and e-Business initiatives.

Mr. Petersen is the author of six books:

- *High-Impact Sales Force Automation: A Strategic Perspective*
- *CRMS: ROI & Results Measurement*
- *Leadership and Alignment in a Customer Centric World*
- *ROI: Building the CRM Business Case*
- *CRM Best Practices: Self Assessment*
- *Making CRM An Operational Reality*

Mr. Petersen can be reached at 505-771-1956 or gpetersen@competitiveperformance.com