



BUSINESS TECHNOLOGY

Managing your customers

Customer Relationship Management software promises to improve your business by bringing together all the information about your customers in one place. But, as **Simon Sharwood** discovers, your business must want to be improved.

CUSTOMER relationship management (CRM) software has a tantalising name. It's easy to imagine that merely acquiring and installing these products will quickly make your customers putty in your hands, thanks to the software's ability to record interactions with your clients, analyse which are your best customers, project a sales pipeline or co-ordinate a marketing campaign!

The truth, as always, is rather less exciting.

"Most people have a cargo cult view of CRM," says Paul Davidson, CIO of hosted CRM vendor PipeVines. "Somehow they think it will change their business because people are trapped in this myth of technology, that somehow it will do everything for them."

The reality of the situation, he says, is that CRM "is all about the culture and ethos of the business, not the technology."

To make CRM work, he therefore recommends developing an understanding of "what you want to know about your customers and what you want to communicate with them. If you cannot write down the half a dozen things you want to achieve, all the technology will do is make it more complex and less achievable.

"If you do not have a business plan and a clear idea of how this is going to work, forget it."

Developing a plan

How can you develop a plan for CRM? "The first thing we always do when installing CRM is to meet with the Chief Financial Officer or someone who will be a champion in the business to get commitment for the project," says Catherine Eibner, Director and Founder of system integrator Cybner Pty Ltd, which specialises in CRM for small businesses.

"If you do not have that support you are at a loss to begin with." Eibner's next step is to conduct a process review, the better to understand how CRM can make a difference to a business' staff.

"When you are in the same job every day you cannot see the forest from the trees," she says. "A process review means we lock in a certain number of days, ask about the processes the client uses and the frustrations they have. We try to see where people are overlapping and perform a detailed review of the organisation's operations."

The results of such a review can help to determine the outcomes CRM is designed to achieve and also make it easier to explain the system to your staff. "People need to know that their work will become more valuable," Eibner says. "CRM achieves that by changing internal processes.



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“CRM can mean that your sales people do not spend so much time looking in three places for information about a customer. That means they come across as more professional and deal with your customers more effectively.” It also improves productivity. “When CRM works, you do not need to spend 20 minutes in the accounts system figuring out if a customer has paid you before you call asking for another order.” ▶

CRM AND RETAILERS

CRM is often pitched as a tool for business-to-business sales, but Andrew Gorecki, co-Founder and Managing Director of retail management software vendor Retail Directions, says it has applications for retailers too.

“Knowing your customer individually may be more valuable if the nature of your business is focused on the life-time value of the customer, for example, a Mercedes dealership,” he says. “If the nature of your business is focused on a single transaction, such as at a supermarket, then knowing statistical patterns may be more important than talking directly to customers.”

Gorecki offers two scenarios that can be enabled by CRM.

“Does your business have a system which tracks sale transactions against specific customers and then allows you to identify customers which could be targeted via direct marketing?” he asks. “For example, can you see that a customer bought oil paints three times last year, but never bought canvas?” If you wonder why, CRM can offer answers.

Another scenario he suggests is using customer information in a CRM system to bring your customers back with offers like “If you present this letter in our shop in January, we will give you a 15 per cent discount on the canvas on your choice.”

Simplicity is key

That kind of improvement is easy to explain to your staff and will probably arouse their interest. But unless you make CRM — and these scenarios — easy to achieve, many staff simply won't use CRM, or won't use it to its full potential.

“In a small business, there is no time for a learning curve,” Eibner says. “Your people need to be able to figure out how to get it working quickly.”

Daniel Banik, founder of August, a Melbourne-based digital creative agency, expresses similar sentiments. “Small business does not have the time/resources to have their sales force in training for a week to learn how to use the software. Like martial arts, CRM should start with a ‘white belt’, low-level commitment solution, that enables users to learn it quickly, starting with some basic functionality, and then over time, as they become more familiar, more complex functionality can be introduced.”

Eibner recommends CRM that integrates with tools your staff already know and use. Several CRM systems achieve this by integrating with Microsoft's Outlook email and contact management software, a program that many people use almost non-stop through their working days and which therefore eases CRM adoption.

Familiar tools for operating CRM also help to overcome users' objections to the system.

“If people argue with you about CRM, it is not going to work,” Eibner says. “It tends to be a cultural thing.” Using software that is already part of your business' working culture is therefore an important way to help spur adoption.

Another trick to make CRM work is using dedicated software. Plenty of applications claim to have CRM capabilities but PipeVines' Davidson warns that software needs to be designed from the ground up to deliver CRM.

“When people take a transactional system and try to turn it into something that captures time sensitive information about customers, that is when it falls over,” he warns.

Flexibility for the future

Another important quality for a CRM system is flexibility. “To be successful, it has to be able to change with the business,” says Catherine Eibner. “If it is stagnant and hard to change it will not work because small businesses are dynamic.”

“If you decide to stop working on a project basis and move to a consulting model, the CRM needs to be changeable and adapt to your business.”

CRM also need to be flexible enough to let your people express themselves or use their instincts, instead of proscribing how and when they talk to customers.

“Automated CRM that appears system-generated is counterproductive,” says August's Daniel Banki. “We are talking about building human relationships, and obviously systems-generated email contact is not going to cut it. Clients are becoming a lot savvier about this. CRM can prompt sales staff to contact a client, but what is the value in an empty, no-purpose email or phone call?” ●



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ADVANTAGES OF HOSTED CRM

Few discussions about CRM get far without mention of hosted CRM, an arrangement that sees the CRM applications used with only a web browser and offered on a rental basis, instead of requiring a business to acquire and install their own software.

Hosted CRM sees the provider operate a colossal data centre where its application is tended under conditions that greatly enhance reliability and security. Hosted solutions are said to be cheaper to acquire and operate, while also enhancing flexibility by making it possible to access CRM from any device – including mobile phones – that has a web browser.

The hosted CRM approach was appealing to Steven Fine, a Director with five-person executive search firm Templeton Hart. “CRM is absolutely critical in our business,” he says. “It’s a relationship business from the client side and the candidate side.”

Fine chose hosted CRM for two reasons. “Number one, we can access it from anywhere,” he says, with mobility an important factor as the company’s

staff all work from different locations. “Number two was that it is user friendly and highly customisable.”

“It has allowed me to have an idea of where the business is at, at any time. We can measure what the week looks like and what is taking most of our time, whether it is talking to candidates, or to clients, or assess candidate search activity vs. interviewing time.

“The main benefit of it is the statistics give you a means to understand what you need to do to improve,” he says. “It goes well beyond just customer management.”

Fine says getting his team to use CRM was easy.

“If information is not in CRM, it never happened,” he says. “The system allows you to put in compulsory fields so that staff cannot get to the next stage unless they enter the right data.” The company’s team therefore cannot do their job without CRM, a regime that made adoption a no-brainer!

CRM can mean that your sales people do not spend so much time looking in three places for information about a customer. That means they come across as more professional and deal with your customers more effectively.