White Paper

The Need for Customer-Centric CRM

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Most CRM software is strongly focussed on the sales department. It was designed by first observing what sales people do, then attempting to monitor, automate and measure these functions. Unfortunately, for most businesses, it does little to increase revenue.

The problem is that by focusing on the mechanics of the sales operation, such software implicitly assumes that the salesperson is the sole factor in making a sale and expects him or her to fight alone in an uphill battle against the customer's perception of the company, its products and its level of service. Most CRM software cannot even be used by other departments within the company, so it is hardly surprising that it does nothing to ensure that these departments meet the customer's needs and forge the kind of long-term relationships that lead to repeat sales.

Further, most CRM software was not even designed to make salespeople more productive, but rather to appeal to the manager who recommends its purchase. In brief, the CRM industry has designed software to meet the needs of:

1) The sales manager

2) The sales representative

Some of these packages offer superb analysis tools, with real-time interactive reports and multimodal drill-down capability, but to what purpose? These tools bring no direct benefit to the customer and in end, they may not even help their managers, because CEOs prefer success to a detailed analysis of failure. Success requires customers, happy customers, repeat customers... reference customers! The more the better.

Developing this kind of success requires a CRM system that directly addresses the needs of customers and focuses the whole organization on the execution flow from sales to support and upgrades. Such a product must satisfy the needs of:

1) The customer (both potential and existing)

2) The sales representative

3) The sales manager

Of course, this new CRM software must also provide detailed sales analytics, but its focus is very different from existing Customer Relationship Management software, as exemplified by the Microsoft CRM suite. This suite was widely hailed as the most dramatic CRM development for years, destined to shake the industry, etc, etc. Yet customers cannot use their suppliers' installations to check the status of an order or bug report in fact, they cannot even login to it. It's a CRM product that has no customer interface and this omission is the rule rather the exception! This illustrates the extent to which the "Customer" in Customer Relationship Management has been forgotten.

Let's consider a personal example; I recently received a call from a co-location provider whose facilities we had used some years back. I will not reveal their real name, but simply refer to them as Monumentally Flaky Networks. We dropped them as suppliers because they did not return phone calls, took days to respond to emails, sent warnings of outages to the wrong address and generally screwed up at every opportunity. As a result, my feelings towards these folk are not kind and the sales guy never had a chance. He could have offered a T3 line and 80 units of rack-space for $50 per month and I would still have slammed down the phone. Yet his time was wasted on the call, the phone company charged them for it, and the failure will still show up as a small negative on his performance report. This is a company that invested a lot of time and money on a well-known CRM system, software that probably scheduled the call, but did absolutely nothing to retain me as a customer.

So, what could they have done and what can you do to ensure that you both attract new customers and retain existing ones? The answers lie in examining the needs of the three constituencies listed above, starting with the most important of them the customer.

Customer Requirements

One of the great things about this forgotten constituency is that you can get a good feel for their needs by simply asking yourself what kind of company you like to do business with. I do not claim to speak for everyone, but here are some of the attributes that I look for in suppliers:

A good corporate memory

Whether I am talking to sales, support, marketing or business development, I expect the individual to have accurate information about my account and past interactions. The software must track and maintain this information across all departments.

Responsiveness to email

When I submit an email, I expect an immediate response confirming that it has been received, along with a tracking number that I can refer to in telephone conversations.

Accurate and timely information

Except for proprietary data, which may include pricing information, I expect to get the answers that I need at any time, day or night. This implies that the software must include a dynamic FAQ system that covers both sales and support issues. A static FAQ with a dozen questions and answers is rarely adequate.

For the supplier to give me an accurate response to questions that are not answered in the FAQ, it has to collect accurate information, such as what operating system am I using? How many seats do I want to purchase? How exactly can my problem be replicated?

This requires web-forms tailored for each department and interaction type forms that ensure the necessary information is gathered without rounds of telephone tag.

An interface in my own language

My language happens to be English, so this is seldom a problem, but imagine how the rest of the world feels. The web-forms by which the user submits or responds to inquiries must prompt the user in his or her language.

Guaranteed service levels

If the company promises to respond to issues within X hours or Y days, I expect it to do so. The software needs to notify the appropriate individuals to ensure that service levels are met.

Your top issues may well be different from the items listed above. The needs of customers are highly variable, especially in business-to-business relationships, and this brings us to an absolutely critical requirement for effective sales software.

Because the sales process depends on the cooperation of multiple departments performing different functions, sales software must be configurable to meet the needs of each department within the supplier company. This often requires custom business objects and relationships.

For example, a drug company may need to track FDA directives while an accounting organization tracks SEC filings and their relevance to each of the companies in their portfolio. For B2B organizations, the software must be configurable to meet the needs of individual customers. One customer may want a weekly status report on the progress of a custom order, while another wants daily reports, and a third just wants to login to the web-site on an ad-hoc basis.

This level of customization should not require the assistance of IT staff or programmers. Unless the business manager or the customers themselves can easily do it, the system will never stay abreast of ever-changing requirements.

Sales-Person Requirements

A similar set of attributes serves the needs of the sales person. Now that he or she has access to all the customer information, it is possible to make a pitch appropriate for the individual customer, whether it be an upgrade to the service contract, a new product offering or to request a referral.

Effective software empowers sales people by providing them with better information and taking the drudgery out of its use. For example, it should be easy to find all the customers who have expressed interest in a new feature over the last three months, write a single letter that the software automatically fills in with their names, and provide price quotes to those who express an interest.

Sales-Manager Requirements

Effective sales software will enable the sales manager to do far more than wring additional coldcalls-per-day out of the sales team. There is certainly a place for such metrics, but the greatest benefits may derive from helping resolve blocks in the sales process. For example, automatic customer surveys can identify which sales and support representatives not only closed the most issues, but also made the customers feel welcome.

In brief, the software must be both highly sophisticated and easy to use or customize by the business managers themselves, without the assistance of programming staff. This combination of power and simplicity is not easy to achieve such a software suite requires experience, hard work and some pure wizardry.

Conclusion

Sales depend on more than the sales department, they depend on the entire organization working together to determine and satisfy the needs of the customer, turning initial sales into repeat sales and turning ordinary customers into reference accounts.

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CRM software will only show significant paybacks when it supports active collaboration between suppliers and their customers.

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