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Customers want service, not relationship management

My previous column focused on the market backlash and poor success statistics that have created a crisis of confidence for the CRM software industry. In some cases vendors are to blame, over-promising and under-delivering, or taking liberties with the definition of CRM software to match whatever functionality their products have to offer. In other cases customers are to blame, focusing on software instead of customers, or setting objectives which are unrealistic or inappropriate. Having the right perspective from the outset can help your organization avoid these pitfalls while reaping the rewards of becoming more customer-centric.

To begin with, forget about the term “CRM” or Customer Relationship Management. Customers don’t want their vendor relationship managed, they want to be served! Ultimately every company exists to service the needs of their customers; do you know how well your organization is servicing its customers?

Business 101 teaches you that it’s cheaper to keep a customer than it is to find a new one, so begin your journey by finding out how you are doing with your existing customers. Surveys, focus groups, and even one-on-one customer interviews by an unbiased party can gather invaluable insight into what your organization is doing right and what it is doing wrong.

After you have thoroughly examined how your organization is performing, look to your competitors – and even organizations in other industries. If customers have been trained to expect a return call from Dell’s service department in 20 minutes, they will soon expect the same from your organization’s service department (regardless of your industry).

With this information in hand, plan to change your organizations’ processes, culture, and possibly computer systems to better serve your customers. Ownership of the plan starts at the top; if the CEO doesn’t own the plan then don’t waste any more time or money. Next, assign a change agent who has the responsibility, authority, and capability to make the plan a reality.

If your organization is like most, the change to become more customer-centric is a big one. Becoming customer-centric is not about putting Marketing or Sales in charge of the organization - a common mistake - it’s about focusing all departments on the touch-points and processes experienced by the customer. Sometimes the best agent of change is someone outside the organization who is not concerned about the long-term career implications of changing processes, responsibilities, authority, people, etc. within an organization.

After process and cultural changes have been carefully planned, an organization should consider adding software. Start by clearly defining what processes will be made possible (enabled), made faster, or made more efficient, and how that will benefit the organization and the customer. Beware of consultants offering “software-enabled process improvement”. What this really means is that the consultant will sell you software and then change your processes to fit the software. In some cases this approach forgets about the customer and draws your attention to all the bells and whistles of the new software package. In other cases consultants can offer a short-cut. Having learned from the best practices of your (and other) industries, consultants can offer software pre-configured with many benefits your customers seek. Adapting your processes to this software may let you quickly garner many of the benefits without having to redesign your processes and services from scratch.

Nowhere in this column have I touched on the functionality and features of CRM software, and that’s the point. CRM is about customers, not about software. Having the right perspective, the right agent of change, and the right goals can help your organization reap many of the benefits attributed to CRM, without becoming another statistic.