GETTING BACK TO BASICS

"Ease the pain of CRM implementation" -- A phased approach

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As an executive who has spent more than twenty years in the software industry, I often look back at several of the technologies I have been involved with and marvel at the hype, buzz, and aura that accompanied their birth and their inevitable death. Remember Artificial Intelligence (AI), one of the biggest buzz - words of the 80's? How about Computer Aided Software Engineering (CASE)? These technologies rarely got implemented even though companies spent hundreds of thousands of dollars attempting to do so. At the time, industry analysts had us all believing that these technologies were as important as the coming of the Messiah, yet all that remains of them are distant memories.

Could Customer Relationship Management (CRM) be next? Not according to industry analysts who predict that the market for CRM software and services will reach as high as 30 billion by 2005. Its important to note, however, that the analyst's track record for predicting the success of specific technologies is on par with my stockbroker's selection of Internet stocks. But this time I think they have got it right. I believe this because CRM is not a new technology. It's simply a new name for something that has existed for several years. Furthermore, companies who have successfully implemented their CRM solution have realized improved performance in sales and customer service.

Traditional contact managers have provided a component of CRM for the past decade, and there are thousands of businesses that have been using stand-alone Help Desk and Sales Force Automation systems to address departmental CRM requirements. But these independent solutions have left the end user with islands of information, a lack of data integration and multiple support issues. The inability to access a complete customer profile without having to move from system to system has become a common management frustration.

Today, most CRM vendors have addressed this issue with integrated solutions that capture information at the point of contact, whether it is telephone, fax, email or the web. This data is then consolidated into a single system or database, where it is immediately available to the people and departments responsible for interacting with the customer. Executives understand the value of an integrated database and agree that having immediate access to vital customer information can significantly improve their company's ability to more effectively sell and service their customers. It all makes sense, and this is the reason why so many businesses are moving ahead with a CRM initiative.

Factors Contributing to Failure

Why then are so many CRM solutions failing? According to the Gartner Group, as many as 70% of CRM implementations are unsuccessful. In addition, industry reports also indicate that the customer satisfaction rating among CRM solution providers is a dismal 63%, right in line with the much maligned airline industry.

There may be several causes for the high failure rate in enterprise type implementations, but two primary reasons seem to surface to the top with small to mid-size companies. First, implementation of a comprehensive CRM solution often requires a fundamental change in the policies and procedures of how a company sells and supports its customers. Changing to a customer-centric business model, meaning always placing the customer first can be very difficult to implement. Employees have a tendency to cling to old policies and focus on better ways to manage their business rather than creating a better customer experience. This type of change requires strong commitment from senior management and must permeate throughout the organization.   You can't just speak it, document it in your brochures or place it on the back of your mission statement. You must execute it with passion. Without this commitment, even the simplest of CRM solutions will fail.

The second cause has to do with the technology itself.   The solutions available today are simply too complex. The predicted growth of the CRM sector has created vendor hysteria on par with the California gold rush. Hundreds of companies have entered the space, all claiming to offer the most comprehensive, feature-rich solution. In order to get a leg up on the competition, these solution providers have their engineering teams working day and night creating overly complex features that prove to provide little, if any, value to the customer. The solutions have now become so complex that system integrators, value added resellers and consulting firms are struggling to get them implemented, all at the customer's expense.

How to Obtain Success

If you look back at some of the most successful products in the past decade, you will find that they were point solutions, providing narrowly focused capabilities such as contact management, project management and opportunity management. They were easy to implement, easy to use and provided immediate value to the user. This resulted in strong user acceptance.

I began to ask myself why CRM solutions could not be implemented the same way, as point solutions. Who mandated that companies must tackle the implementation of marketing campaign management, sales management and customer support functionality all at once? Why does back office integration have to be completed at the same time? Add to this the changes in policies and procedures required to transform to a customer-centric business model and it's no wonder that we are seeing so many failures in the CRM space. We are simply asking people to do too much all at once. It's time we get back to basics

As a provider of CRM solutions for small to mid-size businesses I challenged my professional services and development team to create a methodology or process whereby our customers could implement our CRM solution on a departmental level, one step at a time. We had already created an "out-of-the-box" solution that offered a rapid implementation, but we wanted to take it one step further. This resulted in the creation of S.T.E.P**,** the **Successful Technology Enablement Process.**

The S.T.E.P. Approach

S.T.E.P. takes a modular approach to your CRM initiative using a best practice guide to insure the successful implementation of one department at a time. S.T.E.P. recommends that you begin with the sales organization, automating the sales process first, and then move on to marketing, campaign management or the customer support functions. S.T.E.P. allows you to start small and break down the implementation process into pieces that are attainable, based on the customer's requirements and resource availability. S.T.E.P. allows management's commitment and involvement in each phase of the implementation. Management will help to facilitate workplace productivity, discuss the reasons for moving to a customer-centric business model and assist in maintaining complete control over the project. This is critical as the implementation begins to spread through the different departments.

S.T.E.P. Consists of Five Phases:

Step I Needs Analysis

During this phase of the implementation we document the strategic and tactical objectives of the department. We determine the process, workflow and functional requirements and identify areas where information needs to be tracked, shared and integrated.

Step II Project Planning

A formal departmental implementation plan will be created, and finalized during this phase. A system administrator will be selected to coordinate with members of the department as well the system integrator or consultant(s) managing the implementation.

Step III Installation & Implementation

Installation of the software, workflow policies and procedures will be implemented during this phase. System configuration, privileges, preferences and security will be determined.

Step IV Testing & Quality Assurance

An operational prototype of the departmental application is up and running at this time. Operational issues are identified and resolved, and basic modifications are made.

Step V Deployment & Training

The application is now completely operational. There are no additional installation activities. Training begins for departmental management and end users. On going support is provided by the system administrator with telephone assistance from the system integrator or solution provider.

Once the first department is operational, we will follow similar steps again for the next department. The specific details of each phase of the S.T.E.P. program, tasks and time frames are worked out with each customer.   Using the S.T.E.P. approach, a typical installation of the sales system for a team of 10 to 20 sales representatives only takes 3 to 5 days.

Conclusion

The implementation of any CRM solution takes time and proper planning.   The **S.T.E.P.** program is unique, providing customers with the ability to focus on specific components of CRM and insure their successful implementation before moving ahead and automating additional areas.

Clearly, the real value of CRM comes from the integration and sharing of customer information while insuring that the solution works in concert with the rest of the organization.   You can realize significant value and maximize return on your investment if you take it one S.T.E.P at a time.

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