

Architecting a Successful Customer Relationship Management Team

Customer relationship management (CRM) has been a hot topic in business for over five years. Yet many companies are less than satisfied with the results of their efforts so far. Recent studies estimate that between 55 and 70 percent of companies have not realized the returns that they expected from their CRM investment.^{1, 2} Many project mission statements promising to “create a customer-centric organization” have led well-meaning teams down a path of frustration and disappointment. Companies need a great team of specialists accustomed to creating and implementing integrated projects.

Building the Core Team

Delivering a successful CRM project depends upon architecting a successful team, whose most important component is the *core team*. The core team comprises 8-12 company employees who make the CRM project their full-time job. Though supplemented by additional internal and external resources, the core team will live through the project and provide the resources to execute the methods, processes and technologies through the end of the implementation and beyond.

The core team needs to provide two key characteristics – *organizational breadth and functional breadth*.

A team with *organizational breadth* can relate CRM to all the company’s divisions and to its overall business strategy. Although a CRM project must not spread its efforts too thin, the project must go beyond a simple sales force automation implementation or a customer value segmentation exercise. Organization breadth gives the team the knowledge and the relationships needed to bridge the marketing, sales and service silos.

Functional breadth means having the expertise specific to designing and implementing new CRM strategies, processes and technologies. The right team will be able to design customer strategies that will attract, win and grow customers. They need to build the technology platforms that can deliver compelling customer experiences and they must provide coherent interactions across multiple customer touchpoints. Finally they must have the skills to develop and execute measurement processes, which can track CRM’s business value and drive continuous improvements to the system.

Rarely can a company field an internal team with expertise in all of these skill areas. As the solution company teams frequently look to partner with external subject matter experts. External partners can provide key skills the core team does not possess along with the expertise needed to coach and develop less-experienced internal resources.

¹ E. Thompson, B. Eisenfeld, *Top 10 Management Failings in Sales Technology Rollouts* (Gartner Group, 3 November 2000), Strategic Planning Research Note SPA-12-1380.

² H. Berg, *The Stresses of CRM Installations* (ComputerWorld, 15 January 2001)

Building the Extended Team

Typically companies decide to turn to a large multi-disciplinary firm or a series of smaller, focused, best-of-breed consultancies. Yet neither of these options offers the best solution. Large firms almost never provide the necessary deep expertise of organizational and functional breadth. Using several focused firms, on the other hand, requires that core teams play general contractor and manage a series of separate initiatives, which often come together only through a separate “integration” attempt at the last minute.

Lately a different model has begun to emerge. This new model creates an *integration network*, a network of best-of-breed firms, which have already established a partnership for CRM projects. This network of firms integrates the delivery of its individual offerings by addressing the entire CRM initiative as a single project, and provides a unified team with pre-set rules of engagement. This integrated network differs from the standard practice of a large firm subcontracting a piece of the project to a small specialty firm. Rather than the traditional prime contractor/subcontractor relationship, the members of the integration network come together as a practiced team – a team of highly talented specialists, who, having worked together before, know each member’s strengths and weaknesses, and have a clear game plan.

Network partners also provide an experienced perspective from multiple CRM initiatives. They have the ability to identify “land mines” and proven techniques for avoiding them. Most importantly, they can offer the foresight to look ahead to the next phase even while the success of the current phase is in doubt. The core team gains the benefit of deep functional expertise without having to pay the integration costs.

Measuring Success

Integrated network teams also have practice measuring the results of their efforts. No CRM project of any significance is launched without some matching of projected costs against expected benefits. The definition of those benefits will drive the direction, and the ultimate success or failure of the project.

First-rate integrated networks have experience with various types of objectives. Goals of pure efficiency – like reducing customer service costs, increasing sales rep efficiency, lowering direct mail expenses – will keep the project narrowly defined. The team will gravitate toward a series of limited “quick hits”, small efforts that reduce some expense lines but do not attempt to expand profitable customer relationships.

Other projects will aim for more broadly defined benefits – increased share of customer spend, improved customer retention, improved brand perception, increased revenue. Larger goals define success more in terms of the customer relationship and less in terms of the general ledger. Here the challenge becomes measuring success and translating it into bottom-line impact. Measuring the brand awareness and customer satisfaction requires much more skill than reducing the number of customer service agents. The experienced measurement skills of extended teams help define success clearly and appropriately.

Maintaining Forward Momentum

The most telling characteristic of a successful CRM team is their delivery in the project's later stages. Many CRM teams find moving beyond the initial implementation the most difficult challenge. Too often, an overextended, under-leveraged core team staggers to the end of a difficult first phase and falls apart from exhaustion. Here external partners can provide the core team with needed help. Partners can provide supplemental resources and "fresh troops" needed to push a difficult implementation "over the top".

The properly constituted extended team has the organizational breadth to draw support from across the company, the functional breadth provided by highly talented internal and external subject matter experts, and the additional resource of resilience based on the experience of experts who have "been here before". Properly architected, the successful CRM team converts the initial success of its project into the ongoing process of building profitable customer relationships.

Biography

Mark Peacock is one of the founders of Roundarch, a consultancy owned by WPP Group plc, Deloitte Consulting and BroadVision that is focused on architecting profitable customer relationships. He has over 10 years of experience in the strategy, process and technology areas of customer relationship management.