

FOUR STEPS TO CRM SUCCESS

- **CUSTOMER-CENTRIC PLANNING**
 - **REDESIGNING ROLES & RESPONSIBILITIES**
 - **RE-ENGINEERING WORK PROCESSES**
 - **SUPPORTING WITH CRM TECHNOLOGY**
-

DICK LEE

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Four Steps to CRM Success.

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Four Steps to CRM Success

ISBN 0-9673757-5-4

Printed in the United States of America

\$125.00 U.S.



Published by HYM Press, St. Paul, MN
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CUSTOMER RELATIONSHIP MANAGEMENT

Implementing customer-centric business strategies;
which drives redesigning of functional activities;
which demands re-engineering of work processes;
which is supported, not driven, by CRM technology.

INTRODUCTION

The new *Four Steps to CRM Success* combines material extracted from two previously published working manuals, *The Customer Relationship Management Planning Guide* and *The Customer Relationship Management Deployment Guide*.

What's provided here are all the step-by-step work process descriptions for each of the four phases of CRM implementation. This is the core working material that forms the backbone of "Planning Guide" and "Deployment Guide," with some minor reorganization of material to make the four steps more discrete. Material omitted from the full manuals themselves includes introductory articles, supplementary explanations for each step, supplementary charts and tables, the working diskettes and software vendor functionality/scalability evaluations (but the complete, standalone, software selection methodology *is* included).

If you'd like a low-cost upgrade: Based on the experience of previous CRM adopters using the full manuals—which number in the hundreds worldwide—the condensed information here should be sufficient to guide many users through their implementations. However, if you find that you need more guidance or would like the additional software selection tools from the full "Deployment Guide," for only \$95.00 you can download the complete *Self-guided CRM*, which sells on the CRM Guru bookstore for \$195.00. *Self-guided CRM* includes full versions of both manuals plus *The Customer Relationship Management Survival Guide*.

To upgrade: Please go www.h-ym/enter. Enter `subscriberonly` for your user name and `1X0247` for your password. Request the upgrade, and within one business day you'll receive download instructions. *When ordering, you must use the same e-mail address to which you downloaded "Four Steps."*

HOW TO USE THIS BOOK

The book is organized as a series of topics your CRM team should discuss and evaluate in depth. Follow the topic descriptions carefully, and don't worry if you feel like you're collecting isolated "pools" of information, especially in Step I. As you progress, you'll find that previous discussions and evaluations begin to influence subsequent ones—and you should start to make "if-then" connections before long. As you progress through Step II and into Steps III and IV, you will notice the topics becoming less subjective and intuitive and more tangible and "CRM-specific." Be careful, however, to let the conclusions you reach in Step I, which express your customer-centricity, guide your work going forward.

Before you start, you will probably find it necessary to supplement your base of customer input—or even start building that base from scratch. Because hearing the customer's voice is at the heart of CRM, please don't assume you or others in your organization can speak for the customer. No one can.

As you work, we strongly encourage you to maintain the topic sequence, as the order in which you process information can have a dramatic affect on planning outcomes. This sequence has been refined over the fifteen years since this planning methodology was first developed for consulting work for 3M Company—and is directly responsible for a sizeable percentage of the many breakthrough planning outcomes this methodology as produced.

TEAM COMPOSITION

This book is best used to guide CRM teams through the four principle implementation steps. As you review the material, you will quickly realize that Step I and Step II both require participation by senior management at the VP level and above—including sponsorship (if not direct participation) at the CXO level. Simply put, if you work in depth while following this planning regimen, you will wind up recommending strategic and organizational changes that can't occur without the involvement, approval and proactive support from senior leaders. Accordingly, you will need to assemble a senior level CRM team for the first two steps.

However, as you will also notice while reviewing the material, Steps III and IV, the tactical steps, require involvement by line managers in customer-facing areas and their line staff as well. Upon entering Step III, you have two choices: you can reassemble a totally new team of managers and supervisors charged with deploying the work of the first team, or you can alter the membership of the first team, dropping off the most senior members while maintaining continuity with marketing, sales and service VPs. While I have seen the first option work—personally, I have a strong preference for the second for continuity reasons. But both are feasible, giving ongoing involvement by a strong, CXO level team sponsor.

STEP I: CUSTOMER-CENTRIC PLANNING

[We start by establishing “borders and boundaries” that help keep our planning process to stray outside the realm of the possible—although we’re often surprised at what’s possible.]

BASELINE

Background: Who initiated relationship-marketing planning? Who will participate in the process? Who outside the process must have buy-in before recommendations are implemented?

Purpose: Why are we involved in relationship marketing planning?

Support: Who supports the process? Does anyone oppose it? Aside from our sponsor, who in management is solidly behind us?

Sources of Information: Inventory of existing sources of customer, market and industry information. Means of access to customers and those regularly in contact with customers.

ENTERPRISE GOALS

Business Goals: Organizational goals and standards that should inform and guide development of relationship marketing strategies.

In-Place Marketing Objectives: Pre-existing marketing objectives or expectations in areas such as branding, product goals, market share, financial contribution, channel support and others.

Stakeholder Interests: Interests of stockholders, boards of directors, executive management, divisions, functional departments, others. Also, possible effects of relationship marketing on strategic partners, key vendors such as trade media and advertising agencies.

Financial Restrictions: Budgets and budget flexibility; financial considerations such as cash flow, stock price, other issues potentially affected by major change.

Risk Profile: How accepting is your organization of taking business and organizational risks?

[With core boundaries established, we proceed to the most critical component of customer-centric planning—identifying and incorporating the customer’s perspective. Even in areas such as market conditions or, competition we have to see through customer eyes first, before we start factoring in what we believe.]

CUSTOMER PERSPECTIVES

Customer Groups: Identify principal customer groups by industry, size or whatever makes sense for your business.

Utility: How customers use your products and similar products and why.

Product/Service Category: From the customer perspective, what category are you in? (*such as “desktop software,” “travel agency,” “hydraulic pump manufacturing,” “pharmaceutical supply distribution,” “upscale women’s clothing – retail,” etc.*)

Purchase Situation: Describe the process customers might use to decide whether and when to purchase your products and where to buy them. Include the customer’s sense of urgency.

Purchase Cycle: What process do customers use to make their purchase?

Market Position: How do customers view your organization? View your products and services? Regard your brand(s)? How have they developed these perspectives? How do they view “you and yours” compared to primary competitors (you may have to answer separately for each customer group)? And don’t forget to factor in how your participation/non-participation in e-commerce is affecting perceptions.

Price/Service/Value: How do customers rate you on a price-value scale? Compare that to how they view principal competitors.

**Presence: Customer awareness level, how achieved and maintained?
How important is top-of-mind awareness in your business?**

Relationship: The strength and nature of your customer relationships (do not accept internal perceptions here). How are relationships formed? At what levels on both sides? What does it take to maintain relationships? What would strengthen them? Why do customers walk away? How many walk away? How long do they stay away?

MARKET CONDITIONS

Market Demand: Demand for products/services reflected by category growth and price/demand correlation.

Market Cycle: Identify market cycle for each customer group.

Innovators: Usually first 10% to enter category; buyers are either high-risk profile or driven by extreme need.

Early adopters: Typically next 10%; customers want proof of performance before they adopt category—"let Mikey try it."

Early majority: Next 20%-30%, depending on category; competitive shopping; looking for the right product. Many professional services and luxury products never move past this category; older consumers often backtrack into this phase from the "late majority" for considered purchases.

Late majority: Remaining 50%-60% to enter category; classic price and value-added shoppers; older consumers, who are hardest to influence or fool with promotion, often recognize first the decrease in product differentiation.

Laggards: Those left after the exodus to new category; often looking for someone who still makes it; will often pay premium for reliable supply.

Market Trends: External events that may affect marketing success.
How customers may view things differently in the future and why.
How are customer expectations changing? Where does that lead? What opportunities/liabilities does that create for relationship marketing?

Regulation: Government and industry regulations that may affect your product/service category; how might you have to adjust sales, marketing and service in response? What roles can relationship marketing play?

[Remember to focus on your customers' perceptions of the competitive playing field, not yours. You may consider customers "wrong," but it's their view that drives sales.]

COMPETITION

Direct Competition: Competition within your product category(ies). How do customers see things? How do competitor relationships with customers differ from yours? How do competitor customer information systems and applications differ from yours?

Strengths and Weaknesses: Market perception of your strengths and weaknesses against each significant direct competitor. Don't forget to compare e-commerce capabilities where relevant.

Indirect Competition: Competition from outside product category. Are customers substituting products/services from other categories for yours? Why? Does that predict near-term category migration?

Sustainable Advantages: Can you maintain current or projected advantages over competition? How will you do it? Are those advantages meaningful to customers? To which classes of customers?

Competitive Sources of New Business: Play a "zero sum" game. Assume that every dollar of new sales has to come off competitor sales, out of sales of other products/services you offer, from sales in other product/service categories. Where will your new sales come from? And how might the change in spending patterns affect your relationships with customers?

Share of Attention: Competitive marketing presence; key messages; relative share of customer recognition between you and principal competitors; customer reaction to different messages (information that can only come from customers and relationship managers).

How Can You Change The Rules? What opportunities can you create to change the competitive playing field in your favor? Look at your products, all aspects of positioning, sales and distribution, logistics, the whole gamut of representations and activities that touch customers. Asking customers the “If you could have everything your way...” question is a good place to start.

CUSTOMER PROFILES

Segments: Definition of significant customer segments; ranking segments by current and potential profitability. Are there additional segments you're not reaching? Do e-commerce users constitute a segment? Would reaching additional segments return more than further penetration of current customers?

Segment Characteristics: SIC codes, employee size, HQ and/or branch locations, segment size, percent current sales, other characteristics and statistics for business customers. Demographics, segment size, percent current sales, other characteristics and statistics for consumers. E-commerce use for both, where applicable.

Segment Benefits: How your product benefits particular segments; tie back unique or differentiated benefits to specific features. Also evaluate any secondary benefits not part of customers' primary reason for purchase. Look carefully at product flaws that customers avoid.

Customer Characteristics: Behavioral and motivational description of typical customers within segments. Identify different approaches to selecting suppliers. What are customer "on" and "off" buttons?

Customer Expectations: What do customers expect of your organization and your representatives? Are you meeting, exceeding or falling short of expectations? Ask the same questions regarding your customers' satisfaction with your sales/distribution channels.

Customer Share: How much are you selling customers compared to how much they could buy from you? What stands between current penetration levels and selling more?

Customer Service: How do customers perceive your service policies and practices; how do their perceptions affect customer loyalty and share of customer?

Customer Churn: What's your churn ratio (the percentage of current customers that leave in a year's time)? Why do customers leave? What would stop them? How can you win them back?

Individual Customers: Identify key customers that contribute significantly to your business (mostly applicable in business-to-business settings); analyze them the same way you would an entire segment; identify key decision makers and build personal profiles on each.

Where's Their Pain? After all is said and done, where do customers hurt? What are they looking for that they're not getting? What aren't they looking for that's holding them back? How can relationship marketing identify their real needs and fulfill them?

[By considering our internal perspective on our products and company only after identifying the customer viewpoint, we introduce a measure of reality usually missing from discussion of these topics.]

INTERNAL MATTERS

Product Features: List significant features of all products; identify all unique or highly differentiated characteristics; pay special attention to features you identified as contributing to customer benefits.

Packaging: From product packaging to real estate and rolling stock; corporate identification and how used; every physical representation that customers see—and what these representations represent, individually and collectively.

Price/Margin: Pricing strategy: cost mark-up? margin-based? activity-based costing? competitive-driven? Measurements and evaluation methods used; how price changes have affected revenues.

Sales History: Recent sales history. Trends, projections. Compare to industry and principal competitors.

Share of Market: Penetration for each product/service with each segment; trend lines. Consider whether market-share patterns suggest new segmentation criteria.

Relationship Building: What investments have you made in building customer relationships? How have they turned out, both in terms of return and in terms of customer response? Are you changing toward a customer-focused culture? If so, describe your progress and principal impediments; if not, why not?

Promotional History: Recent advertising and promotional history; relative success; measured outcomes; compare themes and approaches

to prior thoughts about improving customer relationships and increasing customer-share.

Customer Service Policies: Service policies and practices. How do they affect customer perspectives and customer-share? Evaluate links from service to sales and marketing. How much is each informing the other? How much relationship strength is gained (or lost) through interaction of service with sales, marketing?

Competition: What's the internal view of primary competitors? Compare that view to customer perceptions. If there's a perception gap, why is there a gap?

Gap Analysis: On an overall basis, how do internal and external perceptions differ? What are root causes? If customer perceptions are right, how should you change? If customer perceptions are based on inaccurate input, what will it take to change perceptions?

SALES/DISTRIBUTION

Sales Channels: Points of interaction with customers including direct sales, indirect sales, customer service, dealers, distributors, the Internet (your presence and distributor/dealer); sales responsibility at each point; information provided at each point; information collected at each point.

Supply Chain: Movement of physical product from origin to end-user; channels for delivering services if not direct to end-customer.

Relationship Map: Identify all key external relationships; include expectations at each end of every relationship.

Marketing Value Chain: Start by identifying what end-user customers want; then progress up both the “sales chain” and the distribution chain a step at a time, evaluating what each step is contributing to satisfying the end customer.

Sales/Marketing Systems: Drill down on sales and marketing to identify the players, their roles, their strengths, their weaknesses. How can you improve your sales and marketing systems?

Steps to the Sale: Selling processes that move product from you (through distribution) to end customer. Identify individual steps within each process; identify constraints that restrict throughput at important steps, creating bottlenecks in your workflow. Discuss how can you move constraints or increase throughput at these bottlenecks.

Selling Steps vs. Buying Steps: Compare your selling process to your customers’ buying process; identify discrepancies; discuss how to create alignment.

Sales/Distribution Tools: Take a close look at the sales and marketing tools used at every process step; discuss how you could improve them.

Compensation: How are sales and distribution compensated? How much? And more importantly, what for? Identify known and potential motivators and de-motivators in current system. What's the likely impact of the current compensation system on future relationship marketing?

[Now it's time to stir the information pot thoroughly until customer-centric strategies start bubbling up. Before looking for opportunities, you should review all your work to date and try "connecting the dots." As painful as this sounds, the best intuitive thinker on the team should prepare a full write-up of everything that's gone before. You'd be amazed how many key insights emerge during write-up.]

MARKET OPPORTUNITIES

[General note: Make a point of carefully evaluating new market opportunities created by the presence of CRM automation and information management technologies, e-commerce, the Internet as an external and internal communication tool—and even supply chain management if that's close to becoming a reality in your business. You may want to take a second pass at each of the potentials below—specifically to "blue sky" about beneficial applications of these technologies.]

Customer Development Potential: Prospects for adding to existing business with current customers. What will it take to activate new sales? What's holding you back?

Customer Acquisition Potential: Prospects for selling more product to new customers within current customer segments.

Market Expansion Potential: Prospects of selling more product to new segments. This may involve finding new uses for products.

New Product/Service Potential: Do customers consciously or subconsciously want something that's unavailable; can you bend your current products or resources to fill the gap? Do you have expertise in areas where customers have unmet needs?

Channel Potential: Take a critical look at both sales and physical distribution channels. Evaluate all Internet/e-commerce options. Channel preferences are changing so quickly today that you must anticipate customer movement at least several years out.

Prioritize Opportunities: Where's your primary opportunity? Evaluate in terms of your current resources and what resources you can add how fast. Prioritize remaining opportunities. Assess how much you can effectively go after at one time.

GOALS & OBJECTIVES

Restate Prioritized Opportunities as Goals: Express your opportunities as destinations. Be careful to express goals first in terms of beneficial impact on customers, then relative to beneficial outcomes to your organization.

Envision Success: What would successfully capitalizing on these opportunities look like? Break down your vision into discrete steps required to get there; would getting there hinge on any key variables outside your control?

Establish Metrics: How should you measure achievement of these goals? Establish rough time frames.

CRM STRATEGIES

Primary Opportunity: How can you realize this opportunity? Evaluate potential contributions by all internal functions that interact with customers. Evaluate all elements of the marketing mix.

Because CRM is a new way of thinking about marketing, using “prompts” may help you fully utilize the new tools and processes CRM makes available to you. You might try this checklist:

- *Personal contact with customer (sales and service, primarily).*
- *Communication with customer (both directions, non-promotional).*
- *Promotional communication targeting customer.*
- *Improve/revise distribution channels.*
- *Product redesign/customization.*
- *Relationship pricing (although watch legal issues).*
- *Information management.*
- *Process management.*
- *Internet/e-commerce opportunities.*

If you ask hard how each of these elements can contribute to realizing your opportunities, you'll be much less likely to miss potential strategies

Additional Opportunities: (repeat above).

Customer Relationship Strategies: You won't be able to implement all the potential strategies you've identified, so cherry pick and focus on those strategies likely to have the most beneficial effects on customer behavior.

Consolidation: Which strategies would help you realize multiple opportunities? Could others be modified to do so?

PART II:
REDEFINING ROLES &
RESPONSIBILITIES

ORGANIZATIONAL CHANGE

[Note: CRM-related change occurs on two levels: organizational and individual. CRM frequently changes the corporate “org chart,”— with functional silos tumbling down, activities switching among departments, managerial roles shifting and reporting lines being redrawn. As a result of these high-level changes, the work of many individual staff members—their work processes, in other words—change as well. Step II addresses high-level change. Step III addresses staff and line level changes. Having said that, we must hasten to add that reworking lower-level workflow frequently influences redefining high-level roles and responsibilities. You want to employ here the workflow assessment tools described in Step III.]

Strategy-driven Activity Changes: What organizational changes will you have to make to accommodate CRM and your new customer relationship strategies? How will departmental roles change? Think through the impact on each of these functions—and any others affected:

- Marketing
- Sales.
- Customer service.
- Manufacturing
- Accounting
- Product engineering
- IT.
- Other _____.

Organizational Consequences: What's the fallout likely to be if the organization makes these changes?

Leadership Role: Who will have to make these changes? Are they up to the task? Are they onboard with the initiative?

[Our Step II description is deliberately short, because the CRM team's role is to alert the CEO and entire CXO level to what it will take organizationally to successfully implement CRM. If organizational impact will be high, among the most valuable input you can provide is encouragement of your team sponsor to consider bringing in outside change management consultants.]

MIGRATION MANAGEMENT

[Note: At this point in the process, most members of the CRM planning team, even a senior team, may turn into bystanders. Many of the decisions about to be made will happen at the very top levels of management. But this is why you should have a team sponsor who's at that level.]

Executive Imprimatur: Under whose signature and with whose backing will redesigning of roles and responsibilities go forward?

Policy Communication: How will the new, customer-centric business strategy be communicated to management and staff? How will it be reinforced?

Migration Map: Make sure your sponsor details all that has to change to enable CRM to succeed—and when it has to change.

STEP III:
RE-ENGINEERING WORK PROCESSES

[With customer relationship strategies determined and the consequences these strategies will have on departmental and management roles and responsibilities fully understood, you're ready to start laying out the "nuts and bolts" portions of CRM.]

WORKFLOW MAPPING

[Note: When we take this step with clients, we often call it "data mapping." That's because the concept of looking at total workflow is outright scary to many participants and often threatening to senior management. But when we say we're about to "data map" the flow of customer information throughout the company, which is literally what we're going to do, that's agreeable to just about everyone. We just don't say that we're analyzing customer data flow so we can assess and improve the workflow associated with customer information. Sample workflow maps follow this section.]

Emphasizing Customer Value Versus Internal Efficiency: Before starting this exercise, remind yourself that your first mission is to add value to customers—and creating internal efficiencies comes second. Tie a string around your finger so you won't forget this.

Work Description: Workflow mapping breaks down into five discrete steps:

1. Mapping current-conditions customer information flow (which will reveal workflow).
2. Converting flip chart pages into computer graphics.¹
3. Redesigning information flow to add value to customers.
4. Converting new flip chart pages into computer graphics.
5. Team review and approval.

¹ We use Visio® and Micrografx Flow Charter® both, depending on the nature of task. In addition, the Microsoft Office 2000 clip art collection will give you a rich source of icons.

I did not include management approval as a separate step, but you know you need it, which is yet another reason to have an executive-level team sponsor.

Mapping Current Data Flow: Using simple boxes, captions and lines instead of any fancy symbols, trace on flip chart pages the flow of customer information through the entire customer lifecycle, including all interactions with a specific customer's name attached. Chances are, your map will extend into the bowels of the company. Make special note of every instance where customer information is collected, then lost. Note also where customer information cannot pass digitally from one user to the next. Also, be careful to identify each information system used to manage/process customer data, plus all use of paper reports or forms. Expect lots of laughter, head shaking and hand wringing during the day.

You'll want to have the entire team and at least some resource members, present for this session. Also, arrange for visits at appropriate times by department heads (preferably) or supervisors of departments that handle customer information but aren't represented on the team.

From a facilities/materials standpoint, book a large conference room for a full day. This exercise will probably take you that long. Have at least two flip charts with full pads of the "sticky" pages you can hang on a wall (without someone hanging you for peeling off paint or wall covering), plus black and red markers. Use the red marker to denote "trouble points" that obviously need attention.

Create Visuals: Using your choice of flowcharting software, convert the flip chart pages to what we call "pictographs"—which use literal representations of laptops, desktops, servers and back office systems, along with keyboards, paper forms and reports, printers, fax machines, in-boxes, even black circles for "black holes" where data disappears.

Refer to the maps that follow for a visual explanation of what we're describing.

Redesign Workflow: Bring back the entire crew from the first meeting. Hand out the pictographs. Discuss how each handling of customer information adds or detracts value to customers. Discuss how data should flow to best support your customer relationship strategies. Then assess the

changes in workflow implied by the changes in customer information flow, and create specific recommendations. Expect the IT representative on your team to break out into a cold sweat periodically.

Depending on your particular situation, you may encounter ways to make workflow more customer-friendly that require changes best discussed in a higher-level setting. Don't be afraid to backtrack to try to "sell" these changes up the ladder or have your sponsor carry them up the ladder.

Create New Visuals: Create new maps using the same icons (and more if needed) used in your original map.

Team Review: Sit down one more time before proceeding to process re-engineering. Make sure the team is in agreement—and make sure you have (or get) any higher-level commitment you need to change workflow and customer information flow as designed.

By now, you can see the importance of team member selection. If you discover during workflow analysis that you want or need to make major workflow changes in areas not represented on the team, you may want to bring someone in now. Better late than not at all.

Shared Vision of Change: Few people, even in technical positions, can read a flow chart and derive a conceptual view of what's happening or what's going to happen. By using pictographs, you'll be able to clearly inform everyone involved about where your CRM implementation is headed—and what has to change along the way.

Re-engineering Platform: Starting with old processes and attempting to re-engineer them usually results in new processes based on old processes. That rarely accomplishes much. This is one instance where you *do* want to throw out the baby with the bathwater—and converting your "new" pictographs into new work processes will help avoid repeating errors of the past.

SALES PROPOSAL - OLD

Step I

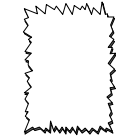


Field sales

Get Specifications



Write



Paper form



Fax

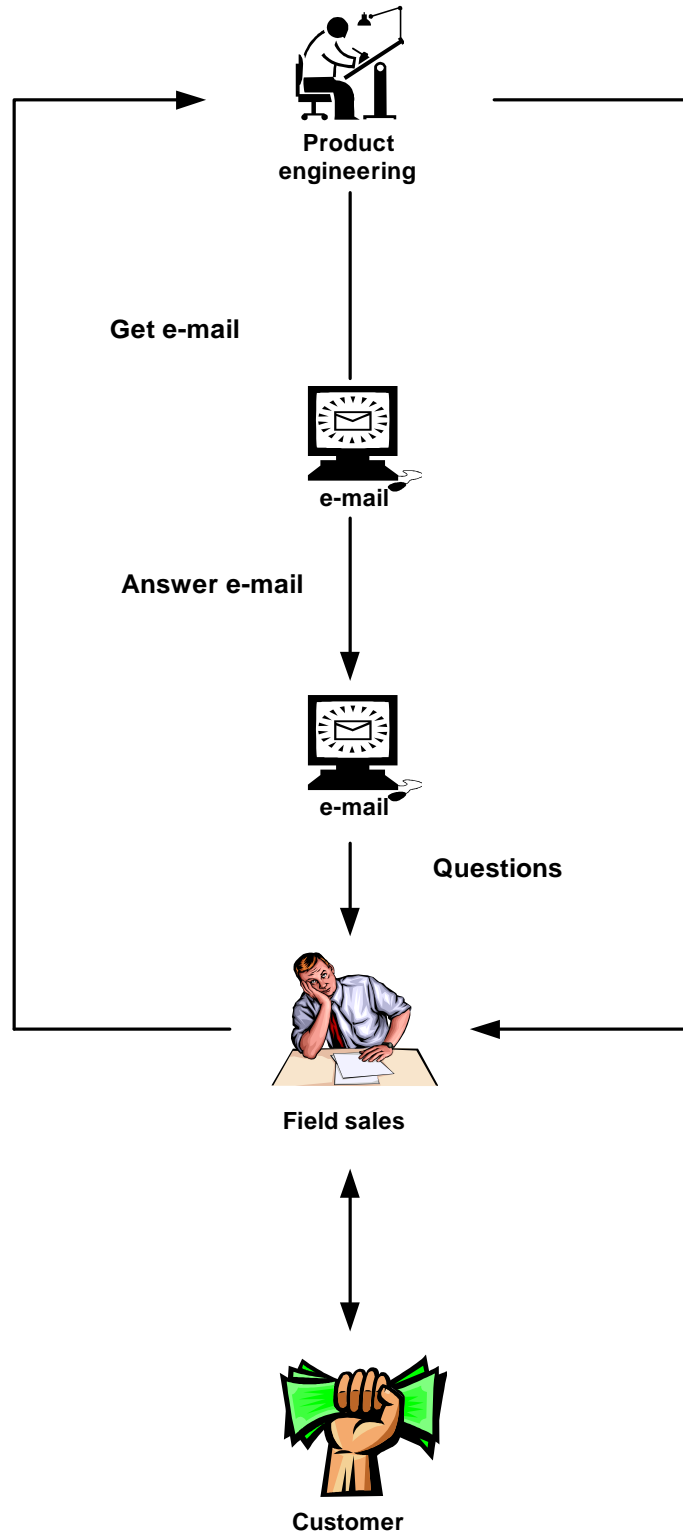


Product
engineering

... to Step II

SALES PROPOSAL - OLD

Step II



... to Step III

SALES PROPOSAL - OLD

Step III



Customer



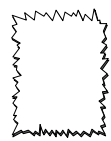
←----- Approve specifications



Field sales



Fax



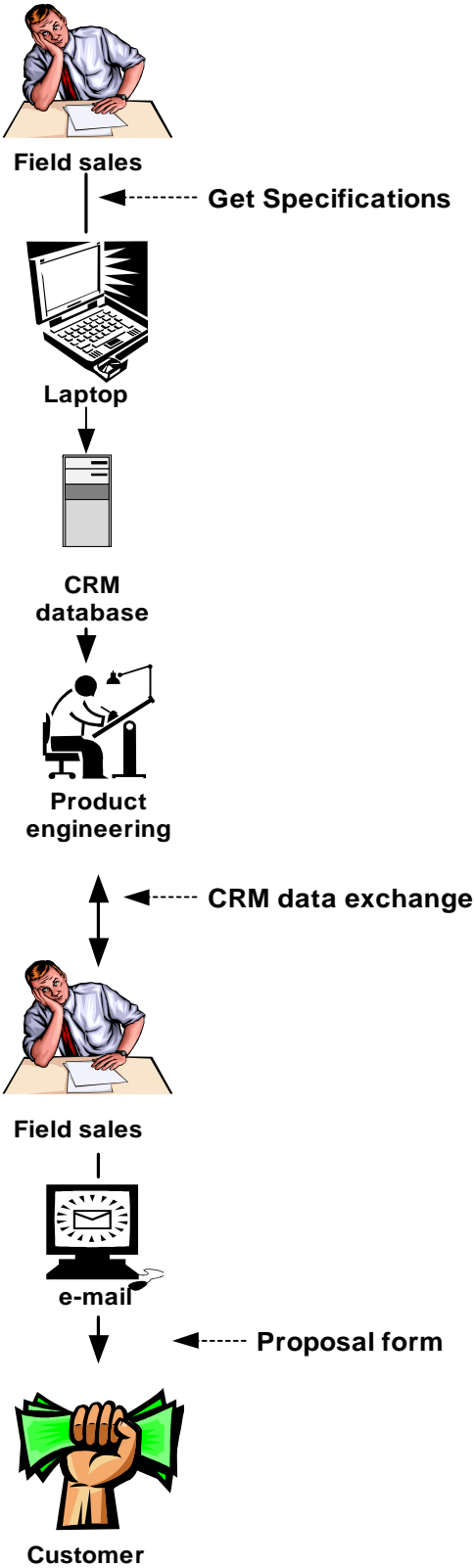
Proposal

Paper form



Customer

SALES PROPOSAL - NEW



[Based on the workflow maps you just created, you're now ready to re-engineer work processes. And if you have proper buy-in to your redesigned workflow from both functional and corporate management, it's relatively easy work (albeit very tedious)].

PROCESS RE-ENGINEERING

[Note: We use a four-level hierarchy of work defined as, "activities (represented on the previous pictographs)," "processes," "steps" and "tasks." While most process professionals use some variant of these four levels, nomenclature is all over the lot. For example, what we describe as "steps" are called "tasks" by many. So, if you're working with team members having prior process management involvement, be careful to agree on terms before you confuse the daylights out of each other.]

Emphasizing Customer Value Versus Internal Efficiency: The very same issue exists here as in redesigning workflow—we have a natural tendency to put efficiency first, often forgetting about adding value to the customer. Because process engineering defines “how” we do things rather than the “what we do” that’s defined by workflow, it’s by nature more internally focused than the latter—which requires us to pay even more attention to discrete work processes and even individual process steps to make sure we’re not making “number one,” the customer, number two in importance.

Work Description: Process re-engineering breaks down into three (or four) discrete steps:

1. Identifying individual work processes defined by new workflow maps.
2. (Optional) Mapping current work processes.
3. Mapping new processes.
4. Review and approval.

Here's a closer look at them

Identifying Individual Work Processes: Each workflow activity you've mapped may represent a discrete process. However, you may find you have to break up a workflow activity into two or even more discrete processes. In the back office, individual work processes should not exceed six to eight process steps. The more variable nature of front office work requires raising that ceiling. But try to max out at twelve to fifteen steps.

(Optional) Process Mapping Current Activities: For reasons we'll describe in the following section on mapping new activities, avoid mapping current work processes if at all possible. The criteria for determining that you can skip this step is being able to clearly see down to the process step level from top line workflow mapping. Essentially, that means not losing sight of critical steps that have to be incorporated into new processes.

Mapping New Activities: Work process mapping, the foundation of process-re-engineering, is tiresome, tedious work to all but the most afflicted process junkie. But it has to be done—because without mapping, new work processes lack sufficient detail to define work in a way someone can follow.

Process mapping itself is relatively simple, as long as workflow has been defined first.

- First, assemble a list of discrete work processes.
- Next, develop a list of process steps for each, including branching (if-then) decisions. Although they won't figure into the visual mapping, you should make note of any lower-level tasks associated with a given step.
- Then, convert lists to process maps—the boxes (for steps) and diamonds (for branching) connected by directional lines that can go on for pages and pages and pages.

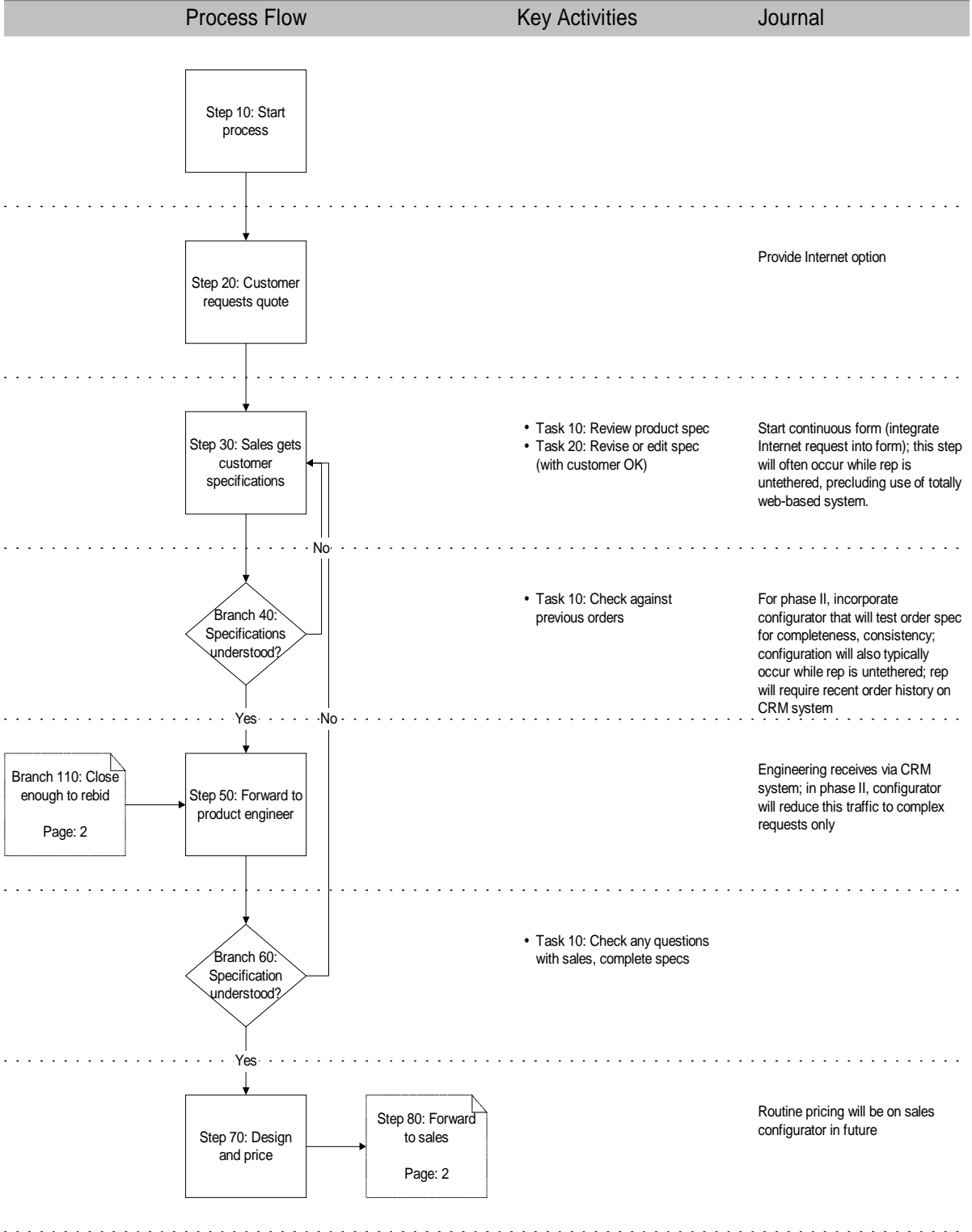
A conversion of the “new sales proposal” workflow into more detailed work processes follows this section.

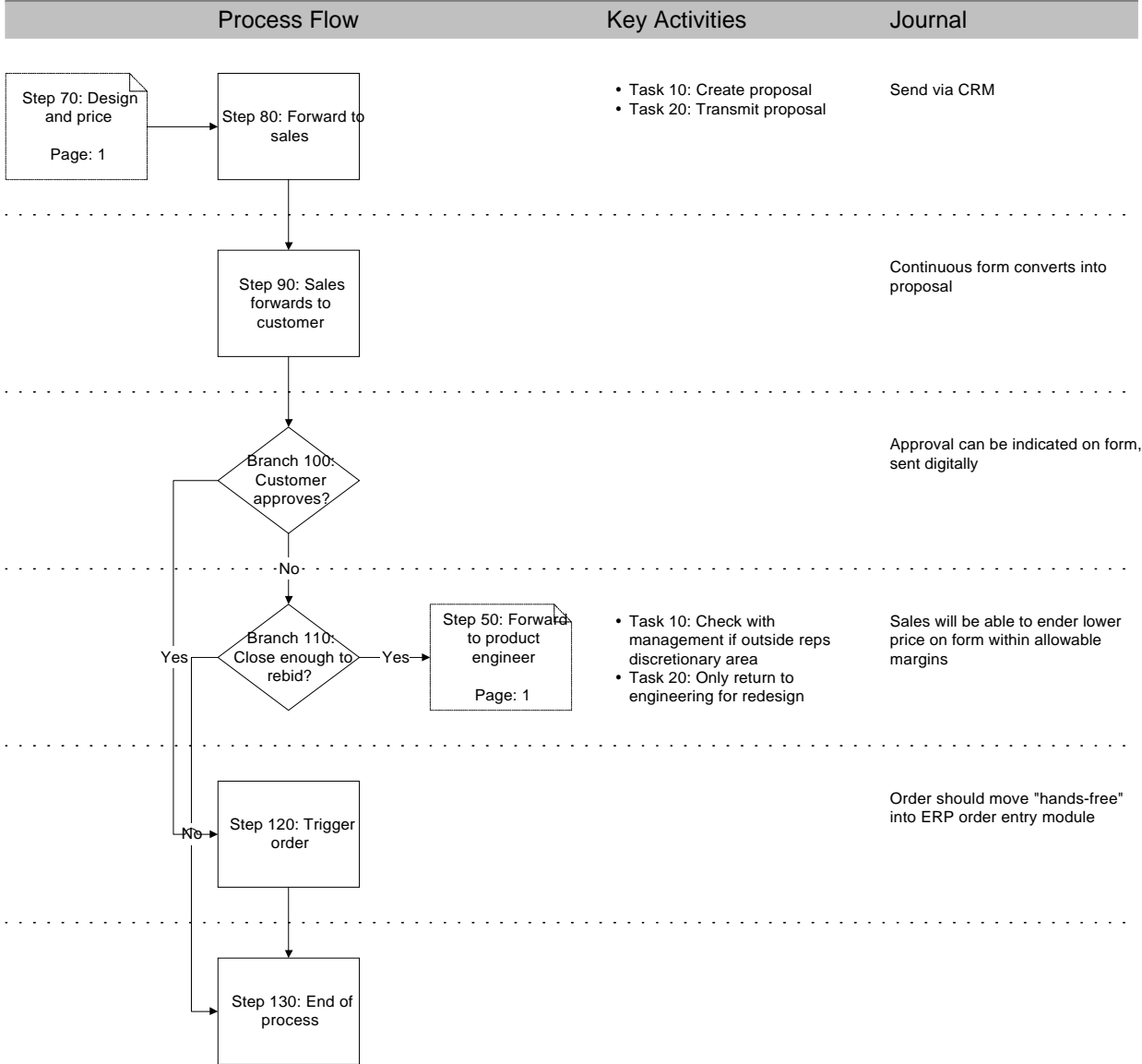
[Note: Because converting flip chart drawings to computer graphics can take days, sometimes weeks, we use process mapping automation technology called “ProCarta” developed by Domain Knowledge in Canada. Before you start mapping work processes manually, check out their website at www.domainknowledge.com.]

Review and Approval: How high a level of management has to approve work process changes depends on the depth of the changes. Most changes can be blessed by functional level managers already on your team, either as core members or resource members. But even in these situations be careful to present the full impact to all involved. Don't do it a department at a time. CRM encourages cross-functional cooperation, and many of the process changes may involve handoffs of work and information among departments. It helps to have everyone know what everyone else will be doing—and that change is affecting more than their functional area.

Getting Down to Brass Tacks: The old saying “the devil is in the details” is rarely more true than in CRM implementations. Until you drill down to the work process level, you haven't defined what people are going to do, which in many cases will be much different than what they've done. Sadly, many CRM implementations wind up with people trying to do new work the old way, which only produces the old outcomes. And which almost totally negates the value of the fancy new CRM software purchased.

Defining Technology Requirements: Technology doesn't work in a vacuum. It supports what people do. And once you've figured out what people are going to do, you'll pretty much know what your CRM technology has to do. And you'll probably discover that required CRM software functionality is much different than you first assumed it would be—and very different than what a software salesperson or three in a hurry for a close told you it would be.





PART IV:
SUPPORTING WITH CRM TECHNOLOGY

[You'd be surprised how many CRM implementers purchase software with but scant definition of requirements in hand. However, by now you won't be surprised to read that the results are typically disastrous. But after reviewing this section, you should have a good notion of how to build your unique set of requirements—and be prepared to dodge this bullet.]

TECHNOLOGY REQUIREMENTS

From Process to Technology: You can say that work processes ride right above information flow, or that information flow rides right beneath work processes. Whichever you prefer, you should by now see the inextricable relationship between work processes and information flow. Know one and you pretty well know the other.

If you look back to the work process flow charts in the previous section, you'll see in the right column how we called out required functionality for CRM software a process step at a time. In our experience, there's no better way to minimize the chances you'll uncover "surprise" needs as you start configuring your system. And while process mapping that drills down like our samples for MC may appear to require time and staff resources you don't have, look at it this way—do you have the time and resources to start over again with your CRM implementation?

Aggregating Requirements: Working off your workflow maps, make a detailed list of every functional requirement you can identify.

Global Requirements: In addition to the process-specific requirements just described, you'll need to identify certain global CRM software requirements—some for integrating CRM software into your systems environment, others regarding the software vendor. While the list below is not exhaustive, it contains the most common considerations.

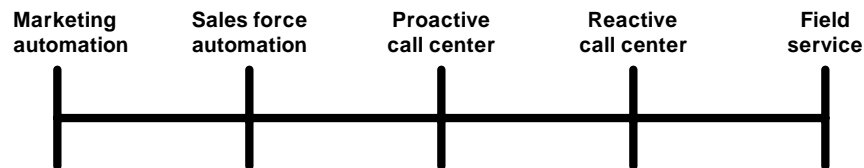
Requirement	Implications
Calendar/contact list integration	Often, it's important to integrate calendars and contact lists for customer-facing staff (who will be on the CRM system) with those of inside staff currently using "groupware" such as Microsoft Outlook, Lotus Notes or Novell GroupWise. Increasingly, CRM systems are adopting the Microsoft Exchange Server/Outlook standard. If you need to adhere to other than the Microsoft standard, your software options will be severely limited.
Database compatibility	You may hear your IT department say, "We're an IBM house," or, "We're an Oracle house"—implying that you should select a CRM software system that will run over an IBM or Oracle database. Because Microsoft's SQL Server has become the de facto CRM-industry standard, this too will limit your options except on very large implementations. Also, unless your CRM system will require real-time access to your back office, legacy data, you can integrate SQL Server and a host of other databases on a batch data transfer basis.
Appropriate size vendor	While most CRM software suppliers represent they can work effectively with clients of all shapes and sizes, most are being disingenuous. In our opinion, only about a half-dozen quality software suppliers will effectively support clients buying less than 100 licenses. On the flip side, only a couple of vendors can cost-effectively support smaller implementations can successfully scale up into the thousands of users. We'll review how to find a "right-sized" vendor and system in the section on "Selection Process."
Vendor development/integration resources	While every CRM software vendor has a technical development staff, many want to reserve as many developer hours as possible for creating new versions (and new revenue). If you have very particular needs, you'll want to work with someone with adequate, available development resources. Likewise, if your internal IT department lacks the time or resources to integrate CRM and back office data.
Open architecture	If you're going to be swapping lots of data with non-CRM systems, you need a system designed to work with other software, rather than a self-contained package.
Financial stability	As you may already realize, many promising CRM software companies became casualties of under funding, poor business management and just being too small to compete. You'll want to check carefully on the financial condition of any vendor you consider.

Precautions: Be careful not to sacrifice core CRM functionality in order to integrate with in-place corporate systems designed solely to meet internal, operational requirements. The preceding list contains some red flags to watch for, and don't be shy about holding your ground on these issues. Likewise, when someone in corporate management or IT tries leading you toward well-known software system that can't scale down (or up) to your size—or worse yet, a CRM system developed by your ERP software provider. CRM is about satisfying customers, not internal preferences.

SOFTWARE CHOICES

The Playing Field: CRM software comes in a broad range of shapes, sizes and prices. Today, you can choose from upwards of fifty “serious” systems—stuff that’s good enough either to stick around or to be acquired by someone wanting to meld its CRM functionality into a broader wingspan system (often including ERP). So, in theory, you have hundreds of CRM software systems to choose from. But in reality, after you’ve detailed your requirements you’ll have narrowed the field down to a small number of practical choices. Following are key screening criteria you should apply to get from the many to the few.

Match Sweet Spots: CRM software covers a broad spectrum of functionality, as described by the following spectrum.



The spectrum is so broad that core functionality at one end (marketing automation) bears no resemblance to functionality at the other (field service)—which causes problems when a user’s needs extend over the entire span. In fact, every CRM system I’ve ever encountered has a “sweet spot” covering either one or at most two adjacent spots on the spectrum.

Marketing automation is primarily an analytic function that helps users define their best customers and determine where to look for more like

them. It may also include project management functionality to help users mount marketing communication programs targeting particular groups of customers or prospects. When these programs are Internet-driven, the term “eMarketing” is typically used instead of marketing automation. In fact, “eMarketing” is now being applied to anything that even catches a whiff of the Internet. Whatever you call them, these capabilities primarily benefit business-to-consumer (B2C) players with large customer bases—although some high customer count business-to-business (B2B) companies use marketing automation as well. Unfortunately, much of what’s termed “marketing automation” (or eMarketing) is old-paradigm, “control the customer,” database marketing stuff—rather than relationship-building CRM.

Sales force automation, commonly referred to as “SFA,” supports field sales by automating customer information management, calendar management, administrative tasks (such as proposal writing), sales forecasting, what’s euphemistically called “pipeline management” (measuring and monitoring “in process” sales) and rudimentary process development tools. SFA also provides sales management with a window for viewing sales activities and individual sales rep performance. Increasingly, SFA capabilities also include order entry facilities for writing up and triggering orders and a low-end product configurator with pricing capabilities.

Proactive call center functionality supports telephone sales, which requires a much higher contact volume than field sales. Common features are developing calling lists, converting these lists to tasks remain on “to do” lists until completed, providing variable scripting that provides callers with appropriate text based on preceding answers and automating customer information management including contact and transaction histories. The user interface is a key element in proactive call center functionality, as speed of data access is much more important than in SFA.

Reactive call center functionality is similar to “proactive” functionality, but the variances are significant. Because the primary role is customer

service, immediate access to commonly used information is critical. In technical applications, a knowledge base is an essential element. Common reactive side features include screen pops that bring up customer records based on calling telephone numbers and ongoing case records that segregate data tied to specific service incidents. Less likely to be part of reactive than proactive functionality are variable scripting and sophisticated task management.

Field Service functionality is an animal unto itself—and we probably wouldn't consider it part of CRM if it didn't play such a pivotal role in maintaining and even developing customer relationships. There are four core aspects to field service functionality: some reactive call center functionality; dispatch, which is assignment of field service engineers to incidents; contract management, which tracks usage of service contracts; and the field component, which allows field engineers to receive assignments and return data pertaining to the work done.

What about “eCRM:” Although seemingly every CRM software vendor is slapping the “e” in front of “CRM,” “e” is a channel, not a functionality. Using the Internet is one way to *deliver* functionality, and a very important way, but we wouldn't put functionality not delivered over the Internet into a separate category alongside SFA, etc.—would we? Unfortunately, the rush to utilize the Internet has turned into yet one more way to subordinate the “R” in CRM to the “M.” In other words, we're continuing doing the same old customer unfriendly stuff—but dressing it up in new Internet clothes.

Software sweet spots: Every CRM software system I know of performs best in either one of these functionalities or at most two adjacent functionalities on the spectrum. Systems that focus on either end point—marketing automation or field service—typically provide little other functionality. Systems positioned toward the middle have the widest wingspan, although several prominent mid-spectrum systems are virtually single function solutions.

Your sweet spot: With only slightly less consistency, most companies adopting CRM need maximum support in either a single functionality or at most two adjacent functionalities on the spectrum. And that presents an invitation to match user needs to system strengths.

Price: CRM software prices are all over the lot. And this is one arena where you don't necessarily get what you pay for. Price drivers include functionality (prices generally increase going from SFA (sales force automation) towards field service on the spectrum), robustness (not to be confused with bells and whistles), bells and whistles (not to be confused with robustness), scalability (number of users, amount of data) and marketing hype.

Prices for quality SFA-focused systems start at about \$1,000 per user plus server license charges starting in the \$2,000 range and going up from there. They top out at over \$4,000 per user and over \$20,000 per server. The adaptation of SFA-focused software to your needs typically ranges from \$30,000 or \$40,000 to \$300,000 and more. By the time you move over to field service software, expect to pay over \$3,000 per user and \$100,000 and up for build-out. And some build-outs of call center and field service software go into the millions, although I question the value delivered in these instances. Annual support fees average close to 20% of license cost. Upgrades, of course, are extra.

Scalability: Normally, when we think of "scalability," we think of scaling up. But in CRM, "scaling down" is more the issue. While the higher your user count and the more data you need to manage the more restricted you'll be in your choices—even at 1,000 users you've got multiple options—the lower your user count goes the fewer options remain. Why so? Because CRM software providers targeting high user count customers rarely want to spend their sales and engineering time on low dollar deals—to the point where less than 100 users is the toughest buy of all.

Getting Help: Keeping up with the rapidly changing CRM software world is hard even for those of us in the thick of the business. In fact, of

all the steps in the CRM implementation process, getting to a short list of software systems may be the hardest to take without outside assistance. That's why you should go beyond what we've provided here and do up to the minute investigation when you enter the market. Here are several steps to take to prepare yourself.

Read CRM magazine: You can get it free at www.crmmag.com. Not only will you see some software reviews, but more importantly, you'll be alerted to the upcoming major conferences. You'll also get smarter about CRM reading the unusually objective (for a trade magazine) editorial content.

Join CRM Guru: By joining CRM Guru, also free at www.crmguru.com, you'll have access to feedback from other subscribers as well some excellent software evaluations in Guru's "Resource Guide." Also, *CRM Guru hopes to publish the results of a market-wide customer satisfaction survey rating software vendors in the fall of 2001.*

Attend trade shows: Most software exhibitors run frequent demos, which will give you at least a basic feel for their products. Don't be afraid to ask tough questions, and don't accept easy answers. Remember, the booth staff is there to sell, not consult. So you'll have to pick out fact from fiction.

Use SellMoreNow: Rich Bohn, who runs this publishing and software selection business,² is a legend in his own time. He's a no B.S. software reviewer who's very firmly on the customer's side, and he really knows his stuff. You can get software reviews from Bohn—and you can also engage him to develop a short list of contenders for you. Reach Rich at www.sellmorenow.com.

² Formally named *Denali Group*.

SELECTION PROCESS

What We're About To Do: Software selection is serious business, no matter how you cut it. But with all the preparation we've done, we've cut the job down to size. Through whichever means you've chosen to learn the lay of the software land, you're now able to come up with a "long list" of ideally six to eight CRM software systems. If you have very specific requirements—or if you're a less-than-100-user buyer—you may even be down to three or four. Whatever the case, we're now going to walk through a selection process.

Can you believe it, we're at the point where a disappointingly high percentage of CRM implementations start? But don't envy the short cutters. Virtually every one of their implementations is doomed to crash soon after leaving the launch pad. Don't forget to wave at them as you pass by.

RFI: Your next step should be to issue an RFI (request for information) to your long list (even if it's very short). The purpose is to evaluate vendors on a pass-fail basis so you won't waste your time or theirs putting vendors who really can't handle the job through an intensive proposal/demonstration process. Someone experienced working with CRM software can prepare a very succinct RFI, except for very complex jobs. But if you're inexperienced, try this.

Start with your global requirements: List out broad requirements such as requiring a rich client (as opposed to thin client) system so remote workers have all the functionality and data they need while working untethered.

Add process-driven requirements. Some software vendors may be comfortable working right of your process maps. For those who aren't, you should convert key work processes into a tight narrative, which will give vendors a good look at basic functionality.

Underscore “must haves.” In essence, you’re giving vendors a pass-fail list that you’ll use in the next step.

Pass-Fail Evaluation: You should be able to expect any vendor that can’t meet your basic requirements to withdraw—but you can’t. So rather than depend on written answers to questions, you should interview each vendor and have them talk through how they meet your requirements. You should also ask them to describe how much of the functionality is native to their systems, and how much will have to be developed. When you’ve finished interviewing, not only should you be able to come down to a “short list” of two or three vendors, but you’ll also have some sense of what a relationship with each vendor might be like.

Be especially alert to vendors telling you to conduct your work the way their system is designed. A couple of the major players in the industry are notorious for this—and it’s a sign that a vendor is more interested in selling licenses than in providing a solution. Obviously, you’re not going to get every little detail just the way you want it. But don’t give on the big stuff.

RFP: Here’s when you get down to brass tacks. You should issue an RFP (request for proposal) to each supplier on your short list.

Information you want back in writing includes:

- Estimated license costs for your implementation.
- Estimated build-out costs to adapt the system to your requirements.
- Build-out time frame.
- Annual support and maintenance costs.
- Approach to training and training costs.
- Approach to integrating with your back office systems, as required.

But that’s only a small portion the response. The big piece is in-person demonstrations at your office showing how their systems would execute your program. Among the broad strokes to evaluate are ease of use, speed switching from location to location within the program

(although you won't be operating under data load) and their attitudes towards you as a customer. More specifically, you should be evaluating vendor fulfillment of each significant functionality you require.

You should allow a half-day at minimum for these sessions. If your job is large enough, vendors may ask to visit you beforehand. This is great, as long as it's not an extended sales call to "soften you up." Make it clear in advance that you're available for information gathering but not for hearing a "pre-pitch."

Demonstrations: The magic time has arrived. You're about to sit down and look at software. But it's important to approach these demos in a very structured way. It's a good idea to create a scorecard that enables you to rate vendor capabilities in each requirement area. You should also weight each function according to its importance so you can tally scores in a meaningful way.

Here are several tips to help keep your demonstrations on track.

Distribute your scorecard to vendors in advance: If they know precisely what you're looking for the presentation is much more likely to stay focused. But do blank out the other vendor names.

Get preliminary responses in advance of presentation: You'll want to talk with each vendor to elaborate on many of the line items and get their initial feedback. Ask vendors to tailor their demonstrations to your scorecard.

Plan your questions: Based on the preliminary responses, decide where you want to drill down most with each vendor. Let them know where you want additional input and visual demonstration.

Schedule so that all key evaluators can attend: Your core team should all attend. Also, make sure you have several respected representatives from sales and customer service there. Their participation can greatly offset staff resistance, should it occur.

Get “quick answer” questions out of the way first: During the actual presentations, start off by going through the questions that require a verbal answer only.

Devote the balance of the presentations to visual demonstration/detailed explanations: Focus on those items most important for you to assess visually—and those issues needing in-depth answers.

Score as you go: Score each facet as it comes up (and make sure everything gets addressed).

Ask for follow-up on issues not fully addressed: Almost inevitably, issues will come up during the demonstration that vendor representatives have to take back to engineering or management. Expect that, but ask for responses within a week at most.

Tally your scores immediately after each presentation: Multiply raw scores by the weights and add them up, with a subtotal for each section. Try not to go back and change scores in particular (which means everyone scoring needs to score consistently across all vendors). After seeing the presentations, you may, however, want to adjust section weights.

References: As a courtesy to vendors, you don't want to ask for (and check) references until you know that they're definitely in the hunt. And you should delay calling them until after the presentation—at which point you'll have a much better idea of what information you're after. Two things you always want to ask about are the reliability of the technology and the quality of the relationship.

Selecting: Now comes the tough part—unless you have a standout winner, which can happen. Obviously your scores mean a lot. So do references. But you should factor in one more consideration: do you see the potential for a strong working relationship to develop? If you don't feel good about the vendor's “front people,” you're unlikely to feel good about the vendor, period. However, if you're uncertain, share your concern with the vendor in question. There's always the chance you have a pushy or abrasive sales rep that does not reflect the vendor's culture.

Contracting: You're about to spend lots of your company's money and tie up lot of its human resources in a project whose success is dependent on vendor performance. Don't "wing it" when it comes to contracting. Involve your CFO and your head of IT if he/she has extensive contracting experience. If you're a smaller company, find an attorney who's skilled in dealing with intellectual property contracts from the performance side. But don't try to save time and money by just "signing on the dotted line." And to make sure to list the agreed upon functionality—in detail—as part of the contract.

Dealing with Resellers: As you've probably noted, I've gone through the entire selection process assuming that you're dealing directly with the software vendor. In three situations in particular, that may not be the case.

1. You're a relatively small customer (by CRM standards) with less than 100 users and software vendors you're considering don't deal directly with small customers.
2. You're dealing with a very large software supplier and you're using outside consultants, such as a big five firm, to guide your entire implementation (in which case, they may not want you reading this book in the first place).
3. You're dealing with a software company that sells exclusively through resellers (there's only one vendor in this category that I would consider recommending to a client).

In case #1, select software on your own, not from one reseller's short list, and evaluate resellers as part of the package. Great software, bad reseller, go elsewhere.

In case #2, look out. Most large consulting firms have "strategic partnerships"—read, "you refer work to us, we'll refer work to you, and everyone gets a piece of the action." If you're stuck with this relationship, you're stuck. But don't invite it on yourself. And make sure that *you* make the final call on software.

In case #3, if you're too small to get vendor attention, you may be better off with a reseller. Or you may be working with a reseller that's worked on your in-place technology, making integration easier. But your first choice usually needs to be software (with the reseller perhaps part of the package), not the reseller itself.

We've made dealing directly with the software vendor a "pass-fail" requirement in implementations involving substantial system modifications best performed by the vendor.

The "Out of the Box" Issue: Your technology folks and perhaps other team members not very knowledgeable in CRM may want to minimize the modifications made to whatever software you select—in other words, look for whatever's closest to ready to run, right out of the box. Don't let this happen. Today's CRM software is not designed to be run in its raw state. Instead, CRM systems provide some core functionality—then provide powerful toolboxes for adapting to your specific requirements. Many systems also provide modular "plug-ins" that expand system capabilities or skew them towards particular needs. Some even support using different modules for different user groups or even individual users. Actually, the better the software, the less likely it is to be ready to run when you buy it.

BUILD-OUT & BETA

New Relationship: Have you ever built a house or done some serious remodeling? If so, you're already familiar with the type relationship you're about to start. For a period of months, you're going to be joined at the hip with a technical development team that will be building out your system to your specifications. Your contact may be your sales representative, or an actual developer, or a hybrid "after-sale" specialist. But whoever it is, they'll need input and information from you almost constantly. And you need to prepare to give it.

Blueprints: Be prepared to provide your software vendor with extensive detail of how your system should work, right down to the data fields in each separate view. On the other hand, be open to input—lots of it—from folks who have considerable experience fleshing out CRM programs, including the experience of giving customers what they want and having it not work. Walking the developer or development team through your process maps to identify not only functionality but sequential use of data can eliminate lots of missteps—and give you a much better end product.

Communication: Passing every question from the vendor through your whole implementation team will be far too slow and inefficient. Appoint a "point person" to be primary contact with your vendor. Your team captain is ideal, but that may be impractical. As an alternative, appoint someone who thoroughly understands the intended functionality—which may be the IT team member. If it's not the IT member, keep IT tight in the loop during the build-out.

Compromises: During the development phase, issues are bound to come up. While you shouldn't give on core functionality, be reasonable

where you can cut the vendor some slack. You need this relationship to work long-term—or at least for as long as you use the software.

Beta Testing: You need a shakedown period before you “go live.” But arranging a beta test can be harder than it seems. Here are some scenarios to consider:

On the field sales side: This is the easiest. Although three years from now this won't be the case, today your new CRM technology is typically replacing individual contact managers or paper and pencil. You can set up a small user group and let them run it—and report back fixes that should be made before you roll out.

In call centers: Here, you're almost always replacing in-place technology—and segregating off a test user group means segregating these users from their existing data. Not good. A better approach is to “parallel” calls. One CSR (customer service representative) runs a call using the old system, while a second listens in and works the call on the new system. Labor intensive? Yes. Safer than switching over at 8:00 a.m. on a Monday morning and holding your breath? Much.

For field service: Again, you're probably replacing up-and-running technology (if not, you can beta like you would for field sales). Running lots of mock service calls is probably your best bet. What you almost never want to do is segregate users and run in parallel two live systems. You'll likely create massive data re-integration problems neither you nor your IT department want to touch.

Incremental Testing: If you're introducing a host of new functionality on your new CRM system—which you should be—you may be better off doling the new stuff out at a rate slow enough to allow users to assimilate the new. From a beta testing standpoint, that allows you to test incrementally, too.

Front-office-Back-office Integration: During the build-out period, you should be working feverishly on developing methods of integrating your CRM system data with back office data. What links you require in

which direction is very situation-specific. However, you can almost depend on wanting the following:

Transaction data pushed from your accounting system out to CRM customer records: For relationship managers, tracking customer purchase trends is a key factor in spotting potential problems. It's also an important tool in deciding how to allocate scarce sales time.

Order data pushed from CRM into order entry: Most order entry systems require repeated re-entry of the same data, which lengthens order cycle time and introduces errors as well. Increasingly, good CRM systems come with capabilities to check orders for obvious errors and omissions and feed them digitally in the order system. This capability is a must for eCommerce.

Credit data pushed to relationship managers: Knowing that a customer is running late on payments—or even on credit hold—can help contact folks avoid (and even head off) potentially uncomfortable and embarrassing situations. Remember, your customer contacts rarely know that their companies are behind in payments. Letting them know gives them a chance to resolve issues before they fester.

TRAINING & LAUNCH

Change Management vs. Training: I've heard CRM folks say that training should cost several times software purchase and development costs. And if you do training wrong, they're right. What I mean by "doing training wrong" is waiting until the software is ready to start making all the transitions in roles and responsibilities, workflow and work processes—along with introducing new technology. Essentially, you're using software to drive change. *Never, never, never use technology to drive change.* Use it to support change.

Changes in roles and responsibilities and workflow should start in step two of your four-step CRM implementation process, not here in step four. In *The Customer Relationship Management Planning Guide*, which covers steps one and two (while "Deployment Guide" covers steps three and four), we touch on migration management. It's all about preparing the company to undergo the transition to a customer-centric environment—including instilling the new values and setting change in motion. "Training"—adapting to new technology and new work processes—is an entirely different matter. And that's all you should have to deal with at this point.

Computer Training: Yes, many companies still haven't issued laptops to salespeople—so some reps are using them on their own, and some don't know how to turn one on. Don't wait until your software is ready to roll to start familiarizing your staff not on computers with computers. Instead, get that out of the way early on—and reinforce initial computer training by requiring reps to use e-mail, keep their calendar on your groupware system, do their expenses on a digital form, etc.

Environmental Training: If you haven't done a good job explaining to CRM technology users why the big shift is happening, better late than never. Sharing with your CRM users perspectives on the new, customer-driven economy and what it means to them can turn skeptics into strong supporters.

Software Training: Software training is a process that never ends. So don't plan to do it once and be done with it. On the initial technology rollout, you'll probably want to train "live" for psychological reasons. But after that, you'll need to be able to train remotely, if you have field staff. Today, most software vendors are using the "train the trainers" approach. They train your in-house "trainers" (plus often a few influential users who can set a positive example for others). Then it's up to you to train your staff.

Down the road, you're going to need some form of CBT (computer-based training), which today is usually dispensed over the web. So why not build your training course in advance, and use it to support initial training?

Rollout: While there's much excitement surrounding a CRM software rollout—and inevitably considerable confusion—if you've touched all the bases throughout your CRM implementation process, the launch could very well turn out to be anti-climactic. Although scheduling can present problems, and there's never a good time, try to plan well in advance to bypass peak business periods. Also, be mindful that some and perhaps many new work processes have been held back pending introduction of requisite technology support. Rolling out new work processes can be every bit as taxing as rolling out new technology.

Incremental vs. Full Rollout: Introducing new functionality in waves would seem to make all sorts of sense. No sense drowning folks in new technology. And sometimes it proves beneficial. However, we've heard from a number of CRM implementers who took the incremental route, only to regret it later. Part of the problem is extending the software build-out over a long period of time—which is inherently

inefficient. Part is the inherent messiness of repeated upgrades on remote computers. But part relates to users themselves, who don't feel that they're starting with enough "system" to accomplish much—except spend time collecting and entering data. Bottom line, there's no right answer for everyone. But there is evidence that you can be too incremental.

Reinforcement: Old habits die hard. So don't see everyone humming away doing their new things and relax. Keep working at getting more and more out of your new processes and new technology. And jump all over any problems before they fester—which may mean jumping all over some isolated individuals who aren't complying. But jump gently.

That ends our description of the "Four Steps to CRM Success." We wish everyone the best of success going forward.

Dick Lee

ADDENDUM

BIOGRAPHY

RICHARD A. (DICK) LEE

Consultant/author/speaker Dick Lee is principal of St. Paul, Minnesota-based High-Yield Marketing, a consulting group that helps clients develop customer-centric business strategies and implement supporting customer relationship management (CRM) systems. HYM's four-step process for successfully implementing customer-centric strategies and supporting technology has become an industry model used worldwide.

Dick, himself, was among the founders of the relationship marketing movement, dating back to the early 1980s. Although he built a very successful advertising/direct marketing agency that he led until founding High-Yield Marketing in 1994, Dick's overriding interest has long been melding sales, marketing, service and technology into a powerful force for lengthening and strengthening customer relationships. While his clients have included 3M Company, American Express, Fidelity, General Electric, Microsoft, Pitney-Bowes and Toro—he has a special appreciation for working with middle market and small businesses that have the will and flexibility to become customer-driven organizations.

Dick is author of three books that together provide comprehensive support for self-guided CRM implementations: an overview book, *The Customer Relationship Management Survival Guide*, plus two instructional workbooks, *The Customer Relationship Management Planning Guide* and *The Customer Relationship Management Deployment Guide*. He writes two monthly columns—*Reality Check* for “CRM” magazine and *You Betcha*

for “CRM Guru”—and is one of the original members of the “CRM Guru” expert panel.

As an outgrowth of his work and his writing, Dick travels worldwide delivering conference keynote addresses and CRM workshops. His work and perspectives have been featured in “Business Week,” National Public Radio’s MarketPlace, “Newsweek,” “The Wall Street Journal” and numerous other print and web-based publications. He holds a BA from Reed College, Portland, Oregon and an MBA from Suffolk University, Boston, and taught for 10 years at the Graduate School of Business, University of St. Thomas in Minneapolis.