



ABOUT CUSTOMER RELATIONSHIP MANAGEMENT

TEN PITFALLS TO AVOID IN CHOOSING CRM SYSTEMS

In the age of the Web-savvy customer, a new competitive weapon is emerging. Neither product, brand or price, this new competitive weapon is deployed at the point of customer contact. The weapon is customer relationship management (CRM). By wielding this weapon effectively, companies are differentiating themselves from their competition, lowering operating costs, increasing revenues and conveying a customer-friendly image.

Two seemingly contradictory trends are emerging. Customers expect more personal contact with companies, while companies are under pressure to reduce costs. As customers gain round-the-clock access to companies, they increasingly expect round-the-clock responses. As product and service complexities increase, customer calls are longer and more costly. Business are now challenged to control agent costs and convert contact centers from expensive overhead entities to revenue-generating profit centers. CRM software offers a way to meet these challenges.

In their haste to grow, however, many companies install CRM software that does not fulfill the full spectrum of their needs and neglects the portion of the system that directly touches the customer. Organizational barriers create additional challenges to deploying CRM software. Different company divisions may communicate with the same customers, but not with each other. From the customer's perspective, the company should act and sound like a single company. These issues cannot be solved with technology alone.

Another challenge is patchwork technology. The typical call center's accretion of technologies from a variety of vendors is a hindrance to effective customer interactions. Agents should be able to access all relevant data when working with customers, but many systems prevent this communication from taking place. When agents are not properly equipped or trained, they cannot be effective.

For companies in the process of selecting and purchasing CRM software, the most common problems may be avoided by learning to recognize and eliminate the pitfalls.



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Narrow, Inflexible Point Solutions

New CRM software should integrate with existing technology, including legacy systems. An integrated CRM system can force point solutions to work with one another while working with the company's current database infrastructure. Your integrated system can create new knowledge databases based on what you already know. The alternative is to build everything from scratch, which includes designing new data infrastructures, new business models and new knowledge databases. This, as you can imagine, is a long, difficult and costly process. This second approach works only for building new CRM systems in companies that do not already have one in place.

Lengthy Implementations

If you find that it's going to take you nine to ten months to implement a CRM system, find another way. The Internet changes monthly; the CRM system must adapt just as quickly and expand as the needs of the business grow. Rapid deployment enables companies to recover their investments earlier and deliver better customer service sooner.

Limited Support for Multiple Contact Channels

By supporting different media, such as telephone, e-mail, Web, fax or "snail mail," the system enables access by whichever method is most convenient for the customer. This ensures the system is customer-centric rather than company-mandated. It also takes advantage of cost savings, since Web and e-mail responses are typically less costly than telephone calls.

Neglecting The Contact Queue

Agents need to provide accurate information and more personalized service. By managing the contact queue, a company can move agents from one type of communication to another to maintain consistent service levels and respond to changing contact volumes in different types of media. Proper balancing of the queue also facilitates load shifting; trained agents can move between telephone queues and e-mail queues as the e-mail volume increases.



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Lack of Real-time Reporting

Contact center managers must be able to spot customer behaviour trends rapidly. Real-time reporting informs managers of what their agents are doing at any point in time, enabling them to assess the effectiveness of a particular contact queue while it is in progress and adjust it accordingly.

No Strong CTI Capability

Customers should never be required to repeat their requests and personal information to an unending series of agents. An agent must have access to all of a customer's account information in order to respond faster and more intelligently to the customer and resolve issues more efficiently. This translates into a time savings for the agents, freeing them to answer additional calls per shift, as well as more effective inquiry resolution for the customer, resulting in added business, word-of-mouth referrals and long-term customer retention.

No Call Management System

Routing calls to the most appropriate agent (skills-based routing) enables the company to respond more effectively to a customer's individual needs. This makes the CRM system customer-centric and makes customers feel the company values its customer relationships, conveying an image of responsiveness on the company's part.

No Consolidated Reporting

Managers need a single report to show all activities performed by an agent, including telephone calls, e-mail messages and Web communications. This facilitates data warehousing and enables routing new inquiries to the least-cost response vehicles.

No Integration Between Inbound And Outbound Contact Systems
Centralizing all customer contact information facilitates agent movements between the contact systems and eliminates blind outbound calls to customers who have completed inbound calls with specific requests. Integration also eliminates outbound contacts with outdated lists, which include current and former customers who have fled to the competition because of such unresponsive service.



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No Agent Productivity Tools

Automating routing tasks saves keystrokes and consequently increases the number of contacts agents can handle. As a result, agents can effectively handle more contacts, which translates into a greater number of happy customers. Ten seconds per call saved translates to 13 additional calls handled during a single eight-hour shift, or 13 additional happy customers more inclined to make additional purchases from the company.

A well-designed and well-implemented CRM solution can greatly enhance a company's ability to attract, retain and grow customer relationships. Many companies have already been successful in using CRM to build revenue, enhance productivity, reduce costs and raise customer satisfaction. By using a business rules engine, a CRM system can begin with "here's what the customer needs" and end with a process for providing it to them at the lowest cost and greatest efficiency. This also conveys, internally and externally, a customer-focused company image.

A CRM solution is not without its perils. But if companies sit still and take a "wait and see" approach, they will surely lose their ability to compete and thrive in the marketplace.

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