

VOLUME 4

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CRM: The Key to Superior  
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# The CEO's Guide to CRM Success

**To ensure the success of a CRM initiative, upper management must have a clear vision and establish a customer-focused culture.**

by **Sundip R. Doshi** Surado Solutions

CRM is first and foremost a strategy and corporate philosophy that puts the customer at the center of business operations so as to increase profits by improving customer acquisition and retention. It involves identifying high-value customers and automating processes so that sales, marketing, and service efforts will be more efficient and effective. In its complete form, CRM provides a 360-degree view of the customer and integrates all necessary information about the customer at every touch point – be it traditional voice, Internet-based, or wireless. A CRM software solution is the vehicle that enables the 360-degree view. The major integrated system components that make up a CRM system include account and contact management, sales automation, marketing automation, customer care (service and support), and integration with back-office applications (see Figure 1).

## Senior Management Blessing and Leadership

Organizational issues are just as important, if not more important, than the technology behind a CRM implementation. It is well-known that people resist change. The introduction of a new system may be perceived to challenge the balance of how things are done, who wins, and why, and can have dramatic operational implications. Because of this, it is critical that new-system implementation has organizational buy-in up, down, and across, with strong leadership from senior management. The fundamental changes involved may be perceived to have far-reaching impact for your representatives, as well as the business processes and technology that support them. Forethought, coordination, and skill are required for a successful CRM implementation.

For a CRM project to succeed, it is critical that senior management understand that CRM is a business strategy to which they are fully committed, and that they are realistically cognizant of CRM's many facets and ramifications. At the head of the charge is the CEO, the one person the organization looks toward for company direction and philosophy. It is the responsibility of the CEO to win the support of key groups within an organization – from the board of directors to financial analysts to direct reports – all the way down to the customer.

The CEO must realize that CRM is an initiative for major organizational

change and, to this end, must have a clear vision of what he is trying to accomplish. The CRM project requires commitment and leadership and should include organizational objectives that are measurable by specific success metrics and criteria.

Business Bank of California's recent CRM implementation provides an example of how a CEO's clear vision contributes to CRM success.

## Implementing a CRM System

With assets of more than \$660 million, Business Bank of California is one of the largest locally based banks in Inland Southern California, offering retail banking, commercial, construction, and



**Figure 1** CRM Components

**Sundip R. Doshi** is the founder and chief executive officer of Surado Solutions, the emerging innovator in customer relationship management software. With more than 15 years of CRM and IT experience, he is responsible for providing vision and strategic direction for Surado. Mr. Doshi frequently speaks on CRM and entrepreneurship.

SBA lending with a strong focus on providing high-quality, personalized services to small businesses, professionals, and consumers.

CEO Charlie Hall knew that his vision to grow Business Bank of California through aggressive acquisition to more than \$2 billion in assets over the next few years would require good supporting infrastructure. He appointed Dave Weiant, executive vice president, to identify and implement the technology needed to take the bank to the next level. With the CEO's blessing and support, Mr. Weiant quickly determined the bank's need for a state-of-the-art CRM system to streamline operations and better serve its growing customer base. The solution had to be powerful, flexible, and scalable and had to provide seamless integration with existing systems at a value-driven total cost of ownership.

The vision was conveyed to the executive team and a representative group of stakeholders assembled to participate in the review, evaluation, and selection process of the CRM system. Priority was given to finding an easy-to-use solution that provided direct benefits to users so they would be motivated, rather than forced, to use the new system. The new system was to: be contact-, account-, and household-centric; enable quick and easy sales-pipeline management; identify the top 1 percent and top 10 percent of the bank's customers; increase operational efficiencies, including integration with third-party applications; and be able to generate management reports for day-to-day operations as well as to keep the governing board informed of the bank's progress and achievements, earning their ongoing support.

After an evaluation process, Surado CRM was the choice, exceeding all defined criteria and resulting in the retirement of multiple existing systems and the cancellation of plans to buy an additional system. The bank's CRM implementation was smooth and has had powerful effects on operations. Management has greater control; staff is empowered by fast access to a single source of comprehensive customer information, enabling them to provide better customer service, and allowing account managers to manage sales pipelines easily; and the Board receives detailed and timely reports.

A clear vision and good planning and execution resulted in a CRM system implementation that is helping Business Bank of California to reach new heights.

## **CEO's Best Practices:**

### **10 Steps to a Successful CRM Initiative**

1. Business executives must "own" CRM projects, from identifying goals and objectives to defining supporting business processes and metrics to ensuring adequate funding for implementation and support. Upper management buy-in and leadership is critical to the success of any CRM initiative.
2. CRM projects need governance – not command and control. Recognize the dynamic and interdepartmental nature of marketing campaigns, sales interactions, and service calls, and manage CRM deployments accordingly – by a representative team or governing body. Get input from all major areas that make up a CRM initiative, including sales, marketing, and customer care, early in the process.
3. Establish a customer-focused culture throughout the entire organization.
4. Ensure seamless integration with your back-office applications so critical elements of other third-party applications help provide a true 360-degree view of the customer.
5. Get expert advice from technologists who have mastered the art of successful CRM implementations.
6. Design and implement employee buy-in programs that help your team understand the value of CRM.
7. Review, update, and implement automated business rules throughout the organization and report on the efficiencies and effectiveness of their use.
8. Implement a system that is highly open, robust, and scalable as the amount of information you gather and manage will grow with the organization and increase over time. Make sure your corporate IT is responsible for the integration strategy, maintenance of master data, and adherence to technology standards in connecting these new applications.
9. Identify your most profitable customers and provide products, services, and promotions that keep them as happy, loyal, customers.
10. Identify tangible and measurable links to business performance before implementing a CRM project. First identify the processes that require change, the current level of performance achieved, and ongoing improvements.

## **Choosing a System**

Today more than ever, companies are seeking to ensure that they will realize a valuable return on investment from their CRM system. To best achieve this, companies must first have a clear understanding of what information they want to gather and how the CRM system will be used to capture and analyze data to make further improvements in customer service.

Most companies understand at some level that CRM is not really about "managing" customers but rather about putting the customer at the center of the organization. And in providing additional value to customers, customer loyalty increases and business benefits accrue in many tangible ways, from increased sales to customer longevity.

Companies should seek a comprehensive overview of how CRM can benefit the corporation, including how it interrelates with other initiatives. The planning and installation processes of a CRM system are of critical importance. All customer touch points and their supporting business processes should be incorporated into the system. This involves not only linking with the call center but also

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### Key Benefits

- Enable everyone in your organization to achieve operational excellence with a single 360-degree view of the customer.
- Facilitate successful execution of business performance philosophies such as Six Sigma, Lean, TQM, and the balanced scorecard.
- Increase customer acquisition, retention, loyalty, and profitability with standardized and improved sales methodologies.
- Automate redundant sales processes to better target resources, increasing the number of opportunities closed and accounts managed per sales representative.
- Empower your sales team with real-time pipeline and forecasting to direct focus to the most profitable opportunities.
- Keep in touch with your customers, even when you are on the road, with access to complete account information on laptops, even when disconnected from the Internet, and other mobile devices that are always in sync with corporate sites.
- Quickly identify and provide prioritized response to your most profitable customers and prospects.
- Utilize powerful business rules to automate tasks and target your best clients through up-sell and cross-sell marketing initiatives.
- Enable marketing executives to quickly measure responses to marketing initiatives on a real-time basis, identify trends, and maneuver to leverage the most successful campaigns.
- Increase customer satisfaction through not only decreasing customer inquiry response time but also through providing the right response the first time.
- Provide customer self-service options to reduce costs, improve access, and increase customer satisfaction.
- Provide timely customer service responses using sophisticated business rules based on questions or other content such as keywords.
- Reduce unnecessary problem and inquiry escalation through the automated monitoring of customer interactions such as representative response times and frequency.
- Increase effectiveness and reduce costs by routing customer service calls to the most appropriate customer service representative, such as by geographic location, specialty, or acuity.
- Enable executives and management to be less reliant on IT to monitor the state of business through management analytics.

integrating with other applications, such as e-business and back-office applications including financials, production, shipping, logistics, and corporate databases. Integrating with other applications provides the opportunity to leverage existing technology investments while promoting a true 360-degree view of customer interactions across the entire organization.

In selecting a solution, serious consideration should be given to how quickly, easily, and seamlessly integration with other applications can be achieved. Some CRM systems provide an easy means of integrating third-party back-office applications through an integration module. By using the module, integration time can be reduced by as much as 80 percent.

A module also allows system administrators to not only view information from third-party or custom applications, but also to create and modify records from these databases directly into the CRM system. A few simple steps are required – links are created by logging on to a database, choosing the unique fields (such as account numbers) that will be the same in both systems, and selecting the fields that users will see in custom folder tabs. Data can then be viewed and manipulated in real time, avoiding the need for cumbersome import and export routines or other costly and time-consuming custom solutions.

By enabling the seamless linkage between applications and the CRM system, employees can click a folder tab to access information from integrated back-office applications such as order management, enterprise resource planning, supply chain management, financials, logistics, or other verticals. In addition, automated data set updates to back-office applications greatly reduce unnecessary duplicate data entry and facilitate data consistency with disparate applications throughout the enterprise.

The tight integration and real-time access to information has many benefits, from reducing data redundancy, user account management, and end-user training on multiple applications to increasing data integrity and improving efficiency, including decreased usage licensing costs for integrated applications.

Whether your customer service and support representatives are courteous, responsive, and accurate will influence not only your customers' decision of whether to buy from you in the future but also the feedback and recommendations they provide to their friends and business associates. Every customer interaction is important and impacts customer attitudes toward your company and resulting buying decisions, so it is important to enable your employees to be knowledge-workers, providing the best customer service possible.

In order to be embraced by employees, the CRM system must make operational sense, fitting in with sales and customer care staff tasks and processes rather than requiring meaningless external pre-determined business processes. However, CRM initiatives provide an excellent opportunity to step back and evaluate business goals, objectives, and the business processes that support them and to implement important changes to better meet your company's changing needs.

Selecting a CRM vendor requires a clear vision and key metrics of what needs to be accomplished through a CRM initiative. Although not the only approach, an integrated CRM suite provided by one vendor will definitely help reduce the chaos of implementing multiple vendors with disparate solutions. Regardless of which approach is taken, an implementation comprised of well-integrated CRM components will best achieve the promises of a customer relationship management initiative. ■