

Critical factors leading to successful deployment or improvement of CRM systems

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Agenda (in 40 minutes!)

- My various roles and perspectives
- Recent research
 - Definitions of CRM systems projects
 - Project scope and timescales
- Conclusions
 - Good governance, supplier management and 'when things go wrong'
- Summary and discussion

Long term business experience

- Portfolio of Non-Executive Director and board advisory roles, including public sector and commercial companies
- 26 years with IBM, global FS roles with key clients and application partners. Previously with Nestle and a UK retailer
- Strong links with professional bodies and academia, including IDM (B2B advisory council), CIM, BCS, Marketors and more
- 6 co-authored books with Merlin, both B2B and B2C related, also many original papers

My various roles and perspectives

- Supplier strategy exec at IBM, global Financial Svcs
- Advisor to alliance supplier boards (e.g. SAS, Siebel, Peoplesoft etc)
- Independent advisor to innovative suppliers (e.g. Q.Know, Concep Global, Customer Essential, TheHaloWorks etc)
- Independent 'external' advisor to buyers (e.g. to board members of banks, insurers etc – UK and elsewhere)
- NED or other 'internal' board advisory role to buyers in the public sector and commerce – at procurement, to the programme board, through independent review 'gates' or to assist in recovering troubled projects
- Post-disaster reviews...

There is a very broad list of CRM project types, with no common definition of CRM systems

- Client data file, Marketing database or Data warehouse
- Customer segmentation, propensity modelling, profitability and other analytics
- Loyalty cards and shared loyalty services (e.g. Nectar)
- Marketing campaign management & resource mgmt
- Contact centres for service, or sales
- Sales force automation & key account mgmt
- Branch or store merchandising & support
- Self service via web, mobile or voice recognition
- Field service support
- Partner management
- Replicating a CRM capability across markets

and the list may be getting longer...

- Outsourcing
- Online chat, click to call back and email call back
- Complaints escalation and management (including ombudsman contact)
- Case management and workflow management
- Collections and debt management
- Anti money laundering (AML)
- Risk management and pricing
- Know Your Customer (KYC)
- Profit assessment and management
- Fraud detection
- Other regulatory compliance issues (by industry)
- etc

Various industries made their CRM systems investments at different times

- Financial Services, Telcos and technology suppliers invested heavily from 1999 onwards. Some have sustained their systems focus.
- Industries with tighter margins invested more cautiously and over a sustained period, with more focus on piloting, 'pay as you go' etc
- Recent local government initiatives have benefited from previous CRM systems experience of suppliers, including reduced implementation times and lower risk

Recent research provides these programme groupings by timescale

- Up to one year
 - Single phase or single focus projects, and/or limited or no customisation, integration work or business change
- 2, 3 or even 4 years
 - Multi-phase or topic programmes of various complexity, often including substantial development, customisation, integration and/or associated business change
- 5, 6 or 7 years
 - Very large scale programmes or ongoing incremental programmes or 'troubled projects'

Some analyst perspectives

- CRM projects and programmes became over-focused on systems, with business change requirements often overlooked
- Gartner analysis of 'CRM failure to meet expectations' was reported as 'CRM failure'
 - What business objectives were set?
 - What post deployment measures took place?

What happens when things go wrong

- Issues are usually buried for too long, often because there is insufficient assurance
- By the time issues become clear it is often too late to address them, so the downstream programme can only be rescheduled
- Unless the contract protects budget, the programme will now be ahead of the spending plan forcing later deliverables to be lost unless additional spend is available
- When management confidence is lost the programme is cut dramatically to focus on minimal deliverables, then may be gradually rebuilt over time as confidence returns
- User departments often suffer budget freezes until the programme starts to deliver again, so are stalled from providing alternatives or progressing elsewhere
- Final solutions are often extremely scaled down, or are completely written-off

The keys to good governance are well known, but often not applied

- Board involvement at all stages
- Clear objectives and benefit outcome rather than transactional measures
- Staged developments, deployments and benefits realisation efforts
- Programme board with regular (monthly?) meetings and 'clout', key suppliers can be included
- Working board (weekly?) and self-assuring programme streams, with project office support
- A business and systems architectural perspective
- External programme assurances at key checkpoints, used constructively rather than as a diversion of resources

Supplier selection and contracts

- Executives that personally override 'due diligence' results and considered recommendations...
- Supplier and solution decisions made by internal departments or contractors, rather than those that will 'carry the can'
- Lack of business involvement in decisions
 - 'I own debt collection for xxx bank, but I don't have any involvement in the systems provided to me'
- Alignment of contract objectives, both commercial and personal
- Fixed price, staged payments, time and materials or shared reward?
- Supplier communication at all levels
 - Consistency from technicians to executives
- Supplier integrity – buyer beware?
 - If it is 50% the price of everyone else, why is this?

In some businesses there is still far too little focus on the customer

- Little or no customer awareness, discussion or strategy on some boards
- Silo structures, with little coordination through budgeting periods or operations
- Transactional measures, rather than outcomes and beneficial measures
- Lack of clarity in the role of distribution and service partners in delivering a joined-up customer experience
- etc

Summary

- Some businesses have been very successful in their customer management projects, supported by 'CRM' systems deployments
- The reasons that many have 'failed to meet expectations' are well known and (in theory) could be addressed – but for many reasons they are not
- But ... recent CRM systems deployments are showing improvements in delivery time and reduced risk
- CRM programmes are not much different from many other programmes!

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