



## Unit 12 CRM (Customer Relationship Management)

### Learning Outcomes

**By the end of this unit the learner will be able to:**

- ✓ Demonstrate an understanding of the terms and benefits of CRM on a company's bottom line
- ✓ Analyze the different components of a CRM plan
- ✓ Develop a checklist for readiness and success in CRM
- ✓ Describe how CRM creates value for organizations and customers
- ✓ Consider developmental roles that have the greatest impact on CRM
- ✓ Describe how CRM creates value for organizations and customers
- ✓ Consider developmental roles that have the greatest impact on CRM

## Unit 12

### Introduction to Customer Relationship Management

#### Customer Relationship Management in Your Everyday Life Definitions

##### The basics:

- CRM is about creating sustainable connections between an organization and its customers.
- It evolved in the late 1990's as a way to redefine customer and company relations, mostly with the help of computerized measurement tools.

##### CRM theory includes:

- Recording every customer and company interaction. (Note that this is not just for transactions; rather, it is for every single interaction.)
- Developing of sophisticated database measurement tools to demonstrate consumer preferences.
- Collecting data for a blatant purpose: shrink cost and increase employee productivity.
- A focus on servicing existing customers (retention) rather than recruiting new ones.
- Reliance on highly skilled use of resources at significant price.

##### CRM is not:

- Part of the sales process (which would look to recruit new customers).
- Part of the relationship between sales and the customer (which often targets every prospect as a potential buyer).

##### What's in It for Me?

CRM programs are not about benefit to the customer. A CRM program is really a measurement tool for a company. As payment for the exchange of information, CRM programs offer a reward of some kind to customers.

Organizations that implement CRM programs do so because the impact to their bottom line is immediately measurable. Implementing a CRM program is an expensive undertaking. The implementation of systems that rely on reading, compiling, and mining data is a complex process. It requires skilled individuals with expertise in CRM, information technology, and demographics. Therefore, CRM programs cannot be easily implemented by small organizations. Larger and medium-sized companies often make six figure investments to implement their CRM programs.



Please read the descriptions of different types of CRM below. Then, working in small groups, write the correct type of CRM beside the examples provided.

### Background Information

**Operational CRM** supports sales, marketing, and service functions. Every interaction with a customer is added to a contact history. Staff can access information from the database so that the customer does not have to describe the same details repeatedly.

**Analytical CRM** is a tool to analyze customer data. This helps to optimize marketing efforts and design targeted campaigns that involve cross-selling (offering additional products or services that enhance the original purchase, like health insurance for a vacation package), up-selling (McDonald's famous line, "Would you like fries with that?"), and retention (a company offering an incentive that builds customer loyalty, like "buy two, get one free"). Analytical CRM also considers elements such as customer behavior when pricing new products, identifying factors for deciding which products to develop, and the potential that customers might turn to another supplier.

**Collaborative CRM** is designed to allow internal departments like sales, support, staff training, and development and marketing, to share information that they have collected during customer interactions with one another. For example, information about new features that customers request or common problems that they report to the technical support center can be passed to product development. The goal in collaborative CRM is to collect information and improve the quality of customer service.

**Geographic CRM** coordinates information from geographic systems with other functions of CRM. For example, transportation companies can plan the most effective delivery routes when they have information about road conditions, construction, traffic flow, and parking availability around commercial and residential areas. This information is often compiled on a map and can even be used to look for potential customers while managing existing customers in the region.

### Activity

Write the correct type of CRM beside the examples provided.

Example	Type of CRM
You are purchasing a very reliable car and you will only need to have it serviced twice per year. To make it even more effective for you, if you purchase this warranty protection package, we will provide you with a replacement car whenever you leave your vehicle with our shop.	
Your local computer outlet uses your telephone number to access information about your purchase history and names of each member of your	

Example	Type of CRM
household.	
A garden company calls existing clients in a certain area to say that they will have a truck in their area on Tuesday because of a bug infestation. While they're in the area, they offer to swing by and spray the trees of other clients in the area.	
Someone in sales reports a customer comment. The customer says that every time he sits down with his keys in his trouser pocket, his car starts. He is really frustrated because he has started his car a couple of times while it was in his garage (which is attached to his house). He could solve the problem by storing his keys elsewhere, but as a male he is accustomed to putting his keys in his pocket.	

**Who is the Customer?**

**Based on the discussions up to this point, how would you define who the customer is?**

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**Checklist for Success**

**Evaluation Metrics**

So you have a few ideas about what it will take to establish a business case for CRM in your organization, or perhaps it is already underway. In order to know what you are really aiming for, though, it helps to know when you are ready.

Why do you need to know when you are ready? Because there are plenty of nightmare tales in the business world about CRM gone bad for companies that were not ready, did not have the dedicated budget, or did not really know what was required. CRM is a complex issue, and like other complex issues undertaken by your organization, it is an ongoing process (not a one-time implementation) that takes expertise and dedication that is threaded throughout the organization.

## Readiness Questionnaire

### Instructions

Read through the following chart and then assess your organization on a scale of one to five. Note that there should be no guessing; if you are not sure, you really need to evaluate the question further. If you are still not sure, you probably need to score the answer very low since, if you do not know about it, it may not exist. Note, too, that when you actually review your organization, some answers may have more weight than others, depending on your needs and what you aim to do with the information.

### Questionnaire

On a scale of one to five, indicate whether the statement describes something that is:

1. Not happening in your environment.
2. Happening in very rare instances.
3. Happening once in a while, but not consistently.
4. Happening most of the time, but not all the time.
5. Happens nearly all of the time and is well supported.

	Item	Score
1.	Management has demonstrated an understanding of CRM and its benefits.	1 2 3 4 5
2.	Internal staff, other than management, demonstrates an understanding of CRM and its benefits.	1 2 3 4 5
3.	The projects we undertake can be supported by CRM.	1 2 3 4 5
4.	Collected data will help us improve stated goals and objectives.	1 2 3 4 5
5.	We have done some customer data collection in the past.	1 2 3 4 5
6.	Problems with who owns or manages the data within the company are easily answered.	1 2 3 4 5
7.	An internal sponsor exists for each aspect of CRM.	1 2 3 4 5

Item		Score
8.	Executive management has a defined commitment to pay for CRM activities.	1 2 3 4 5
9.	Individual business units (i.e., sales, IT, production, HR) agree on CRM ownership boundaries.	1 2 3 4 5
10.	Management is committed to providing authority to customer-facing staff, based on increased information and process improvements.	1 2 3 4 5
11.	Management is willing to develop incentives and modify compensation as motivation for employees who commit to CRM.	1 2 3 4 5
12.	All decisions include input and expertise from IT specialists.	1 2 3 4 5
13.	IT staffing has been enhanced to support CRM.	1 2 3 4 5
14.	There is consensus that CRM is not a one-time only activity.	1 2 3 4 5
15.	Obvious expertise is available for each discrete aspect of CRM.	1 2 3 4 5
16.	Employees can describe projected CRM benefits.	1 2 3 4 5
17.	Cross-functional data already exists in the form of a warehouse or central database.	1 2 3 4 5
18.	There is willingness to reorganize, increase staffing, or make adjustments as CRM gets underway.	1 2 3 4 5
19.	Clients and stakeholders commit to modify business processes that need to support CRM.	1 2 3 4 5
20.	Stakeholders understand that CRM requires ongoing support and funding to maintain development and programs throughout the program, not just at initiation.	1 2 3 4 5
<b>Add up your scores.</b>		

## Scoring

Use the following metrics to help you determine how ready your organization is to get a successful CRM program underway.

<b>90–100</b>	Suggests that you are ready to undertake a CRM program with confidence of success.
<b>80–89</b>	Suggests that with some enhancements (such as improving skill sets and getting infrastructure in order), your company may be ready to support a CRM project in the near future.
<b>70–79</b>	Suggests that there is still substantial work to do in preparation for CRM (such as doing initial data collection, establishing an environment that is ready for change, establishing an environment which is highly adaptable, etc.).
<b>Below 69</b>	Although you are reviewing the potential for a program, these scores suggest that you are not ready to plan for CRM at this time. Complete another readiness assessment once you have completed core improvements.

## Privacy Issues

Any time that you collect customer information, you take responsibility for your customers' privacy and the security of their data. When organizations first started collecting such information, it was not unusual for them to sell the lists to, or trade them with, other companies.

Have you ever wondered where your information is going? While conducting an Internet search for an item, have you ever had pop-up windows appear with information about related products? The pop-up window is an instantaneous and powerful demonstration of CRM data mining and application.

**Understanding people's desire and expectations for privacy, and also that the law in some regions is very rigid about what can be done with information that you collect, what additional complexity does the privacy issue add to your CRM implementation?**

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**Tips and Information**

At the time of this writing, in the United States it is illegal to gather information and use it for purposes for which it was not intended. For example, if you want to gather someone's name and e-mail address, you cannot just ask for a business card and then add them to your e-mail newsletter database.

In the United States, you can only add members of a subscription type of newsletter to your database if they opt in. You are not permitted to scan websites or gather e-mail addresses (known as phishing) to start sending mass e-mails (known as spam) to people. There are now applications such as firewalls, spam filters, and sophisticated technologies that help individuals protect their information.

In Canada, it is not legal to gather information for one purpose (e.g., adding a client to your invoicing database) and then include them in a marketing list for e-mail distribution, unless you actually tell people that their information could be used for that purpose.

**What Does This Mean for You?**

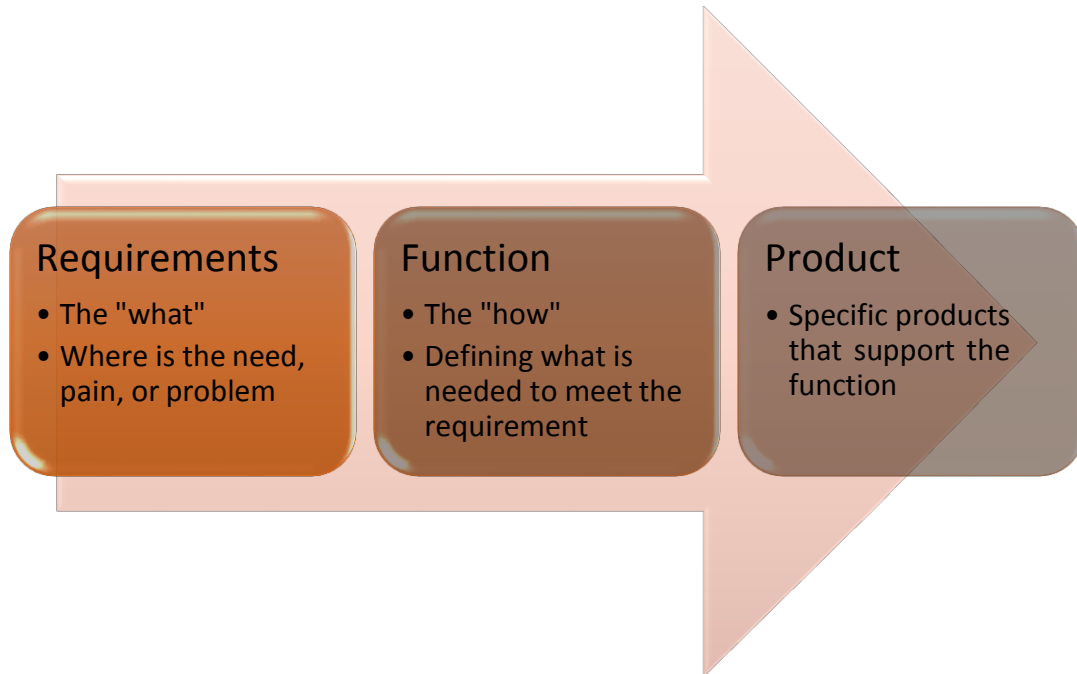
As CRM continues to evolve and people become less tolerant of breaches or privacy as well as junk mail and spam, the laws will continue to tighten and companies will be more restricted in what they can access.

When people receive a reward for putting up with a company's e-mail newsletters, junk mail, or dinnertime phone calls, they are less likely to mind these data mining activities. This is why CRM-based loyalty and reward programs are tremendously popular. Whatever incentive you are working with, there is no denying the public's penchant for discounts, coupons, two-for-one, and no interest types of programs.

## Requirement Driven Product Selection

**Requirement Driven Product Selection**

Requirement driven product selection is a CRM best practice. As with many things, the exact methods that you use will vary depending on what your company needs. This process requires defining the business need (or pain or problem, depending on the issue), deciding which functions are needed to meet the requirements, and then defining the products that support the selection.



### Case Study

For example, McDenim is a clothing manufacturer with about a 40% market share. They make industrial grade, denim clothing that provides workers in physically demanding jobs (like construction and warehousing) with tough, strong trousers and jackets. Their market share has dropped 5% in the last 18 months. So, they use the CRM data they have obtained through a couple of small databases and a customer loyalty program based on point collection to review what they can do to improve their proceeds and increase their market share. They have a couple of options.

If they decide to use **bottom-up CRM**, they could finish development and launch a new line of products that provide an option for clients to have their logos emblazoned on their clothing (through a special patch on the chest pocket of the jacket or a handsome label on the rear pocket of the trouser). This is a tempting option, but what if customers do not notice it when it gets into the marketplace?

**Requirements-driven CRM** approaches the issue differently. Data analysis will demonstrate which of their clients is buying what and point out where the losses are coming from. Internal staff and stakeholders will be involved in the program and have a say in how to respond to the problem by developing the product and associated technologies that support well-designed function that directly relates to what people need. The requirements-driven analysis will drill down to answer questions such as:

- Customer purchase history.
- Presence or likelihood of repeat purchases.
- Customer product review scores.

- Customer comments from the order desk and any complaints. (For example, ask customers what compels them to try new products or to purchase things that they already trust. This is where you learn about their drivers: free products, discounts, undercutting price from competition, etc.)
- A scan of industry and economic factors that could impact purchasing habits.

If requirements-driven CRM seems to be a longer process, it is. The advantage? It is much more meaningful than a knee-jerk reaction (such as focusing only on bottom-up CRM) that could lead to launch of a product no one even wants.

**Could you see your company committing to requirements-driven CRM, or would they focus on a bottom-up approach?**

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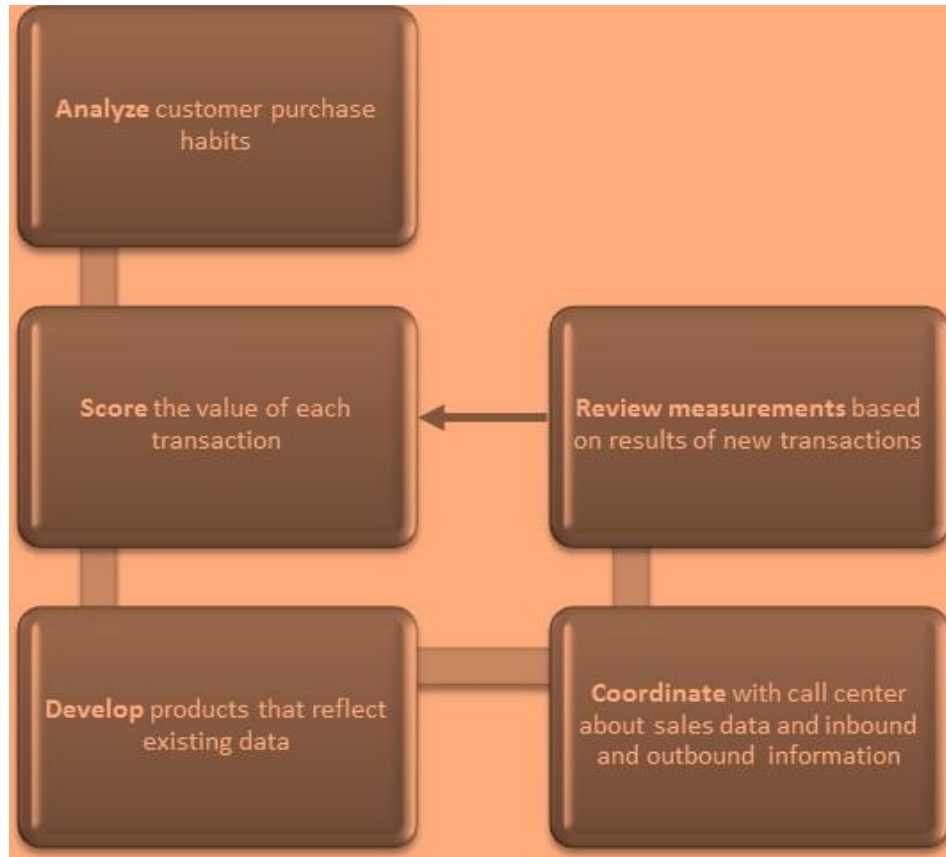
**Determining Function**

One of the difficulties within CRM can involve maintaining a customer focus. Remember that the “C” in CRM stands for “customer!”

**Function** is the “how” in the equation when you think about how you will meet the demands caused by the current problem. It is determined by what you need in order to solve a problem, heal pain, and so on.

If your **requirement** is to launch the three products that your customers are most likely to buy in order to recover your lost market share, here is a process to determine what you will produce. The steps to follow are:

- Analyze
- Score
- Develop
- Coordinate
- Review



In a real life scenario, this process may become a bit more complex. However, it is important to keep to something that you can comfortably explain and support, so try to keep it simple. Once your products launch, you will repeat the process by moving from “Review” to “Score” as a way to continually evaluate the process and determine whether you need to make adjustments.

## Considerations in Tool Selection

### What’s Your Function in the Field?

Functionality is a critical consideration in setting up your CRM program. Functionality is supported by technology, so you will need to define your technical requirements to ensure that the products will work in your environment.

Your technical requirements can be broken down into several areas. You can also score each of these elements to measure their fit to the corporate IT structure. The following items are examples of technical requirements.

**Connection Requirements and Integration**

Does the program integrate into the existing technology infrastructure (including hardware, software, and networking)? Considerations include:

- Operating system (including the transitions between operating system versions and Mac and PC platforms)
- Ability to interact with existing database systems and critical programs (Oracle, SAP, etc.)
- Capability to interface with existing telephone systems

**Security Issues**

- Does the program limit information access appropriately?
- Does the program allow the right people to have the right data at the right time?
- Are provisions in place for usage management at individual, departmental, and screen levels?
- Are appropriate password and anti-hacking measures in place?

**Reporting Ability**

- Can pre-formatted reports be automatically sent to end users?
- Is there flexibility for end users to create ad hoc reports?
- Do users have the ability to analyze data meaningfully?

**Processing and Performance Requirements**

- Do you know the limit of transactions that can be supported?
- Is the data volume that can be supported (including housing, archiving, and mining) known?
- Can your system support an adequate number of concurrent users?

**Intuition**

- Does the usability of the system meet expectations?
- Is the system customizable to allow end users to easily and intuitively complete tasks?
- Is there a print screen feature?
- Are the esthetics (such as pictures, graphs, and tables) pleasing?

**Functionality**

- Does the workflow management capability meet the needs identified in automating a user-defined workflow?
- Is there integration with e-mail to enable routing-mails to specific customer service areas?
- Is there predictive functionality that would allow suggestions to be added to the “buy” list as customers build their orders?

- Is there potential for wireless access to the CRM server?

**Performance Requirements**

- Are expectations for creating reports (e.g. less than one minute processing time) met?
- Can required lists for campaigns be generated in a timely fashion (e.g. thirty minutes)?
- Is the frequency of software/hardware updates and service interruption schedules for upgrading acceptable?
- Is the time of day that the database is available (e.g. office hours or 24/7 for international operations) adequate?
- Are self-diagnostic tools that alert administrators to potential downtime or system failure available?

Once you have a reasonable idea of the functional and technical requirements, you can have a meaningful conversation with CRM vendors and determine whether there is a product available that will meet your needs.

**Test your knowledge**

**Identify your three greatest areas of technological concern or need.**

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**Think of five steps that you can take to resolve the issues effectively.**

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**Getting Information In and Out**

We've mentioned that there is considerable complexity in establishing a successful CRM program. One of the benefits to understanding some of these complexities as you get underway is that by planning ahead, you can avoid problems that can interfere with success in the program. In addition to the technological aspects we have explored, there are some people issues to consider. As such, this section focuses on the people in your organization.



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## Development of Customer Relationship Management Plan

### Strategies for Customer Retention

#### **Getting More from Your Core**

We've already stipulated that CRM focuses on existing business. It is about getting more from the customers who already have a relationship with you, who trust you or your price, and who have the power to recommend you to others. This means that CRM focuses on what you know about what you already have.

**Selling cars?** On the anniversary of the car purchase, send an invitation to a special event or provide an enhanced trade-in value to your existing customers to entice them to return to you when they want to get another car.

**Manage a string of hotels spread across the country?** Watch people's travel patterns and know what they need as they travel to entice them back to your chain instead of visiting the competition. (For example, Holiday Inn did an entire campaign on the quality of their showerheads because they understood that their customers valued a shower that was as comfortable as the ones in their own houses.)

**Perhaps you manage an airline.** You have invested hundreds of thousands of dollars to make sure that you can offer the quickest reservations and the most efficient e-mail confirmation. You are the first airline to coordinate online check-in. Travelers can collect points and redeem them for travel almost anywhere, almost anytime, and for any reason. So, what could be missing from your airline loyalty driven incentives?

Imagine the following situation: Two travelers about to visit the same city visit the same website to book a flight. To the website, both customers look the same, so the site recommends a flight based on the best price or fastest route, whichever the traveler selects. Could there be a problem? Not to the website (or an individual on the end of a phone line), unless there is a way, in an instant, to figure out the big picture.

For instance, traveler number one is travelling on business. She'd appreciate a newspaper at the door in the morning, breakfast on time, and a cab to the airport that gets her there in the nick of time. She doesn't want to sit in the airport any longer than she absolutely has to, but while she is there, she needs to check e-mail, send messages, and work on a document.

Traveler number two is travelling for job interviews. She has attended interviews in three different cities this week and is tired of all the airport hopping and also feels a head cold starting. She wants to pick up some decongestant and sleep on the plane.

Both travelers arrive at the same airport at the same time. The shops are closed; the only section where a wireless laptop will work is overcrowded.

**Test your knowledge**

**How do you think that the travelers will remember this trip?**

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**What things will stick out in their minds?**

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**Will the travelers associate their disappointment with the airline or the airport?**

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**How will this impact their future plans?**

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**Can the airline do anything about it?**

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**Would your answers be different if there was something – a service or product – that your airline offered to make their experience better?**

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**What would those answers look like?**

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**What is the benefit to the airline (your company, remember) that your staff has met the needs of these two travelers?**

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**What does this kind of action do for loyalty?**

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## Customer Scenarios

**Is there value in your CRM analysis** to create customer scenarios that will help you:

- Explain the value of the program?
- Sell the merits of the program to internal stakeholders and your customers?

Think about what you already know about CRM in your organization. Are there pockets of uncertainty or resistance that still need to be convinced before aligning to the program?

Customer scenarios can help describe the merits of CRM to many people and for many reasons. Web developers need to understand customer thought processes in order to develop software that seems to be intuitive when the customer uses it. Scenarios can be used to strengthen relationships (e.g. between marketing and production areas so that they can see their common threads). They can also be used to create business models.

### **What do you think the values of scenarios are in your CRM program?**

When some companies try to create customer scenarios, they really focus only on the point where the customer comes into contact with their company. Although that is important (and is known as a “touch point”), it is not the center of the customer’s experience. Knowing how the customer gets to be the customer is also really important.

Creating the customer scenario is difficult and it requires that you think beyond the company’s stated or implied objectives. Start by mapping some simple scenarios and then ask for people’s input so that you include everything.

## Steps for Success

Here are the basic steps for creating customer scenarios.



### The Real Purpose

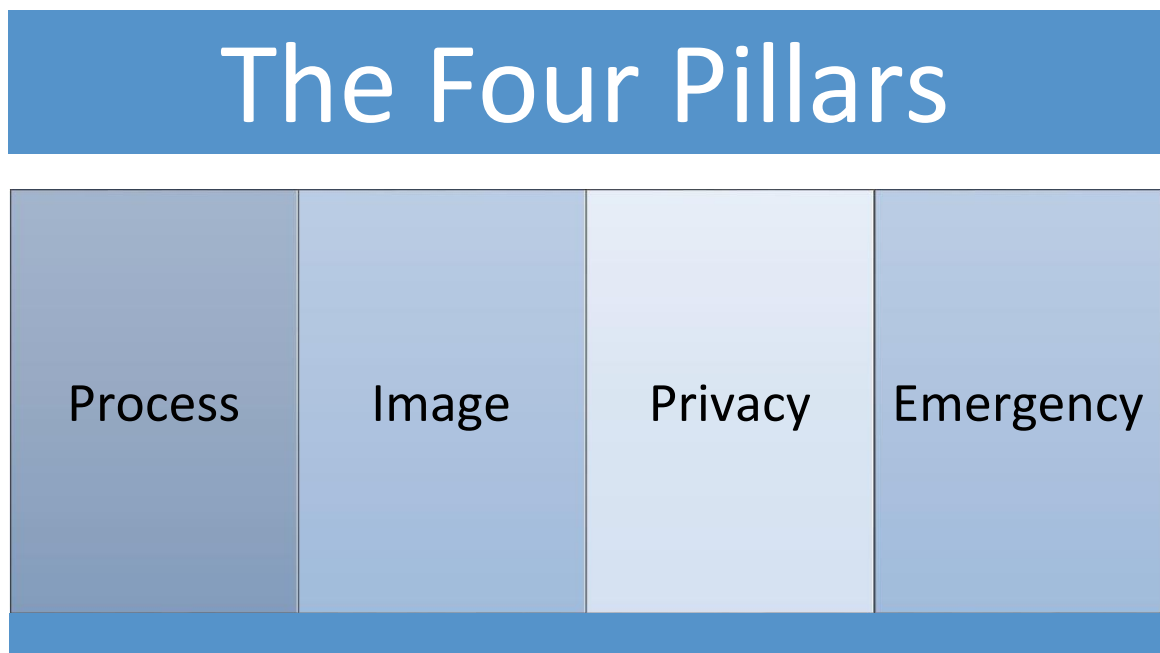
When you are creating your own scenarios – and you will need to complete different ones for different customers – you’ll begin to see patterns emerge. By focusing on the things that appear in common in multiple places, you can develop processes that give you the most impact for the organization. Then, and only with careful planning and execution, you can bring customers to you to test your assumptions with people who actually use your products and services, refining your scenarios, and producing new ones. In an ideal situation, your customers will even present you with defined scenarios. Thinking broadly about the challenges that your customers have instead of focusing inwardly on what you can sell, means that you are making their lives easier, which is what earns you true loyalty.

## Building the Future

### Roadblocks

#### Introduction

Like any project, CRM can encounter roadblocks, but you need remember that many organizations have implemented CRM with resounding success. Keep in mind that most roadblocks don’t only happen once; they tend to happen repeatedly, undermining the system, and eating away at the bedrock below the surface. There are other erosion factors, but these are the big ones:



**Process**

When a company is slow or unwilling to make the changes needed to implement CRM, the effects are immediate. Some companies are unwilling to try and some have very weak processes already, so making change is almost impossible unless significant structure is provided. Others purchase a CRM tool and discover that it does not fit their business. Others succumb to politics that simply do not support the goals of the organization.

**Image**

You may have heard the expression, “Image is everything.” It’s true with CRM. End users must see CRM as something that strengthens their jobs (possibly even view it as the only way to do their jobs) instead of perceiving it as the “flavor of the month” or just another new string of corporate policies. After the program is launched, it should result in people performing new tasks that make their jobs easier, while enhancing their customer relationships at the same time. Their perception is what brings customers back to your store, site, or service. CRM can service your customers’ high expectations of your company and what it offers, or it can have them glancing toward your competition.

**Privacy**

Privacy regulations are evolving just as quickly as (and even faster than) many business practices. Any company that collects personal information also collects information on data storage, cookies, phishing, spam, and spyware.

Whether or not regulatory governance continues to tighten its grip on data collection, the public seems to be very much in favor of punishing companies that violate people’s privacy. You have to understand certain features around privacy in order for people to willingly exchange information with you. For example, individuals are much more willing to share personal information with you when they receive something valuable in return. CRM planning has to include sufficient motivation to encourage customers to continue feeding you their information willingly.

**Emergency**

You’ve probably heard the saying, “Poor planning on your part does not constitute an emergency on my part.” Except when it does, of course. If you launch a CRM project and staff do not know who is doing what, when it takes place, or where to turn with questions, your program will undermine itself. Program managers and the development team must work closely together in order to ensure a meaningful launch that is well received.

You will also have to consider that any time you change something, you risk losing customers; some people do not respond well to change, and you are never going to get everyone to agree that they need to provide their very personal information to you. Finally, if you launch a new program or product and your customers are continually faced with servers that are constantly down or too busy, or if their calls are continually answered with messages of the “We’re sorry, but we are experiencing a large volume of calls” variety, customers will flip to another website or another entry in the telephone book.

**Selling CRM**

You have developed a basic idea about retaining customers and launching a new program or aspect of CRM within your organization. With this in mind, answer the following questions.

**Who are three difficult converts to this plan (such as internal staff or external customers that may not instantly embrace this idea)?**

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**Using some aspects of this workshop, as well as other things that you know about CRM, how will you sell the benefits of CRM, gain support for manpower (as well as money), or convince people to provide you with their personal information?**

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There are really no right or wrong answers; use this time to think aloud and come up with some ideas for how you can manage these objections in your upcoming work.

## Homegrown vs. Application Service Provider

**A Broad Look**

Up to this point, we have been discussing CRM as though it were a program built within your organization, since many organizations create an in-house system. However, there are also growing opportunities to outsource CRM using an Application Service Provider (ASP), and these are becoming very popular. Using an ASP means that you do not have to enhance certain aspects of a program, such as hardware, software, network, or Internet capability; find IT expertise IT; and more. An ASP can be a

tremendous resource. They are an increasingly popular alternative for organizations that lack infrastructure, but are highly motivated to support a customer retention program.

On the surface, using an ASP may seem to be merely outsourcing, but ASPs are actually well integrated with their customers. There are two types of ASPs:

- Web hosting firms that provide customers with the Internet platform and presence in addition to up-to-date and robust technology.
- Application providers that support specific products and product packages.

You have to be as careful when selecting an ASP as you would be when designing an in-house CRM program. When dealing with the ASP, the customer sees or hears your brand, your products, and your site, so selecting an ASP should be a rigorous process. Companies provide the following reasons for not using an ASP.

### **Changing Requirements**

If your CRM program requires continual tweaking (including multiple ways for an end user to utilize the system and provide input) because of the nature of your business, an ASP with limited capacity, or which offers only pre-defined functionality to CRM, will not be of sufficient benefit.

### **Complexity**

Even though we may try to keep things straightforward, some processes and organizations are extremely complex. Some companies want the flexibility to test and market products with great frequency and they require tight deadlines. ASPs can be restricted to their own resources and the structural limits of their programs.

### **Integration**

Data is always complex in the CRM environment and, if systems do not integrate well, we already know that failure can result. ASPs must integrate with the organization in order to provide reliable data in a reasonable manner. This can be difficult.

### **Contract Bungling**

If a complex and strategic CRM system is highly customized but remains within the management of the ASP, the balance of power can shift. Contracts have to be well written and understood so that critical information is released to the organization and not held by the ASP for pursuit of their own business. Privacy compromises, as well as data loss, can result from a contract with an unscrupulous ASP.



### A Closer Look

Think of CRM programs, either within your industry or within the loyalty program industry as a whole. List the names of three programs in the table below. Then, write down at least three questions that you would like to ask each program's key people about their CRM program and any reliance on an ASP.

<b>Program One:</b>	
<b>Question One:</b>	
<b>Question Two:</b>	
<b>Question Three:</b>	

<b>Program Two:</b>	
<b>Question One:</b>	
<b>Question Two:</b>	
<b>Question Three:</b>	

<b>Program Three:</b>	
<b>Question One:</b>	
<b>Question Two:</b>	
<b>Question Three:</b>	

## The Development Team

### Required Members

In order to get the right people from your organization working on CRM, you need to assemble a team. The following roles are required:

- Business sponsor
- CRM steering committee members
- Implementation manager
- Lead developer
- Database developer and team
- Front-end developer and team
- Subject Matter Experts (SMEs)

Using knowledge of roles in your workplace and discussion with members of their group, write the correct role on the corresponding line next to each definition in the table below.

Role	Definition
	Manages technical development and CRM product customization related to technological requirements. Should participate in CRM technology selection and hire developers.
	Cross-functional or multi-system team of decision makers familiar with the program. Meets on a regular basis to provide new requirements, prioritize changes, and communicate key initiatives.
	Addresses the programming needs to set up the end-user interface. (May depend on product chosen.)

Role	Definition
	<p>Could serve across a single CRM project of an entire program. Establishes the vision, sets the tone for the project team, spells out the goals and objectives, and serves as a mediator for implementation issues. Often funds the initial application. The larger the project (or organization), the greater level of authority this individual must have.</p>
	<p>Critical factor of success. Usually from the department intended to use the CRM system under design (e.g., a customer service representative). Often have strong opinions about what CRM should provide and need to be regularly included in development and testing of any CRM product.</p>
	<p>Leads the necessary data integration. This often means working with data warehouse and development teams. Often requires an understanding of key company systems, and always requires knowledge of how to capture the data. In large operations, requires a separate team of database administrators and data extraction experts.</p>
	<p>Ensures that the functionality requirements are fully implemented. Oversees day-to-day implementation activity, tracks status, and updates the business sponsor on any developing issues.</p>

### Optional Members

These roles may be required depending on the needs and size of your organization:

Role	Definition
E-Business Director	If you have a separate division dedicated to e-business, members of that division must be involved in order to ensure effective integration.
Data Management Director	Existing data, development processes, mining processes, and archiving are all functions that can benefit from being shared and accessible within certain areas of the organization.
Chief Information Officer	Can help to promote CRM as a corporate CRM resource and facilitate activity within the IT department, ensuring appropriate systems and data resources.
Strategic Planning Director or Vice-President	Liaison for the CRM team. Ensures that they are familiar with new business areas or product offerings under consideration for implementation or abandonment.
Chief Privacy Officer	Provides up-to-date details about corporate or regulatory policy regarding the use, collection, storage, and utilization of customer data.

## Evaluating and Reviewing Your Program

### Customer Profiles

In the very simplest sense of “signing up,” a customer could visit your website and input their name and e-mail address. This is not much for you to work with, but we know that the more that is asked of someone at the time of signing up, the less likely they are to fill out a form at all. If you want customers to provide you with more information, you need to provide them with something they value in return.

A customer’s willingness to complete a form is influenced by the value that he or she perceives will come from signing up in the first place. Often, customers sign onto a site and are rewarded with a free report or discount offer that might require a little additional data, such as their postal or zip code or a phone

number. The more information you request, the more value customers will expect to receive. In large loyalty programs, it is not unusual to have customers provide significant details that the company then uses in their CRM program.

It is unclear whether CRM programs will be able to access greater amounts of information over time. When designing a program, it is really important that any sign-up forms capture what you think you may need in the future. One of the aspects that you will require, both on your website and on any written materials that you provide to customers, is information about (and access to) your privacy policy.

Your attention to privacy must be rigorous. You will find that people and companies want assurance that you will not sell or lose their information. If your storage system is compromised, they will also expect that you make appropriate remedies (from fixing what's not working to compensation).

**Test your knowledge**

**What are the ten most common pieces of information about you personally that you have provided to CRM programs?**

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**Do you agree that the CRM programs in which you've participated required all of the detail they asked for? Why do you feel this way?**

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**Do you feel that you have received value for the information that you have provided? Why or why not?**

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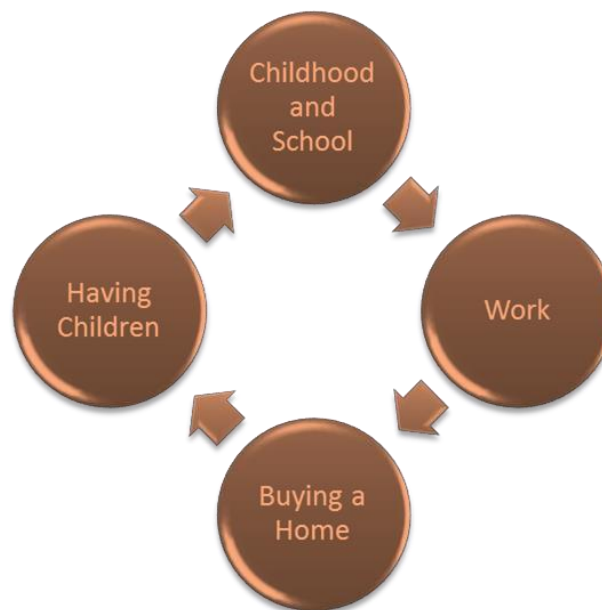
### Customer Life Cycles

Although customer life cycles (the progression of steps a customer goes through when considering, purchasing, using, and maintaining loyalty to a product or service) are often referred to in marketing or sales endeavors, they are also very important to CRM. The customer life cycle reflects many periods within the customer's own life. Creative CRM programming makes the most of the life cycle knowledge that we have.

This customer life cycle:



Looks remarkably like the life events cycle of many consumers:



These cycles are remarkably similar to a product life cycle, something that sales and marketing specialists refer to frequently:



The greatest number of sales takes place from the growth stage through the mature stage, and then they taper off and stabilize and/or decline.

When your organization understands the timing and process of these events, your CRM program can capitalize on, and provide the products and services to meet, the changing needs of those same customers.

### **Evaluating and Reviewing CRM**

We have mentioned evaluating and reviewing CRM as an ongoing part of the program; we will pause here to elaborate on that point slightly.

CRM is a technology based, customer driven process. In order to manage the process, it is critical that organizations conduct ongoing reviews of the successes and challenges that occur. Since CRM is an ongoing process, there is no defined end where you can measure the overall process. You will have to evaluate as you go. However, these evaluations are pre-defined because you know what your goals are, what kind of return on investment you seek, and the technology that you have. Your ongoing evaluation (say, every quarter for some parts of the program and semi-annually for other parts) will ensure that your infrastructure supports the program, that your customers utilize the program, and that you have the information you require at all times.

At different times, you will evaluate different elements of the program. The following topics can be evaluated independently of a major program review and are important components of a review:

- Infrastructure
- Software
- Customer utilization
- Customer satisfaction
- Employee satisfaction
- Profitability
- ASP satisfaction/viability

### Further Reading:

THE CUSTOMER RELATIONSHIP MANAGEMENT PLAN,  
**Hugh Wilson, Malcolm McDonald,2019**

The Customer Relationship Management Planning Guide V2.0: CRM  
Steps I & II, Customer-centric Planning & Redesigning Roles

**Dick Lee**