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WHY BOTHER

I trust that the previous chapter didn't frighten you off. Looking at this project in its entirety can be somewhat overwhelming. However, you should remember, that this project is done in stages. If it still looks like too much work, consider two important points. First of all, you can't afford not to plan like this. Without planning, you are just throwing away money and valuable resources. You must remember; purchasing technology to help automate your processes without a plan is as effective as throwing a bullet at a charging elephant.

Second, it's not as difficult or wicked as it looks. The process of talking to all the people and departments within your company in order to understand the nature of the contacts and relationships that they have with clients may take only a few days or perhaps a couple weeks at most. We are talking about brief interviews and discussions to get a solid understanding of how they relate to your customers — not exhaustive planning meetings to define their exact interactions and what needs to be done as a result. That level of detail comes later when you get to the point of implementing their piece of the puzzle. For now, you are simply trying to see if and how people and departments fit into the overall puzzle.

You may be thinking at this point, why even bother? This sounds interesting, but why should I bother with this at all? What are other companies doing? Why is this really important

for my company? I have better things to do with my time, like figuring out my forecasts for the next quarter or finishing my marketing plan. This is a good question, and working on forecasts and plans are equally important. But without satisfied customers (and by satisfied, I mean customers who keep coming back to buy products and services from you because of the positive relationship you developed with them), your forecast will be on a rapid decline and your marketing plan will be anemic.

Bob Lewis, president of IT Catalysts and contributing writer for InfoWorld, said: “Customer Relationship Management means exactly what it says. It’s a business strategy predicated on treating each customer relationship as an asset. Like any other asset, a customer relationship requires investment, preventive maintenance, and proficient use. In return, businesses gain a return on the asset. Somehow, this very basic and obvious point seems to have been lost in the desire to sell software. At its core, CRM is nothing more than scaling up what every small shopkeeper has been doing since small shopkeepers first opened small shops. Getting to know our customers, and using that knowledge to maximize the value we provide to them while forming an emotional bond with them so they wouldn’t dream of taking their business anywhere else.”

I couldn’t agree more with Bob’s statements. Yet many companies overlook these basic fundamental business philosophies. Even when they do understand this, they fail in their efforts to successfully implement their CRM projects.

If we look at why CRM initiatives fail, we can get a sense of why success will require better planning. Perhaps you’ve read the myriad of articles that state the high failure rate

of CRM projects. Typically, survey results say that anywhere from 60-80% of CRM projects fail. What exactly do these studies mean when they use the term “failure”? In these cases, failure means, a) the project was late, b) the project was over budget, c) the project delivered less functionality than originally planned, or d) some combination of any of these. Usually, “failure” is a combination of at least two of these situations, which is pretty bad.

The reasons for these failures are varied. From management, you hear them say that they still don’t have a sense of their business. Sales people say they don’t find the system useful and end up not using it. Senior executives complain about a lack of return on their investment. I recently met an insurance broker for a very large, national insurance provider who said they were given a “contact manager” that none of them used. He complained that they got new senior management who “thought” they knew the business. They decided on a product that fit the needs of management and gave it to the sales reps, who hated it. Thousands of these reps are out there not using a very expensive solution, in whose selection they had no input. How long do you think it will take for the executives to realize they won’t get a return on that investment?

Given this definition of “failure”, let’s now look at some of the reasons why.

USER RESISTANCE

“If it doesn’t help me sell, I won’t use it.” This is the mantra of any sales rep worth his or her weight in gold. Sales reps are motivated to make money for themselves. If something takes them away from that goal, they won’t do it, unless

they happen to be a marginal sales rep who easily loses their focus. So, companies will often provide these reps with tools that are overwhelming. These tools tend to have far too many features for them to comprehend or even find useful. Management doesn't take the time to explain how this will improve their lives, increase their productivity, impact sales, or offer any other benefit to them. It's just "thrown" out to them and they are expected to be productive and successful because they will intuitively know it will help them sell. Referring back to the previous chapter, if there is no plan or sales process that the tools will automate, then it is merely a tool without direction. It is a Skill Saw designed to build a house with no plans. The result is an un-used saw that just sits in its box.

PROJECTS TAKE TOO LONG

Did you ever hear the expression "All dressed up and nowhere to go?" Well, that's what some of these CRM projects are like. It takes 12, 18, or 24 months to customize them to mirror your operations, and when they are finally released to the sales organization, the environment and therefore the requirements have completely changed. As a result, you end up with this dressed up system and no one there to use it. Your market has changed. Your competitors have changed. Your company has changed. The result is that you release an 18-month-old solution today and it doesn't match your current business model.

One reason for this is the complexity of CRM projects. Many high-end products require a full 12-24 months to actually customize and deliver, due to their complex internal design. More often than not you'll now hear about vendors who are

promising shorter term results. You darn right! They need to allow companies to start showing results sooner than later. Whether these tools actually can deliver a useful system in a couple months or not is the subject of another discussion. But it is certainly an important issue and should be addressed when considering a technology to purchase.

Another reason is poor planning. Often times these CRM projects get a quick start but then begin to move in various scattered directions because there was no clearly defined and approved plan that they should follow. The result is that they drift. They also fall victim to “feature creep”. This is when everyone keeps adding new features to the requirements list and the delivery date keeps being pushed further back in order to accommodate these on-going additions and changes. The result is the project takes seemingly forever to be released to the end-user community, and by the time it is actually released, their requirements and the business model have changed.

Oh yes. There is one interesting by-product of these delays. During the year or so that everyone is waiting for this grandiose solution to come spewing from corporate headquarters, the users need something to help them get their work done. So, the marketing department runs out and buys a “quick-and-dirty” stopgap solution for their marketing campaigns. Similarly, the support people go out and buy a small help-desk product because they can’t keep up with their call volume. Then, every sales person runs over to their local office supply or computer store and buys, with their own money, a copy of the cheapest contact manager they can find so they can keep track of their contacts and calendars.

At this point, everyone has something different and when the new “solution” finally emerges from headquarters, it is met with yet another new requirement - it must convert and import everyone’s unique database into the new system. The result: more delays, more costs, and more users who don’t want to give up what they are already familiar with.

I had many instances when I was selling CRM solutions where the client said they were working on a “total, enterprise-wide solution” that would take at least 1 year to deliver. In the meantime, they wanted to buy 100 copies of my product to use as a stopgap measure in the interim. Two years later, not only is the new system not yet ready, but they’ve ordered many more copies of my product because they hired more people and the product suits their needs very well. If only they had considered their actual needs on day one, they could have saved millions on this high-end solution.

TOO MUCH AT ONE TIME

You might have heard the term “Don’t boil the ocean.” The point is to start small and do it in steps. Another version of this is “Don’t eat the whole elephant in one sitting.” I know this is not visually appealing, but it serves the same purpose and a little humor goes a long way in these situations. It turns out that most of us experience a version of this at least once a year. It’s called Thanksgiving. As much as we all try, we just can’t eat that darn whole turkey in one sitting. So what do we do? We eat what we can. And boy is that too much as it is. Too many memories of me lying on the floor like a bloated hog trying to watch the football game. But I digress. Then what we do is eat smaller portions in various dishes over the next week or two. Turkey sandwiches. Turkey

casseroles. Turkey crockets. Turkey “whatever Mom decides to disguise it as”. In time, by hook or by crook, we eat that whole turkey, but not at one sitting. We do it a little at a time and piece by piece. This is a time-honored and accepted tradition in America.

So why don't we do this with CRM solutions? Companies roll out too broad a product for any one person or department to absorb and appreciate at any one time. Remembering that sales reps won't use what doesn't help them sell, how would you think they'd feel if they were given a product with 200 features and told to use it all? They will use only what they can, which varies by person, and the result is that each individual will use the product differently than everyone else. Can you say “inconsistencies”? These resulting inconsistencies become very counterproductive, not to mention intimidating to the users. It is not uncommon to find that people just won't use the product at all. If they were already using some low-end tool they bought on their own, they probably won't give it up. The insurance agent I mentioned earlier did just that.

LACK OF TRAINING

If you're not going to invest in training for your people, then don't even bother with embarking on this endeavor. There are two types of training, however. The first is how to use the product features. The other is how to use the product for your business. This is where your CRM, or sales, process comes into play. If you have a clearly defined sales process, then the training should cover how to use the product for that process with the benefit being that the users will get their jobs done quicker and easier and be able to manage their customer relationships more efficiently and effectively.

Unfortunately, training often takes a back seat. There is often little or no budget allocated to training and virtually no time allowed for it. Users are not going to figure this out themselves. They need formal, structured training to learn how to navigate through the product and how to use it within the context of the company's pre-defined processes. This includes what data fields to populate for a particular transaction, what selections to choose from the pull-down menus for a specific activity, how to delegate certain tasks such as literature distribution, and other process-oriented events.

BAD PLANNING

This item has already found its way into some of the previous discussions of why CRM projects fail. But I believe it is so important that it demands its own marquee. Chapter 3 is dedicated to this subject, but it can't be mentioned enough.

Many years ago, in the early days of PCs, I was at a party. Nothing out of the ordinary, it was a typical party. But back then, being affiliated with computers was like being a doctor at a party. Everyone wanted to ask you questions and see what you knew and ask for your help. So, at this party back then, I was the "computer guy".

A gentleman approached me and said, proudly, "Hey! You're the computer guy. Guess what? I just got a computer." I asked him what he was going to use it for and he said to do his accounting work. So I asked him who does his accounting work now. His answer was, "I do, but I really stink at it. I don't know anything about accounting. But now that I have a computer, my problem is solved." Needless to say, I grabbed myself another "large" gin and tonic and proceeded

to explain that the computer doesn't know how to do "his" accounting. It was only a tool to which he needed to provide instruction as to how he wanted his accounting done. You would have thought that I had slapped his wife in the face by the way he looked at me. "You mean I spent all that money and it won't do my accounting for me? What good are these things anyway? You and your damn computers." I had lost a new friend after that inspiring little dialogue.

Today, we have the same problem. We have companies, or people within companies, who believe that if they buy a SFA or CRM product, it will magically automate their sales, marketing, and support departments while at the same time improving the way they work with their customers. Truthfully, most products will do these things in one fashion or another. But, each one needs to be instructed, or customized, in order to do these things the way YOU want them to. The problem, as mentioned here more than once, is that many companies don't know how to do this because they don't have a plan or the plan they have is inappropriate, incorrect or incomplete. So planning, or lack thereof, is another major reason these projects fail.

Once again, if the odds are stacked against you and if you don't do everything right, you can still fail. So, why should you bother? Well, let's look at your business and explore this quandary further. Take a look at your customers today. They are clearly much more demanding than ever before. They already get more than before, they get it faster and they get it better. This is the way our society has evolved today. That's what they expect from you — more, better, faster! Thus, you need to understand their needs and you must know what they've done before in order to help predict their next move.

To help accommodate your customers' needs, you also need a more productive sales organization. This is also required because many companies today have fewer resources and more work to do. Therefore, their staff needs help to get more done more quickly with less help. Technology certainly helps here.

Another reason to consider implementing a CRM solution is to improve information flow both internally and externally for your organization. Management needs a better picture of their business. What issues are customers faced with? What are their buying cycles? What is the current forecast and pipeline report? What analysis can be done to determine the best services we can provide our customers? These are but a few critical business issues that management needs to understand. Likewise, your customers and prospects need to know things about your company and products. What is the next new product release? When will their order ship? How can they buy more products or add-on products more easily? A well-planned CRM solution can help address the internal and external information flow.

Account continuity is another major benefit of a CRM implementation. Everyone in your company who has contact with a customer can, and should, treat them in the same manner. Have you ever had a major, national account who is treated like gold by the field sales organization, yet treated like a slug when they call customer service? Or, a small customer who is known for wasting tremendous resources gets extended credit terms by Accounting because they thought they were helping an important client? A good plan with accurate data that is shared by everyone helps ensure that all customers are handled appropriately.

Among the other benefits that make a CRM initiative worthwhile include: increasing sales to your existing customer base, improving customer satisfaction, developing customer loyalty, building brand awareness, maximizing profit potential, expanding distribution channels, reducing employee turnover, along with dozens more. I'm sure you already have your reasons, or will as you proceed with your project. Regardless of what your specific reasons are, there are definite reasons why you should "bother" with this effort.

Last but not least, the whole concept of teamwork must be addressed. When you build your puzzle, you are taking your entire organization into account and dealing with how your organization relates to your customers. It's not just about one or two individual departments. This becomes a teamwork issue.

Modern cars, equipped with the latest technologies, work as a "system", not as individual parts as they once did. In their system, the parts communicate with each other and change their properties and behavior as they relate to each other and as conditions change. For instance, the steering sensitivity and riding stiffness will change based on road conditions and the speed of the car. As a system, or team, these otherwise individual parts work in unison to provide the safest and most comfortable ride for the driver.

There's no reason why your company can't operate the same way — all the pieces working together as a system with the same goal in mind. Someone had to plan for these car parts to work in unison. In the same manner, someone has to do it for your company too. In the next chapter we'll discuss how to gather information from different sources within your company.