The Operational CRM eBook

a collier pickard publication
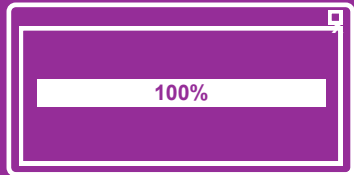
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"The only value that your company will ever create is the value that comes from your **customers** — the ones you have now and the ones you will have in the future."

Don Peppers and Martha Rogers, Peppers & Rogers Group

Foreword

In 2009, we published the first edition of *The* CRM Pocket Book, subtitled **"What works … What doesn't"**.

The pocket book includes a chapter entitled **CRM components**, which identifies Operational CRM, Analytical CRM and CRM Best Practice as components in the world of CRM. It also identifies Social CRM as an emerging component for CRM (at that time) – but Social CRM has come of age since 2009 and now merits comment in its own right.
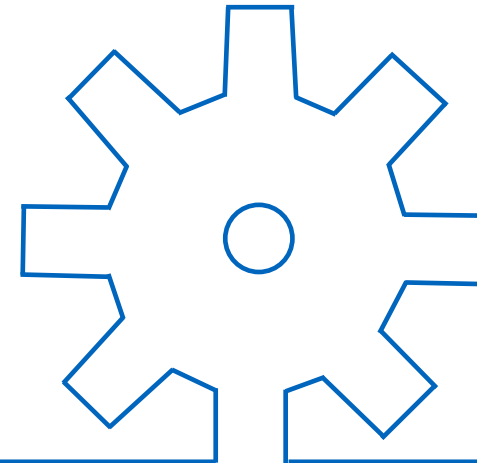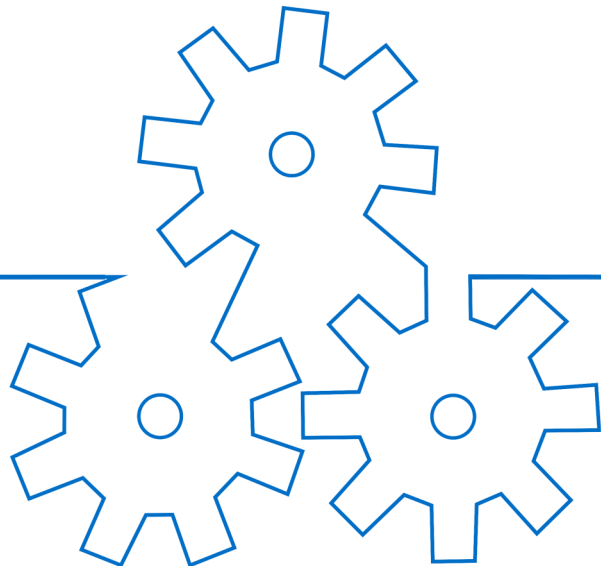
This eBook is one of a series, which examines in more detail the following:

- **Operational CRM**
- **Analytical CRM**
  and
- **Social CRM**

The eBooks in the series also examine CRM Best Practice within the context of each of the CRM components.
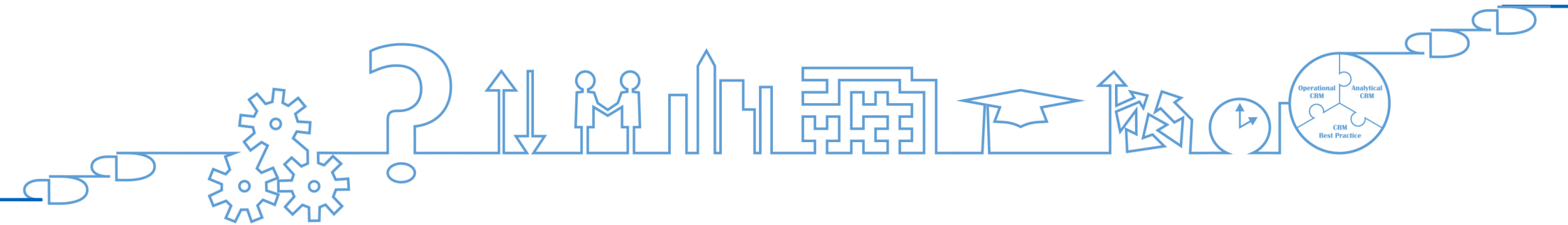
What is Operational CRM?

For most businesses today, CRM is Operational CRM. It's the instinctive answers to questions about what CRM is and does.

"It's the database."

"It's our lists of customers and prospects."

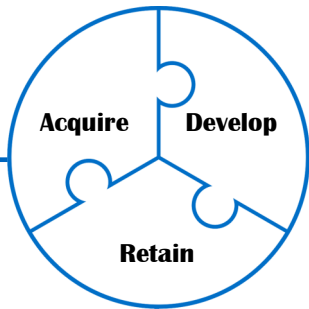"It's that thing we use in sales, marketing, and customer service – or all three."

"It's the system that the sales team use."

"It's software."

"It's a company strategy."

It's …

The truth is that it's all this and more.

Acquire   Develop

Retain

CRM means the **culture** and **practices** you adopt to help **manage** your business – the job of acquiring, developing and retaining customers – supported by technology.

Sales

Marketing   Customer Support

A CRM system must therefore have all the attributes for efficiency in **marketing** campaign management, **sales** opportunities development and **customer services** (case handling) – Operational CRM.

Operational CRM   Analytical CRM

CRM Best Practice

Operational CRM provides a framework within which CRM **Best Practice** can be recorded and driven. It also provides the data used by **Analytical CRM** to enhance and develop CRM Best Practice.

So—what works … and what doesn't?

Wind back a little, and let's break Operational CRM into some key themes:

People → Data → Software → Hardware → Processes → People
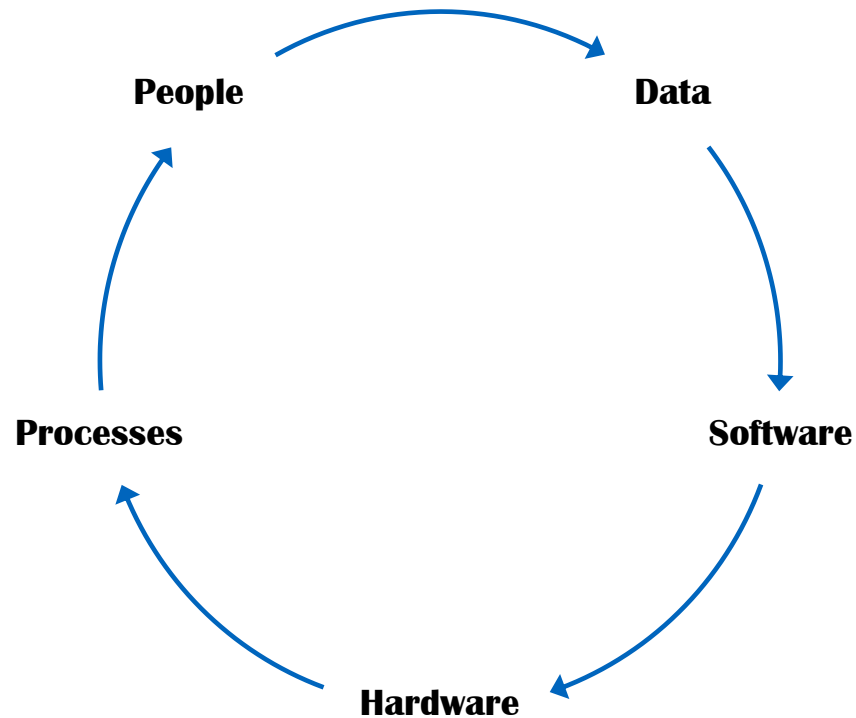
Operational CRM is built on a **perfect circle**. Remove or ignore any of these elements, and you might as well **give up now**.

How do you **balance** the needs of each element, and ensure that Operational CRM works for your business?

Before we delve into each of these elements, let's consider the basics of computing. Computer systems exist to do things

- **better**
- **faster**
- **cheaper**

That's it! There is no other valid reason for computerising anything in business. So if your Operational CRM is going to work, you need to **define** what is going to become better, faster, and cheaper.

Customer Acquisition

Customer Retention
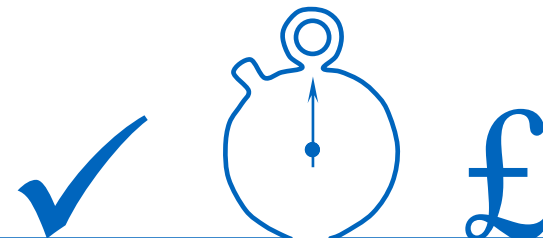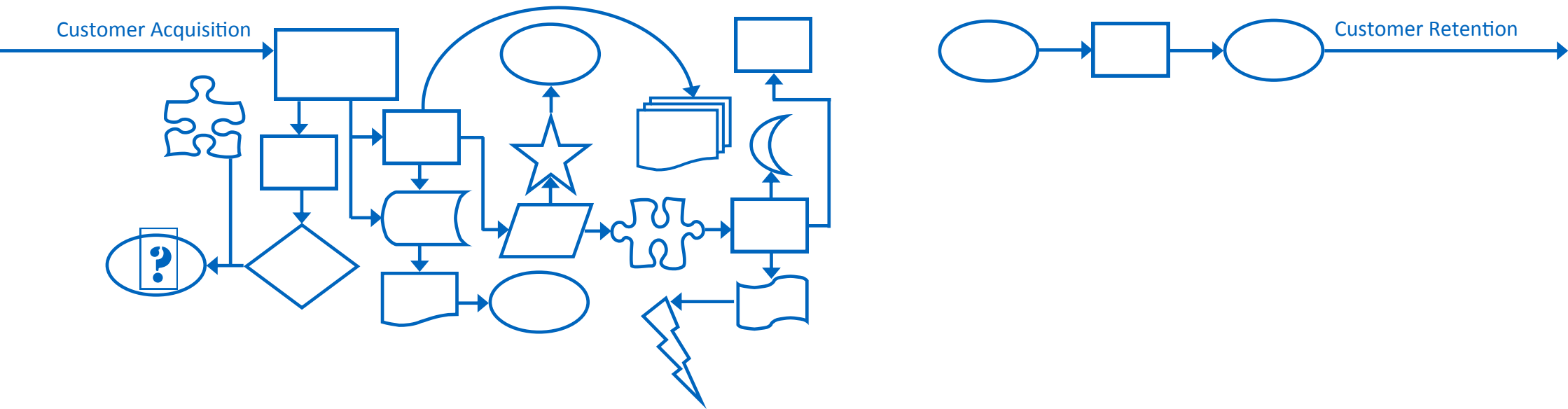
Process

Processes are the "day to day" stuff that people do, the **tasks** and **actions** that make up a working day.

Operational CRM gives you the chance to **streamline** these processes across your business. Why take up user time when computers can do it faster? **Workflow** or **business process automation** can turbo-charge your Operational CRM, so let the system send the "thank you for our meeting" emails – leaving the sales person to sell!

- Set up **rules** – and leave them to handle the donkey work.
- **Free up** your users to do the things that computers cannot do.
- Use processes to **speed up** manual tasks.
- Improve processes by using **task automation**.

However! If your rules rely on data and your data is bad, then you will have problems.

Data

Your Operational CRM system must have some data, and it should be **good** data.

Let's dispel a myth here. There is no such thing as perfect data! Data deteriorates at between 7% and 25% per annum. Your data will never be perfect. What we are looking for is "**good enough**" data:

- Good enough to **support** the **processes** that you are going to make better, faster, cheaper.
- The task is **manageable** if you accept that 80% of your business will come from 20% of your customers.
- Instead of sweating over the details on 100% of the entries in your Operational CRM system, really nail the 20% that brings you the **bulk** of your business.
- Don't get people to do data entry if a **process** can do it. (Processes are great at marking a customer as a "Top 10 client based on spend", but people are really bad at this!)
- **Consistency** is quality. Don't use "free text" fields.
- Only record data that is actually going to be **used** – no "nice to have" data.

Sure it's going to take some **effort**, and that's where the user comes in.

People

First, the bad news.

This is not a "field of dreams". Just because you've delivered a great CRM system, doesn't mean people will use it!

Great sales people, creative types in marketing, and the rocket scientists in customer service are not motivated by data entry. Data quality is not their "thing". They are, however, the people you rely on for **quality data**.

So you need to find ways to get them to use your operational CRM system. Getting the users to adopt any CRM system is a **challenge** – but it's not impossible!

Start by answering the question "**what's in it for me?**" Why would your users want to provide quality data? Why would they provide **any** data?

Give them reasons to **want** to add data. The surest way to do this is by giving them an **excellent user experience**. It's what your users **deserve** from Operational CRM. Delivering this excellent user experience means getting the **hardware** and the **software** right.
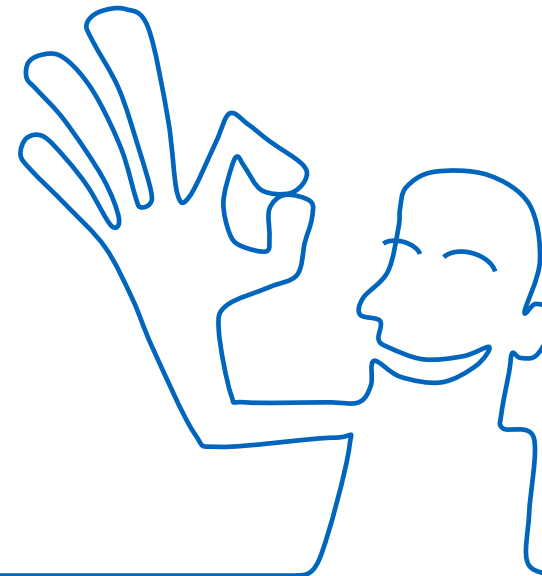
Hardware

Your choice of hardware should be fairly simple.

You need to consider the best place to locate the central system or server. If you have the **space** and **IT personnel** to keep such an important system operating, then PC-based servers are relatively cost effective.

Wherever and whatever your server choice, remember that users need to **connect** and **exchange information** with it. How they communicate will be an important consideration when you plan your CRM implementation. For example, if all of your office-based users are permanently connected to the internet to access your CRM server, does this necessitate changes to your internet connection?

For **field sales people**, accessing a CRM server across a wireless internet connection may be slower if that server is in your office with a low cost internet connection, and faster if it is hosted in the cloud.

Finally, what about **remote users**? Do they need a laptop, a smartphone, a tablet device, or a home computer? The choice of device and where you expect them to use it will also affect your hardware decision.

So – the choice of servers, user machines, and communications hardware should be guided by the simplest of criteria:

- Speed,
- **speed** and
- **SPEED**!

Operational CRM needs to be **used** for it to be successful, and your users will not use a slow CRM system.
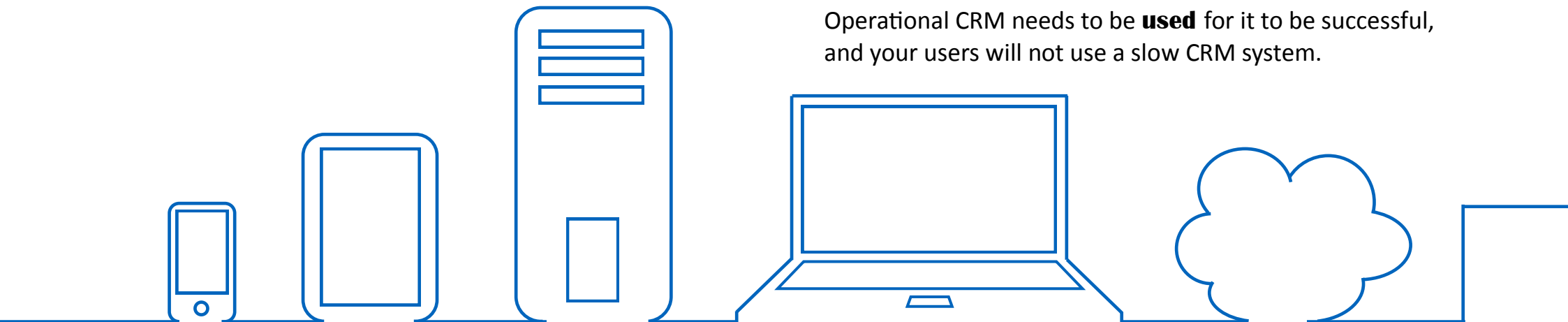
Software

So – what are the software elements of Operational CRM?

If you were to survey the leading software authors, then their lists would include some or all of the following:

- Contact management
- Opportunity management
- Pipeline management
- Customer service management
- Customer self service
- Events management
- Partner relationship management
- Campaign management
- Web lead capture
- Order management
- Quote management
- Business process management

That's a lot of **management** – which is strange, because getting managers to use Operational CRM software is another challenge!

So how about an alternative definition?
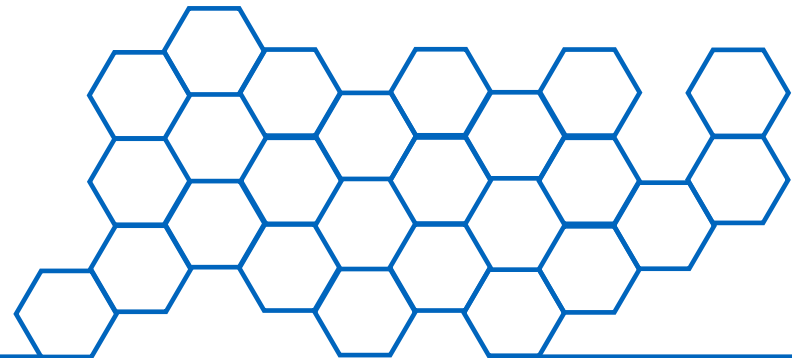
"*Operational CRM is a system that collects, stores, and presents data and processes used to acquire, retain, and develop relationships with customers and prospects*".

Too long? How about this:

"**It's the way we do things around here!**"

Operational CRM software has to become "the way we do things". It must be an ingrained way of doing things which is better, faster, and cheaper.

Software (continued...)

But be careful! Sometimes making things faster and cheaper in an attempt to make things better can have the wrong effect and actually make things worse. This is where it's helpful to **buy in** CRM software, rather than trying to build a bespoke solution.

Most CRM software vendors work hard to ensure their software is applicable to the largest possible range of companies. They build features and functions that most companies need. They listen to best practice authorities and try to build **best practice** into their software.

So whilst there are things you do that are unique, you should also be able to implement standard CRM functions better, faster, and cheaper by buying a software package. This should leave you the time and budget to concentrate on things that are your **competitive differentiation**.

The other advantage of this approach is that you get going **faster**, which means the costs that you incur importing data and training users can be paid back faster. It also means you have time to work out what needs to change. In effect, you can modify the system as you get **smarter**.

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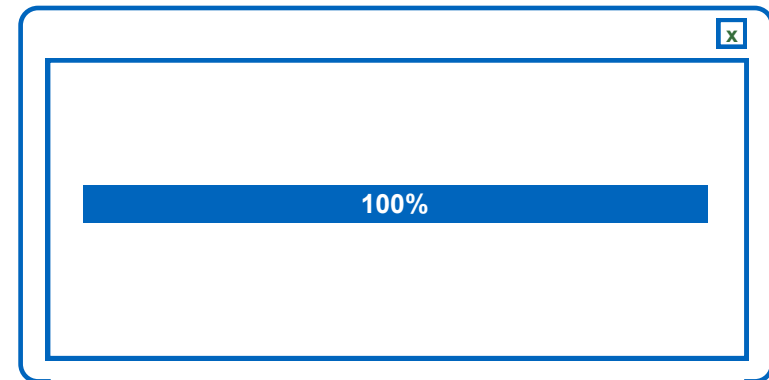
How much does Operational CRM cost?

Not an easy question to answer. If we stay with the elements we have identified, then costs will be internal and external:

Internal

Process
- Define and document the processes that need to get better, faster, and cheaper.

Data
- Identify the data required.
- Clean the data.
- Maintain the data.
- Manage the data.

People
- Invest in initial and on-going education.

Hardware
- Invest in the best and fastest hardware.

External

Process
Reduce costs by using:
- consultants experienced in configuring processes into your Operational CRM platform.
- out-of-the-box processes to begin with.

Data
- Reduce costs by using consultants experienced in migrating legacy data into your Operational CRM platform.
- Consider 3rd party data cleaning services.

People
- Save money by using the best trainers you can find. CRM education is not something for traditional IT trainers.

Software
- Costs vary from 100s to 1000s of pounds.
- Don't forget annual maintenance and support costs.
- Don't under-licence. Everyone needs a CRM licence.

What works ☺

Utilising tools that make **finding information** easier works ...	Having tools that only create management reports doesn't.
Using software that's **intuitively easy** to use works ...	Making the user fill in endless forms, or navigate through menus of menus doesn't.
Configuring screens to only show users what they need works ...	Cluttering non-configurable screens with too much data and not enough information doesn't.
Having a system that **helps** with a process works ...	Being bogged down with a system that enforces processes doesn't.
Accessing your operational CRM system **anywhere**, **any time**, with **any device** works ...	Having office-only access doesn't.
Aligning operational CRM with your **Strategy** works ...	Enforcing Execution tasks through CRM doesn't.
Doing things **cheaper**, **faster**, and **better** works ...	Analysing for analysis sake doesn't.
Making **data quality** of primary importance works ...	Worrying about program features and functions doesn't.
Having a system users **want** to add data to works ...	Having mandatory fields that forces data entry doesn't.
Working through the 4 steps of CRM maturity works ...	Automating tasks first, and sorting the data afterwards doesn't.

(Right column header:) **What doesn't ☹**

About Collier Pickard

Collier Pickard is a leading CRM consultancy for the mid-market. A **niche** player.

From our UK base we help organisations **align** their **CRM culture** to the top level **goals** of their business ... from start ups to blue chip, global operations.

Our team of CRM professionals has been together for nearly 20 years. We have implemented more than 400 CRM and sales/marketing systems. This gives us a deep **understanding** of best practice – what works and what doesn't.

Collier Pickard –
- Chosen by small firms for local support.
- Chosen by multinationals against major consultancies.
- Chosen for its depth of knowledge in the niche market that is CRM.

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The Old Calf House, Chevening Road, Sundridge, Kent TN14 6AB
T: +44 (0) 1959 560410 F: +44 (0) 1959 569364
crm@collierpickard.co.uk
info.collierpickard.co.uk/blog
www.collierpickard.co.uk