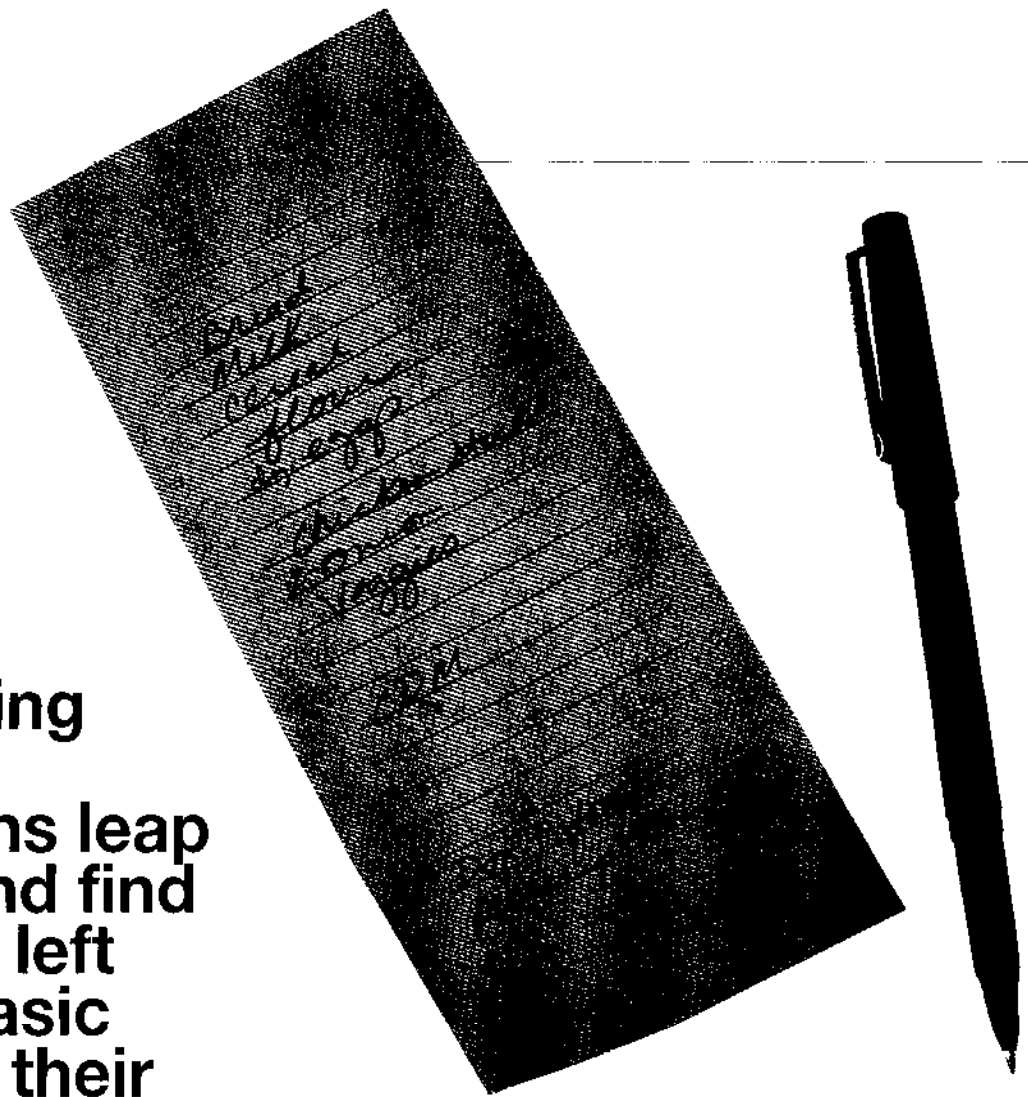


**“It’s surprising how many organisations leap into CRM and find that they’ve left out some basic elements in their enthusiasm.”**



considered as well. For example, will all the data in your CRM system be updated in real time or will it be a batch process? How frequently will the batch process be run? Once a day? Once a week? If it's the latter, the data in your CRM system will be up to a week out of date. How long will it take and what resources will be required to convert the data each time? Are you going to require IT people to spend days moving the data across? And if you update a customer's record in the CRM system, how will that change get back to your other systems?

You will probably need the assistance of your IT department to help you answer these questions. Failing to consider these issues up front will cause your budgets to blow out, and any time lags may seriously undermine the effectiveness of the CRM system. I've seen CRM systems where it has cost more to implement the data conversion than the CRM system itself.

In an ideal world you would have a single system that not only performs all your product and business processes but also your CRM needs. In many industries, there are products that will do just that. Alternatively, if you have control over the development of your existing systems, you may be able to implement some CRM functionality directly

into those systems. The important thing is that you take these issues into consideration before making these decisions.

#### **CORPORATE CULTURE**

The final issue to consider is corporate culture. There is no point in implementing a CRM system when your operators are not trained or enthusiastic about building customer loyalty through customer service. They must have the power to utilise the information at their fingertips to develop the loyalty you are looking for.

The implementation of a CRM system needs to be done with the involvement of all of your organisation's departments. Failure to do so can create undesirable side effects. It is vital that every department is involved in making critical decisions such as determining your CRM practices.

Gateway Computers, in the US, is a recent example of how the poor handling of business process changes can adversely affect the entire company. Gateway's management discovered that their customer support department was a major cost centre and so they decided to do something about it.

After analysing their customer support processes, they implemented several changes

in policy. Among them, they changed their warranty agreements such that the installation of any non-Gateway supplied software product on a Gateway PC would void the PC's warranty. Of course, most people would already know that virtually all PCs have a wide variety of applications loaded on them.

Secondly, they decided to reward their customer service personnel for keeping support calls as brief as possible. These policies backfired on them in the worst possible way. The support personnel spent most of their time explaining to customers why they had voided the warranty on their PCs by loading their business applications. Therefore, customer loyalty nose-dived. Unit sales dropped dramatically and Gateway's viability was put at risk.

Gateway has since realised its error, and its new management has reversed these policies, even going so far as describing them as 'stupid'.

Awareness of the issues I've raised won't necessarily guarantee that your CRM project will be a success. However, being aware of them will allow you to circumvent some of the more common reasons that CRM systems have failed in the past. A lot of it is common sense, but sometimes common sense can be lost in the excitement of the potential of CRM. ■