

The Art of Managing Customer Relationship

08/01/05

This week's question comes from entrepreneur who works with companies to implement customer management systems. He speaks at, and attends, professional development meetings throughout the county. He recommends that we focus on customer needs, rather than product needs. He argues one of the best ways to serve the customer, and take care of business, is to get all customer data in one location, and under the company's control. He wrote in, to comment on a recent Ask Andi article regarding CRM systems.

He commented that he had recently spoken with a customer, who was juggling multiple system projects, and delaying implementation of a CRM system, because of overload with the installation of an accounting system. His question to his client was this, "How does accounting software help you acquire new customers, retain your most profitable customer, and add value to your customers?"

In fact, his question was somewhat facetious, and the answer is simple. An accounting system can help, but is like putting the horse before the cart. Accounting systems are for managing customers. CRM systems are for getting customers. Without a good sales pipeline, which resides in a CRM system, an accounting system has little long term value.

What he was really trying to get the customer to understand was that the heart of a business is its ability to generate new business, and manage the relationships it

has already built. And in today's fast moving world, no one can keep all that data in their head, or in notes on a desk. Some things are bound to slip through the cracks, and every lost opportunity is wasted effort, which has to be replaced with some other opportunity.

When our world had cradle-to-grave employment, it didn't matter if your top sales person went home at night without telling anyone else who he or she had been calling on, or what proposals were pending. Of course they'd be back to work in the morning. Today, for all employees, including those who still stay in one place for their whole career, average time with a company is under 7 years, and dropping quickly. That turnover means vulnerable information.

He gave a powerful example of the cost of not having a CRM system in place. One of his clients had their two main sales people, one with 12 years on the job, give notice to go work for a competitor. According to him, the client's "entire knowledge base of customers walked out the door, and worse, into the door of the competitor." he further reported that, "Contact databases were on various computers, in Outlook, Palm Desktops, ACT, you name it. Each person had their own method of managing contacts." What a disaster!

He went to work with the customer to design and implement a solution, so that the same problem would never happen again. He reported that after looking at a variety of options, he chose E-Synergy

CRM, from Exact Software, NA. He selected this option primarily because it would interface easily with their existing back office, and, since it is web-based, employees could work on the system, via internet connections. This approach allowed the company to house and control the database, even when employees dialed in from home on weekends and evenings.

Best of all, He reports, "every customer phone call is now logged through the call center, every lead from the internet is funneled into the database . . . Every communication with an account, customer or supplier, is entered into our CRM software. The company now owns and manages the information."

He reports that he finds CRM software, in general, very easy to get going, easy to work with. The most challenging part, he reports, is changing the culture, from independence, from using slips of paper, pens and pencils, from making notes on the fly. The challenge is getting everyone in the company to hit the keyboard every time they take an action.

It takes persistence, and determination, to teach people the value of noting whenever a phone call is made, a request is placed or fulfilled, an appointment is scheduled, a proposal is promised or delivered. Most of all, using a CRM system is about putting computers to work to manage work for us, to insure follow through, and to help us communicate with others. By doing so, less of the burden is on our shoulders alone, as we share information and responsibility,



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and increase the ability of others
to back us up.

Looking for a good book? Try, Think Like Your Customer: A Winning Strategy to Maximize Sales by Understanding and Influencing How and Why Your Customers Buy, by Bill Stinnett, publisher McGraw Hill, 2005. If you want to better understand what we're talking about when we throw around the term, "CRM", try CRM At The Speed of Light, by Paul Greenberg, published by McGrawHill, or, A Practical Guide To CRM, by Janice Reynolds, published by CMP Books, 2002.

Happy reading! And my thanks to him for writing in with his comments, which prompted this article. Keep the letters coming!

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