Searching for the "Perfect" CRM

Ike Mitchell & Jeffrey Howard

Principals, CRM Practice, Computer Sciences Corporation

OUTLINE

1. Introduction: CRM in the Contact Center

Since the success of Siebel in the 1990s, customer service desktop tools have been generally called Customer Relationship Management (CRM) systems. In this article, we take a customer service manager's viewpoint and look at the latest trends in finding, selecting, and implementing the 'perfect' customer service desktop – whether that desktop is a CRM package or not.

For many years, contact center managers have been searching for the perfect tool to support customer service delivery. Unfortunately, the customer contact center is often not always the primary focus of a corporate CRM effort. Field force management, e-mail, customer analytics and back office integration are many times the focus of CRM projects and the contact center is almost an afterthought. Although the contact center is frequently the primary point of interface a corporation has with their customers, the contact center is not represented in the selection of a CRM package. The manager of the contact center should be involved in CRM decisions from the very beginning to ensure the center's requirements and priorities are included in the decision criterion.

The *aggressive* goal of a CRM implementation effort is to deliver:

- "perfect" customer knowledge
- "perfect" corporate knowledge
- "perfect" service delivery

CRM packages attempt to achieve “perfect” customer knowledge by deploying a data repository with object-oriented access to the entire customer relationship and contact history. “Perfect” corporate knowledge is addressed by institutionalizing business rules, processes and knowledge and providing tools for delivering this knowledge to the agent (human or computer) on a “just in time” basis. “Perfect” service delivery is delivered by providing both, high quality and low cost service across all channels in a manner that “WOWs” and exceeds customer expectations. But what is the perfect CRM for *your* contact center.

2. What a Contact Center Manager Wants from CRM

CRM implementations are more successful if a contact center has a solid operational foundation in place. Common practices for management ‘command and control’ such as automated workforce management, performance and quality management are examples of necessary foundational capabilities. With these foundation elements in place, the organization can use a CRM effort to drive quantifiable improvements in cost and service performance.

Once this foundation is laid, it is possible evaluate potential solutions against the specific expectations contact center has for a CRM tool, including:

- Contact tracking
- Business control over process changes
- Process and knowledge management
- Consistency of information across service channels
- Multi-channel customer contact centers
- Thin client
- Data management
- Customer analytics

Contact Tracking

The basis of a contact center is that customers require certain skills, not certain individuals. Thus, customer contacts are routed to groups of agents with similar skill sets rather than individuals. This is where economies of scale come from. For this to be completely workable, not only must the group of agents have the same skill set, they must also have access to customer interaction histories. A good case management tool allows any agent to handle follow up calls from customers by allowing them to see the entire customer relationship including contact histories. This is sometimes referred to as the “360 degree view of the customer”. Lack of a good case management tool often results in agents giving out their administrative PBX extension for customers to call back on for any follow up work. This practice destroys reporting integrity and results in under reporting of the actual work done in the center.

Business Control Over Process Changes

Most companies want their business analysts to be able to make simple process and business rule changes, without needing to put such changes through the IT development and change management process. A business analyst should be able to add an approval step or modify a business rule without going through IT. These are really business changes not technical changes. Examples would be changing the trigger condition that initiates a correspondence or eliminating an approval step to speed turn around time.

Process and Knowledge Management

It is desired to incorporate more corporate process and knowledge into the agent interface. CRM systems today allow for "just in time" contextual delivery of processes and associated knowledge to the agent. Instead of spending time learning about siloed processes which prevent/prohibit cross training, companies are now able to manage plan nuances through technology, allowing the CSR to focus on solving the customer's problems, no addressing how does this fit into the process they were taught. This is especially true in the health insurance industry where each corporate customer may have differing coverage and terms.

Training now becomes more of an exercise in human relations and service skills. Many contact centers have achieved significant savings by using this feature to collapse small agent groups serving one or a few corporate clients into one large group serving all clients, achieving economies of scale. Others take this a step further and collapse their member and provider agent groups. An interface between the CRM tool and the telephone system (ACD) through a CTI server allows skills based routing. When someone contacts the center, there is inherently a lot of information known about them. On a phone call; what number they dialed, what number they are calling from, and information entered into the voice processing device (IVR) tells us who they are and what they want. E-mail has corollaries in the To: and From: addresses and message text. This information is used to achieve a nice balance between matching agent skills to customer need without destroying the economies of scale provided by the CRM's institutionalized knowledge and processes

Consistency of Information Across Service Channels

With the advent of the internet and other self service technologies, companies find that they need impeccably consistent information delivery across service channels. Customers, like water, flow to the path of least resistance. Customers will utilize the service channel that gives them the most favorable treatment. CRM systems use the same logic and business rules engine on all service channels and enforce a discipline on agents who, in the past, may have had a more lenient approach to customer interactions than appropriate.

This inconsistency of channel information increases call volume in the contact center and destroys the integrity of the self service channel. Similarly, multiple channels of service have placed an added burden of knowledge on the agent, whether human or computer. A customer expects “the corporation” to know of all of their interactions regardless of how they were completed. Thus, a CSR handling a telephone call must be aware of that caller’s e-mails, faxes, and correspondence. In addition to using the same business rules and logic engines across service channels, new CRM technologies use the same customer databases (or more importantly customer data repositories, see below) across service channels.

Multi-Channel Customer Contact Centers

For years, the handling of phone calls and the handling of correspondence (paper, e-mail, fax) was separated into different groups, most often under different management organizations. It is possible with CRM to achieve further economies of scale by combining all of the customer contact channels into a single organization. CRM combines the business rules, logic, knowledge and process engines across service channels and enables a true multi-channel contact center. There are still skill divisions; some people write better than others, some are more verbal, some people sell better than others, and some are more service oriented. Interfaces between the telephone system (ACD) and the CRM system can provide skills based routing across service channels to match customer need with agent skills. People with secondary skills can address a customer issue to ensure timely response rather than queuing indefinitely for a limited pool of resources with specific skills. CRM allows for many approaches to the conundrum of maximizing economies of scale while at the same time allowing for specialization in skills.

Thin Client

A thin client eases change management headaches and reduces the need for increased PC capabilities. Thin clients allow for simple desktop appliances that have little future growth requirements. More importantly, thin clients are easier to manage. A thin client only needs the most recent version of the web browser. It is almost never necessary to physically touch a desktop thin client. Should application problems arise, rollback to previous software versions occurs at the server not on nine hundred desktops. In short, the total cost of ownership comes down markedly by this approach.

Data Management

Companies who purchase CRM packages want easier access and management of their data. In many cases, the legacy CIS system is so ingrained in the business; it is not possible to eliminate it. CRM packages can sometimes act as middleware, providing an object oriented approach to data and builds a new data repository which encompasses all of the “new” data resulting from new processes and acting as a data manager for legacy data. How far a company can go in replacing its CIS system with the CRM data repository is one of the first activities in the early discovery phase of a project. This repository also improves data availability. CRM data is always available, while there may be times that legacy databases are unavailable. CRM's data mirroring and other data management tools address this availability issue.

Customer Analytics

Best in class companies follow "just in time" processes and knowledge with "just in time" customer analytics. Although most often thought of in terms of marketing campaigns and market segmentation, customer analytics have a powerful role in customer interactions. Traditional companies use customer analytics to evaluate customer buying patterns and probabilities to suggest, just in time, contextually appropriate cross or up selling suggestions. This helps the selling attempt to appear as customer service rather than a blatant sales interaction. In pure service settings, customer analytics in the contact center looks at the entire caller relationship and pushes to exceed expectations by suggesting alternate, approved courses of treatment, cost savings opportunities and other "extra" customer support. This is important in contact centers that have customer satisfaction goals and is particularly valuable in industries where state regulators react to constituent pressures. Customer analytics provide the "WOW" factor. It is believed in industry circles that good customer analytics in the contact center also reduces call volume by anticipating needs and addressing them on the initial customer contact.

Options in Today's Market

There has been dramatic change in the CRM marketplace over the past few years. While headlines have focused on major market consolidation events, such as Oracle's acquisition of Siebel, overall growth has remained strong. Worldwide CRM software revenue totals $5.7 billion in 2005, a 13.7 percent year-over-year increase according to a recent Gartner report. Fortunately, market changes have provided options for the contact center that are better than ever.

Despite significant market consolidation, there are well over 100 viable CRM options still competing for your attention and dollars. Some are suite vendors who offer integrated capabilities across sales, service, marketing, and related functions such as knowledge management and analytics. Others are best-of-breed solutions which focus on providing deep capabilities in one or more areas. A rich array of capability – particularly for small and medium business markets – is now available.

This article is not intended to provide a comprehensive review of options in the market. Suffice it to say that market consolidation has brought simplification of the options into three broad categories:

A) The Leaders – SAP and Oracle/Siebel are clearly the market leaders. Both of these products are comprehensive suites of CRM functionality and most enterprise class customers will focus on one or both of these two corporate behemoths. Together, SAP CRM and Oracle/Siebel CRM now account for between 35% and 40% of the overall CRM market – according to Gartner or other industry observers. While both products are comprehensive, offering full suites of features and industry-specific overlays, mid-market buyers may find them a bit pricey.

B) The Other Half – A broad array of options makes up the other half of the market puzzle. Reasons to buy these packages range from economy, to niche fit, through ability to maintain flexibility. Vendors in this group tend to be smaller and therefore focus on an industry niche or functionality specialization. Players in this group include Pegasystems, Chordiant, and SalesLogix – but Microsoft also positions their offering here. A recent article in *CRM Magazine* stated that “Of all the leading enterprise vendors, Amdocs is clearly the most vertically focused. When it comes to telecommunications, Amdocs is second to none.” The Amdocs Clarify CRM product has also gained significant ground in contact centers across several industry niches.

   This half of the CRM crowd includes hosted packages such as Salesforce.com and RightNow Technologies. While hosted CRM applications are one of the hottest trends in the business, it is not yet clear how this will play in the contact center.

C) Customer Service Desktops (That Aren’t CRM) – An emerging segment that includes ‘wrappers’ like Jacada, portals like BEA, and other approaches to automating customer service functionality that are – by definition – not a traditional CRM package

4. Acquiring The Perfect CRM Package

You can’t select the perfect package for your contact center if you are not sitting at the table. Contact center management must be involved from the very beginning of a CRM acquisition process, preferably taking a leadership role As the representative of the contact center on a selection team, the manager must insist that an objective and structured selection process be used.

Documented processes are the key. All contact centers should have an interaction inventory. Such a listing of all interactions handled by the center can be categorized as transactional or knowledge based. Transactional are those interactions that result in some next step: placing an order, sending out a field technician, mailing out an information packet. Knowledge interactions are those that are information oriented: status and balance inquiries, technical support, store locations. Knowledge queries can be treated as a single interaction, the process being how knowledge is stored, retrieved and delivered. Transactional interactions need to be mapped out with required data points identified and linked to each step. Associated knowledge should also be mapped to steps for ‘just in time’ knowledge delivery. This transaction inventory can easily be used as the rows of an evaluation matrix with the vendor’s approach to each transaction as the columns.

Completing this work proactively will minimize implementation delays, since there are always process questions and mismatches that can stall a CRM implementation project. Buyers who postpone this process evaluation will very often find significantly increased cost as a change of scope is required compared to doing it up front and negotiating configuration and customization changes as part of the purchase contract. The buyer looses leverage once the contract is signed.

This transaction inventory can also be the basis for data architecture work typical of a CRM deployment. The inventory will have the data points used at each step in each transaction. It won't have all the data points involved in migrating to a CRM package, but it will begin to document the databases involved in providing customer support and can often identify problems with "database of record" and legacy database issues.

The structured selection process that the selection team follows needs to include quantify the CRM business benefit. Build a strong business case and insist on deploying the majority of the capabilities described above. The contact center's business case will be much easier to create based on a good management reputation with the fundamental command and control processes mentioned above in place.

Another critical factor commonly found in successful CRM implementations is the human side of the project. Too many of CRM customers get focused on the implementation of a software package and neglect the organizational requirements of such an effort. CRM is not really a technology as much as a culture and a new approach to customer interactions. As such, organizations change and the people that make them up require training in the new approaches. Further, the tools that are built to facilitate these changes require care and feeding. Ensuring consistency of information across all service channels requires that information and processes be maintained. To ensure continued utilization of self service channels, customer needs must be continually monitored and new processes and knowledge deposited into the CRM tool.

One of the major challenges for the selection team comes when someone asks the question: "Won't we save money by deploying an 'out of the box' implementation?" The simple answer to this question is that there is no such thing as 'out of the box' CRM.

CRM packages are a little like an MS Excel spreadsheet. They really don't do a lot, directly 'out of the box'. To make them useful, it is necessary to put things into them; formulas in a spreadsheet, business rules in a CRM package. Pre-configured spreadsheets can be purchased that will help create a retirement plan. Pre-configured CRM add on modules are available for specific industries to manage business functions. In the CRM world, these are called 'industry best practices'. It is remarkable how different these 'best practices' are from vendor to vendor. Our strong advice is not to abdicate process ownership without carefully evaluating the ramifications of this direction. Industry 'best practices' are really 'industry common practices', and most importantly, they may not have those business processes that make your corporation stand out and create its competitive edge.

Another major challenge is the perception by some that it will be too costly to customize the package to match all of your processes. This objection requires an understanding of the difference between “configuration” and “customization”. Ever since the dawn of CRM, vendors have worked to make their products more flexible. They have done this by making popular customization requests part of their configuration capability. Vendors have done this at a breath taking pace. What was a costly customization five years ago might now be a simple configuration switch. A selection criterion matrix can be easily created by matching up existing documented processes against ‘best practice’ configurations. The vendor with more of your existing processes positioned as configurable rather than requiring customization will get more points in the ‘capability criterion’ portion of the selection equation. And yes, even customization is more expensive than blind acceptance, but it isn’t necessarily the hideous cost others might be envisioning.

Conclusion

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When service managers recognize that Customer Relationship Management is a process, not a technology and recognizes that such tools require continual care and feeding, contact centers often approach many of their “perfection” goals.