

CRM done right: executive handbook for realizing the value of CRM



deeper

Reference guide

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Contents

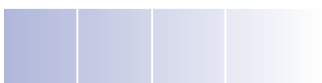
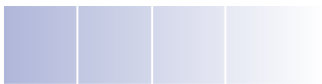
- 2 **CRM's changing identity**
- 4 **CRM's new challenges**
- 8 **The CRM done right framework**
- 10 **CRM value case for change**
- 15 **CRM value propositions**
- 19 **CRM operational blueprint**
- 22 **Implementation**
- 25 **Sponsorship, governance and change management**
- 28 **Conclusion**

Introduction

Customer Relationship Management (CRM) has changed dramatically throughout its dynamic transformation from a conceptual framework to a core business function. The imperative to understand and profitably manage customers is as important as ever, but the challenges for doing CRM correctly have multiplied. By framing CRM programs strategically against the value they produce and building achievable goals, companies and managers can overcome these challenges and realize the true benefits.

Purpose of this guide

This guide is intended for strategic decision-makers who seek to improve their CRM operations, mitigate risk in new CRM programs and secure organizational commitment. This guide provides a top-line view of modern CRM organizational challenges and presents five disciplines that form a CRM done right framework for meeting these challenges and realizing CRM “done right.”



CRM straight talk: CRM isn't just the domain of gurus or a software package anymore. Regardless of whether these old definitions brought joy or fear, CRM today pertains to the real-world, critical business function of profitably managing customers. To succeed in managing customers, managers must address CRM as part of their core operations.

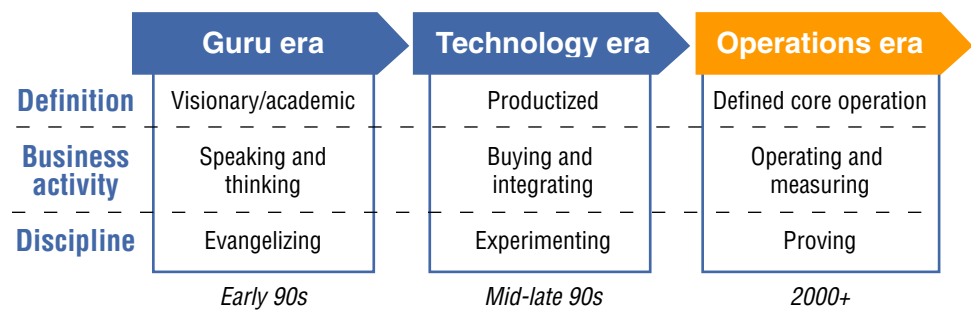
CRM's changing identity: The redefinition of core operations

CRM has always been important

Customer Relationship Management (CRM) has existed since the dawn of commerce. Since the beginning, companies needed to differentiate themselves from the competition to customers, provide service that matched their promises and encourage customers to return to do repeat business with them. These core business functions or operational practices were at the heart of operating a business, along with producing products and financial management.

Ghosts of CRM's past

In the last decade, the world has seen CRM grow and change out of these core functions. At first, academics and gurus popularized theoretical and inspirational visions of how managing customers strategically would bear fruits of better relationships, more sales and increased loyalty. Then, upon acceptance of the theories, a boom of CRM productization occurred, mostly in terms of technology. The term CRM transformed to represent a prepackaged solution that was applied to an organization and/or a distribution channel. In both cases, the term triggered eager anticipation by the business world. However, that later turned into disappointment when it became apparent that neither theories nor software alone could deliver the value of managing customer relationships.



CRM's future can be found in its origins — as core operations

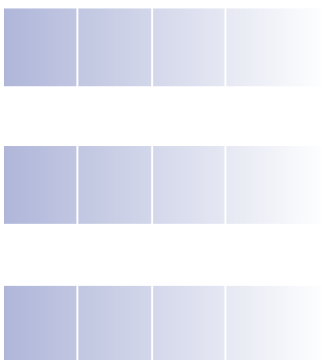
It is important that we shift our mindset away from the evangelism and the products to focus on what CRM is today: the integral, core operational practice of managing customer relationships. This operational practice is embedded in the real world of executing marketing campaigns, answering service calls, closing sales and resolving customer problems. It is enabled by staff, processes and technologies and is developed through management initiative and CRM programs. Senior management must resolve itself to treat CRM as a core business function. This includes taking a pragmatic approach to customer-focused imperatives, creating sound justification for CRM programs and taking responsibility for driving tangible results.

Adjusting business practices to address CRM as core operations

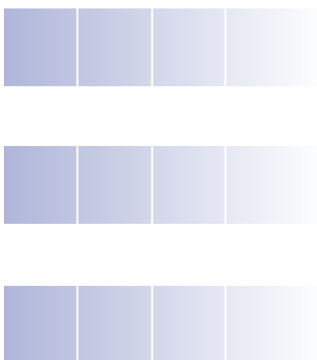
Senior managers must take a new approach to implementing and managing CRM operations. A different set of strategic and tactical disciplines is required to successfully manage a core operation versus developing strategy or justifying a software purchase. These disciplines formulate a CRM done right framework. They are:

- Realize your CRM value case for change.
- Identify and prioritize your CRM value propositions.
- Design your new CRM operational blueprint.
- Construct your transformational multigenerational roadmap and implement your solutions.
- Build support for your CRM efforts and stay on track through sponsorship, governance, and change management.

This guide demonstrates how these disciplines can be achieved and optimized through the CRM done right framework.



Some CRM research firms report that nearly 70 percent of CRM implementations fail to deliver measurable benefits. In contrast, IBM research has found that companies that focus on and prioritize critical activities actually increase the likelihood of CRM success by more than 70 percent—flipping the ratios.



CRM's new challenges

Addressing CRM as core operations brings new challenges and new solutions to companies seeking to optimize their customer operations. These challenges are compounded by disparity in geography and negative bias regarding past incarnations of CRM programs.

Companies around the globe agree — and disagree — on key challenges.

A recent CRM Global Study by IBM Business Consulting Service, administered by The Economist Intelligence Unit (a subsidiary of *The Economist* magazine), explored companies' experiences with customer relationship management initiatives.¹ The most significant findings were:

- Businesses vary greatly in their CRM needs.
- Business vary greatly in how they must approach their own specific needs.
- Businesses that prioritize efforts according to their most important needs have a higher success rate.

Businesses that put extra focus on the critical activities along the way can significantly increase their CRM success rates – by three to four times. Although these activities are weighted, they are undertaken as part of a holistic approach. (See CRM done right: Operationalizing CRM and variances by geography on pages 6 and 7.)

Today's new challenges are common to all core operations

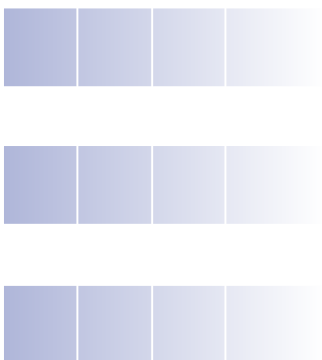
Companies face key internal challenges when addressing CRM as a core operation. These challenges are compounded by external factors such as the economy, competition, aggregate patterns of customer behavior, investor behavior and politics. Key internal challenges that companies face include:

- Compelling your organization to change its CRM operation — Companies find change difficult — even when the benefits are clear, and people agree with the concepts. Added to that, companies may resist new CRM programs because they often are untested, complex and difficult to measure. New ways of conducting business introduce risk into your operations, and return on investment is never guaranteed. This challenge becomes greater when institutional memory recalls past wasteful CRM programs and endeavors that burned the organization (or at least the failure's sponsor).
- Sustaining your commitment — In some cases, a company may find the time is right to implement an idea, without additional justification or analysis. But you need to be prepared for the challenge that comes months later when no one remembers the enthusiasm they felt at the moment of commitment, and the program fails because no one formalized or sustained the case for change.
- Making sure you know what you want and need — Driving agreement on what type of CRM operations your company needs can be difficult. Different departments and executives will undoubtedly vary in their opinions on how to best manage and serve the customer. CRM, though, includes many more constituencies than just the customer, including the company itself, employees and partners. Aligning the needs and expectations of these groups simultaneously is very difficult, and making sure they understand and participate is even more difficult.

CRM straight talk: CRM should not be treated like a one-time exercise or be marginalized as a “hobby” of the organization. Managers have to view the challenges of CRM in the context of the whole company and be ready to face the unique mix of challenges that each situation brings.

- Aligning your teams to work toward one common goal — If you succeed in helping your company clarify what it wants, you then have the challenge of getting the different stakeholder groups to work together to fulfill a common vision. Companies often misjudge their own current capabilities and their ability to develop new capabilities. Companies may unintentionally create internal conflicts among stakeholders by the way they align the organization or establish metrics. In addition, companies may underestimate their ability to change processes or share customer data. All of these internal conflicts can make it extremely difficult to coordinate the organization to work toward a common, agreed-upon end state.
- Implementing something big when the landscape is always changing — For most companies, successful CRM operations require significant investments, and making significant changes often takes months or years. Changing the organization while the background landscape in which it operates is also changing is difficult and causes organizations to ask, “How do we build something that needs to be different by the time it’s done?” or “Why build something that will be useless by the time it’s ready for implementation?” Successfully steering the organization through both long- and short-term changes is difficult during many CRM efforts.
- Maintaining support for CRM initiatives over the long haul — Since CRM initiatives take time, building ongoing support from executives can be very difficult. The corporate mindset and what seemed important yesterday is not necessarily deemed important today. Gaining support becomes more difficult when attention shifts from projected benefits to short-term budget concerns and interim stumbling points. This process of maintaining support is magnified a hundred-fold when hundreds or thousands of employees must be led to the finish line.

Savvy companies can conquer these challenges by creating directed value cases and by aligning priorities with efforts. The next section defines how these challenges can be met by using the CRM done right framework.



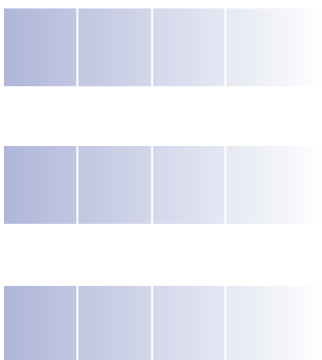
CRM done right: Operationalizing CRM and variances by geography

IBM Business Consulting Services recently completed a series of surveys of leadership in 373 organizations globally; the surveys were administered by The Economist Intelligence Unit (a subsidiary of *The Economist* magazine).² Participants comprised top-tier and small/medium businesses across industries, including financial services, retail banking, technology services, healthcare, telecommunications, aircraft manufacturing, automobile manufacturing, and media and entertainment, among others. Respondents spanned the CRM spectrum — some employing their CRM initiative as a functional or divisional activity, others approaching it as a strategic, company-level undertaking. There was broad geographic representation.

The resulting report — “Doing CRM right: What it takes to be successful with CRM” — highlights how companies drive CRM success and achieve a significant return on investment. It explains what drives approximately three quarters of successful CRM efforts for the Americas, EMEA and Asia-Pacific geographies. The report also points to roadblocks encountered along the way and mitigating tactics.

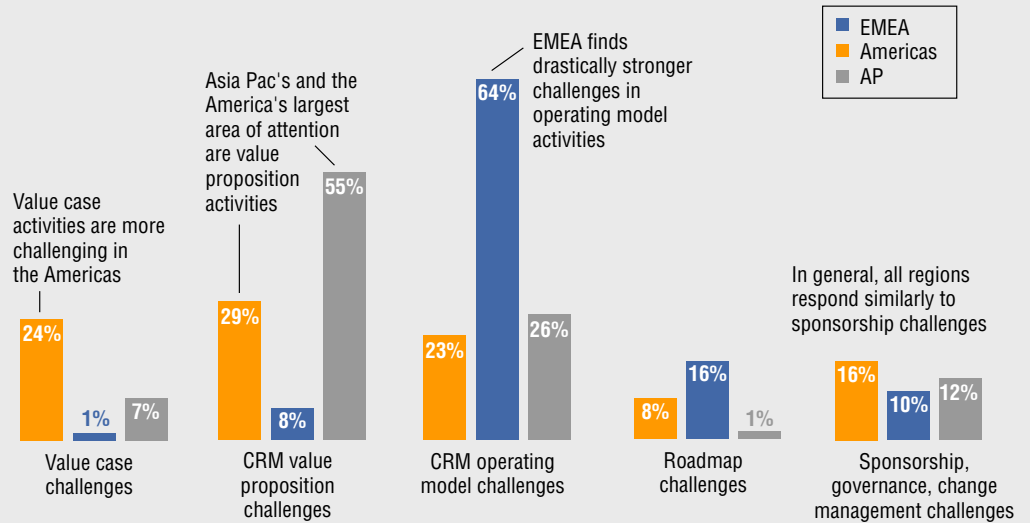
As part of this analysis, IBM asked companies that were successful in CRM implementations to rate attributes that they believed required the most attention or effort to contribute to success; these attributes were also called success factors. This means the respondents believed that the success factor was both critical to success and harbored a high level of risk to the organization. For example, “budget process management” in the Americas received a high score because it is a big contributor of success and represents extensive risk-mitigating efforts on the other hand, “technology implementation” received a low score in Asia Pacific despite being critical because implementing technology does not pose serious organizational risk and can be easily delegated.

Managers should read this analysis as a point of perspective on how to prioritize efforts. In theory, high scores represent areas that should require extra focus and attention to make CRM successful in an organization. In practice, managers should take an honest look at their organization and determine which factors are high contributors of success and which present high organizational risk.



Different companies — different geographies — different priorities³

The most significant finding of this report was that different regions have different CRM risks and priorities. In the graph below, we see how these priorities differ. This view explodes exponentially in complexity when measuring companies' priorities one-on-one.



Note: Chart areas are categorized and summarized from a greater breadth of sub-groups listed below. The purpose of this analysis is to illustrate the disparity of perspectives only.

Impact of Key Activities for CRM Done Right, by Geography ⁴			
Geography (% of success explained)	Americas (79%)	EMEA (71%)	Asia-Pacific (73%)
Integral Activities — represent the biggest challenges in getting CRM right <i>Differentiates 70-74% of success</i>	<ul style="list-style-type: none"> - CRM strategy and value proposition development - Budget process management - Process change - Governance - Change management 	<ul style="list-style-type: none"> - Capabilities and risk assessment - Customer data integration and data ownership - Process change - Prioritization of company initiatives - Organizational alignment 	<ul style="list-style-type: none"> - Stakeholder assessment - CRM strategy and value proposition development - Process change
Contributing Activities <i>Differentiates 23-27% of success</i>	<ul style="list-style-type: none"> - Stakeholder assessment - Organizational alignment - Technology implementation - Metric development - Business case and ROI 	<ul style="list-style-type: none"> - Customer needs analysis - Governance - Change management - Technology implementation - Metric development - CRM strategy and value proposition development 	<ul style="list-style-type: none"> - Change management - Business case and ROI - Metric development - Governance - Customer data integration and data ownership
Foundational Activities — attributed with the least impact to overall CRM success* <i>Differentiates 3-4% of success</i>	<ul style="list-style-type: none"> - Prioritization of company initiatives - Implementation roadmap - Customer data integration and data ownership - Senior executive and opinion leader buy-in - Customer needs analysis - Capabilities and risk assessment 	<ul style="list-style-type: none"> - Budget process management - Stakeholder assessment - Implementation roadmap - Business case and ROI - Senior executive and opinion leader buy-in 	<ul style="list-style-type: none"> - Organizational alignment - Senior executive and opinion leader buy-in - Budget process management - Capabilities and risk assessment - Technology implementation - Prioritization of company initiatives - Implementation roadmap - Customer needs analysis

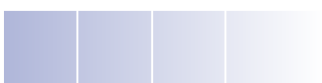
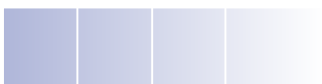
* Readers need to be cautioned in the interpretation of the foundational steps. In some cases, foundational activities have been mastered in the geography — eliminating the risk and variability of the activity — while in other cases, foundational activities may be simply obscured by more dominant integral activities and contributing activities. Their true impact will not be apparent until the integral activities and contributing activities are mastered.

The CRM done right framework

The CRM done right framework for developing sustainable, successful CRM operations is illustrated below. It has five main components which are sequential, cyclical and interlinked.

The five success factors or keys to doing CRM right are:

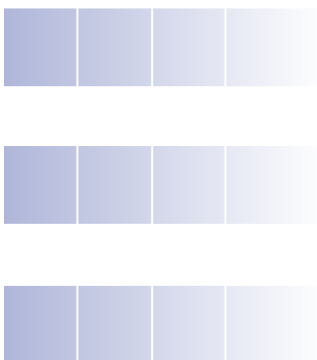
- Realize your CRM value case for change.
- ~~Clarify and~~ Clarify and prioritize your CRM value propositions.
- Design your new CRM operational blueprint.
- Construct your transformational multi-generational roadmap and implement your solutions.
- Build support for your CRM efforts and stay on track through sponsorship and



Summary of the CRM done right framework:

Success factor	Summary description
Realize your CRM value case for change	<p>This answers the question, “Why are we doing this?” The value case for change is the format by which management establishes projected benefits of the project, initiative or program and sets the baseline costs and business implications of making the change. It also defines:</p> <ul style="list-style-type: none"> • Justification for moving ahead • Areas of highest return on investment (ROI) • A framework for prescribing, supporting and monitoring subsequent actions — including when to make incremental “sense and respond” course corrections and when to make significant, strategic shifts.
Identify and prioritize your CRM value propositions	<p>Here you define the specific strategies that create value for all of the stakeholders in your CRM equation, including the company itself as well as its customers, employees and partners. You consider what imperatives are important for business success such as competitive threats, financial pressures or new opportunities. Essentially, you define at the outset what value will be created.</p>
Design your new CRM operational blueprint	<p>By designing the blueprint, the company chooses the end-state operational vision for the new CRM operations. This includes determining what the specific experiences will be for stakeholders, determining how the company will deploy resources, determining how new technologies and infrastructure will be built, determining how new processes will be designed and creating a comprehensive strategy for managing the change.</p>
Construct your multigenerational roadmap and implement your solutions	<p>The roadmap is the plan the organization creates to realize the blueprint of the CRM operating model. It turns the blueprint into a prioritized, sequence of time-fixed work streams (also known as CRM programs) that are implemented at a rate that the organization can handle and manage successfully. The multigenerational roadmap, by nature, defines CRM programs that contribute value and ROI on their own, as well as build toward the long-term vision. This duality enables organizations to realize ongoing business value while making necessary interim changes and course corrections.</p>
Build support for your CRM efforts and stay on track through sponsorship, governance, and change management	<p>By building support for your CRM efforts, you help ensure that the entire organization stays committed throughout the deployment of the new operations. Here we answer the question, “Is everybody committed and are we aligned for effective design and implementation?” Building support for CRM efforts helps ensure that CRM programs and transformations are measured and directed toward their goals. The organization engenders cooperation and collaboration, leadership consensus, and a formal policy for making decisions and guiding the efforts. Additionally, the human population of the organization is shepherded through the change.</p>

The following sections discuss perspectives and best practices of the CRM done right framework, address each of the areas listed above and explain why they are important for CRM success.





Realize your CRM value case for change

The CRM value case for change answers the question, “Why are we doing this?” It is the format by which management establishes projected benefits of the project, initiative or program and sets the baseline costs and business implications of making the change. It also defines:

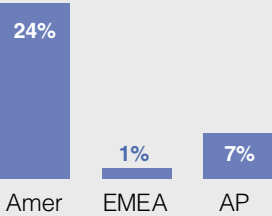
- Justification for moving ahead
- Areas of highest ROI
- A framework for prescribing, supporting and monitoring subsequent actions.

The value case for change unfolds the organization’s primary CRM value propositions (see the CRM value proposition section) and establishes the business victory conditions. It should also establish projected benefits and costs at specific intervals, based on incremental improvement of business capabilities. Some of the important aspects that managers should consider when developing a CRM value case for change are listed below.

CRM done right activities

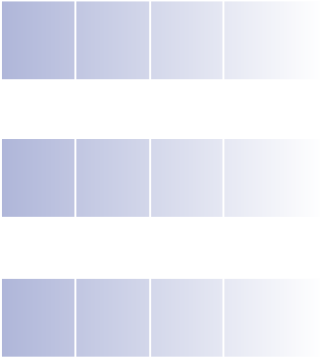
Contribution to success:

- Business case and ROI
- Budget process management

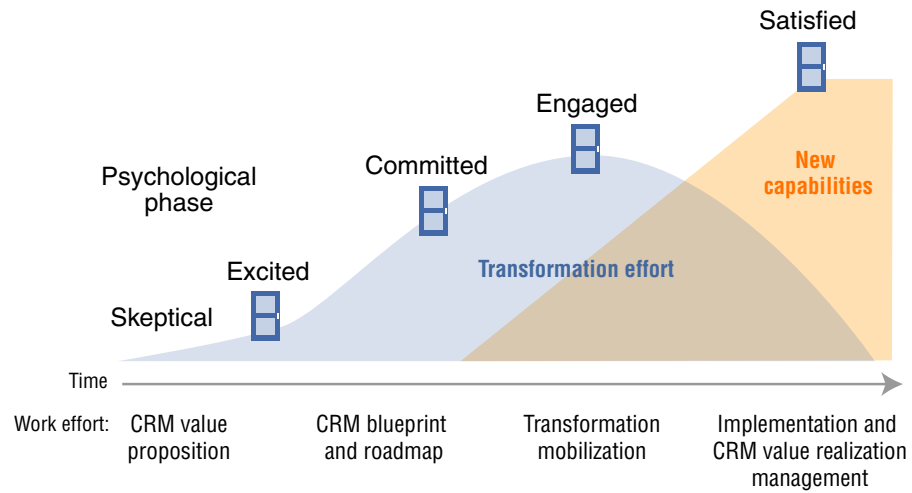


Do not underestimate the importance of the value case

The importance of the value case for change should not be underestimated as it creates the justification and reasoning for the entire effort. The value case becomes the “keystone” for prescribing, supporting and monitoring subsequent actions. It should be prepared in a formal, explicit manner, even when the CRM business need seems obvious or intuitive. This includes preparing quantitative and qualitative analysis, assigning teams from different functions to work on building the value case, setting parameters for how the value case is constructed, creating documentation, and gaining the formal, written approval of senior managers and opinion leaders. Choosing the right level of analytical rigor depends on the situation and the culture of the company and should correlate to the size of the pending investment. The value case should contain a multiyear view that spans timing of realized benefits, requisite investment and impact on ongoing operating expenses. Managers are reminded not to assume a steady base case under a “do nothing scenario” — consider loss of share, customers, or increasing support costs due to market, operational or economic factors outside of your control.

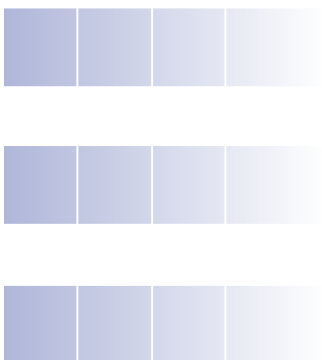


Manage the psychology of the organization through phases and create doorways



The investment in CRM operations is very real from the start. Even if budget line items have not been drawn, leadership and key employees are a valued and scarce resource. These investments become deeper as the transformation unfolds. It is important to manage the psychology and mindsets of key stakeholders throughout the process so plans and efforts are not continually challenged and reversed because of provincial changes in the landscape. It may be necessary to create consensual “doorways” that act as irreversible checkpoints. Essentially, close each door once everyone steps through it, keeping the organization from reverting to square one if some parties begin to doubt or disagree. This way, in the worst case scenario, the company returns only to the last common ground.

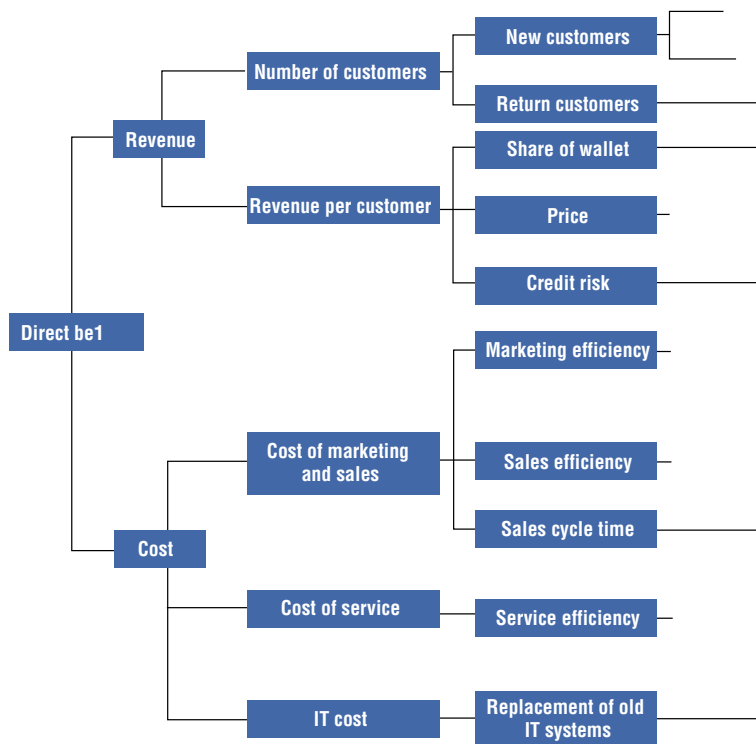
Consider using a venture capital model for ratcheting up investments. Start with small initial investments to create proof and success in the short term. Increase investment as successes grow larger and results create stronger economic justifications.



Understand the interconnectivity of goals with a metrics-based approach

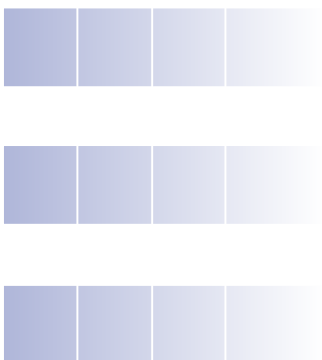
Metrics are the linchpin for tying activities to observable, measurable results and bottom-line business impact. Given the complex nature of large CRM programs with multiple, simultaneous activities, operational metrics are essential to understand what is working and what is not. Simply evaluating high-level financials typically is not sufficient when trying to gauge success and does not promote the corrective actions that may be necessary.

Managers should understand how CRM programs are expected to impact metrics at all levels of the organization. Managers need to understand the relationships among metrics and how changes in one area affect the outcome in others. For example, an attempt to reduce average call time may have adverse effects on first-contact customer issue resolutions. Linkage models can be used to illustrate clear connections between metrics and discover impact across the entire breadth of CRM programs. The linkage model illustrated below shows both upside metrics (e.g., revenue, growth, profits) and operational metrics (e.g., average handle time, utilization).



Create a feedback and management loop

Companies and managers should create formal feedback loops so they can understand what is happening at each phase of the transformation. Feedback loops should be both quantitative in the form of metrics and qualitative through direct observations and reporting. Feedback loops should also be personal and team-focused, verifying that everyone's "psychology" is being managed alongside their tactical milestones.



"A CRM business plan sets the foundation for embarking on a CRM program. Broadly speaking, it outlines concrete goals, responsibilities, and deadlines to guide the organization on its CRM journey. The business plan embodies the organization's customer philosophy and associated strategies as well as the expected results. It documents an organization's CRM vision. Indeed, the lack of a CRM business plan, or resistance to creating one, is an early warning sign of a CRM program at risk for failure. Without a codified business reason for doing CRM, organizations might just as well do nothing and potentially save millions of dollars and a great deal of heartburn than do something just because."

- Meta Group: Creating the Foolproof CRM Business Plan, Elizabeth Roche, Dec. 2003 .

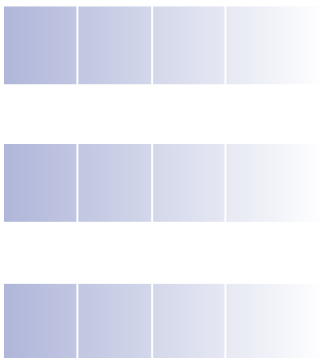
Learn when it is time to correct course and when it is time for upheaval

Managers must learn and apply the right response to the situation as change occurs. Managers should expect a constant and continual flow of changes and dynamics within the project, which should be addressed through tactical, programmatic mid-course corrections ("sense and respond"). These types of changes respond to an immediacy of the situation but don't fundamentally redefine the strategic purpose of the project. This should be "business-as-usual" and comprise the majority of changes within the project.

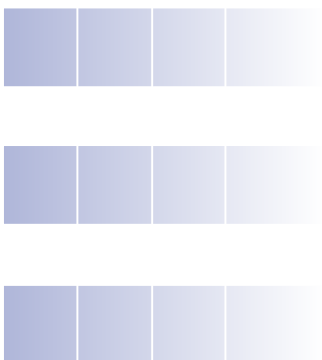
Managers should take special care and special notice when changes seem to demand drastic course-corrections or re-invention of the project. These events signal either a fundamental flaw in the project design or represent a significant change that must be addressed. In either situation, thoughtful confirmation is required to discover the root cause and appropriate course of action. Managers should keep in mind that although major shifts create new opportunities and challenges, they often shift the psychology back to the starting point — skepticism. Managers should stress the importance of the established CRM blueprint and roadmap (see the CRM operational blueprint section and the implementation section) in times of change.

A stable but flexible document

Perhaps most importantly, the value case for change is not a one-time exercise that is archived once deployment begins. The value case must be embedded in all subsequent activities and constantly used to measure progress and results against strategy and goals. The value case should be a stable but flexible document that is updated to reflect the organizational learning as it occurs and as it is projected to occur over time.



CRM straight talk: Don't rely solely on today's enthusiasm and clarity in CRM objectives to guide your efforts. Create a real value case for change to cement your justification and goals in a format that the entire organization can understand and revisit. Use the value case to gauge and manage the attitude of the company. Use it to determine how you are going to measure success and define victory. Finally, use the value case throughout the lifetime of the change.



Traceability

Establishing the right metrics will be the foundation of traceability. The feedback and management loop uses the value case, CRM strategy, and metrics as the basis for understanding progress and achievement throughout the entire transformation effort. These become the common thread that links the project both forward and backward.

CRM Done Wrong Case Example

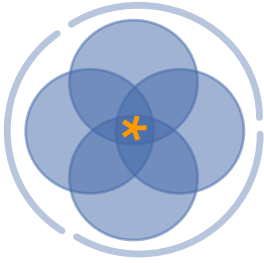
The direct marketing division of a large credit card company had decided to build a system to develop econographic profiles of its defaulted customer set. This would help them improve speed of collections, and save the company money. The project was greeted with such enthusiasm and support from senior management that no value case was made — it was obviously not needed.

Three months later at an all-hands meeting, management announced a new strategy (complete with marketing campaign) that would focus on affluent customers. All divisions were to modify their plans to address this new opportunity. The profiling project, despite being half completed, was discarded by management as being irrelevant and off-strategy.

CRM Done Right Case Example

A national wireless and broadband company determined that a campaign management system would improve the efficiency and trackability of its outbound marketing efforts. The division created a rigorous value case based on analysis of their current situation and the calculated ROI of the project.

Months later, management rolled out a new marketing strategy for the company. Because they were constantly aware of the campaign management project and its value, the project was rolled into the new strategy. The value case was altered to reflect this and used as a model by other departments.



Identify and prioritize your CRM value propositions

By creating CRM value propositions, you define the specific strategies that create value for all of the stakeholders in the CRM equation, including the interests of the company, customers, employees and partners. You consider which imperatives are important for business success such as competitive threats, financial pressures or new opportunities. Essentially, you define at the outset what value will be created.

CRM value propositions are embedded in the sales, marketing and service functions of the company. CRM value propositions are specific and must be able to quickly connote the benefits they provide and the experiences they create. Notions like “the customer is always right” are costly, ill-conceived and not sufficiently specific to be useful.

A durable, profitable CRM value proposition leads to greater ability to:

- Serve customers more intelligently and more profitably
- Eliminate organizational barriers
- Enrich working relationships
- Heighten productivity
- Reduce costs.

Considerations and perspectives on creating your CRM value propositions are listed below.

CRM is not just about customers

In spite of its name, CRM is not just about adding value for customers. It’s about creating value for all of an organization’s key relationships. This view of relationships may include different types of consumers, business customers, employees, investors, suppliers, partners and other parties who are involved in the overall CRM equation.

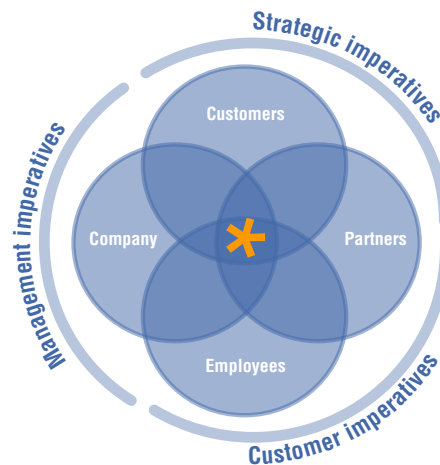
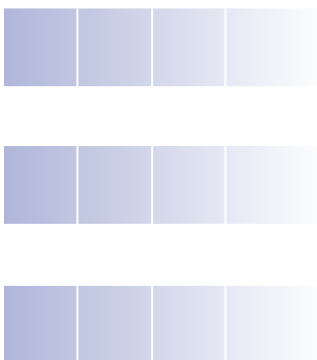
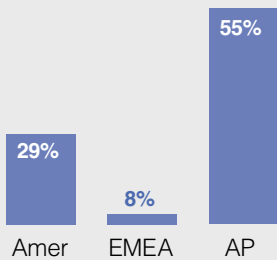
Seek the “CRM sweet spot”

The “CRM sweet spot” is a position that balances value given and value received among the stakeholders’ interest in key CRM relationships across the organization. Companies that reap the most rewards from CRM coordinate their efforts in a way that considers the needs, objectives and profit potential of each relationship and provide value accordingly. This is the “CRM sweet spot.”

CRM done right activities

Contribution to success:

- CRM strategy and value proposition development
- Stakeholder assessment
- Customer needs analysis



Value proposition of the customer

When determining the value proposition of the customer, consider the following:

- Understand the relationship between the value of the customer and value to the customer.
- When investing in improving value for the customer, base decisions on how your customers interact with your company.
- Understand key customer segments and their value to the organization. Concentrate on when to focus on growth and harvesting revenue and when to let go of unprofitable customers.
- Align treatment of customers to their value and expectations as part and parcel of the customer relationship.

Value proposition of the employee

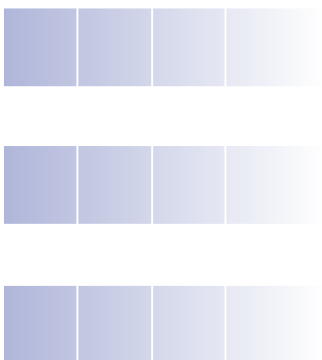
When determining the value proposition of the employee, consider the following:

- The employee relationship is the most powerful lever for change within an organization. Organizations achieve the greatest degree of success when they emphasize the employee relationship in their CRM transformation efforts, answering the question, “What’s in it for me?”
- Include employees at all levels — from the CEO to front-line personnel — who each have personal objectives that need to be considered on short- and long-term horizons.
- Rally employees around a unified CRM vision in the context of everyone’s individual and collective best interests. Focus on building agreement and support for common business objectives.

Value proposition of the partners

When determining the value proposition of the partners, consider the following:

- Extend the CRM value proposition to other parties external to the organization who play a role in delivering or interacting with CRM operations. This may include partners, vendors, distribution channels, intermediaries, influencers or the investment marketplace.
- Use the same level of rigor in creating programmatic changes for how partners behave and interact. Do not leave their role to chance.
- Identify the value that the partner values most, and reinforce its role in your relationship.



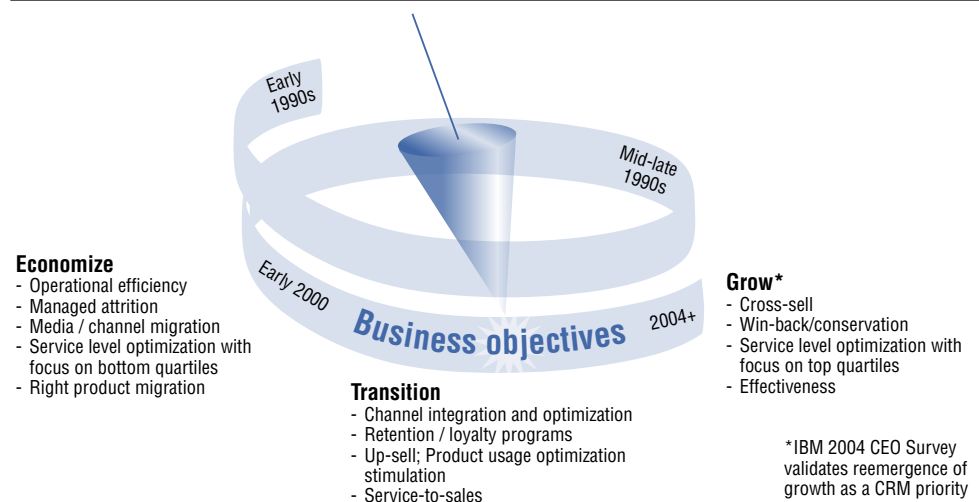
Value proposition of the company

When determining the value proposition of the company, consider the following:

- Verify that the CRM value proposition focuses on short- and long-term economic returns and reflects a corporation's posture.
- Take into account business issues and opportunities like competition, the economy, stock value, investor confidence, profitability, growth rates, regulatory controls and geopolitical issues.
- Avoid misaligned, unprofitable and unsatisfying efforts that add little value to the bottom line or, at worst, disrupt customer relationships despite large investment.

Align CRM business objectives within the current market opportunities

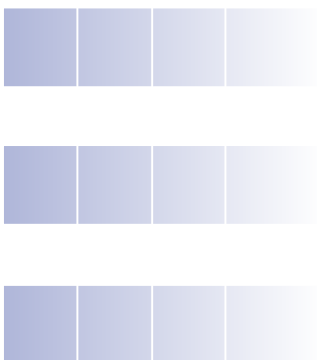
It is important to gear CRM efforts to the environment that is relevant at the given time. Companies should not conduct activity as if everything was equally important at all times. For example, sometimes a company's focus should be on growth, while other times the focus may be on cost reduction. Although all objectives are important, it is critical to focus priorities on one core objective. Attempting to meet all objectives simultaneously increases complexity, splits focus and resources, and increases the chance of failure.



The figure above shows how different business priorities were driven by the economic conditions of the marketplace. Management must determine the relative importance among three broad CRM objectives at any given time: grow, economize or transition. Transition represents the period when the organization is adjusting its focus between growth and cost cutting when both are equally important.

At a more immediate level, strategic imperatives, management imperatives and customer imperatives will direct the creation of value propositions. Like broad market swings, managers must be able to judge and justify the validity of these imperatives and modify their value propositions accordingly.

CRM straight talk: CRM value propositions must balance the interests of all stakeholders – including customers, the company, employees and partners. The value propositions should define the benefits and experiences of the CRM operations in specific, tangible terms. Value propositions should focus on one core objective that is geared to the operating environment. CRM operations should be built to accommodate both short-term and long-term objectives as well as market shifts.



Act for now and for later

To successfully meet the market dynamics, it is critical to understand your current situation, determine in which direction the company is heading, and determine the relative speed at which the company is capable and willing to change. There is little value in building something that won't be relevant by the time it is complete. Managers should focus on delivering quick hits that drive success for today's objectives while also building for the future state.

Do not confuse projects with business objectives

All too often, teams confuse completing a project with delivery of a business objective. For example, building a client file is a project, whereas increasing new sales is a business objective. In this situation, the company loses sight of the larger picture and true objective. Frequently, projects are subject to change due to information uncovered in their execution and changes in the marketplace. A clear grasp of the CRM business objectives helps enable you to evaluate and prioritize potential project changes. Alone, a project focus weakens the company's ability to make mid-course corrections, align change management efforts and align multiple projects with end business goals. Working toward business objectives enables the company to stay focused while simultaneously completing many projects.

Traceability

The value propositions should be used as a basis of judgment and direction for building the forthcoming blueprint and roadmap. Managers should revisit and constantly re-promote the value propositions as subsequent activities are undertaken.

CRM Done Wrong Case Example

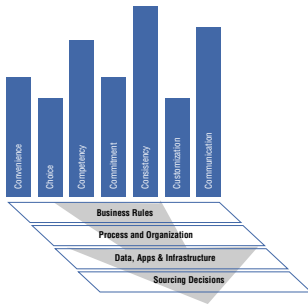
A large discount brokerage firm announced to the marketplace in a large ad campaign that it would be changing its pricing from commission-based to fee-based. At the same time, the brokerage launched a Web-based ordering system that their customers could access.

Although the company calculated the ROI on the change, it did not consider its agents' perspective and did a poor job communicating how the agents would benefit from the change. As a result, massive attrition of the agent base occurred, with many of the agents taking a large number of their customers with them.

CRM Done Right Case Example

A large reseller of copy and fax machines decided to change its account management structure so sales representatives would sell to customer business segments rather than geographic areas. The company developed its value proposition for all constituents, including employees, customers and even the suppliers of the copy equipment. Throughout development, the company gathered input from the sales reps and invested heavily in educating the reps on how they would benefit from the change. This included new training and new sales tools.

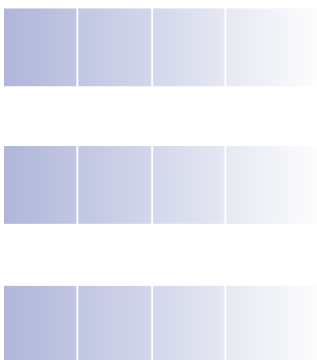
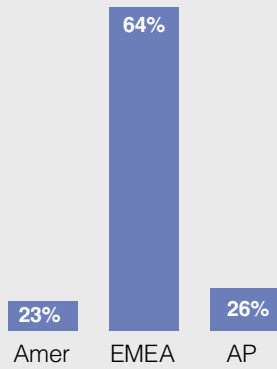
The program was launched without the loss of a single sales rep due to the change, and the company realized a significant upswing in new referrals among segments.



CRM done right activities

Contribution to success:

- Capabilities and risk assessment
- Organizational alignment
- Process change
- Customer data integration and data ownership
- Metric development



Design your new CRM operational blueprint

The “blueprint” for the new CRM operating model shows the finished design of the new capabilities; much like the blueprint for a house shows what it will look like finished. When designing the blueprint, the company builds the end-state vision for the new CRM operations. This includes determining what the specific experiences will be for customers as well as stakeholders, determining how the company will deploy resources, determining how new technologies and infrastructure will be built, designing new processes and creating a comprehensive strategy for managing the change. In essence, the blueprint answers key questions such as, “What should my operation look like?”, “What are my critical design points?” and “What are my logical building blocks?”

Use your value proposition to direct the operational blueprint

Make sure that the blueprint you design is based on the specific needs and objectives of your company. It is common for other inputs to be included that do not reflect the core business objectives. These could include known industry practices, competitors’ capabilities, or software features. Resist the temptation to be good at everything as it can be expensive and wasteful. Focus only on those activities that support the CRM value propositions. Points to consider include:

- Complete an objective assessment of the company’s capabilities — both strengths and weaknesses — at the start of the blueprinting process. This will provide you with a realistic view of what can be achieved.
- Focus efforts on capabilities that are critical to delivering the company’s CRM value proposition.
- Avoid “me too” benchmark-based approaches that compare existing capabilities to an entire catalog of capabilities. Industry and CRM best practice catalogs should be tuned to your specific business objectives.
- Every new misaligned or over-designed capability is an overinvestment. Seek to be only as good as you need to be to achieve the CRM value proposition. Apply this to all capabilities when creating the blueprint.
- Look from the outside in (view from the customer perspective) as well as from the inside out (view from the company perspective).
- Create tight linkages from the business capabilities in the operating model to the CRM value propositions.

Choose enablers that reflect organizational preferences and core competencies

Choose organization, process and technology enablers in a way that is internally consistent with the organizational preferences and core competencies of the company. There are many different operational ways to enable a new capability. For example, a very hands-on, tactile company may not be best suited for a remote CRM automation solution. Design plans that reduce the strain of change on the organization. Be selective and careful where drastic change or quantum leaps are required. Managers should consider the following:

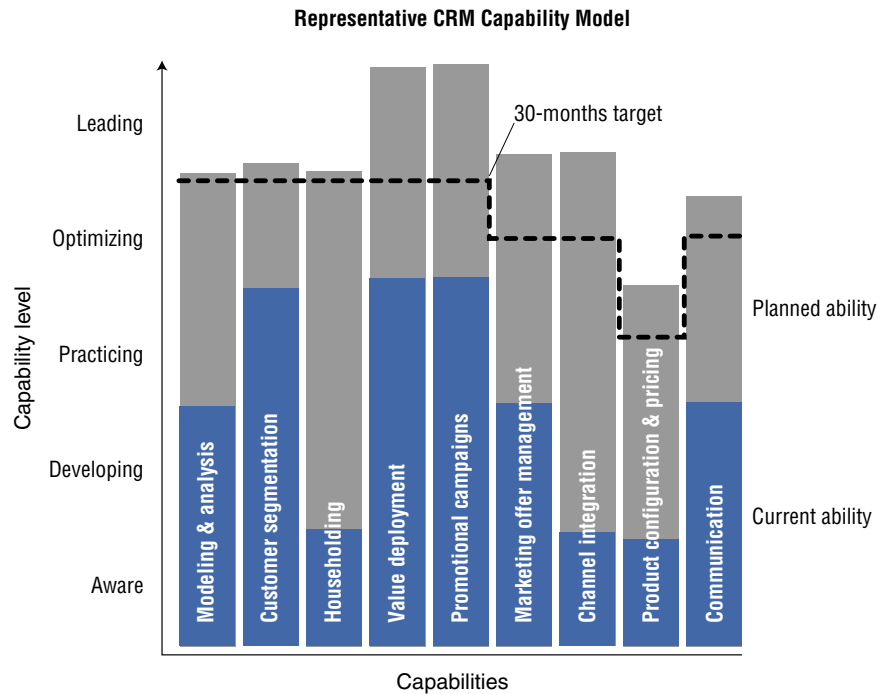
- Make the operational blueprint real and relevant to the organization by describing details so employees understand implications of their roles and responsibilities. This will enable employees to come to terms with their new roles and will ferret out resistance sooner rather than later.
- Process, organization and technology enablers must work together to suit the character of the organization. For example, two companies may be able to build the same CRM

"During 2004/05, lack of perceived value resulting from technology overinvestment will drive organizations to realign their CRM initiatives with their business strategies. For the past three to four years, enterprises that have been actively working on CRM have been buying the technology with insufficient business justification (i.e., no business plan or customer strategy). As a result, many organizations are not experiencing anticipated value from their CRM investments, which is often manifest as lack of executive confidence in CRM as a whole. (Yet many would not recognize success if it came up and greeted them on the street, since they did not build measurement strategies into their CRM implementations)."

- Meta Group: CRM Update Circa 2004: Part 2 — The Four Trends That Really Matter, Elizabeth Roche, Feb. 2004.

capability even if one company uses a process-based enabler while another uses a technology-based approach. Neither approach is inherently right nor wrong, but choosing the right approach for the specific organization may decide success or failure.

- Much like choosing enablers that match the company, give the same thought when realigning the organization, setting new key performance indicators, creating roles and creating new measures.
- Understand the opportunities that new technologies present, and weigh their benefits against the core value propositions.

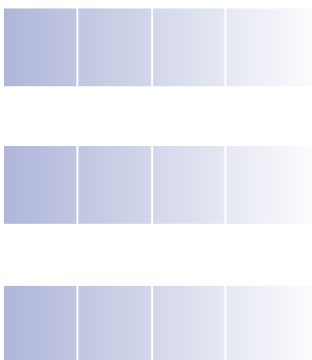


A company should focus on the CRM capabilities that it deems most important rather than trying to be the best at everything. Anchor capabilities to the CRM value propositions.

Invest in operational capabilities but seek to share risk and responsibilities

Careful consideration should be made to defining the right operational constructs. Just as many firms are opting to buy and integrate solutions rather than build them, many choices now exist for how and where to run business transactions. The emergence of “on demand” solutions provides new models for lowering cost per transaction and mitigating risk in the establishment of shared services. Therefore, consider the following:

- Create basic design principles to govern what must stay inside the company, what can be shared across the company and what could be operated outside the company from a global sourcing perspective.
- Assess the portability of processes. Portability is an essential criteria for moving a process (i.e., if a process is not repeatable somewhere else, then it cannot effectively be moved). Lack of portability indicates gaps in process standards possibly arising from lack of documentation or too many exceptions.
- Leverage any existing centers of competencies into reusable business components (also known as shared services). A components-based view can be a valuable tool in organizing business requirements and formulating plans. Components should link explicitly to enablers (e.g., people, process, technology).



CRM straight talk: Blueprints are the tactical vision for what you want your operations to be, much like the blueprint for a house shows what the finished house will look like. Blueprints must be aligned to your specific value propositions — adopting anything else, regardless of what other companies are doing, will most likely be wasteful. Make sure the blueprint uses enablers that fit with the style of your organization.

When choosing application service vendors, note that most packages can be made to work, so the important question to ask is how much effort or pain will be required to make it work. The greatest risk in selecting a vendor is whether the vendor will stay in business throughout the package's lifetime (which can be many years) and remain serving your industry or segment.

Looking ahead

When designing your CRM operational blueprint, build for future extensibility in the design. Open systems and clearly defined business components are good principles to adopt. A critical design concept is to "Think big, start small and scale fast, always minimizing what you throw away." Companies that adopt this philosophy will have the potential to increase their competitiveness, reduce their expenses and decrease risks.

CRM Done Wrong Case Example

An online division of a major home goods retailer noticed that a non-direct competitor was offering an online tool that would allow consumers to view paint and tile samples online. Not to be outdone, the company launched a new online service where consumers could decorate an entire virtual room. The multi-phased, multi-month project was the first of its kind and even won several Web design awards.

The program takes constant updating to function. To this day, no one at the company has been able to quantify whether the program has improved sales (or even Web site visits).

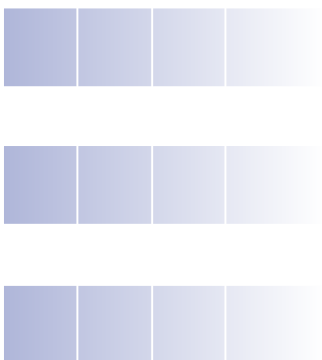
CRM Done Right Case Example

An online division of an annuities wholesaler wanted to automate many of its sign-up forms online to reduce repetitive paperwork for participating reps (and subsequently get more sales). The company analyzed the usage of each form versus how much effort would be required to automate the form. The company also evaluated which forms caused the most frustration for the reps.

The company decided to automate a subset of the forms based on what was most easily achieved and what would enhance their reps' (customer's) experience the most. The company received a high amount of value without the expense of automating everything.

Traceability

While the blueprint is being created, managers should constantly be comparing and contrasting the blueprint to both the value case and the value propositions. The blueprint, in turn, will become a basis and key information source for the roadmap.





Construct your transformational multigenerational roadmap and implement your solutions

The multigenerational roadmap is the plan the organization creates to realize the blueprint of the CRM operating model. It sets the how-to direction for delivering CRM capabilities at reasonable increments. It turns the blueprint into a prioritized, sequence of time-fixed workstreams (also known as CRM programs) that are implemented at a rate that the organization can handle and manage successfully. The multigenerational roadmap, by nature, defines CRM programs that always contribute value and ROI on their own as well as builds toward the long-term vision. This duality helps enable organizations to realize ongoing business value while making necessary interim changes and course corrections.

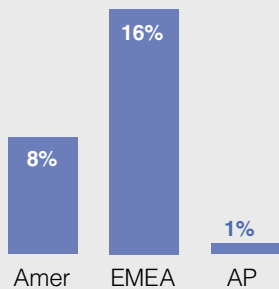
Create realistic solutions

The future state solution should articulate the scope of change for the entire transformation at a level that is clear enough for making macro business decisions. For current CRM programs, the solution should be defined at a very granular level of detail to build clarity and accuracy among the staff and stakeholders. Key to the development of this plan is the participation of the end-user community and technology constituents in the prioritization of critical functionality. Building this detail for later CRM programs is unnecessary and often wasteful because changes will occur in the interim; therefore, this planning should be postponed until closer to the project's start time. Some considerations include the following:

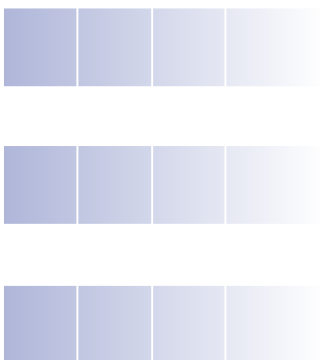
CRM done right activities

Contribution to success:

- Prioritization of company initiatives
- Implementation roadmap
- Technology implementation



- Focus on implementation timeliness by sorting through the clutter of isolated, disjointed efforts and pet CRM programs.
- Similar to developing the value proposition, be sure that a realistic view of the organization's capacity and culture is taken into account when developing the multigenerational roadmap.
- Don't design CRM programs that exceed the available resources of the company, including funding, manpower, critical skills and timeframes.
- Match the format and pace of the CRM programs to the style and tempo of the company.
- Use the development of the CRM roadmap as an opportunity to engage all relevant constituents in the effort of building the plan to help ensure accountability and consistent expectations.
- Direct the organization to one goal by using the multigenerational blueprint to create a singular destination for all CRM operations.



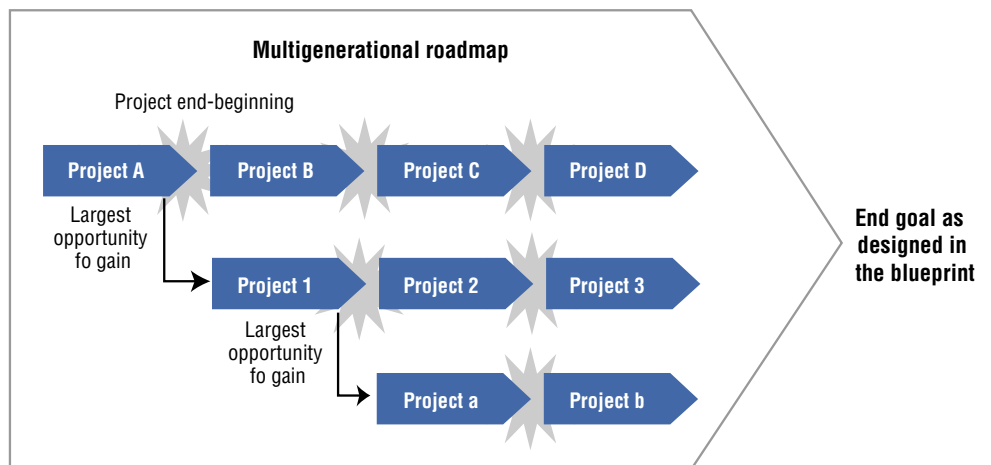
"Develop a long-term roadmap to fit decisions into: Think strategically, while investing tactically. You need to know where the enterprise is going in the long run, as well as what small steps you'll need to take to accomplish your broader goals. Every significant decision should fit into a broader plan, and this plan needs to be well-known by everyone involved in accomplishing your goals."

- Gartner: Management Update: Use CRM Best Practices to Achieve an Edge, Beth Eisenfeld and Scott Nelson, Oct. 2003.

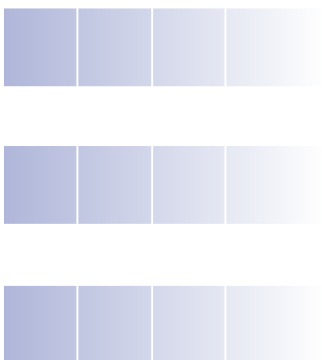
Define a roadmap that delivers value in phases

Using a self-funding discipline, carve the solution up into manageable pieces, each of which will provide some contribution toward the target value proposition. The early CRM programs should be those that have the least organizational risk, the highest chance of success and deliver the most visible value and return. Starting with significant successes shapes the psychology of the organization in positive ways: people become excited and committed, future cases are easier to make, and energies are renewed and geared to upcoming goals. This allows the organization to validate decisions and verify proof-of-concept. This is doubly powerful when making rigorous economic cases, as future assumptions can be backed with tangible evidence within the walls of the company, not just be based on projections or theories. Some considerations include the following:

- The multigenerational plan is composed of many short related CRM programs, each of which has their own success factors and economic return.
- Choose initial CRM programs that create early wins, create new justification and deliver funding for the next CRM programs on the roadmap.
- Avoid the notion of single "big-bang" undertakings that take years and millions of dollars in investment capital.
- Create a roadmap that can be adjusted to changing environments and unpredictable events.

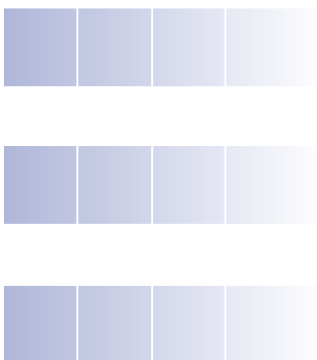


- Project end-beginning point**
- At each project end-beginning point the organization:
- Realizes short-term benefits
 - Gathers proof and validation to justify the next CRM programs
 - Justify or acquire funding for next project
 - Adjust the overall roadmap to adjust to interim changes and dynamics.



CRM straight talk:

The multigenerational roadmap is a planned sequence of short CRM programs that work together to reach the main goal while each contributes results along the way. Avoid unrealistic, unachievable “big bang” approaches that are expensive and often fail. Create achievable CRM programs that not only validate their purpose but also fund future efforts. When executing the roadmap, remember some implementation basics: be realistic, be mindful of your culture and capabilities, drive clarity in your plans, and know when to get help.



Get the fundamentals right

Successful execution of the roadmap requires the fundamentals of good project management. Planning, organization, driving progress, resolving issues and communication are all essential. Remember some of the basics:

- Secure, commit and train resources required for success from start to finish. Be honest when evaluating your own teams, management and talent. Know when to develop internal teams, recruit new resources, displace ineffective teams and hire outside expertise.
- Use a proven implementation method and tailor it for the CRM programs to be undertaken. Adopt implementation practices that unify work styles and knowledge bases across teams.
- Verify that technical solutions selected to support the business objectives are evaluated appropriately and the complexity of both legacy and new technologies are well understood.
- Obtain outside help as necessary and use outside help strategically. Create formal knowledge transfer strategies to help ensure that the right expertise stays in-house. Evaluate different external relationships, including those that focus on building capabilities in-house, those that focus on constructing globally sourced capabilities, and those that allow the organization to take ownership of globally sourced capabilities in the future.

Traceability

When designing and following the roadmap, be sure to understand how it is linked to and formed from its predecessors: the value cases, value propositions and the blueprint.

CRM Done Wrong Case Example

Upon hearing that their large pharmaceutical company ranked dead last in a customer service survey, the management launched a new program for the entire company called “Operation Customer #1.” The company built a comprehensive transformation plan that would reinvent the company to be the best at customer service. The transformation would take three years and cost an estimated US\$60 million.

The company found themselves overwhelmed by the change. Charged with having to change and continue their day-to-day jobs, most employees hid within the organization or paid lip-service, hoping the program would be abandoned by the company. The program was cancelled and redesigned after the first 12 months, mostly because no value was returned in that time.

CRM Done Right Case Example

Upon hearing that they were now commonly referred to as “Air-pain” by consumers, a major airline decided to improve their image by exponentially improving their service. They built a blueprint and roadmap to achieving the new service vision. The blueprint showed how they would service customers better in the future, but the roadmap was constructed out of many smaller CRM programs, each that would incrementally improve the customer experience and drive short-term revenue.

The airline was able to continually improve service without distracting employees from core operations. After many improvements, a new national security protocol was announced. The company was able to integrate the new procedures into their rolling plan and address them quicker than their competitors.



Build support for your CRM efforts and stay on track through sponsorship, governance and change management

By building support for your CRM efforts, you help ensure that the entire organization stays committed throughout the deployment of the new operations. Here we answer the question, "Is everybody committed and are we aligned for effective design and implementation?" The organization engenders cooperation and collaboration, leadership consensus, and a formal policy for making decisions and guiding the efforts. Additionally, the human population of the organization is engaged and guided through the change.

Establish an empowered governance structure immediately

Companies undergoing CRM transformation should establish an empowered governance structure early in the process with clear roles and responsibilities. The governance structure should be a group (or groups) that have been assigned to oversee requirements, design and implementation as well as measure results, provide guidance, champion the efforts and represent the CRM programs to senior management. The governing body or bodies should also be empowered with decision-making authority and control over resources and funds to make that authority real.

The governance structure should establish guidelines and procedures for its own operations. This includes regular meeting intervals, formal communication mechanisms, and a set of metrics and review "gates" by which it monitors progress of the change as well as its own milestones and performance. More effective governance structures include representation from all key constituents from all levels of the structure. This participation encourages creativity and energetic collaboration among leaders from very different functional areas toward a common goal. Most importantly, the governance structure must have a process by which it seeks and gains consensus among its members and among other important leaders and decision-makers. Through all of this, verify that an enabling organization is formed and not a layer of bureaucracy that hinders progress.

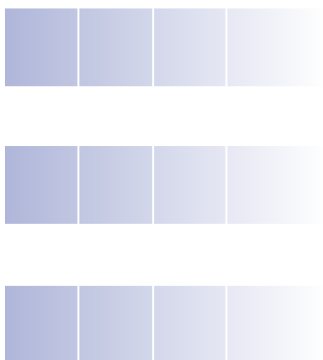
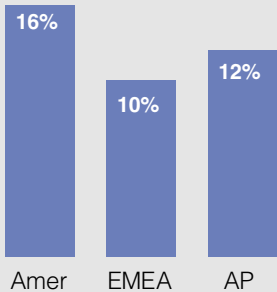
Utilize both top-down and bottom-up approaches to building support

Organizations build support differently. Some organizations do very well with top-down, centralized management mandates and hierarchal structures. Others enable many small, more decentralized entrepreneurial teams that form results on their own. Still others operate more like communal systems. More than likely, multiple models are used by the different constituencies of a company. Use methods of building support that work best with your organization and culture, and vary that approach to meet with specific groups or situations.

CRM done right activities

Contribution to success:

- Senior executive and opinion leader buy-in
- Change management; Governance



Top-down approach

Efforts have all key stakeholders participating in collaborative working sessions to define the CRM value proposition, future operating model and the roadmap for change.

- Works best with a...
- Cohesive management team
 - High level of interest
 - High degree of executive support.

Bottom-up approach

Tactical effort by one functional area that takes on CRM champion role to develop a departmental vision that, once proven, can be adopted by other areas of the organization.

- Works best with...
- Decentralized management team
 - Pockets of interest in CRM
 - "Show me" culture.

"One of the reasons that CRM implementations may be getting a bad reputation is that technology-related savings are often used as the primary justification for a technology investment. However, IDC found that these benefits account for only 7 percent of the average total return of CRM. Benefits accrued from increased productivity and business process enhancements account for 51 percent and 42 percent, respectively. This finding highlights the importance of effectively managing change and process improvement for an organization implementing CRM. The various business units affected by the CRM application must be intimately involved and committed to the project."

- IDC: The Financial Impact of CRM: Key Findings, Mary Wardley, Robert Blumstein, Scott Tiazkun and Karen D. Moser, Feb. 2004.

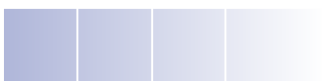
Maintain regular communication with the end-user community

All too often the energy and excitement of the blueprint and roadmap activities are lost once the CRM program execution begins. The involvement of the end-user community, critical to the initial work, materially ceases until pilot or rollout activities begin. The senior leadership may be represented in program governance but the end-user community often suffers from a lack of communication. The CRM program communication plan should include forums and events to keep the end-user community engaged and informed of the CRM program activities at all levels, particularly when there are multiple business segments and/or functions in that community. CRM program status, review of requirements, design and pilot plans and change management initiatives should be reviewed regularly with this group to promote a full disclosure approach to communication and effective expectations management.

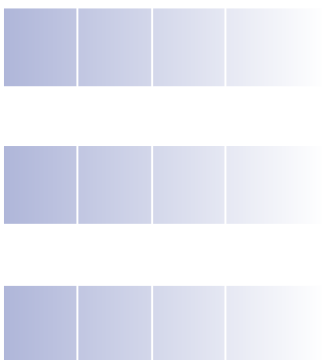
Very important! Change management

Change management is the process by which constituents such as employees, customers and partners adopt new ways of doing things and includes changing their attitudes, skills and patterns of behaviors. Change management may very well be the greatest contributor to successful CRM programs. Besides being very important, change management is also very difficult, as people are naturally resistant and fearful of change. Change management activities should be very formal and planned and should represent a substantial portion of the effort and investment made in CRM transformations. Some important activities to consider:

- Capture and sustain the imagination and support of the people who are to be affected by the changes. Let them contribute and build personal ownership of the change — involvement and participation is critical.
- Clearly communicate short- and long- term victory conditions to the people. Openly communicate and celebrate victories as they are achieved.
- Rally people around your business objectives and "point of arrival" operating model vision. Use regular reminders of longer-term objectives to prevent people from losing context while focusing on the short term.
- Explain how the business case and roadmap are directed to each key stakeholder to generate buy-in to the approach. Explain what is in it for them.
- Everyone within the scope of change should know the summary answer of why this effort is important and be able to recite it with conviction.
- Communicate regularly and often through different channels, media and formats.
- Adjust individual rewards, measurements and compensation to drive change.
- Drive user adoption through skills development, introducing the proper training, incentives and metrics and using selective recruitment as necessary.



CRM straight talk: Fostering success of CRM efforts must happen continually throughout the deployment of new operations. Only by gaining ongoing support can the transformation continue and thrive over time. Build a formal governance structure to champion and direct the initiatives. Utilize support-building approaches that match the style of your organization. Most importantly, do not underestimate how important a strong change management discipline is in making CRM transformation successful.



CRM Done Wrong Case Example

A major seller of routing hardware and software products decided to implement a new sales tracking tool to its many teams and divisions. The culture of the company was very entrepreneurial, and management always encouraged competition, independence and aggressiveness between divisions. Upon launching the new tool, management mandated its use through an edict and told the divisions that they were required to use the tool regardless of how it impacted their individual practices and styles.

Most divisions outright refused to use the tool. Those that did, did so half-heartedly, often having secretaries enter default data just to comply. The tool was removed from use six months later.

CRM Done Right Case Example

The same company mentioned above (having learned their lesson) decided to launch a new prospecting tool to their divisions.

This time they chose the most prestigious and sophisticated division to launch the tool. They marketed the success of the division and its increased sales after the tool was adopted. Management offered the tool to other divisions, but only if they were willing to pay for the tool out of their own budgets. Gradually, most divisions adopted the tool. Management not only realized their vision but were able to justify a positive ROI internally even before new sales figures arrived.

Traceability

Maintaining ongoing support requires a discipline of constantly and consistently reinforcing the core reasons and vision for what the organization is trying to achieve, both at the executive level and the staff level. Reinvigorate and popularize the value case, value propositions, blueprint and roadmap continually throughout the organization as achievements are made and successes are celebrated.

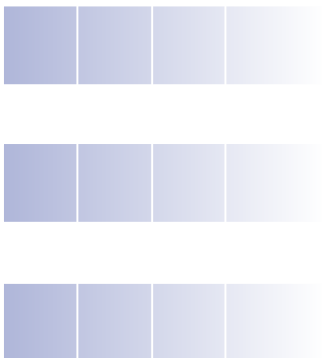
CRM straight talk: CRM programs are difficult and are often vilified in the current environment. CRM is the core of building revenue and sustaining profitable customer bases. These imperatives will never fade in importance. “CRM done right” is “business done right,” and will consistently be worth the effort and energy required to make it a success.

Conclusion

CRM is a core operation that companies must approach with the same fortitude, care and steadfastness that they approach other critical business functions. Although CRM has conceptually transformed over the years, the basic customer-focused operations remain the highest priority when building competitive advantage, sustainable revenues, and operational efficiencies and effectiveness.

Addressing CRM as core operations brings with it many more challenges than just thinking about a technology implementation. These challenges span the entire organization and affect human elements, process changes, infrastructure, technology and the conduct of management itself.

Although these challenges are daunting on the page and in reality, sophisticated companies can overcome them by using thoughtful and tactical disciplines to address each stage of the transformation, manage each stakeholder in the process and coordinate each component of the build-out. Combined, these disciplines form a CRM done right framework that companies can use to guide their decision-making, optimize their practices and alleviate transformation risk.



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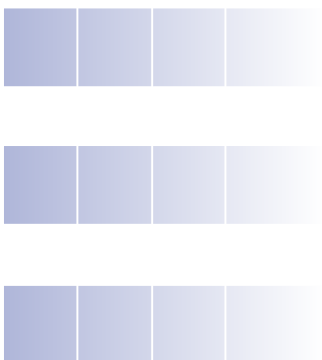
For more information on the CRM Global Study, contact the IBM Institute for Business Value, a part of IBM Business Consulting Services. For a series of CRM white papers, contact Melody Badgett, a managing consultant on the Marketing and Customer Strategy Team with IBM Institute for Business Value, at mbadgett@us.ibm.com.

About the IBM CRM Practice

IBM offers a broad array of CRM services that are designed to answer our clients' key questions and their call for help:

- What should I do and why?
- How should I do it?
- Is everyone aboard?
- Help me do it and, in some cases, do it for me.
- Am I doing this right?

IBM's clients — businesses worldwide, across industries — are today reaping the rewards of a self-sustaining approach to CRM that enables them to accurately assess their strengths and weaknesses, calculate risks, control investments, manage change and set reasonable expectations from the start.



IBM Business Consulting Services offers a “one-stop” resource that supports a consistent set of services and proven methodologies for companies everywhere, across industries. As home to one of the world’s largest consulting organizations, IBM employs some of the best and the brightest — a team of business, industry and IT professionals that includes IBM CRM Strategy practitioners supported by the vast resources of IBM Global Services and IBM Business Partners across the globe.

IBM CRM Strategy Services

IBM CRM Strategy Services span the breadth of CRM transformation — from planning through implementation and value realization. This approach enables companies to develop and manage CRM in a thoughtful, informed way using a practical, focused, best practices-based process.

IBM Business Consulting Services CRM strategy practitioners assist clients in understanding the measurable impact that CRM will have on the business, including investment requirements, benefit scenarios and operating cost impacts. They utilize the field built and tested project accelerators including CRM maturity model — the primary IBM framework for linking CRM value propositions to operating capabilities; assessing the level of sophistication of existing CRM capabilities; enabling the organization to envision its desired level of CRM capabilities; and identifying the gaps that exist between the current and desired states. This reusable tool makes it possible for IBM clients to continually monitor and measure their CRM transformation. IBM also has many proprietary techniques including patents spanning business case and customer value management.

In addition to the CRM Strategy services, IBM offers a range of complementary CRM services, including:

Marketing and Customer Intelligence focuses on solutions for improving the effectiveness and efficiency of marketing professionals to help organizations utilize customer-related data to uncover aggregate patterns of behaviors, deploy marketing programs and accurately measure the success — and returns — of customer-focused initiatives.

Sales Productivity focuses on solutions for improving the effectiveness and efficiency of a company’s internal and external salesforce. The emphasis is on driving revenue while enhancing customer value.

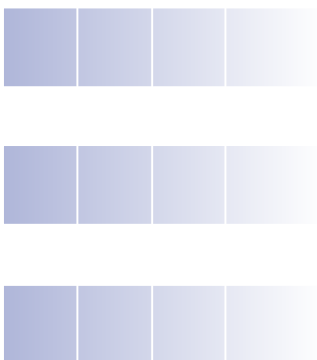
Contact Center Optimization concentrates on solutions that heighten the efficiency and effectiveness of contact center operations as a way to reduce the cost to serve, increase selling opportunities across channels and improve customer satisfaction.

Field Service Effectiveness centers on solutions motivating and mobilizing field service teams to deliver optimum customer service. These services offer a blend of best practices from various industries, with a strong focus on driving ROI.

IBM Business Transformation Outsourcing for CRM acts as full CRM transformation partner sharing in the implementation risks through the combination of IBM CRM professional services and CRM process global sourcing. These services afford a transformational on demand CRM solution supported by an IBM infrastructure and software from leading IBM alliance partners

IBM Global Financing provides attractive financing that allows companies to spread investments and lower initial cash outlays. With IBM’s easy, flexible payment options, organizations can bundle and finance their entire IBM CRM solution on a “per-user” basis or can defer payments until benefit realization starts.

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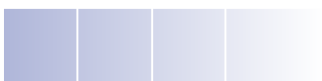
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Endnotes

¹ Badgett, Melody, Steve Ballou, PhD. and Steve LaValle. "Doing CRM right: What it takes to be successful with CRM – Executive summary view, CRM global study." IBM Business Consulting Services, 2004. www.ibm.com/services/bcs

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