

Performance-driven CRM

To ensure success a mechanism to measure, monitor and manage CRM is required. And that is what Performance-driven CRM is all about.

While an organization may have the desire to improve its customer-centric focus and outcomes, CRM doesn't just happen. It needs an appropriate CRM vision, strategy, action plan and implementation. However even then success may still be fleeting.

The concept of performance-driven CRM requires that there be an ongoing mechanism, based on continuous improvement, whereby organizations can sustain lasting relationships and the ability to understand, anticipate, manage and personalise the experience with the organization's current and potential customers and employees.

It starts with a clear understanding of:

- Customers and their needs.
- The organization and its competencies.
- The organization's commitment to quality service for both the internal and external customer.

It requires measures/standards and benchmarks and a mechanism to create change - change in process, actions, organizational structure and people competencies. CRM can survive only with continuous performance improvement.

If done correctly, performance-driven CRM will:

- Ensure that your CRM vision is kept relevant and alive by using performance information to cycle back to the vision each year for validation or change to reflect new customer needs.
- Maintain a focus on key areas required to achieve the overall CRM vision by analysing the performance information and identifying if you are getting closer to the vision.
- Create the information required to align the organization against its CRM vision. The information can show where staff changes are required.
- Build internal organizational commitment by showing staff the improvements that were made.
- Build and sustain customer loyalty by contributing information that assists in managing customer, business and internal organizational relationships.
- Identify requirements for change levers such as change management workshops, customer service training and new technology solutions.

What follows is not about the theory of CRM nor about the technology behind it. It is a practical, hands-on aid to assist an organization in being successful in achieving and maintaining enterprise-wide CRM. It is based on actual practice, leading technology and proprietary research. It considers not only where organizations are today, but where they should be going.

At the heart of performance-driven CRM is a recognition that there is a requirement for three critical performance programmes. The first programme, the Customer Performance Programme, ensures an ongoing understanding of the customer. The second one, the Organizational Performance Programme, ensures an ongoing understanding of its own organization. The final, third program, the Quality Service Performance Programme, ensures an ongoing commitment to continuous improvement in quality service.

Customer performance programme

To what extent do you understand the needs of your customers? To what extent do you know if those needs are unique to certain market segments versus your whole customer population? To begin building your Customer Performance Programme, you must measure and gain an understanding of your customers, their habits and their likes and dislikes. On an ongoing basis, performance information has to be acquired on:

- Who the customers are and their needs.
- Customer purchasing patterns.

- The impact of marketing and/or communication efforts.
- The match between services and products and customer need.
- Current levels of customer satisfaction.

This information should then be used to:

- Plot current customer needs, wants and expectations.
- Predict where customer needs, wants and expectations are growing.
- Predict future customer needs, wants and expectations.

Organizational performance programme

To what extent is your organization prepared to deliver to customer needs? Does it have the required human and physical resources? Is your organization committed to deliver to your customer needs? To begin building your Organizational Performance Programme, you must assess if you have the right people and skills to make your CRM vision a reality (do you have the right complement of resources and the right skill sets?). Your Organizational Performance Programme should provide you with ongoing information on the following:

- Organizational alignment: do silos exist, preventing enterprise-wide CRM vision to become a reality?
- The level of understanding of the CRM goals and objectives throughout the organization.
- The right infrastructure required to allowed the CRM vision to happen. Do you have the right technology in place to allow the organization to deliver against your CRM goals? Are required systems and processes that pave the way to being more customer responsive set up?
- Is your organization able to respond to the services and products customers want and in a manner that they want?
- Your market strategy. Does it capture customer attention? Do marketing efforts support current offerings and align with customer needs?

Quality service performance programme

To what extent do you have quality standards established and monitored in a manner that supports an environment of continuous improvement? Having a Quality Service Performance Programme would mean that you have:

- Established CRM champions: individuals who are accountable to keep the CRM vision alive and well.
- Embedded customer service beliefs: customer service is a priority and a day-to-day activity for all staff.
- Customer service expectations and standards: letting all staff know what the customer needs are and what they should be doing to meet these needs.
- Scorecard: measuring all areas that are important to the customer, not just focusing on one (eg cost of service).
- Customer service surveys: asking customers what they thought of the service and what they want from it in the future.
- Complaint management process: inviting customers to voice all their concerns and then doing something with this information.

In Support of these programmes, CRM technology is required. The book goes on to highlight the tools, templates and exercises to let you act on performance-driven CRM immediately. These tools, methodologies and technologies build upon leading practices across a wide variety of industries and provide you with the capability to measure and gain an understanding of the customer, the organization and internal commitment.

These tools will allow you to drive the performance programmes and achieve increased knowledge of the customer, their habits and trends. It will allow you to fully implement the performance programmes that will ensure that the organization is committed to continuous improvement. It includes the following:

- A continuous improvement framework built around a comprehensive quality scorecard that sets expectations, measures and provides the basis for coaching and training.
- A positive and active method for providing employee feedback on performance - a coaching programme that encourages staff performance improvement and aligns staff behaviour and responsibilities with your CRM vision.

- An employee performance agreement process/template that supports effective communication of accountabilities, requirements and achievement between the employee and organization.
- A self-assessment that captures how well your Quality Service Performance Programme is doing and whether you are maximising the benefits of your programme.

All three performance programmes – Customer Performance Programme, Organizational Performance Programme and Quality Service Performance Programme – will help you:

- Promote and demonstrate CRM accountability by assigning performance owners (those responsible for various aspects of performance).
- Assist the organization in making better decisions by providing performance-driven CRM information that points them to informed changes.
- Improve allocation of CRM resources by demonstrating where more people, money and time are needed.
- Invite continuous improvement by advising where they can do better and where they are leading in CRM practices against benchmarked organizations.

Collectively, the three performance programmes make up the performance-driven CRM scorecard, which can be considered the 'CRM cockpit' of the organization. As with an airplane cockpit, this is from where the organization is flown. The CRM cockpit contains all your signal lights: it tells you when you're doing something wrong (red signal light), doing something right (green signal light) or when something might be going wrong (yellow signal light).

If the performance-driven CRM scorecard is not fully implemented, the CRM cockpit will remain an expensive executive toy and not drive the required change. This means that the performance-driven CRM scorecard translates the CRM vision into three specific scorecards (one for the organization, one for the customer and one for quality service). These scorecards should then cascade down to specific responsibility centres within the organizational management structure. More detailed measures are then linked to teams and finally to personal employee objectives.

At the end of the day, the purpose of performance-driven CRM is to change the behaviour of people (the behavior of the customer, management and staff) and to impact CRM decisions and actions. If your efforts are meaningful to your customers and organization, you will be rewarded. Your performance-driven CRM will enable you to:

- Provide accurate, timely, relevant and a complete view of performance towards optimal CRM
- To monitor and manage your CRM vision leading to effective and efficient CRM initiatives.
- Make decisions or have them taken to the right level.
- Integrate with operational systems (rather than have isolated decisions being made and inefficiencies being created).
- Present one version of the truth (one version of performance reality to everyone).
- Form part of a communication strategy.
- Apply the 80/20 rule to your performance programmes. You will not need to wait for perfection; you will begin to see results once you get 80 per cent of the programme up and running and begin implementation while continuing to build the remaining 20 per cent.
- Provide energy and direction towards the implementation of the CRM strategy and vision.

It is the implementation of the scorecards that turns performance measurement into management. When this occurs you are practising performance-driven CRM.

Performance does not improve without embedding performance measurement and management into the culture of the organization and without making it an essential part of the required continuous improvement. And it must be a balanced effort - a balance between the customer, the organization and the organization's commitment to quality service.