

## Now is the time to boost CRM

By Sue Ellenbogen, project management consultancy owner at DVT

With the economic downturn - some calling it recession, others a depression - still taking its toll on companies around the world, savvy organisations are starting to realise the importance of hanging on to their customers.

Realising that it's less expensive and more profitable to retain an existing customer than to acquire a new one (by a factor of five), companies are paying attention to the processes, procedures and systems that will help them keep their customers happy - and coming back for more. Now, more than ever, CRM could mean the difference between companies being successful or not having a business at all.

While many companies are cutting back on their IT spend and going into siege mode with revenues down, strategic leaders are digging in their heels at IT budget time and allocating money to their CRM platforms. The idea is to consolidate the base, improve current functioning and prepare for the upswing ahead.

The ultimate reason for being of any company is sales and revenue generation, which results in profit. The goal of CRM is to improve customer service and optimise use of gathered data. The ultimate output of the CRM system is sales. To lose sight of that means companies can dissipate efforts and never realise the full potential of the goldmine that exists in the client data already gathered.

With budgets as constricted as they are in most companies, it takes a strategic mind to shrug off the instinct to jump ship to a new CRM system and look to maximise the benefit of what's already been paid for. Strategic leaders are looking first to their existing systems and allocating resources to ensure that their company is deriving the most benefit from existing CRM systems. They are driving optimisation projects with the same vigour as that which usually accompanies a new system launch when the times are good.

CRM system optimisation needs to be the result of careful process analysis of the current system and the way it and the data it holds is used by all departments within a company. The end result is a system that, often with little rework other than the way the system and the data is used, yields data that lays a solid foundation for the bottom line and more often than not boosts it.

Putting effort into optimising or introducing CRM software during a downturn is not a luxury. A CRM system manned by trained personnel is the surest way of maximising returns from a satisfied client base. Companies that are bolstering their CRM systems as well as how they are used are better placed to mine their existing client base during the hard times and entice new clients when the tide flows.

As companies turn to the ongoing challenge of keeping their customers happy - and buying - during the economic downturn, some are beginning to realise that their contact centres could be having the opposite effect. Outdated technology, poor integration and bad people management all result in a contact centre that could be driving customers into the opposition's arms. Even if it's not actively losing you business, your contact centre could be operating at less than optimal levels and failing to either offer the service or income-generating features that it should. And companies can no longer blame their equipment for poor service - the contact centre industry has made the most up-to-the-minute technology and features available at a more affordable cost than ever before.

The lure of call centres is they provide clients or prospective clients the all-important human interface at a relatively low manpower cost. Companies need to ensure that low manpower cost does not translate into low manpower performance due to inadequate systems or inadequate training on systems. With a call centre being the first point of entry for most customers, being met by an agent who does not have one's details immediately available is a liability that only those companies with a monopoly in the market can afford.

Significantly, even those companies with one-sided market-share are taking steps to improve call centre standards. CRM systems can only optimise call centre operations if they are properly integrated into the environment. That demands a heavy up-front training cost and ongoing training for new personnel. In turn, call centre personnel need to be trained and actively managed to appreciate the value of the data that is entered to the system.

Unfortunately, all too often, lax data standards and management of call centre agents results in data waste. A typographical error on an e-mail address or mobile phone number means the loss of a cheap line of communication - of course, that's the least of the worries when there are possibly legal ramifications with statements and other confidential data being lost or landing up in the wrong person's inbox.

Companies that lag in boosting their CRM capability during the downturn could find themselves playing catch-up in a seller's market to their competitors whose systems and staff are aligned to maximise their sales performance with a satisfied and loyal client base and beyond that base when the good times return.