Connecting your executives to the CRM effort:

Becoming (and remaining) a data-driven organization

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Introduction

It's absolutely undeniable: each and every organization with a truly incredible CRM implementation has a fanatically data-driven management team at the helm. If your management team is lukewarm on CRM, does that mean your CRM project is doomed to mediocrity?

The answer, thankfully, is no.

It is true that Customer Relationship Management (CRM) is more business philosophy than software, more passion than project. When an organization commits to implementing CRM, it commits to realigning its entire business around the customer. It commits to becoming an organization that will collect the right information and use it in the right way at the right time.

But it's not necessary for that commitment to exist in the beginning as the force that drives the executive team from day one. More often times than not, executives become data-driven over time as they are shown a hard, cold financial benefit that cannot be denied or ignored.

Will you succeed in helping your executives become connected to the CRM effort? The key to your success will be to approach the positioning of your proposed CRM effort with the same dedication and intensity that you would apply toward starting up a new line of business. You must set goals, show a return, and identify the value. You must involve others, as active participation across departments and divisions of your organization will be critical to achieving desired results. If you do this, you will help your executives plug in to the CRM effort — go beyond simple sponsorship and support to proactive connection with the project.

This paper was designed for you, the manager championing CRM in your organization. It is designed to help you create the CRM buzz, so your entire company can reap the benefits. Read on to find tips and worksheets that will help you lead the charge, as well as bullet points to pass along to your management team.

Creating a fanatically data-driven organization

C-level managers become fanatic about CRM when they see its power, but, sometimes they need help to see the light. This section provides quotes from the analysts that will educate your organization from the bottom right on up.

This section also includes a spreadsheet so you can translate the need for CRM into the language management understands best: dollars and cents. Enter your own numbers and see how the costs of waste, inefficiency and missed opportunities add up.

What the analysts say

Keep these quotes from the analysts on hand as you work with your executive team to build the data-driven organization.

"As industries mature and companies can no longer differentiate themselves by attributes such as products or pricing, customer service becomes a critical competitive advantage. Managers at all levels are coming to realize that service and support interactions are often the only direct contact the company has with the customer, and that the quality of those interactions therefore has a significant impact on long-term business success."

John Ragsdale, Research Director, Forrester Research
(as quoted by ASPnews.com)

"[With CRM, you are] using business intelligence, data mining, and advanced visualization tools to make better decisions about what you offer a particular client, how to target or segment new opportunities and understand what drives new profitability."

Rod Johnson, Analyst, AMR Research
(as quoted by ComputerWorld)

Put it in dollars: making real the cost of waste and lost opportunity

As the sponsor of your CRM initiative, you instinctively know that every new CRM power-user generates a steady stream of mission-critical customer data that will inevitably help your organization cut costs and increase profits. But the executives around you might need some convincing before they believe. Executives are driven by bottom-line numbers, so to help them truly connect with the CRM effort you'll need to translate what you know into the language they speak. Showing them tangible examples of cost savings, efficiency gains and lost opportunities is the first step towards executive connection.

There are many ways to calculate the return on investment (ROI) for your CRM implementation, and Onyx would be happy to help you develop a detailed business-specific ROI for your organization. This paper aims not to develop a full ROI, but instead to assist you as you translate technical benefits into hard data that executives will understand. To that end, we've developed a spreadsheet to help you chart the savings and missed opportunities on a case-by-case basis.

The spreadsheet is already populated with a call center example, but is easily manipulated to calculate your own data. Key in your own problems, consequences and estimates and see how the costs add up. Share the results with your executives so they can see the connection.

Access the spreadsheet online at http://www.onyx.com/doc/OnyxShowValue.xls

Once they're convinced

Did the stats and spreadsheet work? Don't celebrate just yet. Verbal commitment — and even a hefty financial commitment — doesn't cut it. We lay out nine steps that move executives beyond just the verbal agreement as well as steps other managers, supervisors and CRM sponsors can take to play a more active role in CRM success.

Beyond lip service

It is easy to say that CRM thrives when executives sponsor and stand behind the effort. Yet companies struggle with what that "management commitment" looks like on a daily, weekly, and quarterly basis.

The good news is that it doesn't have to be hard. Management commitment and connection to CRM is as simple as believing in the effort and communicating that belief regularly.

The difference between paying lip service to the concept and 'walking the walk' is both remarkable and particularly noticeable when looking at a company's bottom line. Below are nine steps your management team must take to ensure CRM success. Pass these tips along, and help your management team make them happen.

1. **Put it in writing.** Senior management must have a written policy on CRM goals and usage expectations. They must make certain this policy is absolutely crystal clear and could be misunderstood by none. Review and, if necessary, revise this policy quarterly.

2. **Communicate formally.** Senior management must prepare and deliver a talk on the organization's CRM policy. They must use examples of how it applies to jobs at all different levels. This will motivate employees and influence the importance of CRM in the company culture.

3. **Communicate informally.** Each member of the management team should schedule informal sessions with team members to discuss how CRM is affecting work life and culture. They should seek feedback on the implementation without allowing the discussion to get into the specifics of feature and function. The goal is to consistently convey the importance of CRM and the affects on the organization as a whole.

4. **Acknowledge and overcome.** The management team should work with managers and supervisors to determine any obstacles to commitment and implementation in their specific areas and identify actions to overcome those obstacles.

5. **Educate.** Management should always be prepared to help employees understand why CRM is so critically important. Books and news articles about others' CRM experiences are good; company-specific examples are even better.

6. **Be aware.** Don't blame, but be vigilant in identifying areas where CRM participation and utilization could be improved. Ask for employees' assistance in improvement efforts.

7. **Welcome naysayers.** No CRM project has ever gotten off the ground without someone objecting to it. The management team must listen to the naysayers and involve them in assignments that require active research, discussion with peers and hands-on use of the CRM system. They may require additional training on specific areas of the implementation that will be helpful in their specific role. Naysayers need to see the personal value in the system. Once this happens, they will likely become advocates.

8. **Plan for it.** Make CRM part of both short- and long-term planning efforts, including: budgetary requirements, ongoing system requirements, user requests, user group meetings and opportunities to discuss best practices.

9. **Recognize success.** Everyone needs praise — formal and informal — when they do their job well and help create a data-driven organization, and it is most effective when appropriate praise comes from the management team. Here are some suggested ways of recognizing contributions:

- Organization-wide celebration of the individual or team commitment to CRM success and/or achievement.
- Gift certificate for dinner for two
- Plaques
- Verbal recognition at a meeting
- Personal phone call, e-mail or handwritten note from the CEO
- Lunch with CEO or President
- Publicity in newsletter or on website

What can you do?

We've told you what the management team must do to truly sponsor the CRM initiative by plugging into the effort. What can you, one of the primary sponsors, do?

1. Develop a plan of CRM awareness activities for the next six to 12 months. Include industry information such as posters, intranet articles, surveys, newsletter articles, and updates during weekly team status meetings. Always make sure to include updates on the CRM initiative in your normal internal communications.

2. Conduct meetings with individual employees on a planned, scheduled basis to improve the CRM commitment of your entire team. Listen to any concerns and address them immediately.

3. Make sure all employees know who the final customer of their work is and how the CRM mindset has a positive impact on that final customer. Share examples of extraordinary customer service given by utilizing the CRM system and pay accolades to the employees that are going over and above.

4. Invite other managers (senior management, managers of internal/external customers, and suppliers) to speak to your department about the importance of CRM in their department's efforts.

5. Help managers and supervisors throughout the organization exhibit the behaviors needed to create a positive culture that supports the CRM effort.

Tip-sheet: tips from the pros

1. **Fix your processes first.** The only thing worse than a bad manual process is a bad automated process. If your work processes are less-than-lucid, now is the time to clean them up.

2. **Get — and stay — specific.** What does your company hope to achieve with CRM? Help your management team get its goals down and keep a tight focus.

3. **Take it across the board.** If your back-end delivery process isn't tied to your front-facing CRM processes, the customer could easily walk away with a less-than-stellar impression. CRM should not be an island in your organization. Its benefit really kicks in when the software is used company-wide. Help make it the dashboard from which all your sales, marketing and strategic decisions are piloted.

4. **Let 'WIFM' do the driving.** Often, a small group of influencers serves as the spark that ignites a CRM project. The spark will fizzle if that small group fails to address the question on every potential CRM users' mind: "What's In It For Me?" Include end-users in the development and definition of the project and empower them to help define a system that will fully meet their needs.

Keeping it going

You've created a fanatically data-driven organization. You've rolled out the system and are reaping the benefits. Beware: the urge to slip back into old, pre-CRM ways of doing business is inevitable. Allowing the organization to cave in to those urges is not.

How is becoming a data-driven company getting in shape? It's a true accomplishment to reach your goal; however, the greater challenge could very well lie in the struggle to maintain those results over time. Just as the commitment to a healthy lifestyle can lapse, organizations can lapse in their commitment to data-driven decisions.

1. Encourage the executive team to follow the steps we have outlined.

2. Follow — and encourage other managers at your level to follow — the steps we have outlined for you.

Keeping the ball rolling and the good things happening is not rocket science — it simply involves maintaining the connection and reconnecting. Just as people who have reached their fitness goals say they recommit to a healthy lifestyle daily, organizations must recommit daily to CRM success.

Onyx will be there to help you along the way.

Onyx Software Corporation (NASDAQ: ONXS) is a worldwide leader in customer process software and solutions for the enterprise. Onyx provides flexible solutions that enable organizations to automate, manage, and evolve their customer processes quickly and cost-effectively for strategic advantage. Onyx serves more than 1300 customers in a variety of industries including financial services, health care, contact center, high tech and local government.

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