

City A.M.



Being kept waiting on the phone can be an infuriating experience.

Picture: GETTY

HOW TO MANAGE CUSTOMERS AND KEEP THEM COMING BACK

IN THE past, when the British public was faced with shoddy customer service it could be relied on to take the "Don't make a fuss, dear" approach, but times are changing.

Nowadays people are inclined to be much more vocal in their complaints and this trend has been exacerbated by the internet. On the web it's much easier for even timid customers to vent their spleen via web forums, review and comparison sites and online social networks.

Often the customer doesn't have a problem with the company's products, but the inefficient way they were dealt with. No one wants to hang on the phone for ages or explain the problem to six different people who all seem to be part of the "Computer says no" sketch from Little Britain.

In an effort to improve their customer service many high profile companies have turned to CRM software. CRM, or customer relationship management, is about a strategic plan to make a company more responsive and aware of the needs of its customers.

CRM aims to bring together lots of data about customers as well as market trends to allow the company to supply products and services much closer to what the customer actually wants, and then to offer better service once they've bought the products.

It should also allow sales staff to more easily cross-sell products and services and to discover and retain customers. CRM software acts as an enabler for this strategic process and is used to track, store and update information on the customer across different

The latest software systems can improve customer service, but only as part of an overall philosophy, writes Niall Magennis

departments in the company, such as sales, customer support and marketing. The data is held centrally and is accessed by anyone who needs it.

SPEEDY RESOLUTION

For example, if the customer phones a sales person and enquires about a service they're thinking of buying, the sales person will be able to see the current services that the customer is already using and advise on complementary products.

If the customer calls with a complaint about a product, the software retrieves stored information relevant to the customer, leading to a speedier resolution of the problem. The software should also manage the complaint until it is resolved quickly and to the satisfaction of the customer.

This all sounds fantastic, as not only do you end up with happier customers, but they want to buy more stuff from you too.

Unfortunately, many companies which bought CRM systems found the results haven't quite measured up.

Research carried out by Microsoft's Dynamics software division, which produces CRM software, found that even though 60 per cent of sales directors see CRM as fundamental to their sales process, a quarter have lost customers directly because

of ineffective use of the technology. The Customer Value Group, a business advisory firm, carried out similar research and found that CRM systems are a root cause of Europe's top 1,000 publicly-quoted businesses losing up to €14bn of profit. So what causes these systems to fail and how can you avoid those mistakes?

Tony Mooney, a customer intelligence partner at ClarityBlue, says many companies approach CRM projects the wrong way.

"CRM is not, and has never been, a system," he says. "It's a business philosophy, a way of thinking. Businesses have spent billions on technology without appreciating that CRM is a people issue."

"It demands more investment and innovation in business techniques, processes and organisation than in mere technology. CRM techniques can add value to most business models, but by no means all."

BIGGEST USUALLY DOES BEST OUT OF IT

He argues that the companies that benefit the most are big businesses with more than a million customers, a large range of products, many channels to market and double-digit gross margins.

But even companies that fit this bill have suffered by going for over-complicated systems that hinder the customer service

process rather than improve it. The result can be that staff then lose confidence in the system because they're not getting any benefit from it.

Guy Tweedale from CRM specialist Saratoga Systems says that in the initial stages of a project it's better to gather less information, rather than more.

He says: "Customer service staff will rebel if an over-complicated CRM system means they cannot deal with customer enquiries quickly and effectively as the resulting frustration from the customer makes their job even more difficult."

Identifying the data in the planning stage that's going to be truly useful to you in the future is the key, says Marc Delesalle from Accenture's CRM practice.

"You should start with the end in mind. Think about what customer analytics you need and then work backwards to understand what data elements you need."

Some companies also end up obsessing about product features and lose sight of the real objective of the project.

Alistair Hancock, CEO of Rubicon, a company that specialises in CRM software for the financial services sector, reckons that what you really need to do is acknowledge the strengths and weakness of both the software systems and your staff and build your strategy around both.

His argument is clear and simple: "Computers are good at tracking processes and doing repetitive tasks efficiently and accurately. People are good at building and maintaining relationships."

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