



Customer Relationship Management - Concepts and Tools -

Sample Presentation

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CRM Definitions

CRM is the practice of analyzing and utilizing marketing databases and leveraging communication technologies to determine corporate practices and methods that will maximize the lifetime value of each individual customer to the firm.

Customer Value is the economic value of the customer relationship to the firm. Adoption of CRM with customer value at its core strategy helps us define CRM from a customer value perspective.

CX (Customer Experience) is the notion that customers really manage the relationship with the brands they want to deal with. **CX** means customers are in charge of their relationship with a company.

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Conceptualizations of CRM

- **Functional level:** *focuses on technology*
 - Developing sales force automation in the sales function
 - Developing campaign management in the marketing function
- **Customer facing front-end level:** *focuses on customer experience*
 - Building a single-view of customers across contact channels
 - Distributing customer intelligence to all customer-facing functions
- **Strategy level:** *focuses on customer satisfaction*
 - Freeing CRM from technological underpinnings
 - Describing CRM as a process to implement customer centricity in the market and to build shareholder value
 - Understanding that knowledge about customers affects the entire organization

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Benefits of the Customer Value Management Approach

A successful **data-based CRM system**, with **customer value** as its driving metric, empowers a company to perform ten actions leading to a **strategic advantage**:

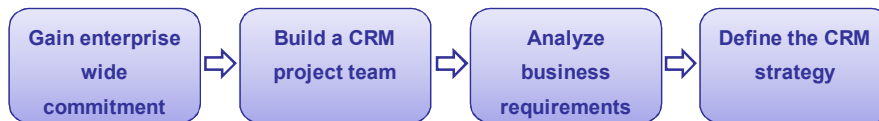
- Integrate and consolidate customer information
- Provide consolidation information across all channels
- Manage customer cases
- Personalization
- Automatically and manually generated new sales opportunities
- Generate and manage campaigns
- Yield faster and more accurate follow-up
- Manage all business processes
- Give top managers a detailed and accurate picture
- Instantly react to changing market environments



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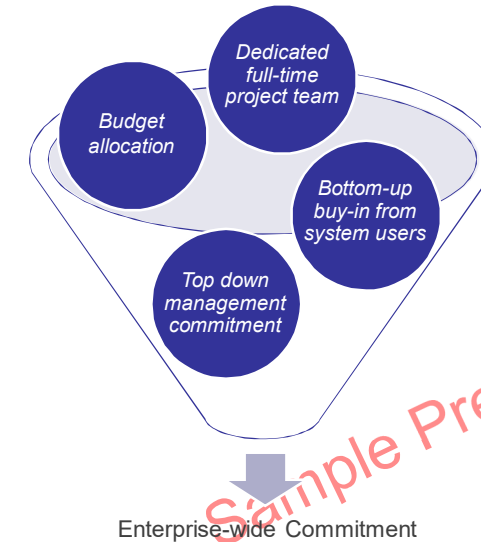
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Steps in Developing a CRM Strategy



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Step One: Gain Enterprise-wide Commitment



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Step Two: Build A CRM Project Team

Obtain active representation from:

- **Management** - Provide leadership, motivation and supervision
- **Information services/ technical personnel** – Ensure that CRM system is compatible with existing software applications
- **Sales, marketing and services groups** - Evaluate usability of CRM system based on effectiveness, efficiency and satisfaction
- **Financial staff** - Provide critical analysis for assessment of increased sales productivity, evaluation of operating costs, estimated cost of system expansion and ROI projections
- **External CRM expert** - Provide a valuable source of objective information and feedback

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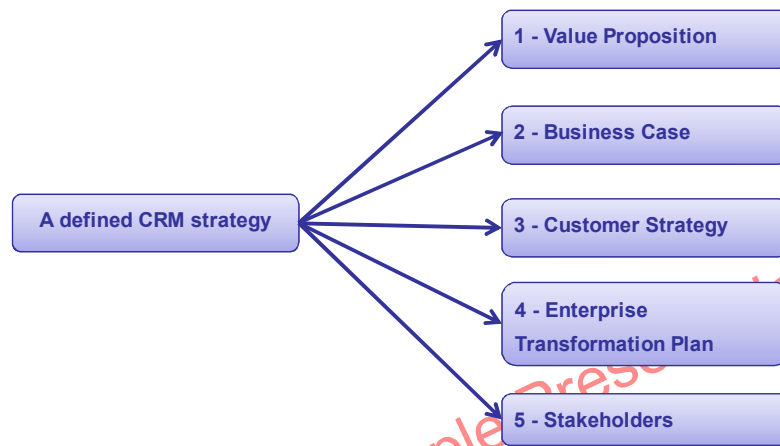
Step Three: Analysis of Business Requirements

Gathering information to:

1. Identify the services and products that are being supported
2. Map current workflows, interfaces, and inter-dependencies
3. Review existing technologies, features and capabilities
4. Discuss the vision for the business and the operational plan
5. Define business requirements
6. Develop enhanced business workflows and processes
7. Identify gaps in technology functionality
8. Map functionality to business processes
9. Develop a new technology and functionality framework
10. Develop a conceptual design and prototype plan

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Step Four: Define the CRM Strategy



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Elements of a CRM System

Customer Interface/ Touchpoints



Sales Person Contacts

- Meetings
- Visits
- Phone Calls

Mobile-Based Contacts:

- Text Message
- Mobile Sites
- Applications

Web based Contacts

- Email
- Websites

• Direct mail
• Coupons

• Telesales
• Kiosks

Interfaces used for customers to interact with the company

CRM Applications



Sales Management

- Contacts
- Interactions
- Quotes
- Forecasts

Marketing Functions

- Campaign Management
- Lead Generation
- Segmentation
- Personalization

Customer Service

- Help Desk
- Customer Care
- Incidents
- Warranty

Need to provide consistent view of all customers regardless of the touch point being used

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Developing Software In-House



Requires the company to define all its requirements, pay for software development, and internally bear all the R&D costs

Advantage:

- Tailor-made solution fit to the current business practices
- Develop internal skills that allow them to develop the system each time the company requirements change
- Avoid dependence on CRM software vendors

Disadvantage:

- Most Expensive option (high development maintenance, and operating costs)
- Difficult to attract and retain the employees needed to solve data warehouse challenges
- Long time commitment

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Outsourcing as Managed Service



Companies can outsource the CRM solution to a third-party company, which provides the hardware, software, and human resources in exchange for a monthly fee.

Advantage:

- Lowest upfront costs: no software licensing fee, hardware system, recruiting, or internal IT system costs
- Pay-as-you-go approach: Pertinent for smaller companies or those with limited marketing budget to benefit from CRM programs

Disadvantage:

- High dependency on the outsourcing CRM company
- Not viable for companies who need specific requirements in their CRM package

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