

Enhancing Client Relationships



Seeing the Customer as an Individual

Many service organizations are investing heavily in CRM - Customer Relationship Management - but getting adequate value for money is not easy. Client goals seem to change while complex processes are still being implemented, costs of implementation tend to escalate, the payback proves difficult to measure satisfactorily.

The challenge is what to do next - across the enterprise to yield measurable results.

In our experience, several best-in-class organizations are seeing CRM results - from increased loyalty, retention and revenues. What are they doing that is different?

Part of the answer is in **seeing the client as an individual**, measuring individual client value then recognizing from events and transactions who are valued clients and who have potential to become valued clients. These organizations use innovative client relationship and communication behavioral models, building their client knowledge transaction by transaction.

They understand and interact with individual clients, realizing the very real benefit of one-to-one, event-based relationships with more responsive service delivery - often at lower cost.

Today, there are relatively few **Best in Class** client relationship organizations. They are moving towards a 360° view of the customer. They can be characterized as practicing at least the following:

- Life cycle/behavioural segmentation (rather than profitability)
- Event detection as well as predictive models
- Use of granular data (discrete transactions) as well as summarized data
- User defined and managed decision rules for quick and easy fine tuning
- Daily decisioning (moving to near real time)
- Living customer-focused brand values every day
- Client dialog based on actual behavior as well as deduced sales opportunities



This is supported by a culture that is viewed from the customer perspective (rather than the supplier's), asking for example, "what do I, the customer, need today" rather than "how satisfied is the customer with me".

Build the Business Case - implement for results

In the Gilford Group's experience, an organization with existing CRM investment can improve results by using an **incremental investment** approach based on improving communications with customers as individuals.

Business strategies are linked to a series of **key performance indicators**. The Gilford Group's work on kpi models indicates scope for incremental CRM benefits, often on a self-funding principle Each step is planned and justified against the criteria of how it advances customer value and how flexible it is to be adjusted as requirements change.

A key component of planning in incremental steps is the development of a business case which relates the cost of each implementation step to the expected benefits. Alternative scenarios can be evaluated - both to the visible horizon and in the context of the total journey.



Navigate through the CRM Maze

CRM is widely spoken about - but there are many different views of what CRM actually means. Is it contact management? Is it call centers? Is it Internet personalization, data base marketing, or something else? The answer is: Yes - all of these.

Operational CRM includes the front end tools for sales force automation, especially contact management. Analytical CRM covers back end data analysis and modeling to determine significance and prioritization from large volumes of customer interaction and other data.

Where Operational and Analytical CRM overlap, are the personalization tools, click stream analysis, etc. The point is that effective CRM, i.e. optimizing customer interactions, taking the customers' viewpoint, not just the organization's, **requires both operational and analytic CRM.**