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CRM and Change Management: A game of two halves

What are the key determinants of a successful Customer Relationship Management programme? What factors ensure it gets results, and improves the organisations competitive position and ability to satisfy customers?

Sometimes even those who have pulled this off can find it hard to cast their minds back and identify the key decisions that drove success.

But here's an example of one company where the same software, for the same broad purpose and for the same types of users, was rolled out in the same business – but in two different locations and with two different approaches. In one location, the result was a success with increased usage, customer insight, and user satisfaction.

In the other it was a failure which fundamentally damaged the cause of CRM in that location, and the appetite to apply it in future.

So as you've probably guessed, the key driver here isn't the software. But the fact it was the same software in each case makes it easier to see the root causes of success and failure. The rest of this article lists those root causes. This insight has been key to me, in ensuring that the projects I'm involved with succeed.

But first, a quick summary of the outcome of each case

The cases took place in a major global professional and financial services organisation. The CRM project in the European region required staff in 7 different locations to adopt new systems, rules and processes to manage client relationships better, more effectively market, and accelerate the sales cycle. After 12 months, logging of sales had dramatically increased, user satisfaction had improved, and the number of employees using the new system and tools was 200% up on the previous system.

In the CRM project taking place for the business in North America, sales, client management and marketing staff avoided the system once it had been rolled out, and increased their use of "silo systems" – e.g. excel files and other individual means of recording key data.

Why was this? From observing the two cases, some very clear differences in approach emerge. The difference between success and failure, I believe, was driven by the following factors:

1. **Why are you doing it?**

   In the successful European example, there was a clearly constructed business case. It focused on the need to strengthen client relationships, to improve the ability to cross sell and diversify revenue, to improve the amount and quality of data to help maintain competitive advantage, and to reduce the business risk associated with the previous system and tools which were becoming less and less fit for purpose

   In North America, the "whys" were more loosely considered, and could be described as "We need to have a better system" and "this software seems to have worked in Europe so let's apply it here"

2. **Metrics**

   The European project included a lot of thinking about appropriate success metrics. These were not only there to measure achievement and ROI, but drive the design of the programme, accountability, and corrective action (if needed). Metrics included user adoption, user satisfaction, amount and cleanliness of data logged, and (critically) number of sales and client satisfaction.

   In the alternative example, there was a conscious decision not to include success criteria. This was on the basis that "our users are so fed up with our current system we don't need to consider this"

3. **Senior endorsement & walking the walk**

In the successful case, senior management provided a lot of visible support; but as well, as the communication and endorsement they provided, they also demonstrated the behaviour they expected their staff to adopt. Most senior management attended the training sessions on the same basis as other employees.

In the unsuccessful case, while there was some communication that the project was taking place, there was no consistent overt endorsement. Training was very much seen to be something that only junior or front line staff did.

4. **Project Management and Governance**

We all know that unplanned events happen in any project, let alone complex CRM and change management ones. In the European case, there was a rigorous focus on ensuring that scope, resources and schedule were aligned. Judicious and consistent monitoring of risks took place, together with discussion on how they should be mitigated. Each risk had an owner, but the business champion and project manager also made sure that communication about these risks occurred horizontally, downwards and upwards to a clearly constructed senior management project governance board. This allowed the business users to have input, but also ensured senior direction and gave confidence to all stakeholders that the project was being well run, and that business benefit would ensue.

In the failed project, project planning was limited to some very broad milestones and risks were not openly documented and discussed. There was no clear responsibility for ensuring that the business users adopted new rules, process or tools. The only clear accountability was that the IT project manager delivered software on PCs on time. There was a senior project committee, but it restricted its activity to broad policy statements and explicitly said that any other issues or conflicts had to be resolved "further down"

5. **Communication and championing**

The European change management effort included creating a "business momentum group" comprised of middle managers and operatives from each key business unit. Their roles explicitly included making sure the solution was best for the whole business, while working for their own unit. They were the architects of the business rules around what the firm wanted to do with clients. They also acted as ambassadors for the project and were responsible for effective two way communication with the staff in their own units.

The main communication in the North American example was via e-mail, through irregular e-mails describing that the project was progressing smoothly and that benefits would accrue. Only a handful of people other than 3 business managers were involved in any discussions on how the business might adopt the software, but there was no dialogue on other change management issues.

6. **Business Rules and Processes**

A key role of the European Business Momentum Group (noted earlier) was to spend time defining the segments and clients the firm wished to prioritise. The group also defined the types of interaction the firm should have with these clients, the benefits they would get, and who was responsible for the client service, logging information, and what data they should share on the system. This gave a clear message to users about expectations of them, and enabled training to be devised which was relevant to day to day activity.

The project team in the other case assumed the existing informal processes should continue and that the new software would make these more efficient. Training was limited to "where to point the mouse" to access various fields.

7. **Accountability**

In the European example, the senior sponsor was held accountable for a successful project. The business champion committed to delivering success metrics. All aspects of business readiness were allocated to someone with prime responsibility with a back up as support. All outstanding risks were allocated an owner. Some other business representatives also committed to include relevant measures in their own appraisal, and their units typically gained the biggest business benefits.

The other project didn't define clear success metrics so found it difficult to define the key deliverables that managers were responsible for. Most issues were considered to be resolvable by consensus and the whole group, so individual accountabilities weren't set.

8. **Data Strategy**

One of the valuable results of defining what type of clients and segments would be priority, was the opportunity to determine a simpler and clearer set of data items the firm needed to know about them, and the logic that would help staff maintain this data. It was also considered critical that each regional office moving to the new approach, would own sign off its data as sufficiently clean before it was migrated. Clear targets and rules around quality data were set and monitored. As a result user confidence, about the quality of data they were able to obtain, increased significantly.

The focus of work in North America was far more concerned with the specifics of how individual fields should be titled, and the approach was to replicate previous terminology as far as possible. Data from previous systems was mapped to the new software in its existing state, or simply deleted.

Increasing your chances of success

One project succeeded, the other didn't. The eight issues above, in my view, were the difference between creating value and destroying it. But right at the beginning, I think they demonstrate the necessity of thinking through the value your organisation's customers and prospects should get from your CRM project. Then you should explicitly and consistently consider the potential strategic benefit of the project, and focus the change management needed to deliver this value.

That's the key to a successful project, value being provided to your organisation, and something which improves your career rather than detracts from it!

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