

## A Bumpy Ride for CRM.

Customer relationship marketing or CRM is often described as a journey and not a destination. However, all too often the CRM journey is plagued by long delays at check-in, turbulence on take-off, poor in-flight service and a bumpy landing. Indeed, research suggests that more than 50% of all CRM installations fail. Even the minority that are successful carry a high risk of unfulfilled expectations in terms of:-

- Costing more than anticipated
- Taking longer to implement than planned
- Delivering less functionality than specified

So given the unhappy history of CRM installations in this country, why are so many progressive marketing-led organisations eager to risk their finances and their reputations on another expensive CRM disappointment? One of the major factors in explaining the current state of play with CRM is the general lack of understanding among marketers and non-marketers alike of what exactly CRM is and just as importantly, what it can and cannot do.

CRM is not a marketing technique like one of the ubiquitous 4Ps that can be applied to leverage a business. It is a process that encompasses the management and organisation of legitimately held customer information and its intelligent use in order to present the right offer to the right prospect via the right channel at the right time.

Another common misunderstanding about CRM is that it requires only the most sophisticated and expensive computer technology. Certainly for businesses with many products distributing to customers in several countries and communicating through a variety of marketing channels, some form of IT system is required (but it need not be costly). The trick is to have a good understanding of your CRM ambitions and needs before you hand over your cash to the slick IT salesman. The system used by Tesco with a footfall of 25m and a product inventory of 1000 stock units or by Amazon with call-centres primed to handle 50m customer orders on 4 continents are certainly at the leading and cash-hungry edge of technology, but is unlikely to be necessary or appropriate for a local retailer.

Even one of the most forward thinking, enlightened and professionally managed of our Premier League football clubs has fallen headlong into the CRM IT money pit. So from personal and bitter experience, I offer a check-list of dos and don'ts to sports clubs contemplating the lemming-like leap from the CRM cliffs of uncertainty into the IT sea of despair and disappointment.

- 1** Prepare well. Set out your strategic objectives for CRM in terms of the end result(s) you wish to achieve and the budget you are prepared to commit.
- 2** Ensure that your effort is optimised across your business and that a company-wide perspective and consensus is achieved among key staff.
- 3** Clearly define your business going forward in terms of the scale of your marketing effort and the volume of data you are prepared to collect.
- 4** Set rules to govern the use of your customer data in terms of primacy, recency and frequency and apply them to each of your marketing channels.
- 5** Take professional advice to ensure your data management regime complies with data protection law in all of the territories you operate in.
- 6** Consider an IT solution only once all the above steps have been completed and you have developed a comprehensive business requirements schedule.
- 7** Use a tender process, request proof of concept and never, ever agree to adopt an untried big box IT solution in lieu of a sponsorship fee!

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