

A CRM Requires a Cultural Paradigm Shift

by

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There are hundreds of definitions for Customer Relationship Management (CRM) technologies. I have found two, that in my opinion, best describe the context of a CRM. The first is: "A CRM is a holistic strategy designed to reduce business costs and increase profitability through the acquisition and loyalty of customers." A true CRM captures information from multiple sources and channels that information to provide a comprehensive view of each of your customers in real time. This centralization of information facilitates decision-making related to marketing strategies, sales, customer service and competitiveness. The second definition comes from CustomerThink.com, and it is: "The relationship management (CRM) is a business strategy designed to identify and manage customers to optimize their long-term value. The CRM is a business philosophy -- centered on the client -- and must be supported by a company culture that truly believes in the delivery of effective customer-centric marketing processes, sales and customer service."

It should be noted that the key phrase in the last sentence is -- **must be supported by a company culture**. It is important, of course, to acquire a viable CRM application and implement that technology within your businesses' operational workflow, but more importantly a company must transform its culture in terms of employee behaviors, work disciplines, business strategies and also provide the right company leadership to support a complete paradigm shift.

The CRM is a tool that can create a positive or negative customer experience. It is also a competitive strategy that impacts three main functional areas of your business: marketing, sales and customer service. The reason for the cultural shift is that every member of your staff who has any kind of interaction -- direct or indirect -- with your customers can impact that customer's experience with your company. An exceptional experience, at any point in time, is meaningless, if the customer is dissatisfied with a subsequent interaction from someone within your company.

Customers are the lifeblood of any organization -- be it a global corporation with thousands of employees and multi-billion dollars in sales, or a small company with a handful of regular customers -- the CRM operates on the same principles.

Your mission should be to build a company culture that focuses on relationships by:

- Determining mutually satisfying goals between your company and your customers
- Establishing and maintaining customer rapport
- Producing positive feelings within the your company and in your customer base

Why should your company undertake a CRM? Even though a CRM will require multiple resources and a great amount of energy to implement, it will be well worth the effort. Not only will it cement your relationships with customers and improve profitability, if implemented correctly, **the required cultural changes will make your company much stronger**. A CRM can have a major impact on your company in a number of positive ways. The cultural change of the CRM will shift your company's focus from product to your customer. It will also improve your company's offerings by transforming them into what your clients actually need.

The ultimate purpose of a CRM, like most company initiatives, is to increase profitability. In the case of a CRM, this is achieved mainly by providing better service to your customers than your competitors. A good CRM will not only improve the service you provide to customers, it will also reduce costs and improve productivity.

Another reason for a shift in your company's culture is that your employees must take a new view of your customers. To truly experience the benefits of a CRM, your customers must literally be integrated into the CRM. This involves integrating your customer's people, with whom you deal, and their business processes into your company's way of doing business. This is a huge cultural shift from the traditional arms-length, supplier-customer relationship that most companies use.

So what is needed to make this cultural shift quantum leap? Actually, you must institute a completely new way of thinking. Your company must change the paradigm of how it does business by restructuring its processes and workflow systems in order to support a customer-centric approach to business.

A CRM is tool and/or business strategy, depending on how you use it. Either way, your people or the key to its success. As with any business process, your employees will have a huge impact on the success of the CRM. If you are able to affect a cultural shift that convinces your people to put your customers at the center of all their activities, you will have a successful CRM experience and a company that is destined for great things in the future.