



Competitive Positioning - running away from the lion

CRM for competitive advantage - after all there's no point otherwise. An eight step process to ensure your business gets the CRM system it needs, not the one someone wants to sell you.

The lion...

You probably know the story - two guys out in the bush and a lion comes into view. One of them quickly puts on his trainers. "Are you nuts?" says the other guy, "you'll never be able to outrun a lion". "I don't need to" the first guy calls over his shoulder, "I only need to outrun you".

Like all sources of competitive advantage, CRM is as good as you make it. The trouble is, from the client side of the desk, the world of CRM has moved rapidly from a list of customers on a desktop computer, to a dizzying array of incomprehensible technology. In the process, it has leapfrogged right over the customer. It has become so technical and frightening that it has been delegated to the IT manager. Who may never have even met a customer, let alone understand the challenges of giving good service. No customer, no income. No income, no business. So every individual in every commercial organization should be focused on the customer. Right? Well, not necessarily.

Successful CRM systems are about people and human nature, not logic and algorithms.

If the sales representative doesn't understand the computer system, or it thwarts his or her effort to give good customer service, they will find a way around it. When the customer is standing in front of you then that's where your focus is, not with your boss or the procedures manual. In many organizations, the sales staff give good customer service *despite* the system, not because of it.

If the marketing department can't get to grips with the sales reporting system well enough to learn from past campaigns, then they'll concentrate on choosing future ads instead. So the business is unlikely to see improving cost effectiveness.

And if members of the board don't even open their own e-mail, how can you expect them to have a feel for what a relational database might do for them?

A bridge is needed between what the market needs and the supplier offers

Like Microsoft Windows, or indeed our own brains, we only use a small percentage of what is available. And you don't have to run faster than the lion, you just have to run faster than the other guy. So let's apply the same logic to CRM.

Working through the following steps should bring you to the place you want to be, rather than where the suppliers want to take you.

Step One: Who do you need to run faster than?

Why are you even thinking about CRM? Which of your competitors has it? How are they getting an advantage over you? Or what could you do to get an advantage over them? How good does it need to be?

Step Two: Put on your training shoes

What would help? At this point, asking the sales force, the customer service centre staff or the delivery van drivers is likely to be a lot more valuable than sitting in meeting rooms at HQ coming up with the perfect theoretical universe. Try having a "spreadsheet amnesty" where everyone can admit to and share their own bespoke systems without fear. They can explain why they set them up and what they use them for. What are the good ideas? What makes sense to others in the organisation? How could they be available automatically off the system?

Step Three: Rank your wish list

Now you know what the people in your business would like, you can start to rank these wishes according to agreed criteria such as:

- Business criticality
(what happens if we don't do it?)
- Do-ability
(how long to implement? how complex?)
- Impact on profitability / competitiveness
(will this help you grow? or be more profitable?)
- Cost to implement
(the real cost i.e. systems, consultancy, training, down-time)

Step Four: Look for routes to safety

Now you are ready to start looking for some outside help. Too often organisations bring in suppliers too early in the game hoping the supplier will be able to tell them what they're looking for. Of course most suppliers will do that quite happily - and it will usually be something they can easily provide.

If you haven't worked out what you need yet, the chances of picking the right supplier and products are slim. The more likely result is money spent, tempers frayed and customers no better off.

So avoid that trap and write a clear brief for 3 or 4 potential suppliers. Try to choose a range; off-the-shelf, reputable tailored solutions, maybe an organization that is more accountancy focused and one that is more driven by technology.

If any of them ask for additional information, share it with all of them (you want all of the pitches to be as useful as possible), but remember who showed enough initiative and interest to ask the question.

Step Five: Know when you're safe

You need to know when you've found what you need so again, agree criteria and make an assessment sheet you can each fill in for each proposal. Some key aspects to look for are:

- **Modular**- so you don't have to do the whole lot at once and you can improve your customer service bit by bit and keep evolving as your needs change.
- **Empathy** - you need to feel that your chosen supplier has made some effort to understand your business issues and how they can help with them. Are you just getting the same old "this is our solution and we can make your problem fit it" presentation? Or do some suppliers seem genuinely engaged in the task and keen to help?

- **Affordable** - to some extent you get what you pay for, but you will want to be sure each piece of your CRM system will pay its way directly or indirectly.
- **In tune** - go back to your wish list and see how many items you can tick off with each supplier
- **Chemistry** - you are going to have to trust these people with intimate details of your business. Are you comfortable with them? Are they discreet?
- **Challenge** - you invited them in because they know things that you don't. Do they have the integrity to tell you when you could do things differently for better results? Or do they just agree with everything you say?

Step Six: The race is on

Sit back and enjoy the presentations. Make sure there are at least three of you to evaluate the suppliers. Write down your gut choice and then look at the data on the evaluation form to see if it supports that gut feeling. Where do you agree with your colleagues? Where do you differ? Do you want to adjust your scores? (That is allowed - it helps to remember that the important thing is to pick the best supplier for your business, not for the one you picked first to "win"). Make a decision. Tell everyone in your organization who helped you get there and of course tell the winner and losers.

Step Seven: Make it Better

Usually in the course of listening to four presentations you will have had some new thoughts about your business's needs and priorities. Be ethical about other people's ideas, and also be prepared to change your mind where there's a good reason. Make a list of outstanding issues to discuss with your chosen supplier.

Step Eight: Run!

You're ready to go so give your supplier the support they need to get your system up and running as quickly as possible. Give your staff the incentive they need to get trained and to start to use the system. Give your customers the information they need to cope with the changeover.

Getting the right CRM system for you can transform your business. So it's worth putting in some time and energy to get it right.

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