



# WHITE PAPER: CRM: MORE THAN SOFTWARE

STRATUSG – [UPDATED JANUARY 2022]

## **About StratusG**

Since our inception, we have developed methodologies that aim at rapidly understanding what is at the heart of a project, identifying the issues and root causes associated with the underlying business drivers, and finding solutions that address the root causes. Our guiding principles are simplicity and transparency – to eliminate “consultese” and focus on results.

Our approaches have not only been widely accepted by our clientele, but also often adopted by them. We actively support the transfer and adoption of our methods to our clients to leverage their value beyond our direct involvement.

# CRM: MORE THAN SOFTWARE

## A HOLISTIC CUSTOMER RELATIONSHIP MANAGEMENT APPROACH:

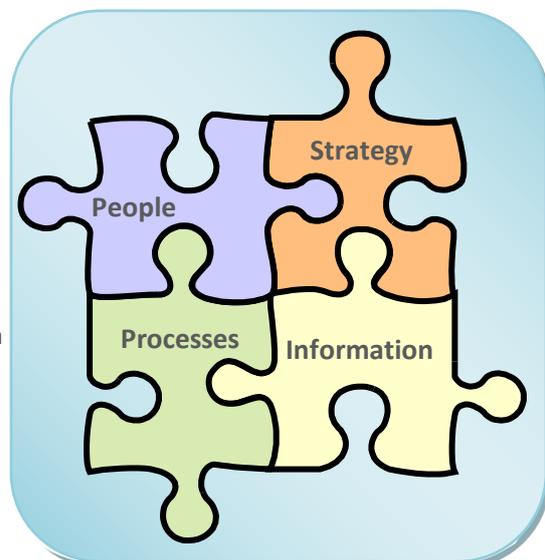
**Keeping a customer is far cheaper than gaining a new one. The Holistic CRM Approach strives to keep customers, while reducing the cost of gaining new ones.**

During challenging economic times and with supply chain issues creating a stranglehold on the flow of goods and services, gaining new customers and keeping your existing ones becomes even more important to the success of your business. Gone are the times where customers are willing to buy products or services from an organization that is anything less than responsive to their needs. As businesses and consumers respond to uncertainty, they become more selective of how and with whom they spend their money. Time and again it has become clear that those businesses that are the most responsive, survive the rough times and thrive in the good times.

So how do businesses ensure that they are being responsive to their customers needs? The short answer is Customer Relationship Management or CRM. Successful Customer Relationship Management is more than a state of the art electronic CRM system. It is a holistic approach to understanding your customer's needs and managing the relationship with your customers by meeting their needs. A CRM software is just one of the many tools that may be employed as part of your organization's overall CRM Strategy.

At its core, CRM is about **strategies**, business and sales **processes**, **information** management, and your **people**. Strategies provide the road map for customer target segmentations and product management, your business processes are the vehicle that get you from where you are to where you need to be, information about your customers and their needs is the fuel, and systems capturing and maintaining this information are the wheels that keep the whole thing moving smoothly. The people who work for your organization are the drivers.

Like a puzzle, the Holistic CRM Approach must seamlessly fit together all four of these elements. Realizing that there is always room for improvement, and that internal and external factors change over time, a Holistic CRM Approach allows for adaptation to these changes as part of "process normal".



**Only after understanding customer requirements, business objectives, and constraints, can a sustainable CRM strategy be developed.**

## STRATEGY

Most CRM strategies in their basic form seek to satisfy customer needs and wants in such a way that the customer experiences real or perceived value. In order to remain sustainable, customer satisfaction must be achieved while profitability is assured within the confines of resource constraints and/or scarcity.

It is clear then, that to truly develop a realistic strategy, businesses need to understand and analyze these high-level objectives to derive a detailed and aligned set of customer requirements and business objectives. To do this, organizations must develop the ability to identify their core customer segments and articulate the customer needs for each segment. There are a myriad of approaches to achieving this level of specificity (e.g., [House of Quality](#), [KANO Model](#), etc.), and regardless of the methodology chosen, the resource constraints that the organization faces cannot be ignored. Once you truly understand your customer's requirements, you can align your business objectives, and the constraints faced by the organization, and develop a CRM strategy that will be meaningful; such that your business and sales processes have clear, measurable, and realistic goals.

**Aligning business and sales processes with the CRM Strategy is a key part of the Holistic CRM Approach**

## BUSINESS AND SALES PROCESSES

Your business processes are those processes that add value to your product or service; this is the value (real or perceived) that your customers experience when buying and using your products or services. Your sales processes are those processes that seek to better understand your customer's requirements and communicate the value of your product or service to your customers, ultimately enticing them to buy from you.

One of the biggest areas of waste we typically identify is that there are very few channels from the sales force back into the operational side of the organization. Rather than leveraging your sales force to understand evolving customer requirements continuously and systematically, separate product management and marketing processes are established for capturing customer requirements. For example: market analysis, competitive benchmarking or focus groups and surveys. Shouldn't enriching your understanding of your customers evolving need be part of the sales forces standard key performance indicators?

Aligning your business processes with your CRM Strategy, by maximizing value added activities and minimizing wasteful activities or [muda](#), ensures that the benefit your customers experience when buying your product or service is optimized. Aligning your sales processes with your CRM Strategy ensures that your customers understand why your product or service is the best option available to meet their needs.

By allowing for constant updates and improvements to your CRM approach, your customers will realize that their voice is being heard and any feedback that they have is continuously being addressed. The communication loop between customers, sales, and business operations is critical to keeping existing customers and can be pivotal to gaining new customers. **Communication** and **transparency** are thus an elementary component of the Holistic CRM Approach.

**CRM software will only add value if the processes that they support are well defined and in alignment with your overall CRM Strategy.**

## INFORMATION MANAGEMENT/SYSTEMS

CRM has become a term that is most often used when talking about CRM software systems. With all the various fancy “CRM systems” out there, together with all the hype around sale force automation, integration, and mobile devices, it is easy (and not uncommon) to fall into the trap of thinking “if we only had a top notch CRM software system, all our CRM troubles would be solved”.

As we have seen, CRM software is not the answer in and of itself. CRM software is however a powerful tool to **collect, manage, and analyze information** about your customers, your sales process performance, and perhaps most importantly (and often neglected) about what it is that your customers really need and/or want.

Without having a sustainable CRM strategy that is supported by well thought out business and sales processes, a CRM software project is nothing more than noise or perhaps a façade, which obscures the underlying challenges that organization faces regarding customer relationship management.

If the organization goes through the effort of developing a Holistic CRM Approach, extracting the requirements of CRM software (including user, business, regulatory, integration, and technical requirements) is a far simpler exercise. Once those requirements crystallize, the process of selecting the appropriate CRM software becomes merely semantics, and the implementation will have a much higher likelihood of supporting the overall CRM Strategy.

**A Holistic CRM Approach must be transparent, so that people at all levels of your organization understand how they fit in, and so that they are aware of the criticality of the CRM approach.**

## PEOPLE

Returning to the previous metaphor, no matter how good your road map, vehicle, fuel, and wheels are; you are never going to get there in an efficient manner without a motivated and talented driver. A **motivated** driver will get there as quickly as possible but may not take the best route. A **talented** driver will take the best the best route but may not get there quickly. A **motivated and talented** driver will strive to take the best route and will get there as quickly as possible.

Ensuring that your people are appropriately motivated (i.e., incentives), and possess the appropriate talent (i.e., training) will yield the results desired in an efficient way by enabling your organization to achieve the goals of successful CRM program.

## SUMMARY

The Holistic CRM Approach involves:

- Development of a CRM strategy
- Alignment of business and sales processes to the strategy
- The management of information about your processes
- Developing a motivated and talented workforce

Regardless of where you are in the realization of a Holistic CRM Approach, **StratusG** can help by being a partner in your journey, as we have been for many customers who have started down this road.