

By Tom Mochal

1 CRM implementations focus on gaining and leveraging a keen understanding of the customer

The CRM approach involves capturing, managing, and leveraging all the information you have about your customers. With a stronger understanding of your customers, you should be able to better manage your relationship with them, keeping them happier, more loyal, and more likely to buy products and services from you.

2 CRM is a mindset and a philosophy

CRM is not a tool, although many aspects of the customer relationship can be automated using packaged or customized software solutions. In fact, CRM software is only a small part of an equation that includes changing business practices to focus more on customer needs and reorienting databases so that customer data is more easily found.

3 The implementation of CRM in your organization needs to be viewed as a culture change initiative

You're changing the way people do their jobs. To be truly successful will require a multifaceted and long-term focus. It is going to require new processes, training, templates, reporting relationships, metrics, templates, tools, etc.

The cultural impact of a CRM initiative can be tremendous, and organizations that underestimate the fallout often fail in their implementations. Imagine a department of longtime employees who have their routine down to a science. All of sudden, they have to learn an entirely new system, give up some of their "territory" to other departments, develop different skills sets, and share information that used to be their sole province. Now multiply those dynamics across the organization.

4 CRM implementations don't happen overnight

Many organizations want to implement CRM in a short period of time. Usually what they mean is that they want to implement a CRM *software* solution in a short period of time. Although it is possible to estimate how long a software implementation may take, it is much harder to know how long the culture change will require to take hold. In other words, the length of time required for people to develop a CRM mindset will take much longer.

5 A good CRM implementation provides a 360 degree view of the customer

The 360 degree view is sometimes called end-to-end customer management. Every place in your organization that touches your customer should be integrated. Many people think only of sales force automation. Although the sales function is certainly up front in the customer view, a 360 degree approach also takes into account areas such as:

- Executive management contact with key accounts
- Customer support functions, such as your help desk that customers may call for technical support
- Customer service functions, such as billing and accounts receivable
- Trade shows, marketing, advertising, press releases, etc.

6 CRM requires customer analysis

In addition to the customer-touching functions, CRM includes the analytical aspects of understanding your customers, their buying habits, and the reasons why they make the decisions that they do. For instance, you may be able to identify certain types of customers who are more likely to buy add-on products. In the future, when you gain new customers with these same characteristics, you can try to up-sell these add-on products to them. A lot of your company marketing research takes place in this aspect of CRM.

7 CRM solutions can be finely tuned to optimize the timing of sales

In some of the more sophisticated approaches to CRM, the sales cycle can be customized for each individual customer so that you have the best chance of making the sale. The customized sales cycle is flexible to meet the needs and motivations of the individual customer and is based on tracking the results of similar customers in the past.

8 Functions across your entire organization may be candidates for CRM

If you think about CRM from a broad viewpoint, you might consider much of the company to fall under the overall CRM umbrella. After all, many businesses are providing services to customers, selling products to customers, manufacturing products for customers, billing the customers, collecting money from customers, etc. This is not to say that every aspect of the company falls under traditional CRM. However, if you wanted to take this high-level view, perhaps many of the functions in your entire company could be placed under CRM.

9 Resistance to CRM culture change can mean failure

Most CRM initiatives are not totally successful, and many fail. This observation is not just about CRM. In fact, most culture change initiatives achieve only a fraction of the benefits that were originally proposed. If you don't take a long-term view and if you don't have strong executive sponsor support, you will probably not be successful.

Many sponsors think that when the CRM software is installed, they have successfully implemented CRM. What they don't understand is that the hard part of CRM is in the culture change. It's getting people to change how they do their jobs and to adopt a CRM culture. This can take 10 times as long as the software implementation (if it happens at all).

10 You need to tread carefully when collecting customer data

Many people are wary of the data collection required to support sophisticated CRM solutions and feel that it's an invasion of privacy. These concerns should be taken into account when implementing a sophisticated CRM system. For example, you may want to tell customers that you are collecting certain data about their purchase and allow them to opt out of the program.

For a real-world look at a CRM rollout, see Tom Mochal's four-part case study. Although the rollout took place several years ago, the study offers numerous insights and strategies that remain relevant to today's CRM implementations.

Case study of a successful CRM implementation

- [Choosing a package](#)
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