

Case Design Sheet



1. CASE DESCRIPTION

TITLE: *Implementing a CRM – upside, resistance and opportunities*

PARTNER
Cletral

LOCATION
France

TIME/DURATION
2017 – 2018

2. DIGITAL TRANSFORMATION CHALLENGE

2.1. BUSINESS TRANSFORMATION

The company A is a mid-size company with about 300 staff and selling machinery on a global basis. It is therefore confronted to the question of having an accurate view of its installed base (where are the equipment installed, are they in good shape, what are they used for, etc.), customers, and key-people in its customers' organization.

'Company A' grew over the years in an opportunistic way and now has thousands of contacts to follow-up and the data are disseminated in multiple data-bases more or less organized. They are not centralized at all, may be partial or redundant, hence not easy to use for either marketing purpose, or for a proper long term, organized, follow-up of the existing customer base and equipment in production.

Over time, the volume of information could no longer be encompassed by the breadth of knowledge of any individual or group of individuals. The sheer volume of data was overwhelming, and the loss of customer knowledge was obvious in case of turnover.

It was there decided by the senior management to (finally) implement a CRM aimed at capturing three major sets of information:

- the installed base of equipment, in order to be able to propose an optimized support all along the life-cycle of over 20 years for the machines
- the people – customers and potential customers at minimum – to follow precisely the interactions of 'company A' with those individuals
- the companies client of 'company A' as legal entities

The business was to be thoroughly impacted by the implementation of a central tool gathering the relevant information that could be treated to develop more activity. Indeed, better knowledge leads to the possibility to craft more precise offering to support a customer, anticipating his needs also. It was also well-known that for some global key accounts, 'company A' knew more about the customer's operations than the management team of the customer itself.

Case Design Sheet



2.2. CONCEPTUAL TRANSFORMATION

In principle, nobody would disagree with such a transformation, however the implementation, the utilization and the maintenance of such CRM led to multiple sets of challenges to be tackled.

- Configuration of the CRM and integration in the IT system
The CRM was introduced in an existing IT environment built over time, and the main Interface between the CRM and the ERP had to be set up. Additionally, the subsidiaries of 'company A' established overseas would not necessarily run on the ERP.
Therefore the Interoperability of software for data exchange was a first technical difficulty to address.
- Utilization and pertinence of data
Considering the CRM would get data from various sources (ERP, excel sheets, etc.), information existed in duplicate, triplicate or more... and needed serious cleaning in order to avoid redundancy and also mistakes (misspelling, etc.).
This task of insuring that the data base is up to date is an on-going process and a never-ending one.
As interactions with a customer had to be documented through the CRM (history of calls, meetings, mails, offers, etc.), it was a drastic change in the way of working on a daily basis, generating some resistances.
- Data security
The CRM gathers specific data from individuals, and therefore is subject to the laws and regulations pertaining to the individual data protection laws (RGDP).
The security for the access to the data is also critical from an IT perspective as strategic information (customer lists and prospects) is de facto in the CRM.

2.2. TECHNICAL TRANSFORMATION

The technical transformation covers first the following points for its implementation

- acquire a CRM that meets the needs of the company A and is easy to use.
- Transfer data from various systems to one
- Training of key users

Once the first implementation has been performed, it is necessary to test different functionalities and confirm that it works and /or to develop the proper adaptations of the CRM interface and macros.

Case Design Sheet



3. SOLUTION

The solution was to put a task force with strong skills and large authority to lead and enforce.

Such project has ramifications all over the company on a global basis. Therefore, the sponsor must be a key executive with broad authority within the organization, including with his peers. The other key person is the project manager who must have the required technical skills but also, almost as importantly, human skills to listen to the future users, understand and address their concerns while moving the project forward on the right trajectory.

As the CRM project was a staggered-one, each specific step was to be carefully monitored and supported:

- Creating a group of key users covering a wide range of functions in the company – and at least each department impacted by the CRM - proved beneficial as it was possible, on a limited group, of people to test the system before going 'live', making it more robust.
- A key enabler to this transformation was to make sure that the tool was used properly. Therefore an intense training was done, almost on an individual basis and with a clear objective to accompany the users, especially those who might be more challenged with and impacted by such a digital transformation.
- The team leaders had also a critical role: leading by example.
In order to go beyond the resistance to a new tool that creates disruption, the managers were the first to use the CRM, using for instance the CRM-issued reports as reporting tools in group meetings and no longer the previous media.

Of course, such transformational journey didn't go with hiccups. The Project team had to be open to feedback from the key users, and then to the standard user in order to improve the functionalities rapidly and provide the right patch to make things go smoothly.

Hence, the necessary level resources to implement, deploy and support the system was much higher than originally expected.

4. KEY SKILLS AND COMPETENCES

Specific skills have to be present in order to make such a project a success

- Leadership and organizational alignment: the organizational change is so profound that it is a key success factor
- IT: to configure the tools
- Training : HR support to follow and support the training
- Legal: comply with the Individual Data protection laws

Case Design Sheet



5. RESULTS AND OPPORTUNITIES

The CRM was seen quickly as a powerful tool. However it remains an unfinished business as its full implementation was more difficult than expected. In some areas, it is due to communication issues between software; in other areas, it is the human side, the resistance and inertia that may prove difficult to overcome. It includes also a latent resistance in the management teams not always able to lead by example.

However, and despite those roadblocks hampering the full development of the CRM potential, visible results could be observed rapidly. For instance, emailing were much better targeted and the hit ratio was greatly improved. It was indeed possible to specifically send the right useful information to the right people. So the return on investment of e-mailing, whether to promote a new product or a specific event was greatly improved too. Also, there was a lower risk to be blacklisted by email service providers as the mailing addresses were more accurate, generating less “mailer daemon” type of message (a high number of wrong email may lead you to be blocked from sending mass emailing). Therefore it was an interesting communication tool.

A new range of opportunities, some not really fathomed before, emerged as well:

The CRM was open to the field service engineer: those were able to do reports on-line, feeding the information to the CRM directly, generating quickly proper quotations and follow-up after a service visit. As a result, the revenue generated by each visit increased visibly.

Service contracts were also more easily managed than before, allowing a better scheduling of service visits.

The visibility of the installed base of equipment allowed to have a dynamic view of the customer’s fleet, the age and shape of it:

- Historical data of machines was available 24/7 globally to the service and sales team of the company
- It was possible to better manage the obsolescence of some parts (mainly around electrical and automation components) and propose options to alleviate the potential issues
- By linking the instant “picture” of the machine to the orders previously placed by the customer, it can become easier to anticipate the needs of the customer, make better sales forecast, that have a positive impact on the in-house production of parts and a smoother industrial production scheduling with all the positive spillover attached to it
- “tracking” machines that were relocated from one plant to another or sold as second hand was also facilitated
- Etc.

All those upsides led to increase revenue and profit from the service portion of the business and also a greater customer satisfaction.

Case Design Sheet



6. CONCLUSIONS AND RECOMMENDATIONS

As explained, the CMR is a powerful tool to manage the customer data base, know better your customers, offer them the right products, etc. and at the end generate increased revenues and customer satisfaction.

In an industrial setting, as in a more service orientated company, the recommendation is to do it sooner than later, especially when we consider the business upside and cost optimization induced by a proper well-utilized CRM.

We should not underestimate the costs and efforts of this transformation and should allocate the right resources so that it can (and it will) eventually pay off.

-o0o-