



# The Importance of CRM in Organizations...and the Internet



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What is your customer retention rate? How much money does your organization spend to get, grow, and keep each customer? Are you leveraging all aspects of your enterprise to grow a customer? How satisfied

are your customers with your call center or customer service center? Did you know that acquiring a new customer is 10 times more expensive than retaining an existing one? Are you aware of statistics that state 82 percent of customers, whose problems are solved, buy again?

The force of competition shifts in customer behavior and increasing business process complexity affect the ability of your organization to win, retain, and grow customers. Additionally, the exploitation of the Internet is forcing the emergence of new business models and services across all industries. The challenge...how do you positively impact your customer relationships, while increasing your organizations profitability? Answer: Become customer centric.

Forester Research reports that less than 2 percent of companies today have a unified view of their customers across sales, marketing, and customer service channels. With the billions of projected revenue by 2002, executives are searching for the "secret" key to unleash this magnitude of wealth unto their organizations. The ability to communicate



and facilitate customer-centric change by leveraging the Internet and doing it flawlessly with personalization and customization of your products and services is a CRM's credo.

What is CRM? The GartnerGroup defines CRM as an enterprise-wide business strategy designed to optimize profitability, revenue, and customer satisfaction by organizing the enterprise around customer segments, foster customer-satisfying behaviors, and linking processes from customer through suppliers. More simply stated...CRM is any point of your company that touches a customer. It is a business strategy aimed at understanding and anticipating the needs of organizations current and potential custom-

ers. CRM strives to integrate your enterprise sales, marketing, and services functions such as customer service, telemarketing, field service support, time management, executive information, ERP integration, data synchronization, and eCommerce. It is focused in three primary areas: Operational CRM, which is sales force automation, call center, help desk, and logistics automation, and marketing automation and interactive selling; Analytical CRM that encompasses sales management by proactive information support; and lastly, Collaborative CRM, that emphasizes the balance, challenge and extension of customer information through the internet.

Why CRM? Point solutions create chaos for customers with respect to marketing, product pricing, new orders, shipping, billing, customer contact information changes, and support issues. Automating, integrating, and optimizing customer-facing operations that synergize interdepartmental access across the enterprise eliminates this chaos. In addition, enabling your sales force with current and in-depth customer knowledge for upselling reduces transaction costs and drives customer loyalty through personalization and customization of products and services. The use of the Internet opens additional distribution channels for sharing corporate information and marketing collateral. It is important to note that the typical realized benefits of CRM include increased sales revenue, increased win rates, improved customer satisfaction rating, increased margins, and decreased sales and marketing costs.

**The Solution:** How do you become customer centric? Look internally first and create whole customer information views that allow for customization around tailored products and services for your customers. Build customer-interfacing applications that leverage core databases to improve sales and marketing. Utilize a point-based approach that augments existing sales and marketing functions with efficient use of the Internet. Deliver web based customer services that enable your organization to track customer movements. Remember, the market for eBusiness services is forecasted to hit \$100 billion by 2004 and



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year over year growth exceeding 50 percent as projected by the GartnerGroup.

**The Next Question:** How do you leverage the Internet to enhance your customer relationships? From a technology perspective, capture customer data from across the enterprise, consolidate all the data in a central database, analyze the consolidated data, distribute the results to customer touch points, and use this information when dealing with customers to craft CRM application architectures.

**The Bottom Line:** Sixty percent of companies believe that the most single influential business driver of CRM integration is the pressure to customize their offerings in light of changing customer needs. CRM and eBusiness are transforming businesses, revolutionizing organizational metamorphosis, and driving cultural changes. Identifying customers, segmenting that base and creating demand are crucial in obtaining customers. Take the next step and keep them!



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