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CRM: When Should Customer Service Run the Show?

– David Taber, CIO

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CRM systems tend to have a wider user base across Enterprise organizations than most other software applications do. Industry analyst surveys indicate that over 60 percent of CRM systems are used by sales teams, about 40 percent used by marketing, and about a third of the systems are used by customer support. Despite this wide range of users, my guess is that the real driver or "owner" of the CRM system is even more strongly biased towards the Sales VP. It's fairly rare to find a CRM system where the customer service (CS) VP is in the driver's seat. But going forward, I think you'll see the number of CS-driven CRM systems on the rise.

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Of course, nirvana comes when sales, marketing, and CS are all equally using — depending on — the CRM system for their success. But few companies achieve this. And besides, somebody has to go first.

CRM Definition and Solutions

When Should CS Take the Lead?

Of course, the glib answer is "when they've got the budget and the motivation" — but that doesn't make for good business decisions. It's better to make the choice based on whether your business model depends upon CS excellence. If the majority of your company's revenue comes from one-time customers, and profitability is driven simply by the sales channels, putting CS in charge of the CRM system will likely lead to nothing but problems. If, however, your company's real profitability comes from repeat business (as most do), and the evolution of the long-term customer relationships is in the hands of consulting/support/services personnel, it's much more likely CS is an appropriate choice.

This goes double if your CS function is either a significant cost center or serious P&L. The more expensive and valuable your CS people are, the more automation and effective collaboration will drive your bottom line. CRM systems tend to be driven by "gold collar"workers.

But not all CS teams are really ready to take the reigns of a CRM system. They need to have an affinity for process, automation, and metrics. If their customer support reps are effective users of call center automation, case management, and knowledge management tools, they're already pretty sophisticated. If they've got a customer portal for filing and managing CS requests, or if they already have field support people logging in to their systems as part of their "truck roll" routine, they already have the values and work habits that will fit well with more comprehensive CRM.

What's Different When CS Takes the Wheel?

In most CRM rollouts, the challenge is getting users to adopt and leverage the system. With some sales departments, you'll have to practically bribe them. Not so with the typical CS team. They are on the phone all day long, they're already using their computer to do their job, and they can immediately see the value of better integration and collaboration. Oh yeah: and CS reps are not competing with each other.

When you're focused on CS business processes, Leads, Campaigns, and other marketing-oriented data are almost irrelevant. While you always care about data quality for Contacts and Accounts, by the time the CS function is working the phones those data are typically stable, clean, and deduped. In fact, if you're doing a "CS first" implementation of CRM, you can usually import contact and account data straight from your order entry or accounting systems.

Of course, to counterbalance the advantages there has to be some hard stuff. In CS groups — particularly for high-tech — the case histories and e-mail trails surrounding customer support can be really long. In addition to the potential gobbling up of storage (watch out for attachment files), the cases and bug reports will typically have a lot of pointers to related incidents. Preparing your historical case data for migration into the CRM system can be a huge task: not only do you have to cleanse and dedupe, you have to reorganize the data and the pointers to make the move. Make sure that there is business value to moving the detailed history of the world into your new system before you go too far down the path. In most cases, it is possible to prune 50 percent or more of the data with a few simple heuristics (e.g., "only cover current products, current customers, and in-warranty items").

Once you've got the historical data in the system and the CRM features (such as case escalation or reverse-logistics approval cycles) configured, you need to look seriously at external system integration. CS people tend to need to see a lot of things, but you must avoid perfectionism and boil-the-ocean decision loops.

In parallel with the external integration work, you need to start looking at the horizon. What kind of non-CS reports would help drive the business? Of course you'll have the standard time-to-resolve and customer satisfaction metrics, but there can be a whole lot more once the CS people are really on the system.

How should you use case data to make decisions about customer targeting or product refinement? What are the early warning signals of a customer who's going to jump ship to a competitor? And what are the most effective responses to those problem areas?

In most businesses, the customer support function has more interaction with customers than nearly any other group. Getting them fully leveraging your CRM system creates a data asset of tremendous value. And as the scope and depth of that asset grows, it will attract users in other groups — first marketing, then sales. If you do it right, it won't be too long before the CS group has some internal competition for who's driving the CRM system after all.

David Taber is the author of the new Prentice Hall book, "Salesforce.com Secrets of Success" and is the CEO of SalesLogistix, a certified Salesforce.com consultancy focused on business process improvement through use of CRM systems. SalesLogistix clients are in North America, Europe, Israel, and India, and David has over 25 years experience in high tech, including 10 years at the VP level or above.

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