

Building a CRM Strategy

Situation

A major snack food manufacturer wanted to adopt Customer Relationship Management (CRM) as a key plank in its “Customer Focused Organization” platform. Although software vendors were abundantly available, the client was uncomfortable purchasing a software solution before they had defined how this new activity would fit into their core competencies, account management process, major account planning process, etc. in short, they needed a CRM strategy. The client retained DHC to help them understand the essence of CRM and to develop a perspective that would match their business model and values.

Solution

DHC consultants worked with a multi-functional client task force to accomplish the objective. DHC served as both subject matter experts and team facilitators. The team reported to a steering committee comprised of executive committee level members and chaired by the Vice President of Sales.

The task force started with the GMA report on CRM as a basis, with the goal being to stay as close to “industry Standards” as possible while still meeting the organization’s needs. After several sessions, the task force concluded that substantial modification would be required on two fronts.

First, the GMA model defined different types of relationships in descriptive teams. The task force determined that more tangible definitions were required to build any sort of actionable strategy. In a DHC designed exercise, the various functions defined each relationship type in terms of activities that their function would do differently with a given customer based on that relationship type.

The second issue for the task force was that the GMA model seemed to portray relationship types hierarchically. In other words, one relationship type was inherently “better” than another. The task force recognized that this did not fit their organization’s values. Their goal was always to meet customer needs 100% of the time, regardless of whether the relationship was “Independent” or “Strategic”. Once again, a DHC structured approach yielded a workable solution by redesigning the relationship types from a “pyramid” to a “continuum”.

Results

The executive level steering committee accepted the task force’s recommendations. Today the organization is able to build actionable CRM strategies and to measure their return. Because the whole process is based on relationship types defined by concrete activities, the client is able to:

- Clearly define current relationship types in all functional areas
- Gap those relationships versus customer requirements
- Build actionable strategies based on the activities required to close gaps
- Assess the potential ROI of implementing the resulting CRM strategy
- Measure the results annually