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Technology + Human Touch = Successful CRM

Don't forget to add a human element to your customer relationship management solution.

ADVISOR REALITY CHECK

Most people agree that customer relationship management is a complex and difficult task. And, when tasks get complex and difficult, we tend to turn to technology for help. Although technology is an important piece of the CRM puzzle, it's important to remember the human element.

"Combine the latest technology with a human touch to improve internal communications and external customer service."

A GOOD Customer Relationship Management (CRM) solution can improve productivity levels, workplace environments, and the bottom line. In fact, despite the economy, the CRM industry is expected to grow to an estimated US\$27.8 billion by 2005 according to the Aberdeen Group, a Boston-based consulting firm. However, with so many choices and costs involved, how do you implement an effective and affordable CRM strategy that's right for your organization? For the best results, combine the latest technology with a human touch to improve internal communications and external customer service.

When I suggest focusing on the human element, I in no way mean to suggest technology isn't an important piece of the puzzle. Technological advancements in CRM can save time and money. For example, using Web-based services, you can reach a large audience quickly and cost-effectively. So, make sure you use new technology to your advantage.

Learn by example

You've decided you want to use technology in the most cost-effective way possible to have a successful CRM program. Where do you begin? I suggest starting on the inside and working your way out. Regular, open communication with your internal customers, or employees, is the key to successful relationship management with your external customers. If your employees are unhappy with their jobs and work environment, productivity suffers along with the ability to provide excellent service to external customers.

Second, collect information. You want to be able to find out about the needs of your internal staff, as well as your external customer. Do your

best to make sure this information is as timely as possible.

Third, get the customer information in the hands of the people who need it—your employees.

The rest of this article gives you three examples of successful CRM implemented by three very different companies: eGM (General Motors' Internet unit), Northwest Memorial Hospital, and Techstreet, a digital publisher.

CASE STUDY: eGM's Internal CRM

In 1999, Mark Hogan, President of eGM was challenged with the task of transporting the traditional automobile company into the world of e-commerce and creating integrated products and services that would improve GM's customer relationships. eGM's vision was to "develop and drive innovative solutions to transform GM into the company most responsive to customers."

To accomplish this huge task, Mark worked with Sheryl Owens, eGM senior human resources manager, and experimented with the latest technological CRM advancements. Mark and Sheryl utilized an e-mail survey process called Measurecom from eePulse (<http://www.eepulse.com>). Measurecom is a Web-based survey tool based on extensive research by Theresa Welbourne, Ph.D. Through e-mail survey questions, this solution monitors employee productivity levels, or "pulses" on a regular basis.

To improve his relationships with employees and have a true "pulse" on what was going on within the organization, Mark sent unique questions to his employees via e-mail through the Measurecom survey process. Employees responded to Mark with questions that included, "What are your goals?" and "What are the key strategic goals of eGM?" By using this Web-based system, Mark was able to establish a

rapport with employees, quickly communicate important facts, and develop an internal marketing program.

Mark and Sheryl created an energetic, communicative, and international culture that focused on high-quality relationships. However, it wasn't easy. With more than 110 employee business units with locations in Europe, Asia Pacific, Latin America, the Mid-East, and North America, it was a challenge to create a performance-driven environment. Managing time investment and building trust (so employees would use the e-mail tool and provide honest answers in an open manner) were key challenges.

However, their efforts in treating employees just like external customers helped to achieve business results. Specifically, online sales of the Celta, Chevrolet's sub-compact car manufactured and sold in Brazil, reached an all-time high (66 percent of the total number of Celtas sold). OnStar, which is GM's industry-leading telematics product, has more than 1.4 million subscribers interacting with over 10 million customers. In addition, GM BuyPower, the company's online shopping and purchasing site, influenced more than one million sales and contributed \$8 billion to GM's bottom line in 2000.

CASE STUDY: Northwest Memorial Hospital

Like eGM, Northwest Memorial Hospital (NMH) utilized the Measurecom system to improve the workplace environment and save money. They wanted real-time employee survey results so they could make appropriate and effective changes in a timely manner.

Employees received confidential e-mail questions on a weekly basis. Since the questions came from a third-party and workers could remain anonymous, more truthful answers were given and response rates were high. In fact, more than 33 percent of NMH's employees answered the survey questions, including 23 percent of workers from the hospital operations group (where computers aren't integrated into their daily work) and 64 percent of employees holding corporate jobs.

Respondents could compare their answers online to those of their co-workers and provide voluntary comments. Managers could check results in real-time and react quickly to potential problems and successes. Also, through a special "coaching" function, researchers at eePulse monitored employee answers, responded to their questions and reported significant issues (without providing employee identity) to the appropriate managers. Hospital leaders used the comments and current information to create new task forces that focused on important issues and strategic initiatives.

"The ability to collect people data in a real-time fashion has saved NMH at least several hundred thousand dollars this year alone," states Dean Manheimer, NMH senior VP of human resource management. "There are real costs to our hospital when my team conducts their own focus groups and takes employees out of their jobs for such events. Focus groups have helped us immensely in the past, but they simply can't be done in a way that is both timely and representative of the entire employee population," states Manheimer.

CASE STUDY: Techstreet implements external CRM

Once you have a successful internal communications process in place, you can work on your external customer relationship program. Give customers what they want—valuable information when needed, quick responses, and the ability to share questions and concerns with a human being.

After taking advantage of technology and centralizing all of his customer service information into an Oracle database, Gregg Hammerman, president of Techstreet (<http://www.techstreet.com>), improved communications and revenue. Techstreet is an online information store offering digital publishing and distribution services for leading industry associations and technical professionals.

With more than 40,000 customers spending thousands of dollars, and 80 percent of purchases occurring via the Web, Hammerman implemented an Oracle database system in July 2000 that was completely integrated with the Techstreet Web site. Customers were able to log onto the site any time to see instant invoice data and other information. This reduced repetitive customer service questions. In addition, the company became more efficient internally by using the technology to deal with a higher volume of customer concerns and questions. Employees weren't overworked, and revenue per person increased significantly after the system was implemented.

Techstreet also applied a human touch to truly meet the needs of their customers. They offered traditional mail and faxing services along with the ability to speak with a customer service representative via phone. "On a routine basis, we try to figure out what our customers needs are and develop ways to meet those needs," states Mr. Hammerman. "Some of our customers would rather talk to a real person on the phone. We realized it's really a mix that helps make us more successful—being there to answer the phones, having intelligent, bright people to answer people's questions, and having the technology to back them up."

Starting on a limited budget, Techstreet also proves the fact that a good CRM program doesn't have to be expensive. Begin by deciding what your internal needs and goals are and work outward toward a successful program. "Having a good road map will help along the way, and taking some steps is better than doing nothing," states Mr. Hammerman.

Success awaits!

A good CRM program starts with internal, company communications and works its way out. "Collaboration and information sharing, while respecting privacy concerns, are at the foundation of CRM, and can greatly enhance an organization's ability to operate more efficiently and provide enhanced service," states David Hunter, Accenture Global Managing Partner in The CRM Rush newsletter. Take the time to research internal and external customer desires, and find cost-effective technology to meet those needs. Combine human contact with technological advancements, and you'll be well on your way to a successful CRM solution, increased profits, and a better work environment! **ADVISOR**

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