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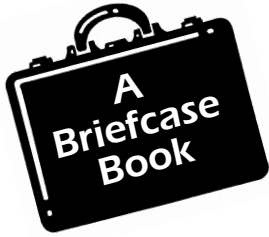
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# Customer Relationship Management

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**McGraw-Hill**

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# Contents

<b>Preface</b>	<b>vii</b>
<b>1. Customer Relationship Management Is Not an Option</b>	<b>1</b>
Customer Relationship Management Defined	2
Technology Does Not Equal Strategy	6
The Power of CRM	8
CRM Success Factors	11
CRM Is Here to Stay	14
<b>2. The Customer Service/Sales Profile</b>	<b>17</b>
Why Call It the Customer Service/Sales Profile?	18
The Three Levels of Service/Sales	20
The Shape of Your Customer Service/Sales Profile	23
Pitfalls of the Customer Service/Sales Profile	27
CRM and Your Profile	28
<b>3. Managing Your Customer Service/Sales Profile</b>	<b>30</b>
Sonjia's Contact Center	30
Maurice's Food Brokerage	34
Managing Initial or Stand-Alone Transactions	38
Managing for Repeat Business	40
Managing for Customer Advocacy	42
<b>4. Choosing Your CRM Strategy</b>	<b>46</b>
CRM Strategy Starting Points	47
Picking the Player	48
Preparing for Your First Meeting	49
The CRM Strategy Creation Meeting(s)	50
Identify Potential Strategies	51
CRM Strategy Selection	53
<b>5. Managing and Sharing Customer Data</b>	<b>57</b>
Return to Your Strategies	57
Data vs. Information	59
Managing Customer Information—Databases	62
Ethics and Legalities of Data Use	70

<b>6. Tools for Capturing Customer Information</b>	<b>72</b>
Where to Get the Data and Information	72
The Computer Is Your Friend (but Not Always Your Best Friend)	80
Believe It or Not	82
<b>7. Service-Level Agreements</b>	<b>86</b>
Service-Level Agreements Defined	86
Three Keys to Effective SLAs	87
Creating an SLA	90
Using SLAs to Support Internal Customer Relationships	95
Making SLAs Work	97
<b>8. E-Commerce: Customer Relationships on the Internet</b>	<b>99</b>
CRM on the Internet	101
Choosing the Right Vehicle	107
Three Rules for Success on the Road to E-Commerce	109
What Does the Future Hold?	112
<b>9. Managing Relationships Through Conflict</b>	<b>115</b>
Managing the Moment of Conflict	117
“But ‘Nice’ Never Bought Me a Customer”	122
Customer Relationship Management Is an Early Warning System	127
What if the Customer Is the Problem?	130
<b>10. Fighting Complacency: The “Seven-Year Itch” in Customer Relationships</b>	<b>132</b>
But They Love Me!	133
The Illusion of Complacency	134
Customer Needs Change	138
Make Parting Such Sweet Sorrow	140
Renew Your Vows	141
<b>11. Resetting Your CRM Strategy</b>	<b>142</b>
Ready, Set, Reset!	143
Phase 1. Are You Hitting Your Target?	143
Phase 2. Does Your CRM Strategy Work for Your People?	145
Phase 3. Time for Change	148
Closing Words	149
<b>Index</b>	<b>153</b>

# Preface

In one sense, managing customer relationships is as old as the hills. Kristin Anderson's grandfather operated a grain elevator in a small town in Minnesota. Carl T. Anderson knew every farmer by name. These were his customers . . . and his neighbors. He knew the names of their families, where they went to church, and whether they or their parents or their parent's parents had immigrated from Norway, Sweden, Germany, or Finland. He knew which farmers would produce the best grain regardless of the weather and which farmers were struggling just to make a go of it. And he knew how important it was to stay connected to all of them.

Carl T. Anderson was a customer relationship manager, though he would never have used that term. For him, CRM wasn't a system or a technology. It was a way of life, a way of living.

It's hard to create that level of customer connection today. Yet, that's just the challenge you face.

Wherever you are in your organization, whatever your title, your success hinges on your ability to be as good at CRM as Carl T. Anderson was . . . even better.

"Wait just a minute," you may protest, "my customers are scattered from coast to coast, continent to continent. We do business over the Internet, not over coffee."

That's exactly why we wrote this book. CRM today is about keeping the old-time spirit of customer connection even when you can't shake every hand. CRM today is about using information technology systems to capture and track your customers' needs. And CRM today is about integrating that intelligence into all parts of the organization so everyone knows as much about your customers as Carl T. Anderson knew about his.

## Content Highlights

You can journey through these pages cover to cover, or you can skip around, dipping into individual chapters for answers to your most pressing questions about CRM.

Chapters 1 through 3 focus on the concept of CRM. Chapter 1 defines what CRM means in today's business environment and why only organizations with clear and effective CRM strategies are destined for long-term success. Chapter 2 introduces the Customer Service/Sales Profile model, a brand new tool for understanding the dynamic relationship between stand-alone service transactions, repeat customers, and the creation of wonderful customer advocates who love to spread the good word about you and your products and services. In Chapter 3, you'll read about issues dealing with managing service delivery and using the Customer Service/Sales Profile model.

The second portion of the book, chapters 4 through 6, offers practical advice for choosing and implementing a CRM strategy in your own organization. Chapter 4 leads you step by step through the process of defining an effective CRM strategy. Chapter 5 discusses what customer intelligence you should gather and how you might manage it. Then Chapter 6 looks at how you can collect that same CRM data and information.

Next, we look at several special CRM topics. Chapter 7 addresses service-level agreements. Chapter 8 translates CRM into the e-commerce environment. Chapter 9 looks at the powerful potential for CRM to reduce conflict with customers and to help you maintain relationships in those instances where conflict does occur.






The final two chapters focus on sustaining success. In Chapter 10, we show you how to use CRM to avoid the deadly trap of complacency in your customer relationships. And finally, in Chapter 11, you'll learn how to "reset" your CRM strategy and the tactics you choose for implementing it. Committing to this process will keep your CRM approach complete and effective far into the future.

We encourage you to keep a highlighter handy to make plenty of margin notes. Identify where your existing CRM strategy is strong, and where you can make improvements. Capture ideas for building buy-in for CRM, and for sharing information across department lines.

Whether you are a senior executive or a line manager, your understanding of the concepts of CRM and your commitment to using the tools of CRM make a difference.

## Special Features

The idea behind the books in the Briefcase Series is to give you practical information written in a friendly person-to-person style. The chapters are short, deal with tactical issues, and include lots of examples. They also feature numerous boxes designed to give you different types of specific information. Here's a description of the boxes you'll find in this book.

 <p>Smart Managing</p>	<p>These boxes do just what they say: give you tips and tactics for being smart in the way in which to manage customer relationships in different situations.</p>
	<p>These boxes provide warnings for where things could go wrong when you're trying to build and sustain customer relationships.</p>
	<p>Here you'll find the kind of how-to hints the pros use to make CRM efforts go more smoothly and successfully.</p>
	<p>Every subject, including CRM, has its special jargon and terms. These boxes provide definitions of these concepts.</p>
	<p>Looking for case studies of how to do things right and what happens when things go wrong? Look for these boxes.</p>



Here you'll find specific procedures and techniques you can use to implement your CRM strategy.



How can you make sure you won't make a mistake when dealing with customers? You can't. But if you see a box like this, it will give you practical advice on how to minimize the possibility.

## Acknowledgments

Writing a book is always a collaborative process. We have many people to thank for their generous support. First and foremost, we extend warm appreciation to John Woods of CWL Publishing Enterprises, for his invaluable guidance, patience, and belief in this project and in us. And thanks to Bob Magnan, also with CWL, whose editing skills and encouraging words were both greatly valued. Susan Dees was a terrific source of creative inspiration, always willing to talk through a new idea or concept. Maggie Kaeter was there with priceless support as our deadline approached. Carol's husband, Steven, deserves special credit for his unfaltering support demonstrated in ways too numerous to mention.

We offer a special thank you to our friends at Canyon of the Eagles Nature Park and Lodge—especially Michael J. Scott, who helped us stay true to our target readers—and to the numerous other friends and family members who told us “we know you can do it.”

## About the Authors

**Kristin Anderson** is president of Say What? Consulting, a Minneapolis-based firm that works with individuals and organizations to assess existing customer service and communication practices, create and implement change plans, and improve service and communication effectiveness.

Her clients range from *Fortune* 500 corporations to small businesses, from private sector companies to non-profit organizations. Kristin has worked internationally with employees at all levels—from top executives and senior managers, to front-line staff and support area employees.

In addition to writing *Customer Relationship Management* with Carol Kerr, Kristin is author of *Great Customer Service on the Telephone* (AMACOM), and co-author of four books in the bestselling “Knock Your Socks Off Service”® series, including *Delivering Knock Your Socks Off Service*.

Kristin is host of the six-part video training series, “On the Phone . . . with Kristin Anderson,” created with Mentor Media of Pasadena, CA, and Ron Zemke of Performance Research Associates, Inc. Her articles and interviews have appeared in numerous publications.

An active member of the National Speakers Association, Kristin was honored by the NSA-Minnesota Chapter in 1999 as “Member of the Year.” Kristin is also a member of SOCAP (Society for Consumer Affairs Professionals).

When not speaking, training, consulting, or writing, Kristin enjoys on-the-water activities, including racing her MC sailboat during the summer and playing BroomBall during the winter.

**Carol Kerr** has over a decade of consulting experience, including work as an Organization Effectiveness Consultant for Motorola. She is currently president of *VisionResearch*, an organization effectiveness consulting group working with high-tech, hospitality, and public sector organizations. *VisionResearch* take a systemic, whole organization view to assessing overall effectiveness, and then works with our clients to close performance gaps.

As a frequent guest lecturer for the Human Resources Development graduate program at the University of Texas at Austin, Carol addresses topics that range from the basics of developing a corporate learning program, to establishing a common understanding of corporate strategy and goals in a

global market place, to developing and implementing corporate strategies.

Carol's expertise in how organizations function has allowed her to work with a variety of different types of groups including marketing and sales, product design, manufacturing, facilities, guest services, and even other consulting groups. She regularly finds herself working with clients on strategy development, goal setting, customer service, team building, process improvement, and quality system development.

When not working Carol enjoys camping, cooking, sewing, and auto racing. She is an avid NASCAR Winston Cup fan and regularly attends races at tracks across the country.

Carol has a bachelor's degree in speech communication from North Dakota State University. Carol and Kristin originally met while competing on their respective school's speech teams. She also holds a master's degree in organizational communication from Southwest Texas State University. Carol currently makes her home in Austin, Texas with her husband, Steven and their three cats, Baby, Frisky, and Tigger.

We'd appreciate hearing about your customer relationship management efforts. We can be reached at [Kristin@KristinAnderson.com](mailto:Kristin@KristinAnderson.com) and [CKERR@austin.rr.com](mailto:CKERR@austin.rr.com).