

# Next-Generation CRM – Is Your Company Ready To Maximize Return?



Avanade is the leading technology integrator specializing in the Microsoft enterprise platform. We help global customers maximize their IT investment and create solutions that drive business results.

At lunch hour, thousands of people are calling their banks to take care of personal business. They're following the prompts to enter their account numbers and the last four digits of their PIN or Social Security numbers. Then they're transferred to live agents who ask for the same information.

Customers may wonder why they need to repeat themselves – and perhaps why their mortgage statement or credit card bill goes to a former address, even though they've called to update their records. This poor service is due in part to poor integration of systems and customer information, which in turn leads to the situations that frustrate customers every day.

The notion of customer relationship management based on a single, unified view of the customer seems so ... last century. But it isn't. Gartner Research says that 40 to 75 percent of the information required in this banking scenario does not reside in one single system.<sup>1</sup> Despite the promise of CRM products offered in the late 1990s, the inflexible reality of that technology often meant considerable and costly customization projects.

## Old Problem

Because many business managers have experienced or read about these types of CRM implementations gone awry, they are savvy about the issues that confront customer relationship management. Our experience shows that the challenge hasn't changed and neither has the goal; it's still every company's aim to deliver greater satisfaction through service, sales and support that are informed by a consistent, comprehensive understanding of the individual customer.

What's different today is the understanding that a CRM application can't guarantee personnel will actually use CRM technology to improve business performance. Staff use purpose-built systems for marketing, sales or resource planning. They also use basic communication and information systems, from the telephone to email and scheduling

software. But when these tools aren't connected, plenty of valuable customer information gets lost.

Consumers of CRM technology do not anticipate any kind of integrated "customer interaction hub" technology until at least 2008.<sup>2</sup> These conditions contribute to the isolation of important aspects of customer interaction into

## New Thinking

From our perspective, the next generation of CRM technology that business managers choose has to be affordable and a practical means to real intimacy. In the wake of highly publicized failures, business decision makers would be wise to select CRM software that fits now and can be implemented immediately to generate return on

---

The notion of customer relationship management based on a single, unified view of the customer seems so ... last century. But it isn't.

"stovepipes" of understanding, virtually trapping an important exchange that took place during a Web conference, or locking data in a hosted salesforce automation solution where call center, service and support personnel can't find out what a customer just purchased.

the investment. Each day that passes without a solution in place is a lost opportunity to gain value from capturing customer data that, combined with transaction history, leads to insight that enhances the relationship with the customer.



## ▶▶▶ Next-Generation CRM — Is Your Company Ready to Maximize Return?

One of our Microsoft CRM customers learned that their best-of-breed and heavy customization approach did not meet current needs or yield a greater sense of customer intimacy. They invested money, time and effort extending and customizing a CRM software package to meet their needs. The outcome of their customization was a complex network of customer databases and custom applications that did not enable better information sharing in the sales cycle or deliver consistent customer service across their multiple locations. Their customer representatives had to access multiple customer databases in order to obtain information. In many cases the information they needed simply was not available to them; they weren't achieving their business needs of improving customer satisfaction.

Avanade recommended Microsoft CRM as an alternative that would transform the way sales representatives and customer service agents would interact with customers. During the proof of concept, we advised business managers to consider the way their employees work, what tools they use every day and make it easier for their users to deliver good customer service than bad customer service. Some of the most fundamental activities, such as email, contact management, word processing and calendaring factor into a successful CRM solution. These familiar tools used by staff are a great, if somewhat unconventional, starting point for a decision that's often overshadowed by other considerations. They agreed and liked this approach, as they already had many of the tools that could leverage and integrate with Microsoft CRM, and this was a sure way that user adoption of CRM would be greatly increased.

Ultimately, this company is well positioned to move into the next phase of their CRM implementation – ensuring that their enterprisewide technology systems are fully integrated so that they can maximize



their customer insight. The next step for this company is call center integration so that customer service agents and sales staff have a single view of the customer's history no matter how the customer contacts them; either through their retail stores or over the phone this company's staff has the right tools and information they need to better serve the customer at the time of contact.

While incorporating core communications tools and information systems can transform a CRM implementation into an infrastructure for customer intimacy, the same approach can transform business insight. Business insight is a means to understand the cumulative significance of customer information. Nevertheless, we find companies' information tools may in fact undermine their attempt at customer intimacy. Though these tools collate data, they effectively confine analysis to the CRM system.

Here, too, integration extends business insight beyond a CRM add-on. Business insight that is designed as a layer over enterprise applications including CRM can provide broader, richer understanding by tying in data not only from the CRM system, but also from the rest of the systems that support business function, such as finance

systems, order processing systems, HR systems and so forth. Here you are tying customer transactional information with customer interaction information. This leads to corporate knowledge that supports understanding, learning and prediction of customer behavior.

Then there's the question of how to act on that insight. By integrating the productivity systems used companywide, insight can be shared through the most common channels, from email to call center to retail store databases and so forth, making this insight available to your staff as they deal with your customers. Better-informed employees are empowered to take action and in the end deliver better customer service. Implementing CRM is about getting to know your customers. But what if you get to know them and find that your business needs to change to serve them better or attract more of their business? It's great to know what your customers want, but unless you can deliver the required changes, CRM becomes a badly underutilized investment.

### Choices For A Clear Path To Productivity

It's no coincidence that tying in core systems contributes to effective, efficient customer intimacy. CRM technology that can be implemented for immediate results and takes into account infrastructure IT systems promises long-term options for extracting even greater use and value from existing technology investments and ensuring a faster ROI for CRM.

Choosing a CRM solution or upgrading one is a decision that's already fraught with difficult choices about whether to rent or own, build or buy, keep or replace. That's why our work starts with the everyday tasks and tools used by customer-facing personnel, so that we can be sure we deliver a productive, cost-effective CRM solution with a measure of insight.

CRM needs to prove itself quickly — or end user and management morale can dip. Next-generation CRM, implemented by Avanade, does just that to deliver practical benefits on a

this, so that each customer interaction can be more effective and provide both your company and your customers with a mutually beneficial relationship.

---

With consistency of information and access, your people can delight customers instead of annoying them with repeat questions – and be aware of all previous interactions.

confidence-inspiring schedule for all user groups. CRM should not ask you to change the way you work so that it can work. The components of next-generation CRM are themselves very flexible, and combined offer even greater adaptability to the processes and preferences you already have in place. The aim of CRM is to create consistency throughout your organization. With consistency of information and access, your people can delight customers instead of annoying them with repeat questions — and be aware of all previous interactions. Next-generation CRM enables

#### About Avanade Inc.

Avanade is the leading technology integrator specializing in the Microsoft enterprise platform. Our people work with customers around the world to automate their unique business processes, ensuring correct business information is available at each point of need. We implement the required technology and infrastructure, integrate with existing systems and ensure your solution will scale as your needs grow. Additional information can be found at [www.avanade.com](http://www.avanade.com). ■



**Mitch Hill**  
Chief Executive Officer

**Ashish Kumar**  
Chief Technology Officer

**Adam Warby**  
Senior Vice President, Americas

**Mark Chrimes**  
General Manager, Asia-Pacific

**Andrew White**  
General Manager, Europe

**Avanade Inc.**  
2211 Elliott Ave.  
Seattle, WA 98121  
[www.avanade.com](http://www.avanade.com)

#### Business Contact

**Mike Pazak**  
General Manager, MBS  
Phone 206.239.5818  
[mikep@avanade.com](mailto:mikep@avanade.com)