

Ten Deadly CRM Database Sins & Solutions

Unless you follow these tips, you've got a less than 50% chance that your CRM software will give you a positive ROMI (return-on-marketing-investment). This does not need to be the case...in fact, having implemented CRM for more than 11-years, I just don't know how a modern B2B* company survives without it!
 (or perhaps they don't have competition...yet...or have very few Clients?)

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See Microsoft CRM: http://www.xon.co.za/products_crm.asp

1	Database lists are not 'Permission Based'. Dovetailing with the National Credit Act, Data Privacy Bill, Consumer Protection Bill and Protection Personal Information Bill (PPI), 'Consent/Permission Based Marketing' is now the name of the game.
2	Top Management doesn't 'buy-in' and use the CRM package themselves. CRM must be driven <i>top-down</i> as a new way of life...not as once-off project. This is usually because the top executives are not very IT literate, or don't understand the marketing reach and long-term customer experience benefits.
3	Not customizing your 'vanilla-off-the-shelf' CRM package. If you spend R5k per seat, spend another R2.5 per seat customizing the package to beautifully dovetail it with your <i>exact business model</i> and <i>customer journey</i> . It must match your internal processes, and what <i>external</i> and <i>internal</i> customers want.
4	Too much investment in Customer Equity Development: Don't forget to balance <u>Spend</u> of Customer Acquisition and <u>Spend</u> on Retention, which will assist superior Customer Life Time Value (CLTV). It's all about ROMI & ROCI (Return On Marketing & Communications Investment).
5	Companies that are in many complex B2B (business-to-business) relationships, but because of the old-school mindset, don't want to invest and build and/or network their CRM database. It's important that data is transparent and accessible to your entire key account team.
6	Users of the database feel they are <i>forced</i> to use the CRM database, and that management have installed it as a <i>policing</i> device. The database is there as an efficiency and effectiveness tool...it saves time while offering a better service.
7	Not understanding just how important segmentation is before you target your database. Kraft has 110 million names of customers on their database and have segmented them into 32 segments. Every segment receives a different offer of the same product through their 32 monthly magazines, specials etc.
8	Too much information accumulation. Keep It Simple Stupid (KISS principle) definitely applies to CRM database friendliness. Most CRM packages fail because they mess up everyone's time management. Don't just accumulate data for the sake of it! Have a clearly defined strategy for building your database, or your database team will be just as confused when managing customers. I.e. "...in our 4-target segments, we want to reduce our customer churn by 10% PA, while increasing our customer acquisition in Cape Town by 12% PA, we do this by e-mailing them the most relevant quarterly newsletter & monthly specials, whilst logging their most important idiosyncrasies, to exceed their customer-experience expectations, every time."
9	CRM Databases are not flexible. One of the largest surveys (HR Chally, e-mail, peter@challysa.co.za) revealed that B2B marketers just don't understand their client's businesses, and are ineffective communicators. Databases and CRM must solve internal & external customers problems! In fact, HR Chally SA concluded that customers want the contact person to be a Strategic Management Consultant!
10	No specific person is responsible for the CRM database. After 5-years most of the data will be irrelevant or outdated. Improve the value of your database and its performance by routinely updating and backing it up.

* **B2B = Business-to-Business**: a business servicing many businesses with many Key Decision Makers (KDMs) in each.



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"Logic will get you from A to B. **Imagination** will take you everywhere." Albert Einstein