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Putting the customer before the technology: Make sure CEM learns from the mistakes of CRM

By Shaun Smith

I think it's time to put down a marker and outline how we can avoid CEM (Customer Experience Management) technology investment repeating the same mistakes as the last decade or so of CRM (Customer Relationship Management) investment. Hence this post. Here goes...

Gartner, the information technology research and advisory firm, has reported that the global customer relationship management (CRM) market grew 12.5% in 2008 to \$9.15 Billion from \$8.13 Billion in 2007. Yet one study found that 55 percent of CRM installations drove customers away and diluted earnings.

We have no excuse for this. SEVEN years ago, in the Harvard Business Review article, "Avoid the Four Perils of CRM" (February, 2002), the authors, Frederick F. Reichheld, Phil Schefter and Darrell K. Rigby, suggest that the main reasons for this failure are:

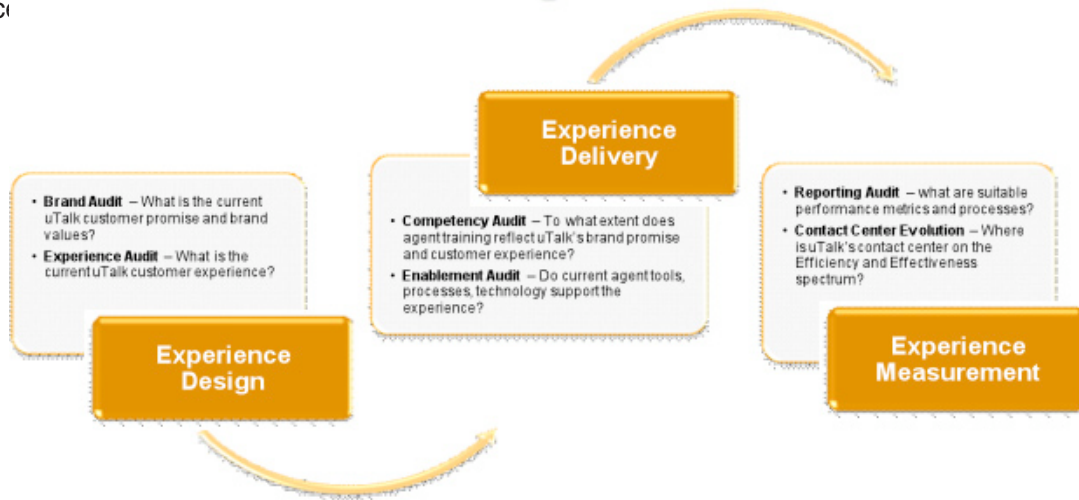
1. Implementing a CRM system before creating a customer strategy
2. Installing CRM technology before creating a customer-focused organization
3. Assuming that more CRM technology is better
4. Stalking, not wooing, customers

CEM – Customer Experience Management – requires not only a different philosophy from old-style CRM, but also a new approach to technology. The customer experience definition and management methodology must come first. The role of the technology is to support the delivery of the experience. Every touch in the contact center, whether inbound or outbound, represents a unique and immediate opportunity to extend and strengthen a customer relationship.

When you look at technology in the context of CEM, it needs to embrace CEM methodologies, enable the delivery of the brand promise and measure the experience. We all know that it's the employees—the contact center agents, advocates or customer loyalty representatives—who deliver the customer experience. So the technology must equip them with the right content, resources and guidance to consistently deliver the designed experience, yet be flexible enough to let them move off center when necessary.

The question is, "How do you create the conditions for success such that the technology works?" Our view is that you have to undertake six important audits before installing the technology to ensure that it enables, rather than inhibits, the customer experience. We typically find that these audits do not take much time but are very influential in making sure that the appropriate context is created. We show below an example from one of our telecom clients. (The name is disguised.)

Experience



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Here's an example of how to do it using Cincom's Synchrony Unified Desk Top Technology (Declaration of interest: Smith+co work closely with Cincom).

Health Advocate is a US national healthcare advocacy and assistance company. Health Advocate's mission is to help members navigate and overcome issues they encounter while accessing the United States' complex healthcare and health insurance systems. Staffed by medical and claims experts that previously worked in the provider and insurance networks, these people (appropriately called "Advocates", not agents) know how to cut through the bureaucracies.

But Health Advocate knew that the call center had to be the antithesis of the typical healthcare customer service center with long waits, impersonal service and impassionate personnel. (A Forrester Study found that health plans came in last place out of nine industries in Customer Experience Rankings, the lowest rating for satisfaction with online interactions and last place in satisfaction with phone interactions).

Health Advocate (HA) opted not to use an IVR system or voice mail so that when a member called, he or she would not only get a live person, but could work with the same Advocate repeatedly until the issue was resolved.

HA deployed a dynamic unified agent desktop that presents all of the member's background and history as well as any other resources and content the Advocate may need. This lets Advocates maximize time working with the members rather than going through time-intensive customer look-ups, interaction history and content research.

Advocates are empowered to solve member issues. Long phone calls are not looked upon negatively. Instead, management views longer and multiple calls as indicators of in-depth and intimate service. So, unlike the cost center that is driven by first-call resolution and call durations, the Health Advocate "experience" center is more concerned with championing positive outcomes for their members—regardless of how long it takes.

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