

Seradex White Paper

A Discussion of Issues in the Manufacturing OrderStream

Customer Management

If Customers Are the Lifeblood of Your Business, it's Time to Start Walking the "Customer-Focused Company" Talk.

EVERYONE SELLS AND Everyone Serves

Ask any progressive business executive to name his company's most valuable asset. His most frequent answer will likely be "our customers." The need for companies to be customer-focused is no longer questioned. Most realize that superior management of customer relationships is the most important competitive advantage their company can develop. Over the past decade, businesses have invested heavily in customer service systems, sales systems, and personnel. Despite these investments, most businesses are still unable to maximize the value of their customer relationships.

Let's look at your company:

- Can every employee contribute to sales?
- Can every salesperson deliver superior customer service?
- Is your marketing department armed with timely and accurate data?
- Can you make fact-based decisions?

To date, most companies have attempted to better manage their customer relationships by automating existing departmental processes. Customer service implements its own system and database. The sales force is "automated" with laptops and contact management software. Salespeople resell "blindly" to existing customers

without being aware of their current service issues. Leads are not passed from service to sales because of the information system barriers. Product defect requests are lost in a chasm between service and engineering. Marketers struggle to gather customer information from various "islands" of data.

To become customer-focused, companies must stop automating disparate systems for sales, marketing, customer service, and quality assurance. Companies must implement an enterprise-wide customer management system to have a competitive advantage. Such a solution will provide every person that touches a customer with the information they need to sell and to serve. To maximize the value of their customer relationships, companies must implement customer-focused business systems which provide total customer management.

"A simple summary of what our research uncovered on the customer attribute is this: the excellent companies really are close to their customers. That's it. Other companies talk about it; excellent companies do it."

-Peters and Waterman, Jr.,
In Search of Excellence, Lessons from America's Best-Run Companies

Having Satisfied Customers is No Longer Enough

Now put on your customer hat. When you call a company do you expect:

- Prompt accurate responses?
- Every department to know you and your company well?
- Your preferences to be known?
- Your feedback to be responded to and incorporated in future product improvements?
- Marketing efforts targeted to the needs you have communicated to the company?

How well does your company meet these same expectations of your customers? Customers can spend their hard earned money anywhere they choose, and more often than not, they choose to spend it where they feel valued. To truly nurture customer relationships and make customers feel valued, your employees must be prepared to "go the extra mile" for every customer.

Companies must consistently exceed their customers' expectations and delight their customers.

To do this, employees must have visibility to all aspects of their company's customer relationships: Sales, Marketing, Service, Support, and Engineering. These efforts will ensure repeat business and a raving customer base.

Making the Most of Every Opportunity

Every day, salespeople, service personnel, support staff, executives and all other employees interacting with your customers each play critical roles in managing customer relationships. Through these relationships your company has the opportunity to service, sell, listen, and respond to customer needs. Each interaction is a precious opportunity to:

- Enhance the relationship
- Sell new products and services
- Serve the customer
- Gather feedback to improve
- your products and services

Employees must make customers feel that they are important and that what they think and say really matters. Customer loyalty is earned one interaction at a time.

"Your customers are only satisfied because their expectations are so low and because no one else is doing better. Just having satisfied customers isn't good enough anymore. If you really want a booming business, you have to create Raving Fans."

-Blanchard & Bowles, *Raving Fans*

Building and Nurturing customer relationships

What tools do employees need to delight customers during every interaction and build and nurture customer relationships? Employees need access to timely, relevant, and accurate information that portrays all aspects of the customer/company relationship.

Many times this information is particular to the employee's area of expertise – for example, a customer calling a product support group with a specific technical question. Often, however, the information required to delight a customer resides outside the employee's department or area of expertise.

As a result, the employee never sees the total customer picture and lacks the essential ingredients required to meet or exceed expectations. To enhance customer relationships, employees need all enterprise-wide customer information at their fingertips.

Tales From the Trenches

To illustrate the **value** offered by a single, enterprise-wide customer information system, consider the following scenarios.

Disparate, departmental applications or modular systems are of little use in these situations because their focus is on internal, departmental needs and not on the total customer relationship. An integrated customer management system can transform these situations into increased sales, empowered employees, improved products, and delighted customers.

"Today, companies say they realize that front-line workers must be empowered to make their own decisions, but empowerment cannot be achieved simply by giving people the authority to make decisions. They need the tools as well."

-Michael Hammer & James Champy,
Reengineering the Corporation

CASE 1: Biting the Hand That Feeds You

You are the CEO of a major corporation. Late in the evening you receive a call from the CEO of one of your top 10 customers. She is furious with the perceived lack of responsiveness from your support group regarding a problem with a product you recently sold to her company.

As she talks, you search the recesses of your brain to remember the products her company has purchased from you and who, if anyone, in your organization, is working on her company's problem. You're in a no win situation. If you ask her which product her company is having trouble with, she receives the impression that her business is not important enough for you to know what they have purchased. If you tell her you will put someone on it right away, she will think your company is reactionary and mismanaged. Her confidence in your future ability to serve her would not be addressed.

Whichever option you choose, you are only digging a deeper hole as she now has a bad feeling about your appreciation of her business combined with her company's dissatisfaction with your products. You tell her a support technician will call them first thing in the morning, hang up the phone, and send a nasty email to your IT manager.

If your company had a Total Customer Management system...

At your PC, you quickly access her company's information. On one screen you have instant access to all of her company's history with yours. Under the support tab, you see all of the current technical support issues for this customer.

Drilling down to the product of concern, you are able to quickly provide her with an update of the issue resolution. She is impressed that you have such rapid access to this detailed information, and is satisfied that you are doing all that you can to resolve the problem.

Before hanging up, you quickly scan other information for this customer. You notice that a novice salesperson is trying to sell this customer your latest product. You quickly pitch this new product, and offer them a 25% discount to make amends for their dissatisfaction with your service.

The CEO will consider the offer, thanks you for the prompt reply, and hangs up, convinced that everyone at your company is working with them as a partner. She feels that your company truly values her business. After the call, you edit the sales opportunity, ensuring the salesperson will offer them the "CEO Special". You also edit the support incident so that you are prompted to give the CEO a call after the problem has been resolved.

"It costs five times as much in marketing dollars to replace a typical customer as it does to keep the customer in the first place."

-Larry Light, Brand Loyalty Marketing

CASE 2: Turning Problems into Profits

You are a sales executive selling a complex product. The new VP of Sales and Marketing has recently implemented a new customer care policy whereby a greater percentage of your compensation will be tied directly to existing customer satisfaction and increased revenue from existing accounts.

You have a lunch meeting with a very important account to introduce a new product. Before leaving you want to check on the status of any open technical support and customer service issues. As usual, you are running late.

Being unfamiliar with the support system, you walk to the next building to talk with the support department about this customer. The support manager is in a meeting and cannot give you the answer you usually depend on.

The two support representatives who are not on the phone are new and cannot seem to locate the problem you thought your customer was having. Perhaps it was your imagination? The customer probably will not bring it up. You meet with the customer, the purchasing manager. After an exchange of pleasantries, you begin to discuss the new product. She stops you in mid-sentence and states flatly that she is not interested in additional products until her existing issues are addressed.

You promise to get back to her with a list of issues and resolution for each. You do not get the sale of the new product this month, and her expectations have not been met. You cringe at the thought of her completing the satisfaction survey you left with her.

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"Companies today consist of functional silos, or stovepipes, vertical structures built on narrow pieces of a process. People involved in a process look inward toward their department and upward toward their boss, but no one looks outward to the customer."

-Michael Hammer & James Champy,
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If your company had a Total Customer Management system...

Before heading to the meeting, you glance at all of the customer's current support issues. There is only one open issue. You select and print it. Several of the customer's issues have been assigned to quality assurance. You run a report which selects all QA requests and resolutions reported by this customer. You also run a report listing the fixes and new features to be included in the latest version. In addition to the reports, you transfer all of this customer's information to your laptop. Armed to the teeth with the complete picture of the customer, you meet with the purchasing manager. When she raises the open issue, you show her the report and review their account online. She is impressed with your complete awareness of their total relationship. Satisfied that you are making your best efforts to resolve her specific problem, you show her where her company's feedback fits into your product engineering plans. Delighted that it has not been "blackholed", she indicates her appreciation for being listened to. She is very receptive to your new product offering, and since you have gone out of your way to help her, she agrees to send you a PO for the new product so that you can exceed your quota before month-end. You know she is going to give you a 5-star satisfaction rating.

CASE 3: a smooth pass of the baton

Finally, after 10 months of effort, your sales team has closed a huge deal with a new customer. It is Friday, month-end, and the sales team heads out for a celebration.

Meanwhile, at your new customer's site, the IS Manager would like to get a jump on product installation. She has been your company's coach throughout the sale. She loves your product and has an excellent relationship with the sales team.

Before she leaves for the weekend, however, she wants to give her new "baby" another test drive. She encounters a minor glitch and calls your support department. She is shocked when they do not know who she is and ask her for her address, title, and other information. "So this is what it's going to be like from now on?" she thinks, feeling every part the sucker. The support rep apologizes, and works quietly with her to resolve her problem.

"The customer is the ultimate boss. He can fire everyone in the company from the chairman on down by choosing to spend his money someplace else."

-Sam Walton

If your company had a Total Customer Management system...

The IS Manager calls your support department. In the support department, a representative receives a message on the screen with this customer's information.

Sales has placed an alert on this customer stating to "spoil her as she is the new customer." The support rep sees her company's major purchase from today, and also sees from her personal profile survey that her favorite sport is baseball and that her nickname is Betsy. The representative answers the phone and addresses the IS manager by her nickname. He thanks her for purchasing their product and asks how he can be of assistance.

She is impressed. He asks her if she will be heading to the big ball game on Sunday. She asks if he was talking with sales about her love of the game. "Nope," he responds, "it's actually my first day on the job, and I just seem to have this sixth sense!"

CASE 4: redefining employee empowerment

The following is an actual sales opportunity that occurred at SPRY, a SERADEX Software customer.

A SPRY sales associate was in the final days of a thirty-day evaluation of a thousand user corporate license. The sales associate called the prospect asking for a status update.

The prospect responded that his company had thoroughly evaluated SPRY's product, was not satisfied, and wished to end the evaluation, and purchase a competitors' product.

Prior to SPRY's implementing an enterprise customer management solution; such an opportunity would have ended with this call.

"We wanted to use access to information as an agent of change. We didn't want to give lip service to 'employee empowerment.' We wanted to change the corporate culture. This meant giving each employee the right tools and easy access to customer and product information."

-Mike Bosworth, CEO, OrCAD Corporation

Since SPRY had a Total Customer Management system...

With all of the prospect's information at her fingertips, she decided to review all that SPRY knew about the prospect. Before finishing the call and losing the deal, the sales associate glanced at the prospect's current support issues.

For such a large evaluation opportunity, she expected a half-dozen or so support issues. There was only one. Scanning the details, she found it to be a minor issue that had been resolved.

Glancing at the prospect's product history (all of SPRY's products and Internet access usage are recorded via the Internet), the sales associate noticed that only two people had registered and used SPRY's products, and for only brief periods.

Rearmed with this discrepancy between what was said and what was done, she told the prospect that she felt his company did not give their products a fair evaluation and asked him to please re-evaluate them in greater detail.

Audibly blushing on the other end of the line for being "caught" trying to brush off a salesperson, he agreed to have his company perform another, more detailed evaluation. Upon "lifting the hood" they were delighted with SPRY's product. The sales associate made the sale and earned SPRY more money than they spent on their Total Customer Management solution.

CASE 5: FACT-BASED Decision Making

The following is an example of the type of fact-based decisions which are now being made at Visio Corporation, another SERADEx Software customer.

The manager of Visio's customer service department was feeling the pressure due to an increase in support call volume. Analyzing her call tracking data, she realized that a growing percentage of support calls were coming from customers who had purchased Visio's products via a new Original Equipment Manufacturer (OEM) channel.

Her employees felt the new OEM support "burden" was jeopardizing their service to their traditional channels. In many companies, a likely result of this scenario would be the support manager sending an email to sales stating that "you salespeople are killing our support." Sales would struggle to justify their decision with factual numbers. The support personnel would continue feeling like they had to pick up the slack for what appeared to be a poor management decision.

Since Visio had a Total Customer Management system...

The technical support manager called a meeting in her office with the OEM sales manager. Using Excel pivot tables, they combined two of their departmental reports: support calls per channel (by OEM contract) and sales per channel.

They were both pleasantly surprised to learn that the cost of supporting the OEM channel was the lowest of any sales channel. Although significant, the cost was far less than that of existing channels. Based on these figures, an additional person was added to the support department to handle the excess calls.

The report was also made available to every employee within sales and support. These reports continually provide Visio with fact-based policy justification, for the policy makers and for the front-line troops supporting these policies.

"SERADEx Customer Center is the fundamental cog of our business operation. We intend to have every customer for life, and the only way to keep these customers is to provide the best products and the best service. To achieve this goal, we must understand every interaction with the customer. SERADEx makes this possible."

-Gary Gigot, VP of Marketing, Visio Corporation

CASE 6: selling and serving via the internet

Your company recently jumped full speed onto the information superhighway. You have developed a Web site that contains beautiful graphics and your best marketing materials.

Despite these investments, you do not know if prospects visiting your page are truly interested in your products. You do not know what their specific interests are. At a minimum, you can count how many people visit your Web page. Perhaps some of your prospects take the time to email you, and you manually enter the information they provide.

In the best case, you may have developed a way to capture prospect information from your Web site, but this information results in yet another island of customer information.

"Companies that place customer information at the core of their information architecture and make that information available to all employees are the ones that have excelled in their industries."

-Patricia Seybold, Patricia Seybold Group

If your company had an Internet-enabled Total Customer Management system...

Your web master uses wizards to create custom home pages that link your web site directly to your customer management system. A prospect visits your web page and completes a qualification survey.

Based on their uniquely identified needs, your web page dynamically presents them with your company's best value proposition. The customer then selects the products they want more information about or wish to purchase.

Your customer management system processes the web request as if it were a request being entered from a telesales workstation. The system automatically checks to see if the customer exists, captures the customer record, processes the literature request via fax, mail, or email, captures all profile information, and schedules a telemarketing representative to call the customer back in a specified number of days.

This telemarketing rep is armed with customer information and interests already noted by the customer. Think of the Internet as an employee of your company. Just as all employees sell and serve, a web site's main purpose is to increase sales effectiveness and service responsiveness.

Integration beyond the database

The market is flooded with applications for departmental functions: sales and marketing, customer service and support, and quality assurance.

These applications may meet the needs of a departmental process, but they do not meet the needs of your entire enterprise or the needs of your customers. Departmental solutions result in costly islands of disparate customer information.

A second generation of "modular" customer systems has been introduced in recent years. While these may share a common product and customer database, they do not provide employees with access to the total customer relationship, nor do they manage cross-departmental customer processes.

Whether they share a common database or not, these applications divide and isolate customers departmentally. Applications which have been designed around departmental silos will never attain the cross-departmental integration and visibility available in a solution designed around customer processes.

SERADEX Customer Center™ is the next generation of enterprise-wide customer management solutions. Customer Center is a single application which manages every interaction between a company and its customers. With instant access to all customer information and complete customer awareness, employees maximize both sales effectiveness and service responsiveness.

For 1996 and beyond, successful companies will be those who exceed their customers' expectations during every interaction. Successful companies will be those focused on maximizing the value of their customer relationships through *Total Customer Management*.

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