CRM's shortcomings have been widely aired, but many companies have made the technology work by simply training their staff.

In the past year, customer relationship management (CRM) has seen its reputation fall faster and further than several of the nation's favourite TV presenters. Some of the more damaging reports include 75 per cent of CRM projects failing to achieve a return on investment, and while 45 per cent of European companies have rolled out CRM systems, just eight per cent rate their projects as a success.

The idea of CRM is simple — specialised software pulls together information on every customer from a company's databases, marketing and sales applications, call centres and legacy systems into a single view. Once firms have this information, they can segment customers and target the most profitable prospects with preferential offers and service.

In theory, the result is higher revenues, better service and greater customer loyalty. But few firms reaped the benefits they expected from CRM software — and with an average implementation costing at least £500,000, that's a big problem.

Harvard Business School professor and internet guru Michael Porter famously commented that the biggest mistake companies made when rolling out CRM was “an excessive focus on the customer”.

His argument is that web-enabled contact centres and one-to-one marketing doesn't make up for a poor organisational culture or inadequate business processes.

Many consumers can testify to the frustration of dealing with an unhelpful call-centre agent who is probably using a CRM application that cost many thousands of £. Similarly, offering your customers snazzy online order tracking becomes an expensive liability if all it does is show up the inefficiency of your supply chain.

When estate-agency chain Sequence rolled out its CRM software last year, it knew the biggest obstacle it needed to overcome wasn't anything to do with technology, but its existing processes and culture, admits Neil Chandler, the company's chief technology officer.

“We had a sales-led culture and the typical worker isn't someone who is going to dally with the intricate aspects of CRM,” he says.

Sequence also knew that if staff weren't comfortable with the new system, they would quickly revert to their old ways of doing things — subverting the CRM initiative.

To address this, Sequence provided all its staff with 15 days of off-site training in using the new system effectively, together with specific tuition on new customer-service processes. To help reinforce the new culture, it then implemented a whole new payment structure, where agents are rewarded for excellent customer service, rather than just sales.

If companies want to fully realise the potential benefits of CRM software, they have to be prepared to put in this level of effort to change the underlying culture and processes, believes Wendy Hewson, head of research and development at CRM consultancy the Hewson Group.

“Many companies implementing CRM in the early days fell into the Trojan Horse trap,” she says. “They thought it would sneak change into their organisation, and enable them to develop new services and products. The reality was rather different.”
This is the reason why training and support is so important to the success of CRM projects, says Kevin Lovell, a senior training consultant with KnowledgePool. In fact, claims Lovell, for every £1,000 companies spend on CRM software, they should allocate a further £250 for training.

This might seem high, but teaching staff to use a CRM application effectively isn't a typical software-training programme. “It's not like teaching someone to use Office 2000, where you show them what buttons to click,” he explains. “CRM is about changing the way a business functions, and the way people actually do their jobs.”

In fact, most of the major CRM software vendors offer courses in their CRM software. For example, SAP offers five levels of certification for its MySAP application, while PeopleSoft has developed classroom-based and online training tools for IT support staff and end users of PeopleSoft CRM 8.8.

However, companies should seriously consider paying for bespoke tuition from a dedicated training provider, believes Sean Crouch, a business analyst with PeopleSoft. “We do offer training in the functionality of the software, but the problem is that no two CRM implementations look the same,” he says.

For example, a supermarket using CRM software on its e-commerce site and a bank using CRM to sell mortgages will customise their applications in very different ways. The result, says Crouch, is that clients might not get the best out of a public training programme because the course bears no relation to their job functions.

And while this type of training might be more expensive in the short-term, firms are recognising that bespoke tuition helps deliver faster benefits from CRM systems. For example, when Bedfordshire County Council rolled out CRM software from SAP to 70 staff in its Bedford contact centre, it made training a top priority.

“When we first looked at CRM, we paid a lot of attention to the terrible problems and crashes that other companies had suffered from,” says Richard Stay, Bedfordshire's executive member for information systems.

“As a result, we worked closely with a partner, Hyder Business Services (HBS), to identify stages of deployment, with training carried out at every stage.”

The council then contracted HBS to develop a bespoke CBT system based on its own individual processes, and incorporating customer queries that agents would face in their day-to-day working lives.

In fact, HBS created a duplicate version of the council's customised SAP application and deployed it within a custom-built training room at County Hall. Instructors provided all staff with training in the key functions of the software, and helped to develop an interactive, web-based FAQ application to help with ongoing support.

This bespoke tuition has been a critical part of the CRM project's success, believes Stay. “The technology of CRM is pretty well-established and proven,” he says. “What really makes the difference is the human interface, and you can't get that if you don't invest in the right training.”

Another benefit of the training is that staff were schooled in the entire software system, so the council now has a pool of multi-skilled staff able to work within different departments at different times of year. “It means that people can work on highway calls in winter, when there are more problems, and on the education side at the start of the school year,” adds Stay.

Although SAP recommends bespoke tuition to its customers, CRM training can be delivered on a tighter budget. For example, SAP has developed a series of e-learning applications and public courses covering core elements of CRM technology.

In many cases, companies could start by training only IT staff, who will then develop training for end users internally, counsels John Heald, a CRM solutions manager with SAP. “It's perfectly possible to put something together by just buying some phase-one training,” he says. “The point is to make sure that you do at least think about these issues early on, and set aside enough budget to provide training of some kind.”
When Mitsubishi Motors rolled out CRM software from E.piphany and Siebel last summer, it opted for e-learning to train its highly dispersed workforce. The savings this offered over classroom-based tuition meant that the company could commission a bespoke programme from e-learning specialist Blue Pumpkin. The software was then made available online to around 2,500 staff, who were expected to complete the training within a six-week period.

Mitsubishi is using CRM to increase loyalty among its customers — who are the youngest of any major car manufacturer. The new system enables customers to communicate with Mitsubishi through the internet, call centre or local dealerships and get the same information from all of them.

In addition, the company developed a new web-based application enabling customers to keep an eye on their car-loan accounts online. The payback for Mitsubishi is that they can predict when customers are ready to upgrade their cars — and target them before the competition.

However, the success of the new application will depend on whether Mitsubishi's dealers remember to tell customers about the online account management, or whether customer-service staff pass on sales leads to the right people. To make sure it happens, Mitsubishi uses a buddy system, where experienced staff are partnered with workers who aren't familiar with the new processes.

“Technology is only a third of the picture,” believes Greg Stahl, Mitsubishi's manager of e-commerce initiatives. “We still need to make sure that we're analysing the information in the right way, and acting upon it.”

Whichever delivery method you choose for CRM reskilling, it's crucial that training managers are involved in discussions about CRM projects from day one. Developers, software engineers and IT support staff will need early training for any software packages chosen, and organisations might also need to rethink satellite applications, such as salesforce automation or database management.

What's more, if a CRM application is to be heavily customised, you might need additional Java skills, while a web-based CRM application will require extensive HTML and web-server know-how.

At the same time, it's crucial that companies keep their long-term objectives in sight. And make sure your training programme is in step with the wider business objective for the CRM initiative. It might sound odd, but CRM projects can be used to increase revenues, develop new channels to market, improve customer retention, or generate cost savings. If your organisation wants to use CRM to increase revenues, your training scheme should reflect this.

“Often, companies don't have a clear idea of what they want to achieve with CRM,” claims Adrian Leach, business-development manager at Parity Training. “You need a clear idea of the data you want to collect and where it will be needed, the infrastructure it will need, and what new processes will be created. Only if you have all that can you come up with a training-needs analysis.”

Many companies underestimate the amount of planning required to support a CRM training initiative effectively, believes Leach. “We see companies rolling out CRM in a customer-contact centre offering only a couple of days training for the agents in basic software functionality,” he comments. “But if you're only using a fraction of the capability CRM gives you, then you will only see a fraction of the benefits.”

Leach recommends that companies develop a training programme based on an assessment of three key areas that are affected by CRM initiatives — process, personnel, and technology. Companies should start by looking at the processes that will be delivered or created by CRM software — and what data will be used in which areas to deliver them.

Second, consider whether your staff have the skills to complete these processes effectively, and enhance them over time. In some cases, this might involve planning to shed staff or recruit new workers. Only at this point does Leach believe that companies should think about technology issues — the software application, the network and servers it will run on, and the applications it will integrate with.
It’s a highly complex process, but this kind of approach will provide organisations with a comprehensive training-needs analysis that can be used as a basis for a reskilling programme. Careful planning can also save money — Gartner Group claims that good advance planning of how CRM will be deployed can reduce the total cost of ownership by as much as 25 per cent.

Getting the most out of a CRM project isn't easy, and many of the early adopters haven't succeeded yet. But the good news is that training can greatly improve a company's chances.

At Bedfordshire, Stay believes that ongoing tuition will keep his CRM project on the right tracks: “We don't want to be another horror story, and this approach means we can eliminate many problems before they start.”

**Case study**

The market for business postal services is now open to competition, and the Royal Mail knows that customer service could be a make-or-break factor in its survival. That's why it invested in Siebel eService CRM software for 2,500 of its field and telesales staff.

Training was a core part of the project, and the Royal Mail wanted a partner with experience in writing bespoke training applications and which could reskill all the required staff in less than six months, explains David Fullbrook, Royal Mail's head of training. After considering three providers, it selected KnowledgePool for all its CRM training.

Fullbrook and his team had regular meetings with the provider while the software was being customised, to ensure training would match the software being rolled out. The result was a two-day, instructor-led course including practical exercises, which covered the basic processes and features of the software. Staff were required to sit an assessment at the end of the course.

However, Royal Mail knew this was only the start of the tuition. It has appointed a number of coaches, who work in different parts of the business helping workers to use the new software, and to ensure the processes taught on the course are being followed. In addition, there are a series of refresher courses that staff are invited to attend to stop the old practices creeping back in.

Training will be revamped later this year, when Royal Mail moves to version 7.5 of the Siebel application. “When we do that, we're looking at the potential of e-learning to provide a cost-effective follow up to what we've already done,” concludes Fullbrook.