Aligning For Customer Success: The Strategic Approach to Building Business Value Through CRM

To find profitable customers and keep them coming back, companies must assume a strategic, holistic, and business-driven approach to CRM.

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Visionary companies have always recognized the importance of putting the customer first. And while customer service has long been a key part of how companies go to market, building a truly customer-centered business has proven to be exceedingly difficult. It involves thorny technical (all that data in all those dissimilar databases), organizational (who really owns the customer?), and strategic (what is a customer and how do we want to engage them?) issues. The global business environment gets more complex every day. Customers have more options and higher expectations. Companies need to do everything right to get profitable customers and keep them coming back.

CRM is not just about technology. Yet many CRM vendors focus on technology first and business objectives second— if at all. Taking a strategic, holistic, business-driven approach makes CRM work. The approach begins by establishing a strategic framework and then implementing technology in a way that supports the strategy across the extended enterprise, making it possible for companies to build real business value through CRM.

Why CRM?
When CRM technology emerged about a decade ago, it was welcomed by businesses that were finding it increasingly complicated to maintain personal relationships with their customers. Early adopters started using the new technology primarily in the service and support departments to boost service quality and speed. As CRM vendors introduced more features and functionality, use of the technology spread across the enterprise, creating a whole new level of complexity. Companies started experiencing significant challenges, putting CRM into practice as the realities of conforming their business practices to what was technically feasible often overwhelmed more mundane issues like speed of deployment, user adoption, and basic functionality.

There are plenty of reasons to conclude that revenue-generating technologies like CRM (as opposed to technologies primarily concerned with cost containment) are among the most important investments a company can make. By helping align an organization around customers, CRM can help a company grow revenues, increase profitability, and neutralize competitive threats. In a complex business environment, it’s virtually impossible to be a customer-centered company without technology that allows you to literally put the customer at the center—starting with a single customer record and then capturing and sharing critical customer data across the organization and to your extended network of business partners.

What can you do to ensure that your CRM initiative gets results now and in the future? Consider this quote from a report by Gartner: “Many enterprises think that CRM is only about technology. It is not. They [enterprises] need to remember that CRM is a business strategy built on the concept of being customer-centric.” Gartner advises businesses to think of their CRM strategies as blueprints, or “a master plan to direct the long-term construction of a CRM initiative.”

Ultimately CRM isn’t just about the technology. It is the combination of strategy, aligning the entire enterprise around the customer, and making sure the technology platform provides the support you need to realize your business goals.

Aligning For CRM Success
Onyx has developed a practical framework, or blueprint, for working with companies planning CRM initiatives. This framework includes consulting services designed to make sure that CRM technology supports the overall strategy and business goals of the organization, rather than forcing the organization to fit the technology. In short, the approach helps companies build real business value by focusing the entire enterprise on the customer.

Onyx uses a pyramid model to illustrate the framework that is similar to Gartner analogy of building a blueprint or master plan (Figure 1, for example). The underlying support for the pyramid is “customers,” a constant reminder that profitable customers are the core of a company’s existence.

Note that the pyramid model is built from the top down; to succeed, you have to lay your first block 100 feet in the air and build downward from there. It may seem like an awkward image but, as Gartner puts it, “a builder would never start construction without knowing where he is going.” Those who determine their CRM investments a success have learned that it’s essential to view CRM as an enterprise-wide initiative that requires executive-level involvement and strategic alignment from the beginning. Second, this model puts technology in

Revenue Engine: The Go-To-Market Strategy

The Go-To-Market Strategy (GTM’s) is the buying experience, designed by a company, that empowers the organization to find, sell, upsell, keep, and thrill profitable customers. It begins with understanding the decisions your organization needs to make around customer engagement, marketing, relationships, value, and infrastructure. A clearly defined GTM’s creates and delivers incremental value at every customer touch point, leading to deeper insights, better interactions, increased customer loyalty, and increased revenues and profits.

There are four possible levels for a GTMs. Each level describes a viable path to competitive sales advantage (Figure 2). Not one of these strategies is inherently better than the other, and many organizations may need to play on multiple levels across different business units or through different channels. Your choice depends on your market conditions, competitive environment, and business configuration. Keep in mind that whichever strategy you choose requires organization-wide commitment, alignment, and execution to be successful.
its proper place as an “enabling” platform. The CRM technology implementation becomes a natural extension of the company’s vision and strategic direction and supports the organizational structure and business processes. This corresponds with Gartner’s findings that “enterprises that take the time to develop their CRM strategies are more likely to be successful than those that do not.”

**Level 1: Corporate Vision and Mission**

The corporate vision and corporate mission is a statement of “who we are.” It defines the organization’s core values in relation to its markets and customers. Companies of all sizes and in all industries usually spend a considerable amount of time defining their corporate vision and mission. It would be counterproductive, to say the least, to put this on the back burner when planning a CRM initiative. In fact, the vision and mission – and not what technology or application you should purchase – is the logical starting point when putting a CRM initiative into motion.

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**Figure 1** The pyramid model ensures that CRM technology supports the overall strategy and business goals of the organization.

**Figure 2** The five dimensions of the go-to-market strategy across each level.
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Level 2: Corporate Strategies and Initiatives

Companies usually have a number of corporate strategies based on building value around survival imperatives (revenue, cost, profit, market share, customer retention) and/or market environment variables (customer requirements, competitive strengths/weaknesses, financial market drivers, industry issues, government regulation and compliance).

Typically these strategies spawn initiatives in one of two core areas: production (what we are going to market with and how do we make/buy/deliver that product/service) and revenue generation (how we are going to market/sell/deliver that product/service). Corporate strategies centered around revenue generation are the genesis for a CRM initiative.

Your revenue engine – or your go-to-market strategy (GTMs) – defines exactly how you need to acquire and service your desired customers. It revolves around how the customer wants to do business and focuses on delivering high-value, consistent customer experiences at every touch point.

Level 3: Business Processes and Organizational Alignment

Once you’ve identified your GTMs, the next step is execution. You need to develop a go-to-market operating system (GTMos) – a set of business processes that define how every interaction with a customer or prospect should be managed. The GTMs also describes roles and responsibilities to ensure that every part of the organization is aligned to the strategy. From marketing to sales to customer service, the people and processes involved in a specific function must support the overall GTMs. There are four steps to building a GTMs:

- Design a sales process that is a step-by-step of how to achieve the sales strategy
- Align marketing, human resources, technology, and fulfillment to the strategy and process
- Hire and train to the process based on desired competencies and attributes that support the strategy
- Establish the appropriate metrics and leading indicators

If success is in the details, it’s worthwhile to take the GTMtos to the next level. Figure 3 shows a linear model of a typical sales process. We’ll use it to illustrate how companies can evaluate business processes and practices in terms of how they support Level 1 and Level 2 of the pyramid.

As in the sales process illustrated in figure 3, each customer-centered business process is made up of a series of discrete phases (market development, opportunity development, etc.) that correspond to the lifecycle of the customer interaction. Within each phase, companies need to clearly identify the steps necessary to move through the process (segment/target, precondition, etc.).

The company then develops a detailed blueprint for executing each step of the process by documenting key activities and tasks and the resources needed to accomplish them (people, information, tools). The example in figure 2 shows a blueprint for the segment/target step of the sales process.

Level 4: Technology Enablers

And finally we arrive at technology to support the strategy and business processes defined by the company. Criteria and critical success factors are now a direct result of the work that has been done at the first three levels of the pyramid. You’ve already laid the groundwork for developing selection criteria for a CRM platform and deploying it to maximize return on investment. You have a solid understanding of your GTMs and detailed processes that tell you exactly what the technology needs to do to support the strategy every step of the way. And every person in the organization has clearly defined roles and responsibilities for getting and keeping profitable customers.

Conclusion

The top-down pyramid is a model for planning and executing a CRM initiative that is strategy driven rather than technology driven. Using this model helps companies select a CRM technology platform that supports its high-level objectives and avoid the pitfalls often associated with CRM implementations. It ensures that companies achieve corporate revenue and profit goals by aligning the entire organization around customers to deliver real business value.

Brent Frei, Onyx’ CEO, is responsible for setting the vision and strategic direction of Onyx Software. He has been recognized as a “Pioneer in Technology” by the Smithsonian Institute and was among a handful of global CEOs selected to represent the technology industry at the Technology Pioneers’ session of the World Economic Forum, Switzerland. Previously, Mr. Frei was a programmer analyst with Microsoft Corporation and mechanical engineer at Motorola, where he received patents for several of his cellular system designs.