

## Creating a CRM Vision

**Studies show that successful enterprises know precisely what value they are delivering, to whom. Other enterprises may have clouded or impotent visions. Successful CRM demands the light of a renewed business vision.**

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### Core Topic

Customer Relationship Management:  
Creating Business Value for CRM

### Key Issue

What will be the role of senior executives in successful CRM initiatives?

### Strategic Planning Assumptions

Through 2004, 75 percent of CRM projects that fail to deliver measurable ROI will fail because of poor business executive decision-making (0.8 probability).

Through 2005, 90 percent of successful CRM initiatives will balance the need for a valued customer experience with organizational collaboration (0.8 probability).

### Tactical Guidelines

1. Start with a core business proposition.
2. Determine the key brand values for delivery.
3. Design a customer experience.
4. Ensure that there is leadership.

A customer relationship management (CRM) vision is the picture of what the customer-centric enterprise wants to look and feel like, and what it wants to be to its target customers. Relationships cannot be built without this “company personality.” Without a CRM vision, customers and other stakeholders will not have a clear image of what the enterprise offers in relation to the competition, or an idea of what to expect when they deal with it. This leaves service expectations unmanaged, and at the mercy of market forces and the competition.

Without a vision, employees will not know what to deliver, and organizational collaboration will be difficult and expensive. Properly delivered and promoted, the CRM vision should motivate staff, generate customer loyalty, gain a greater wallet share and turn its target customers into advocates.

### Start With a Core Business Proposition

A CRM vision starts with understanding what drives market demand, as well as the market position of your enterprise and its competitors, relative to those drivers. For example, demand may primarily be driven by: 1) the level of advice given and 2) accessibility. So how is your company viewed and how does it want to be viewed — what is its vision?

This means creating a core business proposition to target customers — one that they will really value and which stands out from the competition. This core proposition should be the soul of the enterprise, its “social worth.” It should not be bland and general, e.g., “we will offer world-class service” or “we want to be supplier of choice.” Too many try this and too few do enough to achieve it.

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## Note 1

### Customer Value Proposition

A CVP is a unique mix of a supplier's capabilities that will attract customers to buy, stay and recommend a supplier. The CVP is built up in linked layers from a core business proposition to the market about how it will use resources to create value, through a set of differentiating brand values that target customers will find attractive when making a choice of supplier, to a set of delivery and customer experience statements. The total CVP should create a differentiated and superior offering to target customers that competitors will find hard to match.

Instead, the core business proposition should be a clear declaration of intent around which a distinctive customer value proposition (CVP; see Note 1) and enterprise culture can be built. These include “a radical philosophy for living” (Diesel), “challenging outmoded ways of behaving” (Virgin), “exercising the mind with creative technology” (Apple Computer) and “building the Australian community through linked government services” (Centrelink).

A CRM vision, therefore, is not just a company logo and brand strap line or tag line, but rather the enterprise's DNA, *symbolized* by the brand logo and strap line. Neither is a CRM vision a concept only suitable to consumer markets — business customers and citizens deserve to know what they are being offered by suppliers as well, and these suppliers need “company personalities” with which to build relationships, if they want to be successful at it

*Action: Examine the current core business proposition to customers: Is there one, is it different from the competition's, is it understood and motivating to staff, and do customers agree and associate the enterprise with it?*

### Determine the Key Brand Values for Delivery

Many enterprises have mission statements and brands, but frequently they seem impotent — business goes on regardless of them. A CRM vision, by contrast, is the enterprise blueprint. It starts with a competitive core business proposition and then goes on to describe what that will mean in terms of value and delivery to customers, through a set of competitively differentiated brand values — i.e., it becomes a CVP. Brand values are derived from the key attributes that customers look for when choosing a supplier to satisfy their requirements — e.g., innovation, independence, quality, expertise and involvement.

Brand values should differentiate the enterprise from the competition and be valued by customers. Honesty and trust are expected; they do not differentiate your enterprise as a value proposition. The brand values should always be determined from the customers'/consumers' view rather than the company's (see “Customer Experience: The Voice of the Customer,” TG-14-9567). Thus, the set of brand values (or brand proposition) is the customer's vision for the enterprise. Too many enterprises think they know what customers want, but find out through expensive mistakes that they don't. They overinvest in services that customers don't want or value, and don't invest enough in the elements of service delivery that would generate real value and, thus, loyalty.

*Action: Customer (and potential customer) feedback, combined with analysis of customer behavior, is vital to determine the brand values and CVP. Market research companies can offer market positioning studies and relationship investment guide techniques that evaluate the factors of service delivery that drive loyalty, and those where costs can be cut back (see “If They’re So Satisfied, Why Are They Leaving?” COM-13-3754).*

## **Design a Customer Experience**

The initial CVP should then be turned into an outline of what the customer experience should be for different situations and touchpoints. Ideally, this should be a desired future experience. At the vision stage, which is the responsibility of the board, only an outline is needed. The details for different segments and business benefits can then be evolved in workshops by senior and operational managers at the CRM strategy stage (see “Developing a CRM Strategy,” TU-14-9475) until turned into the customer processes. Customer feedback at an operational level will personalize the experience for individuals and evolve it further to ensure that it continues to meet expectations.

Understanding the need to design a customer experience from the vision stage is a demonstration of the CRM maturity of an enterprise. Mass-marketing enterprises often do not think they need to design a customer experience — design is for products, not the experience of dealing with a company.

Others, a little more enlightened, think that the experience is all about building a brand image with which people will want to be associated. Maturing enterprises realize it is more than this and are taking customer requirements and feedback at the vision stage and then imagining and innovating a customer experience in story form. Note 2 shows how a railway company created a “story” for its business traveler segment. The maxim being advocated is to start with the future picture of a customer’s experience and build toward it.

The customer experience story should include details about how the customer is feeling. Customer loyalty rarely comes from rational factors of service delivery, but rather from the “feel-good factor” created by emotional factors. This is why a designed customer experience is important. Price can be undercut and products overtaken, but an emotional advantage can provide a sustainable advantage over competitors.

The CRM vision, therefore, acts as the DNA that dictates what should be delivered, the culture the enterprise needs to ensure delivery (see “True CRM Requires Organizational Collaboration,” DF-14-6658) and the appropriateness of the supporting

### **Note 2**

#### **Customer Experience Story**

Here is an extract of a story created by a railway company for its everyday business travelers: “As I glanced around the carriage I notice how clean the train is compared to the old railway company image. The compartments are clean, tidy and welcoming and there appears to be some heat and warmth in the environment. I notice a member of staff giving out complimentary freshly brewed coffee and a choice of tea. He is dressed in a distinctive uniform, designed to be stylish, yet relaxed and informal. He looks up and makes eye contact. “Hello, David, how are you?” I immediately feel at home and settle down in a seat with the right level of back support, to prepare for an early morning meeting — a job I did not have time for the previous evening.”

infrastructure. For example, an enterprise promising creativity should ensure that every time the customer deals with it, creativity is experienced. That means everything the company does has to be creative, from reception floral arrangement to ways of conducting a shareholder meeting.

*Action: Create a story of what your customer's experience with you should ideally be, based on customer requirements. Make this into a storyboard, a cartoon or even a video so that everyone in the enterprise knows what they are aiming to reproduce.*

## **Ensure That There Is Leadership**

The responsibility for creating the CRM vision lies firmly in the boardroom; it is top management's aspirations for the enterprise, based on knowledge of the market and customers. The most fertile environment for creating the vision is one in which the board understands what CRM means as well as the benefits it can deliver in terms of sustainable profitability, and is receptive to new ideas and ways of working. It is also vital that the board has information on what customers actually want and firsthand knowledge of what they are currently experiencing. Since the CRM vision must be well-known and accepted by staff, stakeholders and customers, it is beneficial to have a meaningful, enterprise-specific definition of CRM, rather than use a generic one from consultants or advisory companies.

To maximize CRM benefits, the enterprise needs a vision; to implement that vision successfully, the CEO must own it and provide inspirational leadership in creating and promoting it among staff, stakeholders and customers alike. That is why poor leadership is a top cause of CRM failure.

To get board buy-in and CEO leadership, try running a program of board education on current customer experience, followed by an intensive visioning workshop using "projective techniques," which are used to eradicate preconceived prejudices, and "we don't do that around here" attitudes. This should be done by whoever is responsible for implementing CRM into the organization or the area responsible for corporate strategy. The education can be achieved through a variety of techniques.

CRM visioning workshops are available from consultancies with dedicated CRM practices, and specialist change management consultancies. A number have innovation centers for these types of exercise. Always take up references with previous customers to establish experience, and ensure that the work is not just a "pre-sales" exercise for a larger engagement.

*Action: Run a CRM education program for the board, followed by a visioning workshop.*

**Bottom Line:** Creating a CRM vision means the board taking leadership and creating and promoting a “company personality” to be used as the enterprises’ DNA. A CRM vision requires:

- A core customer business proposition that defines the enterprise’s “social worth,” or reason for being
- Differentiating brand values that determine the key deliverables of value to customers, and on which loyalty will be built
- An outline of the required customer experience
- Supporting cultural requirements