

# Customer Relationship Management from the Business Strategy Perspective with the Application of Cloud Computing

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**Abstract:** This paper will attempt to introduce – the term and concept of CRM Consumer Relationship Management and Cloud Computing; about the importance and relationship of CRM & Cloud Computing; examine some reason that make the organization interested to adopt certain philosophy; it also highlight some problems that Organization may face to implement from the business strategy perspective. The paper is a conceptual paper, which is an emerging area of interest. Customer Relationship Management, CRM is an essential part of modern business management. This CRM article is provided by the specializes in helping organizations develop excellence in CRM, and this contribution is gratefully acknowledged. Customer relationship management tools include software and browser-based applications that collect and organize information about customers. For instance, as part of their CRM strategy, a business might use a database of customer information to help construct a customer satisfaction survey, or decide which new product their customers might be interested in.

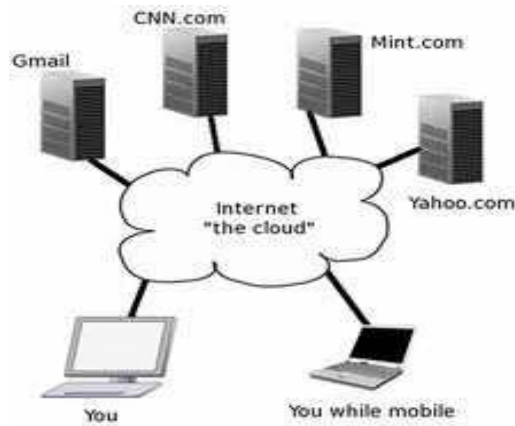
**Key Words:** CRM, Cloud Computing, Customer Service, Sales Force Automation and Campaign Management. CRM - principles, solutions, applications, systems, software.

## INTRODUCTION

Customer relationship management (CRM) is a broadly recognized, widely-implemented strategy for managing and nurturing a company's interactions with customers, clients and sales prospects. It involves using technology to organize, automate, and synchronize business processes, principally sales activities, but also those for marketing, customer service, and technical support. The overall goals are to find, attract, and win new clients, nurture and retain those the company already has, entice former clients back into the fold, and reduce the costs of marketing and client service. Customer relationship management denotes a company-wide business strategy embracing all client-facing departments and even beyond. When an implementation is effective, people, processes, and technology work in synergy to increase profitability, and reduce operational costs.

Cloud computing plays a vital role in every organization's response to outer challenges. Every person in today's world retains a different E-Mail ID with him or her and Gmail, Hotmail, Facebook are providing the services to the people for getting connected and stay connected in a better way. Communication and improved connectivity leads to better interaction and executions of work. Let us pick Gmail for example the user may be delighted to use the limitless space provided to him in Gmail. But what makes the user to get this benefit has been intentionally hidden.

In its broadest usage, the term cloud computing refers to the delivery of scalable IT resources over the Internet, as opposed to hosting and operating those resources locally, such as on a college or university network. Those resources can include applications and services, as well as the infrastructure on which they operate. By deploying IT infrastructure and services over the network, an organization can purchase these resources on an as-needed basis and avoid the capital costs of software and hardware. With cloud computing, IT capacity can be adjusted quickly and easily to accommodate changes in demand. While remotely hosted, managed services have long been a part of the IT landscape, a heightened interest in cloud computing is being fueled by ubiquitous networks, maturing standards, the rise of hardware and software virtualization, and the push to make IT costs variable and transparent. Customer Relationship Management (CRM) refers to the methodologies and tools that help businesses manage customer relationships in an organized way.



The above diagram shows that how a cloud holds all the internet entities together. A company CEO first comes into his office opens his internet explorer and type's www. yahoo.com. the moment he types the address he immediately enters the cloud of yahoo and the server logs him in so that he can check his mails and later let's assume he wants to know the market up to date he types cnn.com immediately he is in and he can look into whatever information that is contextual to his business and work on the data available to churn out strategies. After going through lot of different clouds, let's assume that he will be idle for certain period of time. He will be still at one large cloud that is internet cloud. Internet is itself a big cloud which holds large amount of smaller clouds.

CRM and cloud computing application processes that help identify and target their best customers, generate quality sales leads, and plan and implement marketing campaigns with clear goals and objectives;

It processes that help form individualized relationships with customers (to improve customer satisfaction) and provide the highest level of customer service to the most profitable customers;

Cloud and cloud-like solutions appear to be widespread and growing in higher education, though in relatively focused areas, such as student e-mail. E-mail notwithstanding, higher education institutions are more likely to obtain *new* services from the cloud than to transition established services that have long been operated by the campus. Many colleges and universities see pockets of cloud service usage in other areas, often led by individual faculty or students looking for the added flexibility and convenience that the cloud can provide. Among the drivers that are encouraging more institutions to contemplate cloud services are budget pressures, calls for increased reliability of and access to IT systems, and the need for institutions to provide timely access to the latest IT functionality.

Customer relationship management (CRM) is a combination of organizational strategy, information systems, and technology that is focused on providing better customer service. CRM uses emerging technology that allows organizations to provide fast and effective customer service by developing a relationship with each customer through the effective use of customer database information systems. The objectives of CRM are to acquire new customers, retain the right current customers, and grow the relationship with an organization's existing customers. An integrated business model that ties together technology, information systems, and business processes along the entire value chain of an organization is critical to the success of CRM.

To be successful, it's imperative that objectives are thorough, measurable and directly attributed to supporting the overall strategy. Several common CRM objectives include the following:

- Shared customer knowledge, Prospects, customers and business partner's call on multiple resources in varying lines of business and through multiple communication channels. It's essential that any and all resources called upon share the same information in order to speak intelligently and with a common voice. Shared customer data ensures that each customer interaction is handled with the same degree of care while leveraging the same information across all departments, geographies and channels.
- 360 degree consolidated customer view, The achievement of a single, enterprise-wide view of the customer relationship delivers one real-time version of all customer information, eliminates duplicate data entry, reduces systems integration complexity and empowers staff with up to date knowledge and actionable customer insight.
- Repeatable processes, the adoption of CRM automation software facilitates consistent processes, process improvements and best practices among all staff that use the software to become more efficient in their daily roles.
- If developing successful strategies and objectives were either easy or routine, the CRM implementation failure rate would not be deplorably high (over 50% according to research firm Gartner).

### **Characteristics of excellent CRM and cloud computing**

The following characteristics are associated with delivery of excellent CRM:

- Reliability
- Responsiveness
- Accessibility
- Courtesy
- Competence
- Accessibility
- Safety
- Communication
- Consideration

To be customer-centric, companies need to collect and store meaningful information in a comprehensive customer database. A customer database is an organized collection of information about individual customers or prospects. The database must be current, accessible, and actionable in order to support the generation of leads for new customers while supporting sales and the maintenance of current customer relationships. Smart organizations are collecting information every time a customer comes into contact with the organization. Based on what they know about the individual customer, organizations can customize market offerings, services, programs, messages, and choice of media. A customer database ideally would contain the customer's history of past purchases, demographics, activities/interests/opinions, preferred media, and other useful information. Also, this database should be available to any organizational units that have contact with the customer.

In traditional enterprise computing, IT departments forecast demand for applications and capacity and invest time and money to develop those resources in-house or purchase them from others and operate them in-house. With cloud computing, institutions procure IT services from remote providers, and campus constituents access these resources over the Internet. E-mail, for example, long considered a staple of an institution's IT operations, can be obtained from a range of sources, and a growing number of campuses contract with outside suppliers for this function. Software is hosted by the provider and does not need to be installed—or maintained—on individual computers around campus. In some cases, a large university or a consortium might become a provider of cloud services. Storage and processing needs can also be met by the cloud. Institutions pay only for the resources used, and users can access the applications and files they need from virtually any Internet connected computer. In a mature cloud computing environment, institutions would be able to add new IT services or respond to changes in capacity on the fly, saving capital costs that can be redirected to programs of strategic value to the institution.

CRM has also grown in scope. CRM initially referred to technological initiatives to make call centers less expensive and more efficient. Now, a lot of organizations are looking at more macro organizational changes. Organizations are now asking how they can change their business processes to use the customer data that they have gathered. CRM is changing into a business process instead of just a technology process.

### **Public cloud**

As the name specifies this is a public or a general cloud that allows all the communities be it individuals, corporation and organizations to access the information. These clouds are administered by third party service providers and they charge on pay per use basis so the cost of using this mechanism is easy. This cloud in general can help industries to utilize services at affordable costs. The government organization can make a start with a public cloud.

### **Private cloud**

The private cloud restricts itself to the organization as there will be some confidential data that can not be shared with the outer community. The organizations benefit from these clouds and are also known as internal clouds. They help organizations in reducing operating costs and overheads for example: paper works. The organization can go for this sort of cloud if it has financial resources, time and competitive personnel to purchase and build the servers.

The diagram below explains the public, private and hybrid clouds where the organization is portrayed as a building and its interaction with clouds and limits of different clouds are also mentioned. This diagram clearly assists to spot differences between public, private and hybrid cloud. We have one more cloud that can be an option for the organizations that is,

### **Hybrid cloud**

This cloud is a combination of both private and public cloud. The organizations cannot separate itself from public cloud as they are crucial such as, mail, search engines for example: Google, mint.com etc. therefore through private cloud or a server the organization manages to connect to the outer community. But security is major concern with this format. If the organization is confident enough that it can carry on with secured software or the service provider assures of security then organization can go for this cloud. This cloud is suitable for a well-established entity.

### **Problems**

One of the major problems with CRM is the large investment to build and maintain a customer database which requires computer hardware, database software, analytical programs, communication links, and skilled personnel. Also, there is the

difficulty of getting everyone in the organization to be customer oriented and to get everyone to actually use the customer information that is available. Providing adequate training so that personnel feel comfortable using a new system is critical. Also, not all customers want a relationship with the company and some may resent the organization collecting information about them and storing it in a database. Another problem is the long wait for a return on investment. A three-year wait for ROI is still common. Research conducted by Helms in 2001 suggests that 45 percent of companies are unable to even compute ROI from their CRM investments and research conducted by Cap Gemini Ernst and Young (CGEY) found that two-thirds of companies could not provide any estimate of their ROI on CRM investments.

Cloud computing introduces significant concerns about privacy, security, data integrity, intellectual property management, audit trails, and other issues. Because higher education is subject not only to institutional policies but also to a broad range of state and federal regulations, these issues are complex and become even more difficult in the context of inter-institutional cloud initiatives. Because of the control that consumers of cloud services cede to providers, successful initiatives rely on a high degree of trust between a college or university and a supplier, including confidence in the provider's long-term viability.

## How to Succeed with CRM & Cloud Computing Application

CRM projects require careful planning and implementation. To be successful, CRM involves major cultural and organizational changes that will meet with a lot of resistance. CRM should be enterprise-wide in scale and scope. However, it is usually better to take an incremental approach starting with a CRM pilot. Once the pilot succeeds, then introducing one CRM application at a time is recommended. Also, it is important to be skeptical of vendor claims and to know that user expectations for CRM are often unreasonable.

Cloud computing presents IT organizations with a fundamentally different model of operation, one that takes advantage of the maturity of web applications and networks and the rising interoperability of computing systems to provide IT services. Cloud providers specialize in particular applications and services, and this expertise allows them to efficiently manage upgrades and maintenance, backups, disaster recovery, and failover functions. As a result, consumers of cloud services may see increased reliability, even as costs decline due to economies of scale and other production factors. With cloud computing, organizations can monitor current needs and make on-the-fly adjustments to increase or decrease capacity, accommodating spikes in demand without paying for unused capacity during slower times. Aside from the potential to lower costs, colleges and universities gain the flexibility of being able to respond quickly to requests for new services by purchasing them from the cloud. Cloud computing encourages IT organizations and providers to increase standardization of protocols and processes so that the many pieces of the cloud computing model can interoperate properly and efficiently. Cloud computing's scalability is another key benefit to higher education, particularly for research projects that require vast amounts of storage or processing capacity for a limited time. Some companies have built data centers near sources of renewable energy, such as wind farms and hydroelectric facilities, and cloud computing affords access to these providers of "green IT." Finally, cloud computing allows college and university IT providers to make IT costs transparent and thus match consumption of IT services to those who pay for such services.

### 1. CRM from the Information Technology Perspective.

From the technology perspective, companies often buy into software that will help to achieve their business goals. For many, CRM is far more than a new software package, the renaming of traditional customer services, or an IT-based customer management system to support sales people. However, IT is vital since it underpins CRM, and has the payoffs associated with modern technology, such as speed, ease of use, power and memory, and so on.

**Customer Touch Points** are vital since your business has a marketing orientation and focuses upon the customer and his or her current and future needs. This is the interface between your organization and its customers. For example you buy a new car from a dealership, and you enter a showroom. The dealership is a contact point. You meet with a salesperson whom demonstrates the car. The salesperson is a contact point. You go home and look at the car manufacturer's website, and then send the company an e-mail. Both are contact points. Other contact points include 3G telephone, video conferencing, Interactive TV, telephone, and letters.

**Applications** are essentially the software and programs that support the process. Incidentally, this is what some would call CRM - but we know better. Applications serve Marketing (e.g. data mining software\* and permission marketing\*\*), Sales (e.g. monitoring Customer Touch Points), and Service (e.g. customer care).

**Data Stores** contain data on every aspect of the customer, and the Customer Life Cycle (CLC). For example, an organization keeps data on the products you buy, when you buy them, and where they are sent. Data is also kept on the web pages that you visit and the products that you consider, but then do not buy. Leads are stored here. Data on the life time value of individual customers is stored here, as well as details of how and when the customer was recruited, how - and for how long - individuals have been retained, and details of any products that have been extended to individuals are also stored. The data is analyzed using Applications.

\* Data Mining is where an organization evaluates large Data Stores for patterns, or relationships between groups or individuals (or segments). Applications present 'patterns' in a format that can be used for marketing decision-making.

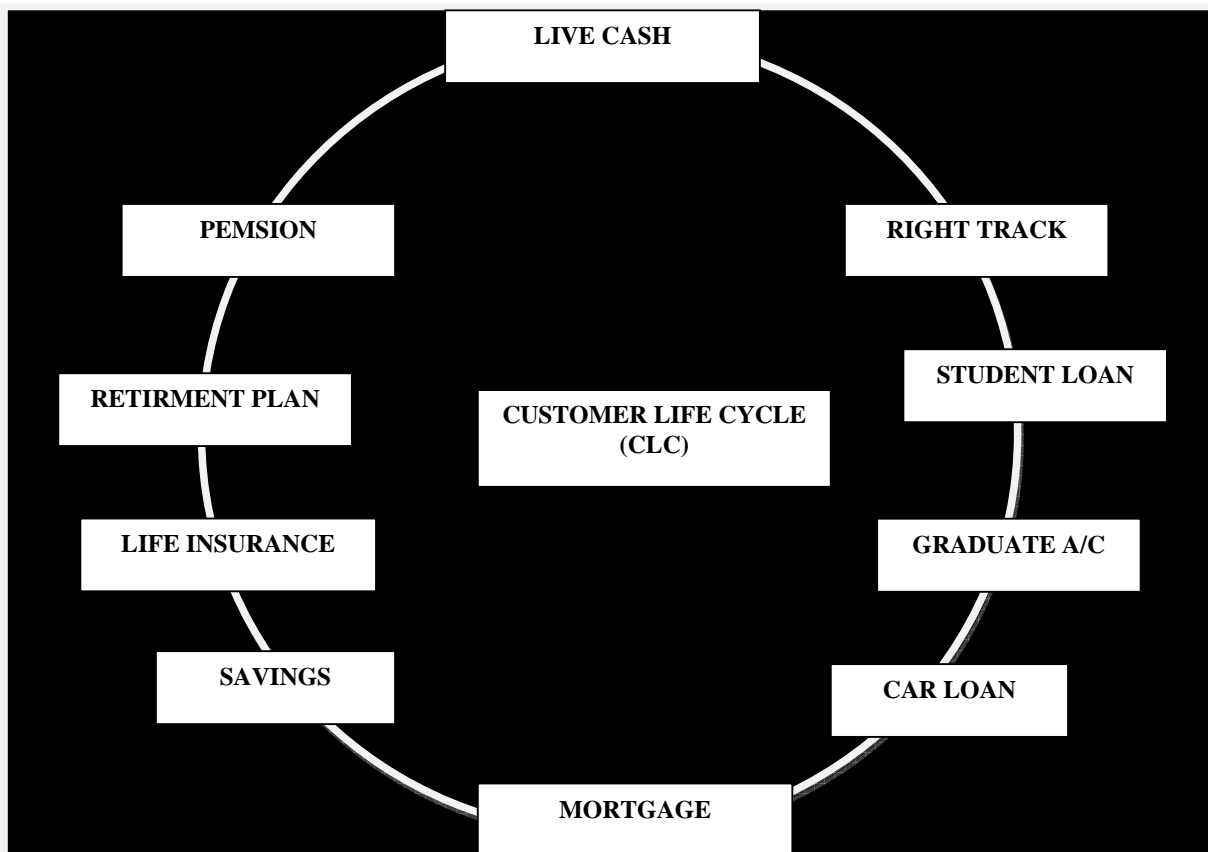
\*\* Permission Marketing is where a customer elects to accept (or 'opt-in' to) marketing material from an organization e.g. where you buy insurance and the vendor asks if you wish to receive further details from them, or similar organizations. It is so called because marketers need your 'permission' to market to you. Permission marketing can occur at any of the Customer Touch Points.

CRM is a term that is often referred to in marketing. However, there is no complete agreement upon a single definition. This is because CRM can be considered from a number of perspectives.

**2. CRM from the Customer Life Cycle (CLC) Perspective.**

The Customer Life Cycle (CLC) has obvious similarities with the Product Life Cycle (PLC). However, CLC focuses upon the creation of and delivery of lifetime value to the customer i.e. looks at the products or services that customers need throughout their lives. It is marketing orientated rather than product orientated. Essentially, CLC is a summary of the key stages in a customer's relationship with an organization.

The Customer Life Cycle (CLC) has obvious similarities with the Product Life Cycle (PLC). However, CLC focuses upon the creation of and delivery of lifetime value to the customer i.e. looks at the products or services that customers NEED throughout their lives. It is marketing orientated rather than product orientated, and embodies the marketing concept. Essentially, CLC is a summary of the key stages in a customer's relationship with an organization. The problem here is that every organization's product offering is different, which makes it impossible to draw out a single Life Cycle that is the same for every organization.



*Source: marketingteachers.com*

Another important point is that a lifetime CLC is made up many shorter CLC's. So, for example, Volkswagen Cars retains a customer for many years and one can predict the products that meet a customer's needs throughout his or her family lifetime. However the purchase of each car will in itself be a CLC with many Customer Touch Points. The consumer may need a bigger vehicle as his or her family expands - so they visit VW's website and register.

The customer reviews models and books a test-drive with her or his local dealer. He or she decides to buy the car and arranges finance. The car is then delivered from the factory, and returns every year for its annual service. Then after three years, the customer decides to trade in his or her car, and the cycle begins again. The longer-term life cycle is simply the shorter-term life cycles viewed consecutively.

## CRM from the Business Strategy Perspective

The Business Strategy perspective has most in common with many of the lessons and topics contained on this website, and indeed within the field of marketing itself. The diagram below shows the Marketing Teacher Model of CRM and Business Strategy. Our model contains three key phases - customer acquisition, customer retention and customer extension, and three contextual factors - marketing orientation, value creation and innovative IT

### Business Strategy and CRM

We now consider the Business Strategy Perspective on CRM. Here, we propose a model, which is a hybrid, and typical of many of the models and diagrams of CRM that you will find on The Internet and in popular books on the topic of e-marketing/ecommerce. The model has three key phases and three contextual factors:



Business Strategy and CRM

Source: [www.marketportfolio.com](http://www.marketportfolio.com)

#### Three key phases:

- Customer Acquisition.
- Customer Retention.
- Customer Extension.

#### Three contextual factors:

- Marketing Orientation.
- Value Creation.
- Innovative IT.

**1. Customer Acquisition** - This is the process of attracting our customer for the first their first purchase. We have acquired our customer. Through market orientation, innovative IT and value creation we aim to increase the number of customers that purchase from us for the first time.

**2. Customer Retention** - Our customer returns to us and buys for a second time. We keep them as a customer. This is most likely to be the purchase of a similar product or service, or the next level of product or service. Through market orientation, innovative IT and value creation we aim to increase the number of customers that purchase from us regularly.

**3. Customer Extension** - Our customers are regularly returning to purchase from us. We introduce products and services to our loyal customers that may not wholly relate to their original purchase. These are additional, supplementary purchases. Of course once our loyal customers have purchased them, our goal is to retain them as customers for the extended products or services. Through market orientation, innovative IT and value creation we aim to increase the number of customers that purchase additional or supplementary products and services.

**4. Marketing Orientation** - means that the wholes organization is focused upon the needs of customers. Customer needs are addressed by the Three Levels of a Product whereby the organizations not only supplies the actual, tangible product, but also

the core product and its benefit, and also the augmented product such as a warranty and customer service. Marketing orientation will focus upon the needs of consumers for all three levels of a product. (N.B. 'market' orientation and 'marketing' orientation are not the same).

**5. Value Creation** - centers on the generation of shareholder value based upon the satisfaction of customer needs (as with marketing orientation) and the delivery of a sustainable competitive advantage.

**6. Innovative IT** - is exactly that - Information Technology must be up-to-date. It should be efficient, speedy and focus upon the needs of customers. Whilst IT and/or software are not the entire story for CRM, it is vital to its success. CRM software collects data on consumers and their transactions. Huge databases store data on individuals and groups of individuals. In some ways, CRM means that an organization is dealing with a segment of one person, since every consumer displays different purchasing habits and preferences. Organization's will track individuals, and try to market products and services to them based upon similar buyer behavior seen in other individuals.

## CRM Business Strategy

CRM strategy should be aligned to the organization's mission and purpose in order to bring about a sustained achievement of business objectives and profitable customer relationships. CRM strategies vary; however, the most successful strategies have several things in common.

Colleges and universities are expected to provide a wide and growing array of technology services, some of which are highly specialized or idiosyncratic to individual campuses, whereas others simply need to be available. By offering commodity services over the Internet, cloud computing offers one way for institutions to increase operational efficiency and focus scarce resources on services that are institutional differentiators. Operating in a cloud environment requires IT leaders and staff to develop different skills, such as managing contracts, overseeing integration between in-house and outsourced services, and mastering a different model of IT budgets. Cloud services might facilitate inter-institutional collaboration because they are more easily accessed by students and faculty at disparate institutions. In addition, despite the potential security risks posed by cloud services, some would argue that cloud services offer *more* security than on-campus solutions, given the complexity of mounting an effective IT security effort at the institutional level.

- Clear alignment between the organization's purpose and the CRM strategy; a strong strategy is a direct reflection of the company's purpose and supports the company vision in direct and easy to understand terms.
- CRM strategies must be customer focused; they should articulate the positioning, involvement and objectives of the customer relationship. CRM strategies must have senior executive sponsorship and complete buy in from across the organisation. Both staff and management take their queues from the executive team so it is imperative that the executives are visible, vocal and active in their sponsorship of the CRM strategy.
- CRM strategies, just like other business strategies, are iterative processes; as the the organization advances so to will the CRM strategy. CRM strategies are often realized from the achievement of specific CRM objectives.

Here are a few suggestions to provoke your advanced planning.

- Remember that CRM is not a project. Unlike with most projects, with CRM there is no end. CRM is a continuous journey and those organizations that are most successful repeatedly assess, learn and adjust and then repeat the process again.
- Don't think of beginning a business software selection or implementation project before you've acquired senior executive sponsorship. Missing, inactive or inadequate executive sponsorship correlates to CRM failure.
- Make sure you take the time to identify, reengineer and plan your business processes before you commit to a CRM strategy or begin looking for CRM software. Failure to thoroughly understand your business process framework, including the integration of processes with other departments, divisions or locations, may derail a thoughtful strategy or result in a poor business software selection decision.
- CRM implementations are always challenged by user resistance. To reduce this known risk, implement a broad representative team to ensure that all departments, divisions and/or geographic locations are fully represented.
- When evaluating CRM systems, specify the decision making criteria based upon your most strategic business objectives and in advance of reviewing software demonstrations. It's generally a big mistake to modify your decision making criteria based upon software vendor meetings and things you didn't know existed before the demonstrations.
- Don't be tempted to bypass the Request for Proposal (RFP) document and response. The effort of gathering, documenting, prioritizing and comparing your most important business requirements to each commercial CRM software system will heavily improve your implementation project. There is a clear negative correlation between companies that do not perform a detailed and weighted RFP and companies that incur CRM failures.

- When you do get to the business software demonstrations, do not permit the generic software shows and instead demand that vendors demonstrate the features and functions that are most important to your business. It is extremely advisable to use structured demonstration scripts so that each vendor matches their business software with your most prioritized objectives and so the vendor solutions can be fairly compared in a side by side manner. Also be certain that your demonstration requirements are detailed, measurable and scored.
- Refrain from purchasing multiple vendor software systems if at all possible. Dealing with multiple vendor software systems, and more so with their different contracts, support plans, graphical user interfaces, release schedules, invoices and technical support groups never works well. Also, the time and cost to integrate the systems introduces significant risk and a dramatic increase in the total cost of ownership (TCO). Be wary of presumed integrated software products; the actual depth and quality of system integration seldom matches the marketing brochure.

Be aware that **CRM strategy** and **CRM software** are neither a panacea nor pitfall on their own. However, with advanced planning and thoughtful implementation they are an extraordinarily valuable management framework and productivity automation aid capable of long-term advancements and direct contribution to the organization's mission.

### **CRM focuses on the relationship**

Successful organizations use three steps to build customer relationships:

- determine mutually satisfying goals between organization and customers
- establish and maintain customer rapport
- produce positive feelings in the organization and the customers

### **CRM conditions**

The organization and the customers both have sets of conditions to consider when building the relationship, such as wants and needs of both parties;

- organizations need to make a profit to survive and grow
- customers want good service, a quality product and an acceptable price

Good CRM can influence both sets of conditions.

### **Features of good CRM**

The old viewpoint in industry was: 'Here's what we can make - who wants to buy our product?' The new viewpoint in industry is:

- 'what exactly do our customers want and need?' and
- 'What do we need to do to be able to produce and deliver it to our customers?'

This is a significant change of paradigm and a quantum leap in terms of how we look at our business activity.

### **Generating a customer focused CRM solution**

So what do we need to make this quantum leap of customer integration?

A new way of thinking:

- change in paradigm
- change in the messages sent and received
- change in the overall culture
- processes that are capable and effective
- structures and systems that support a business centered on its customers
- connectivity (end-to-end processes) both internally and externally (e.g., with suppliers)

### **Customers' expectations**

If an organization cannot at least meet its customers' expectations it will struggle. Ideally a business organization should **exceed** its customers' expectations, thereby maximizing the satisfaction of its customers, and also the credibility of its goods and services in the eyes of its customers. Customers normally become delighted when a supplier under-promises and over-delivers.

The expectations of different customers for the same product or service will vary according to:

- social and demographic factors



- economic situation
- educational standards
- competitor products
- experience

Therefore, given all these variable factors, it is no surprise that one size certainly does not fit all.

Ask your customers what is important to them. Find out why your customers do business with you. There are a wide variety of relationship drivers. For example:

- quality
- price
- product
- location
- customer service

When you ask you might discover some factors that you'd perhaps never even considered, for example:

- health and safety support
- systems compatibility
- contract structure
- distribution flexibility
- technical support
- troubleshooting and problem-solving, to name just a few

What service features will keep your customers loyal to you? Find out.

### **Achieving good CRM**

Achieving effective Customer Relationship Management requires many organizations to adopt a new perspective. Consider the following:

- traditional **customer service** is something you '**do to**' the customer
- modern **Customer Relationship Management** is '**done with**' the customer

The second statement emphasizes the big differences between conventional traditional customer service, and the modern progressive CRM approach.

Your relationships with customers should be ongoing, cooperative, and built for the long term. Organizations who have many transitory relationships with customers consequently have to spend a lot of money on finding new customers. The cost of keeping existing customers is a tiny fraction of the cost of acquiring new customers.

Importantly also, **for effective communications it's the message and meaning that is received that counts**, irrespective of what the communicator thinks they've said, or written. Communications must be judged most vitally by the reaction of the receiver. If the reaction is not good then the communication is poor.

The information contained in a CRM system allows communication to be directed at the correct audience, in the correct way. The communication system must also encourage and facilitate honest and actionable feedback.

Feedbacks from customers - especially complaints - are essential for good organizational performance and ongoing development. Most organizations avoid, discourage and hide from complaints. Don't. Complaints are free guidance for improving your quality, and free opportunities to increase customer loyalty.

### **People and CRM**

As with any other business process your people have a huge impact on the success of the CRM process. Successful and effective Customer Relationship Management people tend to display the following key characteristics:

- positive attitude
- people orientation

- organizational skills
- analytical skills
- customer focus (natural empathy)
- understanding of the link between CRM and profitability

On the subject of empathy: Empathy is about **understanding**, not necessarily **agreeing**. Effective customer focus enables the organization and its staff to see both sides, and to work with the customer to arrive at a mutually satisfactory and sustainable solution. Agreement alone amounts to capitulation, which is neither practicable nor sustainable.

### **Benefits of effective CRM**

There are significant business benefits which accrue from an effective, integrated Customer Relationship Management approach. These include:

- reduced costs, because the right things are being done (i.e., effective and efficient operation)
- increased customer satisfaction, because they are getting exactly what they want (ie., exceeding expectations)
- ensuring that the focus of the organization is external
- growth in numbers of customers
- Maximization of opportunities (e.g., increased services, referrals, etc.)
- increased access to a source of market and competitor information
- highlighting poor operational processes
- long term profitability and sustainability

Forward thinking organizations understand the vital need to maintain a strategic focus on CRM and to resource and manage it appropriately.

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