

'It's People That Make Systems Work'..

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Key elements of discussion paper:

A successful CRM project for business-to-business sales is one where the software does the job, the people use the system, and the payback covers the cost many times over. This kind of success is elusive. There is now a body of evidence that such projects often fail because they are excessively 'system purchase' focussed. Here are some solutions to the most difficult problems; the human ones. The principles of the 'learning organisation' and 'inclusive business cultures' are creating the pressure to invest in the experience learning of people. Your people have the capacity to ensure the success of your business-to-business sales system project.

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It's People that make Systems Work

You can't test drive a BMW if you haven't learned to drive.... today we have situations where sales people who have never used a PC for anything more than word processing and proposals are being asked to make choices about CRM systems for Marketing Sales and Service! What is the result likely to be?

Suppose your organisation has made a commitment to become more customer-centric. You are going to have business-to-business CRM. How does any responsible sales director begin to address this issue? Systems demonstrations are useful up to a point but it's still like buying a car at the motor show. If you cannot relate the features you are looking at to the real world of your customer-facing responsibilities, you are likely to get it wrong. You need to be able to look at the features and see where the benefits lie for your organisation.... and it's not a straightforward calculation... it relates to what impact it will have on your customers.

The problem is further complicated by the technical uncertainties. We all know that computing and communications and the web are changing daily. 'How is that going to affect the way we interface to the customer tomorrow?.' we all ask.

With the business environment changing rapidly, both UK and global, and all the technologies moving forward at a frightening pace, and the .com revolution becoming uncertain, maybe now is not a good time to be putting money into CRM system projects. On the other hand it's likely there will never be a good time to start. Of course if you do start now you know the PC's will be junk in three years so at least you can plan for that! And of course you will need to think of something to tell the finance function. They will not be happy to accept IT assets onto the books and have them waste away to nothing before the benefit of having them has been fully realised. Clearly you need to move quickly, target the high pay-back items and ignore the fancy bits.

Maybe the safe way forward is to let the IT experts decide, but what sort of system would they choose? (Can they ever be expected to understand what customer relationships are really all about?) On the other hand, you could call in the consultants or get a reputable supplier to put forward some proposals and quotes? (but how will they ever understand the business you are in and how your selling processes are different from other businesses?)

The problem: There are companies who have been successful and at least publicly put their success down to their choice of a particular brand of software. Equally there are cases of huge projects failed or abandoned. There are also cases of benefits not achieved and pay-backs never realised. Is your proposed CRM/sales pipeline project going to be an embarrassment or a success story?

You don't have to spend much time thinking about this one to come to the conclusion that the key decisions must be made by sales people and that they are the only ones who can realistically take responsibility for the investments and the pay-backs. They unfortunately do not have the knowledge or the experience to make those decisions. This looks like a chicken/egg problem, and going shopping for a new corporate CRM system is not the best point to break into the cycle. It's not nice, it's not easy, you probably don't like it, but that's where we are just now.

The Solution: It has been said that if you don't know where you are going you will probably end up in the wrong place. It's time to begin investing in learning experiences for your people before you attempt to make major system investments. This may sound easy, but deciding what investments to make in practice is not. This is an issue with important human dimensions... and sales staff are particularly human!

Here are a few tricky questions to get you started:

How do you give your people a new perspective on the business, the work they do, and the systems which will help them do it better?

How do you equip them to work in, and accept an environment in which change is the norm, and the correct answer to today's problems will not be the right answer next year?

How do you get their commitment to learn new ways of working and a new system only to put it aside for something better in perhaps 24 months time?

How do you get the vital input from your staff who know the job well, so that the new system meets the real needs and not merely a specification written by experts based on theoretical considerations?

A Way Forward For many sales managers the way to resolve all these issues will be difficult to accept without some serious soul searching. It will go against conventional investment criteria. Consider the following:

Give up all hope of ever having a system which includes 100% of everyone's wish list items.

Embrace the idea that your people are the most important resource and build their personal development into the processes of change. (This does not mean getting them to use the system you like best)

Be wary of complex system specifications written by experts and based on the way you work today.

Limit your investment to what can be recovered through benefits in 12 months.

Plan your financing and expectations to cope with a major new system investment every 36 months.

This is a very tall order and needs a new level of pragmatic thought. Ironically the solution begins with your people because although the pace of change is largely technology-driven, your response to it will, of necessity be people-driven. Does this make sense so far?

Consider How People-Centric Learning Works

CRM Problem No. 1 My people cannot specify the system for our requirements because they have never had a system.

Find some IT literate volunteers in your team to be part of an important corporate system prototyping project. Buy them a system meeting a small number of their key verifiable requirements. Make it clear that failure is an acceptable option and that in that event another system will then be chosen as the basis for the learning project. Be clear with your financial sponsors that this is not a capital investment and should be entirely written off against on the job of learning. Use training and consultancy resources to establish a pace of learning and an agenda.

CRM Problem No.2 We want our people to have the best possible system for their needs.

If you are planning to have the best possible system you will need to look at big price tags and long delivery times, and your specification will be written by experts with all the aspects of CRM system theory at their fingertips. You will not be entirely in control of this process. When you spend big money in a high profile systems investment your staff and shareholders will expect a system which is 100% right, and so they should. They will also expect large pay-backs to be achieved by the users of the system. They will become disillusioned if their expectations are not met. They will be particularly unhappy if the system is obsolete before it is paid off. For this reason, the 'big bang' approach is financially and politically risky.

By contrast, system prototyping and evolutionary change is more stable, but often does not produce a 100% pleasing system from the point of view of CRM theorists. The solution may be to take a more pragmatic approach and make it clear that you are targeting serious performance improvements and the system which does that quickly will probably not be everyone's ideal. It will however be the most seriously commercial way forward. Involving your people in seeking that objective will produce a good result quickly. The bad news is that you may not be entirely in control of that process either. When you develop your people in this way you need also to devolve some of your authority to them. Don't become alarmed if words like 'empowerment' and 'ownership' enter the vocabulary. If you hear phrases like 'learning organisation' you're winning.

CRM Problem No. 3 We do not understand how using a PC database/pipeline will change the way we work. We don't want to miss opportunities by being inflexible.

You've understood the issues about prototyping and your team are building a base of knowledge on what works and what doesn't. They have some good ideas about where the high pay-back areas are. The problem is that they are only studying the features of the prototype system and the tasks which were part of the old manual ways of selling. They are not able to focus on things that have never been done before but are now possible with current technology. Perhaps you need to add some management consultancy resource to extend the learning into areas of new types of customer-facing activities. This should be in the nature of workshoping and facilitation, not preparing expert reports for your bookshelf! This sort of consultancy is also useful in devising objective measures of benefits and pay-backs. (Very useful when you come to make the full system investment proposal) With a participative style of consultancy it will become clear that the system specification is evolving from the learning processes of your staff. The consultant is catalyst, coach, and assessor, not a player, not a decision maker and not a purchasing agent. You will also need to bring your IT resources to bear. You may be able to decide what the system should do. Your IT people will need to carry out tests to see if various systems actually work. Be advised; some don't.

CRM Problem No. 4 We can't afford our ideal system if we have to recover its cost in the form of benefits over 24 months.

No-one likes to think he is not worth the investment the company should be making to acquire the ideal system for his needs. Financial and pay-back constraints seem artificial and unfair. So your people will not be happy working with anything less than the best system money can buy unless.....?

Imagine what happens when your sales people tell you that they do not feel comfortable committing to achieving large performance improvements even if they are kitted out with the best that money can buy.

Instead, imagine what happens if you place your investments in your staff and build their awareness of technological change as it impacts on their jobs. With this perspective very few employees will push their companies to make ill-advised investments. Building this awareness and perspective can be enhanced through workshops and consulting. The best way to build their practical awareness of the potential of systems is to let them experience what a contact management system can do to help them. Buy some kit and do it for real on a small scale. We have worked with thousands of companies over the last 15 years moving through this process.

When your people see that the performance improvements and effectiveness benefits really do happen they will be more ready to underwrite the system pay-backs with their own efforts in a way that never happens when systems arrive 'from above'.

CRM problem No 5 We can't get the finance because we can't prove the pay-back areas

When you invest in your people their performance improves with even the most modest investments. You begin getting the pay-back even before you buy your first PC. With a key features only approach and an off the shelf software package you will be able to 'cherry pick' the prime pay-back areas. Go for the easy money today and build the financial credibility you need. Our Enterprise software is designed to fit the step-by-step implementation strategy.

Use proper before and after measures done by staff (and possibly with the support of management consultants skilled in these matters) You will also find that pay-backs improve with better reporting on the basis that what gets measured gets done. When the benefits are flowing and the new benefit sources become evident you will be able to find the money to buy any system you and your staff can believe in.

Conclusion

By taking the people-centric solution route your organisation will bring benefits in earlier and avoid expensive embarrassments later. Your people will focus on their prime customer-facing roles and demand only that systems support them in those roles. Systems after all are only tools to help you build better customer relationships and thereby sell more. Remember, the company with the most successful sales team wins, and it may just turn out that they were not the organisation with the biggest IT budget!

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