Editorial

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It is terribly tempting — we have some papers in this issue on the vexed issues of data security — to mount my tried and trusted hobby horse and tilt once more at the iniquities of enterprise that does not appear to care or take proper precautions over the data entrusted to it. Tempting, but perhaps enough has been said on that issue for a while.

Besides, we have another issue, we have another paper co-authored by Merlin Stone that highlights another pressing issue when it comes to the implementation of client relation management (CRM) projects — and that is the buy-in of key members of staff. His paper looks specifically at what happens when B2B companies invest in CRM integrated with salesforce automation.

One fairly obvious conclusion is that customers need to get something back from the system. The other, all too often overlooked, is the need for those who will be working with the system and operating it to buy-in to the benefits it will provide to them.

Over the years, I have seen both these factors at work — or perhaps, not working would be more accurate — and I have documented in detail the sorry consequences of ignoring them. For now, let us pass over the issue of customer benefits, with a brief acknowledgment that there is, indeed, an issue to be addressed.

A great many CRM developments are put in place on the basis of top-down assertions of how these will benefit customers: how customers will respond positively; and how, therefore, the long-term result for the organisation will be positive. In previous issues, I have looked at just how

customer reaction is measured, and discovered that across far too many businesses it is not measured at all.

Or where it is measured, it is measured in terms set by the organisation. Thus, a new CRM project is launched. Those managing it decide in advance how it is likely to benefit customers: greater speed of response; more effective investigations; streamlined service, etc. They implement the system, measure how far it has achieved its original objectives, and declare themselves duly satisfied.

Surprise all round, then, when just as often, customers turn round and declare themselves not satisfied. The problem is located in two places. First, when the project is initially specified, its managers all too often fall into the trap of drawing up a massive list of benefits for those who must sign it off. Those benefits range from the simple and obvious to the increasingly ridiculous. Somewhere along the way, without doing more than the most basic of research, they decide they know what benefits a customer would want, because, after all, managers are customers too, and their insights must count for something.

Then, when the project has been implemented, the same sort of process is repeated, only this time there is an even more pressing need to show how satisfied the customers are. After all, the organisation has just spent many hundreds of thousands — millions even — and the last thing the Board wish to hear is how little difference it has made to the company's image.

So the same benefits are trotted out again, measured and, when they are shown

to be positive, the project is pronounced a success. Oddly, better-constructed surveys will sometimes puncture this bubble of optimism with just one additional question: 'do you prefer the system now or as it was?' It is amazing how often customers will readily agree that the notional benefits have been delivered — but still own up to a preference — sometimes a strong preference — for how things were done previously.

A similar effect can often be seen when it comes to 'making life easier' for the workforce. Process automation — and especially salesforce automation — is about understanding the processes that individuals carry out each day, extracting the standard elements from them, and therefore allegedly improving efficiency and overall happiness by removing the drudge elements from the job.

A good example of this occurred many years back in a publisher's call centre. The women who staffed it used an elaborate and seriously inefficient card system. This was maintained by two clerks, and was accessible to the individual sales staff through the simple procedure of stepping across the room and diving into the filing cabinets.

This, however, was deemed ineffective. So a computerised system was installed, which fairly closely mimicked the functionality that had gone before. It now needed twice as many clerical staff to maintain it, since a great deal of information that had previously been entered by the call operators onto paper while they were on the phone had to be collated and batch-entered separately.

It also created a great deal of tension and hostility between the sales staff and marketing. Eventually, all but one of the original team left. It would be easy to dismiss this as simple Luddism: there was definitely an element of that. What was overlooked, however, was the fact that the way these staff worked included a great deal of unrecorded displacement activity.

With a card system, they doodled: they added comments in odd places; they

personalised their input to the nth degree. With the computer system, they were separated from their core resource — not just their knowledge, but their empathy with their prospect base — by harsh, unyielding computer protocols.

A commonplace of CRM reviews nowadays is to talk in glowing terms of an old-fashioned grocer's. We laud the way in which the proprietor of a corner shop knew his customer base intimately and would use that intimate knowledge on a daily and constant basis. It is Mrs Smith's birthday: Mrs Brown's husband is allergic to salmon; and so on.

Having written up such a scenario with the aid of the rosiest of rose-tinted spectacles, we then go on to bemoan how current CRM systems fail to live up to such values. Quite. That is the fundamental difference between a system and a human. Until such time as we manage to build machines that incorporate genuine AI, that will always be the difference.

It is not an argument against computerisation: it is a warning that we should be clear what it is we gain and what we lose. Because it is rare that a new system can be implemented without losing something.

Stone's paper goes on to look at other issues that are essential to the implementation of a successful salesforce management system, including proactive sales management, creating champions, consultation, training, incentives and culture change.

It is the latter that is so often overlooked. In another exercise, on a far grander scale, I was asked to look at the implementation of a pan-European sales database. Perhaps I should say the non-implementation of this system.

This was another centrally inspired project, justified in terms of the benefits that would accrue to sales staff and, once it was up and running, the incremental benefits that would be gained across the

organisation by the vast amount of knowledge that it would unleash.

Initially, the database was designed and intended to be used in almost every country in Europe. France, as so often is the case, had opted out, as had one or two of the smaller business centres. On day one, however, the database pulled together massive amounts of data from every country in Europe and opened its doors for the different salesforces to get involved.

It was downhill all the way from then on. By the time I was invited to examine what had gone wrong, about half the original user base had opted out, preferring to create their own localised solutions. Other opt-outs were in the pipeline, which meant that database use was soon going to be reduced to a rump of about half a dozen countries across Europe.

Meanwhile, the benefits forecast had not materialised, as it was realised that the data input to each national system was unique to that country. Different salesforces had a wide degree of autonomy, and they were therefore using the system in widely varying ways. In order to generate a simple report on sales trends for a single product across Europe, the IT bureau had first on each and every occasion to carry out days of preparation, including a high degree of manual work, in order to standardise the encoding of data.

Nor could the work be carried forward from month to month, as that would have made the system unusable to individual salesforces.

It was a multimillion pound investment that had achieved little, created additional costs, and alienated the salesforce. Among the factors that could be identified were some that were enterprise-wide: for one, the differences in business model between countries had not been adequately recognised. So no one had anticipated how a process that worked in, say, the United Kingdom, would be wholly irrelevant to Germany.

The deeper issue, however, lay in treating the salesforce as mere automata whose job was to feed some impersonal machine with data. That was not the job they had signed up for. The nature of many of the sales staff was both innovative and individual. They were people for whom person-to-person interaction counted greatly and who easily responded to changing situations by improvising.

Is this the profile of an individual to whom one entrusts the capture of data in a rigid and standardised way? Absolutely not.

Worse, the company, by instituting the database, was very clearly stating that data belonged not to the individual salesperson, but to the company. That may well have been true: fair, even. But that also overturned the entire basis of a system under which sales staff were rewarded for their own initiative. If they had to hand their best prospects over to some anonymous central system and watch those prospects possibly being poached by rival sales staff, it is fairly clear — in hindsight — what would happen.

Sales staff input the minimum of data into the system. Where they could, they developed their own personal systems, resulting in a plethora of small Excel and Access databases beyond the control of the organisation. Backlogs for data input quickly grew up, and once a lengthy backlog existed, that became yet another reason for sales staff not to use the central system: the task was just too big.

In the end, an initiative designed to streamline sales activity and release information into the rest of the company became a total — and expensive — white elephant. Along the way, it alienated individual members of the salesforce and also fostered a climate of suspicion between individual country managers and Head Office. A disaster all round.

The roots of that disaster lay in failing to look beyond the process aspects of what

they were trying to achieve. A failure, ultimately, to consider the people aspect of automation. Yet time and time again, research throws up the finding that CRM success depends far more on the people called upon to implement it than the systems and processes underpinning it.

A salutary lesson — and one treated in greater depth and with more formality by Stone *et al.*

For the rest, this issue contains an important overview of data security issues from Gregory — and an additional legal piece that looks at the development of data rights by Castro-Edwards. Valos looks at the issues underpinning multi-channel marketing performance measurement,

while Rajagopal looks at point of sales promotions in the retail arena.

Last but by no means least is a longer and slightly more technical paper by Hattum, looking at data fusion. Although this does cover some more statistical aspects of the subject, it is not overwhelmingly mathematical and outlines a number of issues that should be of interest to managers charged with extracting additional value from their data.

In the next volume we are likely to be focussing more closely on some of the issues raised above — particularly issues around customer experience.

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