

Customize, Don't Dehumanize

Tech tools bolster human touch to build strong bonds with members.

By Carole Schweitzer

ne-to-one marketing, member or customer relationship management (CRM), business intelligence—whatever the nomenclature, associations are gathering and managing information in ways that allow them to personalize the member experience. In his article “Making Associations Personal” (in the November 2002 issue of ASSOCIATION MANAGEMENT), Bruce Kasanoff refers to this concept as personalization, or “when organizations use technology to treat individuals like, well, individuals.” He goes on to caution that associations are at a huge competitive disadvantage “unless [they] already know—and serve—the needs, habits, and priorities of the people most vital to [their] success.”

“Customer relationship management is about interactions: phone conversations, e-commerce transactions, logins on a Web site, donations, dues payments—all the things that you might expect to go on in an association,” explains Michael Steadman, director of solutions, Susquehanna Technologies, Winchester, Virginia. “Let’s say that an association has a call center, an online renewal function, and an outsourced fulfillment house that handles incoming postal mail. You’ve got three different technical solutions and systems, but none of them talk to one another. Say that a member calls and says, ‘I’m calling you today about the e-mail that I sent you last week about your lack of response when I mailed my renewal card.’ That call stumps the person in your call center because he or she can’t connect these three systems to determine the status of the member’s renewal. That’s why organizations are looking for CRM tools.”

Integration imperative

Vinay Bhagat, founder and CEO, Convio, Austin, Texas, defines the essence of CRM as “creating and communicating a single version of the truth through the various channels—membership, marketing, advocacy—used to communicate with members. The other core aspect of CRM is housing of knowledge, data, and information about an association’s members—their interests, preferences, and history—in one central place.” What Bhagat sees in the association marketplace is organizations using the Internet to interact cost-effectively with constituents and being able to collect data that “historically either hasn’t been tracked well or has been tracked but has not been centralized.” At the same time, it’s true that many associations have 10 different Web-based tools—one for fundraising, another for event registration, another for e-commerce transactions—all collecting data, but none being able to bring that back to the association management system (AMS) to build a complete profile of individual members. “Nirvana is having one system that integrates everything,” says Bhagat, “and while the strategy groups are focused on creating a single platform that aggregates information, that’s not yet a reality.”

Rick Johnston, CAE, national vice president, constituent relations, American Diabetes Association (ADA), Alexandria, Virginia, seconds that notion. “We recognize,” says Johnston, “that we won’t have one comprehensive application that can do everything, but we’ve looked at several products that will help us with online components.” ADA has recently pilot tested a couple of systems and selected Convio to do online events fundraising as well as more in-depth advocacy for ADA’s advocates program. Says Johnston, “The Convio functions integrate well with Team Approach [by Target Software, Inc., Cambridge, Massachusetts], which we use for our direct response marketing and for major gifts. The two together will be the catalyst for where we go with our overall CRM approach.”

Steadman and Bhagat agree that the prevailing trend among associations is that of consolidating data with whatever

technology tools are compatible with their existing AMS and other—often à la carte—Web-based systems. By using applications that can collect, and then slice and dice member information, they are streamlining processes, customizing marketing and communication messages, realizing new revenue sources, and enhancing their traditional customer service activities.

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Culture club

“Customer relationship management is not about software; it’s an attitude,” says Robert Alves, chief executive officer, Advanced Solutions International, Inc., Alexandria, Virginia. “It requires a deliberate approach in creating a culture and philosophy fostered by staff training programs that support them.” Bhagat agrees: “The Internet has created an opportunity for the more savvy organizations to offer customer service 24/7 and obviously a lot more content and automated services on the Web. What that requires [to be effective], however, is a focus from the top down to say that customer service is a priority, that creating value for members is important, and that we are not going to rest on our laurels when it comes to creating value.”

This customer service can-do attitude was the driving force behind a several-stage transition at Military Officers Association of America, Alexandria, Virginia, that has resulted in a beefed up member service center and a new AMS so rich in capabilities for supporting CRM that the organization has only begun to tap its potential. “About four years ago,” says Nan O’Leary, director of MOAA’s member service center, “our president and board of directors made a decision to create a member service center to provide

members with what they called ‘hassle-free entry and swift access to a well-informed human being.’ So what we really are is a knowledge center.” Representing 386,000 members of the seven uniformed services of the United States, the thrust of MOAA’s work is to lobby on the Hill for or against legislation that might affect members’ military benefits. “We handle questions about the latest

bills, when they were signed, what implications they may have for our members, and when they will be implemented,” says O’Leary. “At the same time, we have a new association management system [implemented in June 2001] that allows us to record callers in the ‘contacts’ section of the database, identifying them as *activists*.” The organization can then target mailings that urge them to contact their congressmen to weigh in on a particular pending bill.

Customizing interactions with the larger membership is a challenge, explains Warren Lacy, MOAA’s director of publications, “since our members range from age 25 to 105. That includes people in active duty, those who are retired and have embarked on second careers, and those who have retired to the golf course. That’s a lot of different audiences to talk to.” To talk government-relations-speak to them, Lacy finds MOAA’s monthly magazine *Military Officer* nearly as powerful as the organization’s Web site. “We crank off 400,000 copies of the magazine every month,” says Lacy. “Each copy is unique in that our printer can inkjet the member’s name, rank, and any other specific message right onto the individual magazine.” Interfacing the MOAA database with a product for postal functions from Group 1 Software, Lanham,

More on Membership Management Matters

Developing a comprehensive strategy to customize your members' experiences with your association means doing some homework. To better understand the concepts, hardware, and software involved in setting up your association for success in customer relationship management (CRM), consult the following publications and sources.

PRINCIPLES IN PRINT

Here are several books and articles that provide good background in the basics of CRM.

- "The King of Customer" by Doug Bartholomew (*Industry Week*, February 2002) describes Tom Siebel's obsessions with customer service and technology that led to the founding of his successful company, Siebel Systems, Inc., and the burgeoning industry of CRM. (Go to www.iwgc.com and click on "archives" for the full story.)
- "Avoid the Four Pitfalls of CRM," by Darrell K. Rigby, Frederick F. Reichheld, and Phil Scheffer, *Harvard Business Review*, February 2002.
- *CRM at the Speed of Light: Capturing and Keeping Customers in Internet Real Time*, by Paul Greenberg (2001, McGraw-Hill Osborne Media).
- *Making it Personal: How to Profit From Personalization Without Invading Privacy*, by Bruce Kasanoff (1991, Perseus Books).
- "An Executive's Guide to CRM: How to Evaluate CRM Alternatives by Functionality, Architecture, and Analytics," by Patricia Seybold, is an executive guide to help you sort out the dizzying array of CRM choices. Go to www.psgroup.com/vm/crm to download the report.

ONLINE OVERVIEWS

A search of the Internet will serve up more than you can handle on the subject of customer relationship management. Here are some highlights.

- Go to www.crmguru.com/gurus to connect with an array of consultants specializing in specific areas of CRM—from

making CRM technologies work to creating a customer-centric organization. If you are unable to find what you want elsewhere on the site, specific consultants are available to answer your questions online.

- See www.destinationsCRM.com for the latest in customer service technologies and CRM industry best practices.
- To incorporate the human touch in your CRM activities, go to www.loyaltyfactor.com for information on the kind of staff training that will enhance employee, customer, and brand loyalty.
- Check out www.1to1.com for books, white papers, and articles by Peppers and Rogers Group Consulting. Founders Don Peppers and Martha Rogers were among the first to develop a one-to-one methodology for customer service.

VENDOR PERSPECTIVES

The technology company representatives interviewed for this article are from a cross-section of companies working with associations to plan and implement customer relationship management solutions. See their Web sites—and several others listed here—for further information.

- Go to Susquehanna Technologies' Web site at www.susqtech.com and find out more about its work in customer relationship management and other technology applications and solutions.
- Advanced Solutions International, Inc., at www.advsol.com, provides software solutions for not-for-profit organizations. IMIS, the company's flagship software, supports several critical business areas, including CRM and business intelligence.
- Convio provides integrated software that enables nonprofit organizations to use the Internet for building strong constituent relationships. For more information, go to www.convio.com.
- TMA Resources, Inc., at www.tmaresources.com, develops advanced software for the management of member-centric organizations.
- Go to www.targetsite.com to find out more about Target Software, Inc., a provider of fundraising and marketing systems for national nonprofit organizations.
- At www.technology-dynamics.com, you'll find out more about Technology Dynamics, a consulting group specializing in data warehousing, electronic data interchange, systems architecture, and more.

Maryland, for example, results in the member's ZIP code driving a message that includes details about the voting record of the member's legislators. "We generate postcards with information about the bill and include them in the magazine cover-wrap so that they can't be missed," says Lacy. "They are pre-addressed to the member's specific legislators, include the member's return address, and are perforated so that members can easily remove, sign, and mail them. By interfacing our technology with our printing company's sophisticated online inkjet system, we've been able to accomplish this kind of personalization."

Lacy explains that MOAA has solved much of the technology integration challenge by making the investment in a new AMS and being clear from the outset that the AMS had to interface with MOAA's Web site. Working with TMA Resources, McLean, Virginia, MOAA replaced its legacy system, taking care to choose a new system that was fairly standard (it runs on the latest version of Oracle) and that MOAA's Web programmers could interface with. Susquehanna Technologies

provides the higher level programming as well as Web hosting, and, says Lacy, "the AMS and the Web site engine are completely integrated so that when someone logs in with a member number, the Web site has all the information that we want it to have about that member." The AMS has great flexibility and, for example, drives MOAA's fulfillment house. Members can order a publication through the Web and the order goes directly to fulfillment. Any billing is done automatically through an e-commerce module.

Automation liberation

Reducing administrative work is becoming a hallmark of automated systems that support customer relationship management. "The question association leaders should be asking themselves," says Bhagat, "is 'What processes can we automate that normally have taken staff to do?' Once that is accomplished, they can reallocate people to do things that have more value than stuffing envelopes or processing checks." Case in point: The Texas Dental Association, Austin, a relatively small regional group, is putting its

membership renewal process online, reducing or nearly eliminating the need for staff to collect and process data. "The whole trend," says Bhagat, "is to put more of the onus on the customer, just as the ATM in the banking system reduced the need for customer interface for basic transactions."

At MOAA, a cross-functional team was tasked with analyzing various association management software systems with built-in CRM capabilities. "We wanted to bring efficiencies to processes that were heavily manual," says O'Leary, "and to be able to provide faster service." Now that the AMS is in place and staff is steadily learning all the things that it can provide, "we really have alleviated some of the previous workload—for our own department and for others as well," says O'Leary. "Since we've automated membership processing, for example, we have more time to make personal contact, to develop strategies for getting legislation through, or to write for the publications that MOAA provides to its member. It's a huge bonus for us."

Customization that pays

For the Credit Union Executives Society, Madison, Wisconsin, customer relationship management first took the form of identifying the organization's big spenders and supporters—both its individual members and the credit unions they lead. "There was government source data available that identified credit union budgets, and our database allowed us to identify how much of each credit union's budget was spent on CUES products and services," explains Barbara Kachelski, CAE, senior vice president of membership and CIO. "However, while CUES traditional software allowed us to look at member and customer use of our services, data was sliced into different categories with no ability to show a total picture for individuals or credit unions." To complicate matters, some credit unions have several individuals who are members of CUES, and again, their purchase activity could not be summarized. "We wanted to understand those purchase trends," says Kachelski, "taking snap shots of how much people were spending—and by analyzing those trends, we could move

Small Staff, Super Service

Can small-staff associations offer customized member service? You bet, says Robert Alves, CEO, Advanced Solutions International, Inc. (ASI), Alexandria, Virginia. "The differentiator in a small group," says Alves, "is the talent of the people. We work with associations with eight or nine staff people, and they often do more for their members than the staff of 108 or 109." As Alves has seen, it often comes down to the persuasiveness of the information technology manager or the CEO in getting the board to approve the investment in technology.

In addition, says Alves, "In a large office, it's more difficult to view the back office functions and the Web as integrated processes. In the small group, the person sees right away the advantage of integrating the two, the kind of customization that is possible in terms of member experience—and off they go trying to get support to do it."

One of ASI's authorized iMIS resellers, ISG Solutions, Rockville, Maryland, has been working with the American Society for Photogrammetry and Remote Sensing, Bethesda, Maryland, to create a strong back-office database that integrates seamlessly with its existing Web site. ASPRS's full-time staff of only nine people "are doing some amazing things," says Alves. Go to www.advsol.com/Public/Stories/ASPRS.htm to learn more about how this small-staff association is using CRM tools to improve delivery of its peer-reviewed journal, provide accurate and timely membership data, and replace its printed directory with an online member search capability.

"It's clear that for effective customer relationship management," says Alves, "you need not only access to data, but you need the philosophy and processes in place to make that happen. There's no doubt that lots of small associations are doing more with CRM and integrated Web sites than larger groups."

them up the spending scale. We found, for example, that conference attendees are more likely to purchase a product than product purchasers are to attend a conference.”

Working with Technology Dynamics, Englewood, Colorado, CUES created a data warehouse whereby they were able to pull information from various databases, centrally store it, and use software products to extract data based on certain criteria. According to Jim Miller, Technology Dynamics’ president, “CUES was able to create its data warehouse relatively inexpensively since it not only had a small number of systems from which it was drawing data, but staff had spent a lot of time and effort standardizing the data.” Miller estimates that the cost for setting up such data warehouses—depending on association size, existing database systems, data integrity, and other factors—can range from \$50,000 to \$200,000.

Now that the warehouse is operational, Kachelski says, “We can pull information for our people who travel, for example, and provide them with lists of credit unions that are our best supporters in the vicinity that they are traveling to. That staff person can then make a courtesy call to let credit union leadership know how much we appreciate their business and membership.” CUES can now also create a list of organizations that have the *potential* to be good customers, and its people can call on them as well.

Needs-driven products. On a more directly lucrative front, CUES management can now identify trends that allow them to develop new products. “The School of Sales and Service Culture,” explains Kachelski, “evolved as we identified a demand among our credit union members for raising the bar in service through more intense and high-level educational programming.” This year the schools are budgeted to bring in \$50,600 in revenue, while a related consulting service is budgeted for another \$120,000. “Current statistics,” says Kachelski, “are exceeding both these revenue targets.” Listening to members’ needs and their suggestions for meeting those needs has also resulted in successful products such as CUES Online University and a related program, which

are slated to bring in \$768,747 in revenue.

Another new release is CUES Director Education Center, budgeted to reach \$97,000 in revenue its first year. “The Director Toolkit,” reports Kachelski, “is budgeted to bring in revenue of \$42,000.”

At this point, Kachelski credits CRM-enabled new products and white-glove member service with CUES recently budgeted increase from \$8 million in 2002 to \$10 million in 2003. “This is a testimony,” she says, “to our ability to add value to our members’ experience.”

MOAA’s integrated Web site and AMS have allowed the organization to pull data supporting the idea that a new publication was in order. February marked the launch of the first issue of *Today’s Officer*, which goes to MOAA’s approximately 100,000 members who are less than 60 years of age. Lacy plans to measure reader satisfaction via a series of surveys conducted two weeks after each issue. “We’ll then tweak subsequent editions of the magazine based on what we find out,” he says.

Rich mailing lists. Another potentially significant cost-saving and revenue-generating aspect, says Susquehanna’s Steadman, is the ability via CRM tools to develop qualified marketing lists rather than buying unqualified lists. “Purchased lists,” says Steadman, “are only partially qualified in that individuals’ attributes generally include age, gender, and job title rather than any indication that they are actively interested in your organization or industry. When someone visits your Web site, however, and takes the time to provide contact information as a trade-off for receiving information from the association, that person is a fully qualified prospect and much more likely to respond positively to subsequent solicitations.” Steadman, therefore, recommends providing incentives for anonymous visitors to register on your site. “Instead of spending thousands of dollars on a list from which you might get a 2 percent conversion rate,” he says, “you can create your own gold-plated list from which you are more likely to get a 20 percent conversion rate.”

MOAA’s experience supports Steadman’s contention. Says Lacy, “When a

guest comes to our site, it’s usually because he or she wants to find information about the veteran’s administration programs.” The organization provides much of this at no charge, but if someone wants to download one of the booklets in PDF, he must provide a certain amount of information—including whether or not he is an officer, which is a qualifier for joining MOAA. “If they are not,” says Lacy, “we still give them the document. But if they *are*, we immediately go after them and tell them that they are eligible to join MOAA.” MOAA is finding that 20 percent of the solicited site visitors subsequently join the organization.

Traditional touches

In many cases it’s automated CRM activities that allow organizations to make traditional customer service activities more effective. Take member recognition, for example. CUES’ datamart can identify the credit unions that have been CUES’ biggest supporters in a given year so that staffers can send them handwritten notes of thanks along with a gift, featuring the CUES logo, such as a pen and pencil set or a leather portfolio. “The first year that we did this,” says Kachelski, “members expressed so much appreciation not only for the notes and gifts, but for the work we do all year for them. They were really impressed to receive something from us.” Kachelski adds, “A lot of what customer relationship management is about is knowing who your outstanding supporters are. We all know the 80–20 rule by which 20 percent of your members provide 80 percent of your support. It’s finding that 20 percent and really building strong relationships with them. Airlines with their frequent flyer programs—and other companies with similar recognition programs—have been doing this for years.” Similarly, CUES is now able to identify its top individuals and companies and give them some “tender loving care.” Another recognition it provides: invitations to the chairman’s reception, with an opportunity to meet with board members and other strong supporters, and special amenities in members’ hotel rooms during meetings.

At MOAA, targeted TLC is also beginning to blossom. O’Leary reports

that the organization's scholarship fund, which provides no-interest loans to students, has been an appealing program to members who see their donations to the fund as a way of teaching young people financial responsibility. Since the rollout of its new member management system, the woman who manages the donor part of the program has been able to track people who have expressed interest in the program. "She does targeted activities," says O'Leary, "just to make them think about us. Sending them notes for their birthday or holiday cards are just a couple of ways that we maintain their interest."

ADA's Johnston agrees that "customer service is going to remain very important across all points of contact." Some of it can be automated in that people can get direct access to things. You can order a book from ADA, for example—once they're finished upgrading their current online bookstore—and you'll be able to track if it's in stock, whether it's been shipped, and so on. Johnston says, "But when we provide that kind of automated support, it will allow us to do a lot more through phone contact and other methods of communication. If someone calls to ask a membership question, we may be able to quickly renew their membership while

they are on the line with us or review other products or services that we know, because of the profile we've built about them, they are interested in." Johnston anticipates the ability to do a lot more cross-marketing this way.

Visible value

At ADA, CRM tools are changing the model for donor involvement. Currently promoting its Tour de Cure cycling events that raise more than \$7.5 million, ADA is deploying Convio's TeamRaiser donor management tool to set up an online presence for the event and handle registrations. While that alone may not be so cutting-edge, other capabilities promise to engage participants at a whole new level. "Registrants can create their own Web site [go to www.diabetes.org/tour to see how it works] where they can tell their stories of why they are involved in the cycling event, set a goal for and accept pledges, send out e-mails to recruit other team members, and ask for support via online credit card donations," says Johnston. The sites also contain a graphic of a thermometer for participants to gauge the total amount of donations received in relation to their goals. "It's getting people more enthused about ADA and feeling that

they are part of an overall organization," says Johnston.

As associations move toward integrating their various technology solutions to achieve more personalized service, Susquehanna's Steadman notes that "the holy grail for technology systems is that all systems be connected in real time. Then you have true business intelligence: real-time access to all data through one system retrievable from anywhere." Clearly, for most organizations that goal requires a step-by-step process. "Incrementalism is fine," says Bhagat, "but steps must be taken in the context of a long-range plan. Otherwise, all you do is create more silos. To achieve truly effective customer relationship management systems, association leaders must adopt a holistic way of thinking through what they want to accomplish, defining their business goals—including the establishment of a customer-centric organization—and, as a result, determining what their technology needs are." 

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