The Rules of Change Management

Doug Barker  
Principal  
Barker & Scott Consulting

Banafsheh Ghassemi  
VP, Marketing – ECRM & Customer Experience  
American Red Cross

Vinay Bhagat  
Founder & Chief Strategy Officer  
Convio
The What and Why of CRM

• Why CRM
Rich constituent relationships that generate lasting bonds are increasingly critical to organizational survival and success. Undeniably, it is a constituent-driven marketplace. And now more than ever, organizations must be able to flexibly adapt to the unique needs of the individuals they serve in order to sustain healthy growth.

• What CRM Is
CRM is a strategy used to: 1) learn more about constituent’s needs and behaviours in order to develop stronger relationships with them and 2) maximize the value of those constituent relationships through the intelligent and responsible use of relevant data. If done right, organizations should be able to: provide better constituent service, make service delivery more efficient, support multi-channel outreach and marketing, increase revenue, and generate trust and loyalty.
What is CRM?  

“It’s a mindset, not a thing.”

CRM is more than just…

• A database
• Personalized email
• Sophisticated “segmentation”
• Good service
• Contact management
• A large expense

• It is a holistic approach that takes into account people, process, and technology
• It is recognizing a constituent as that unique constituent through *any* medium, at *any* time
• It is treating different constituents differently
• It is “remembering” things for and about constituents
• It is using information about each constituent to make each constituent more valuable to the Movement and the Movement more valuable to each constituent
• It is leveraging information about each constituent to decrease the cost of service *AND* increase the lifetime value of each constituent
What is Change Management?

Change = Stress = Resistance

“Change management is a structured approach to shifting/transitioning individuals, teams, and organizations from a current state to a desired future state. It is an organizational process aimed at empowering employees to accept and embrace changes in their current business environment.”

– Jeff Hiatt, author of The Employee's Survival Guide to Change
Components of a CRM Project

Business Strategy

People

Technology

Process

Data
Strategy

“It’s not about your organization.”

• Constituent-centric transformation
• Collaborative fundraising / integrated marketing
People

Lack of Information = Anger + Fear = Resistance

- Perceived need for change
- Leadership commitment
- Organizational structure
- Performance metrics
- Communication effectiveness
Process

New Systems + Old Processes = Sore Feet (aka bad fit) = Pain/Discomfort

- Organization-wide business rules
- Cross-functional design
- Workflow management
- Ongoing process ownership
Technology

“How IT-smart is your organization?”

- Enterprise solutions
- “Open” architecture
- Cloud computing
- Mobile technologies
Data

“I’m all for CRM, as long as no one else can see my donors.”

- 360º view
- Approach to “data” sharing
- Common data definitions
- Business intelligence / actionable insight
Some CRM Change Management Maxims And How To Face Them!
Maxim: CRM Initiatives Have An Abysmal Track Record, But You Don’t Have To Be A Part Of That Trend

70% Of CRM Initiatives Fail
- Cap Gemini

75% Fail To Impact The Customer Experience
- Gartner
**Expand Your CRM Mindset To A Customer Experience Management (CEM) Strategy Mindset: #1 Driver Of Success In CRM Deployments**

<table>
<thead>
<tr>
<th></th>
<th>Customer Relationship Management Strategy</th>
<th>Customer Experience Management Strategy</th>
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<tbody>
<tr>
<td><strong>Why</strong></td>
<td>Very tactical. Get the house in order operationally. Scripts day-to-day interactions with the donor.</td>
<td>More comprehensive strategic planning to ensure results &amp; ROI. Glues together fragmented view of customers to develop and sustain the long term relationship.</td>
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<td><strong>View</strong></td>
<td>Focuses on internal objectives (in-side out) with an eye on operational efficiencies and priorities</td>
<td>Focuses on delivering according to donors expectations (outside-in) with an eye on customer life-time value and long-term relationship</td>
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<td><strong>What</strong></td>
<td>Captures and distributes what you know about a customer with an interest on the value of the donor to the enterprise</td>
<td>Captures and distributes what a customer thinks about you and the value you bring to she, he or it.</td>
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<tr>
<td><strong>When</strong></td>
<td>Relationship refined after there is a record of a customer interaction</td>
<td>Relationship refined before or at points of customer interaction</td>
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Maxim: In The Absence Of A CEM Strategy, Even The Best CRM Technology Can Make Life More (Not Less) Difficult
CRM technology will facilitate a business strategy designed to learn about, select, optimize and manage the most valuable customer relationships.

The strategy has to be customer centric...

But our customers are not the same...

They all have expectations, needs & wants... they each have different life-time values.

Are their expectations aligned with their life-time value?

Whatever the needs, they need them to be met consistently across the touchpoints.

Do our data, internal processes, orgs, policies, rules of engagement support the consistency expectations?

...and it's one of many

It facilitates a strategy...

...so there needs to be a strategy for it to facilitate

The selected tech is only a tool...
Developing Strategy: An Approach

**Voice of the Customer**

- **Business Strategy**
- **Voice of the Customer**
- **People, Process, Policy & System**

**CEM Vision**

- **Wants, Needs, and Expectations**
- **Capabilities**
- **Enablers**
- **Initiatives**

- Stakeholder Interviews
- Inside-Out Workshops
- Donor Focus Groups
- Primary Research
- Best Practices

**Initiatives**

- **CRM**
  - Business Requirements for CRM Platform
- **Moves Management**
  - Moves Management Framework
- **Other Initiatives**
  - Donor Communications
  - Cross / Up-sell

**CRM/CEM Strategy & Roadmap**

- Define CE Vision and Strategy Statement
- Prioritize Top Donor Wants / Needs
- Align with Enterprise and Brand Strategies

- Develop guidelines for operational direction
- Show prioritized list of initiatives against goals
- Determine key loyalty and touch-point metrics
Maxim: This Is Not About You, The Management Team, And Your Insatiable Appetite For “Their” Data!
Make It Clear From The Onset Why You Are Doing This…

• More Successful Fundraisers & Front-Line Customer-Facing Personnel
  – Train Better Customer Engagement Not How To Use The System
    • Communicating Effectively
    • Identifying Opportunities
    • Building Relationships

• More Engaged & Loyal Constituents Who Will Also Be Your Advocates
...And Mean It!

- Make Customer-Centricity Central To How You Operate, In Every Function
- Be 100% Present & Engaged
- Lead By Example
- Engage The End-Users From The Beginning
  - Pilot, Examine, Refine, Launch
  - Steering Committee, To Include
  - Trusted/Respected Decision Makers On Behalf Of The Whole Community
  - Both Trailblazers & Naysayers
Maxim: Your CEM Strategy Must Span The Entire Customer Lifecycle And High-Value Touchpoints To Be Effective

- Learning how donation was used (Stewardship)
- Ease of donation process (esp. @ time of disaster)
- Request information regarding specific issue
- Acknowledgement and appreciation of donation

Diagram:
- Aware/Learn
- Donate
- Renew
- Seek Help
- Confirm/Appreciate

Branding:
- American Red Cross
- Barker & Scott Consulting
- Convio
...And There Must Be Consensus

- Customer Life-Cycle Per Segment, If Appropriate
- Moments Of Truth To Focus On
- Key Interactions
Maxim: CRM Investments Are Not Cheap & Cutting Corners Can Lead To Costly Write-Offs…
Don’t Skimp on Necessary Steps

• **Voice Of The Customer**
  – Continuously Assess Customer Sentiment, Needs & Wants And Refine Organizational Capabilities And Enablers To Satisfy The Ever Changing Landscape
  – Requires Investment In Structures That Are Focused On VOC

• **Deployments Are High-Touch Endeavours**
  – Configuration/Testing
  – Training
  – Onsite Project Management
  – Communications

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<td><strong>Customer Feedback</strong></td>
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<td><em>Welcome Calls</em></td>
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<tr>
<td><em>Customer Panels</em></td>
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<td><em>Call/Inquiries Into Frontline Orgs</em></td>
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<td><strong>Employee Feedback</strong></td>
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Maxim: CRM Can’t Be Justified Through Conventional ROI Measures...But What You Can Measure Is More Meaningful

- Virtually Impossible To Prove That You Will Collect X Additional Dollars in Donations Or Sell Y Units of A Product If You Bought Technology X
- The ROI Is In Your New Way Of Doing Business (Customer Centric Initiatives) And Measured In
  - Customer Satisfaction
  - Customer Retention/Churn (Loyalty)
  - Net Promoter Score
- Tech Is Cost Of Doing Business
  - How Many Additional Dollars Do You Have To Have In Order to Pay For The Tech? Is It Achievable?
Open Discussion

“People underestimate their capacity for change. There is never a right time to do a difficult thing. A leader’s job is to help people have vision of their potential.”

– John Porter