

White paper

Integrated multi-channel strategy

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Introduction

As a client-centric distribution business, the twin challenges for us are delivering a better customer experience and providing a better return for our shareholders. I believe that if you approach CRM properly in a multi-channel context, it allows you to lower the cost of the business relationship and pass some of the savings to your clients as price benefits.

In today's ultra-competitive business environment, even the very best products and services won't enable you to sustain the competitive advantage for long. That's because someone else will soon come along with a similar offering and probably sell it cheaper.

If your differentiator can't be your products and services, there is only one thing left to be best at – the customer experience. Everyone knows what a good customer experience is. Finding one is the problem.

We're overjoyed on those rare occasions when we do experience the feelgood factor; so overjoyed that we tend to put even more of our business in that direction and tell our friends and business associates just how brilliant things were.

Internal metrics don't work

It's well nigh impossible to provide a great customer experience if you look at CRM from the inside out. Using internal metrics to drive the client experience rarely works, because everything you say and do in relation to the client is governed by hard issues. Their experience is being driven by existing systems and processes.

To make matters worse, there's usually far too little integration between these systems and processes, and sometimes none at all! New applications are bolted on as they become available, adding more complexity to an already complex picture.

There's nothing new in this scenario. It's how most businesses have grown up, with the result that the client becomes a cog in your wheel, instead of you becoming one in theirs.

No one has stopped to consider the client experience, because there is no clearly articulated experience for them to follow. This is why people within the business start placing their own interpretations on what they imagine the customer experience should be.

Even though they do this with the best of intentions, it only leads to more problems, because the business is not speaking with one voice. Over time, the inconsistencies become much worse. So that's the first challenge – getting the customer experience right.

Getting the economics right is also vital. The competitive environment, price erosion and pay inflation are all working against businesses these days. Cost bases are becoming unsustainable. If you don't have an effective CRM business strategy, there is only one way out of this situation. You have to make cuts that equate to a reduction in service.

Starting out

BT Major Business started out on the CRM journey by asking clients about their most important business issues. We categorised their feedback into four main areas – CRM, Supply Chain Management, Knowledge Management and Organisational Effectiveness.

We also asked our clients if they would like to interact with BT on any of these issues, how often, and in what way. They said that they would like to contact us in a variety of ways. And they wanted us to do the same when we made contact with them. Their responses made us to do two things:

- Segment our client base vertically and package our product offerings – including those elements provided by our partners – into value-adding, end-to-end solutions
- Drove us towards what we intuitively knew was the right approach – a multi-channel capability. The clear message was that they wanted more than the one-dimensional relationship they'd had with BT Major Business in the past, expressed through a dedicated account manager.

Next steps

The next thing we did was to engage selected clients in a pilot. This allowed us to define an effective operating model in a multi-channel environment. It told us what they liked and what they didn't like, as well as what was viable and what wasn't from the transaction economics perspective.

We were now at a point where we understood our client requirements in infinite detail, which meant we also knew how to formulate our channel mix in order to deliver a truly customer centric experience.

This didn't mean removing dedicated account management from the equation. Every client can have complex requirements that are best dealt with by an experienced face-to-face contact.

However, they're just as likely to have a lot of routine stuff going on at the same time. These interactions clearly don't demand such a high level of account management skill. That's the whole point of providing a multi-channel environment. The client gets what's right for them at any point in time, or in any situation.

For example, instead of ordering lines and chasing orders through their dedicated account manager, our clients now have the option of speaking to a desk based account manager. Or they may find it faster and easier to conduct their day-to-day business online. The choice is theirs.

We are not alone

All large businesses have the same basic customer relationship requirements. Their customers want to be kept informed about their products and services. They want to go on to buy the products and services that are of value to them. They want any after sales problems to be resolved quickly. And they absolutely don't want to be passed from pillar to post!

When you meet client wishes in a variety of un-coordinated ways, no one really knows who has spoken to whom and about what. Apart from confusing your own people, this lack of integration can lead to serious client dissatisfaction.

By focusing firmly on what the client wants and channelling their requests through in a multi-channel context, the picture becomes crystal clear.

The client gets the right information, at the right time, from the right people or source. And your own people spend the right amount of time doing the jobs they're employed to do, instead of having to deal with issues that aren't really their responsibility.

Vision and partnership

Achieving real customer satisfaction and real returns from your CRM investments is about more than the deployment of technology, however good. You must also have a vision for your business going forward.

Our vision is to provide a client centric experience in a multi-channel world. That's what's driving our own Siebel deployment. Siebel software allows us to present the same version of information to all our people; to our dedicated account managers, our desk based account managers, marketing, billing, etc.

Thanks to Siebel, we can also connect seamlessly with our partners and potentially provide our clients with access to those partners too. In short, we are beginning to see the client and partner relationship in the round for the very first time.

While Siebel software is the core enabler of BT's multi-channel CRM platform, any implementation as large and as complex as ours requires a raft of best-of-breed partners.

In our case, they include BroadVision (personalised website content management), Avaya (integrated, modular technology embracing call centres, eBusiness, switching and messaging), Nortel (call centres), Genesys (link call centres and web channels) and Cisco (link computer networks to the internet).

Other key players for us were MarketBridge, who helped to develop our strategy in the first place; Mars & Co, who enabled us to get to grips with the detail of our transaction economics; and Accenture, who are assisting with the Siebel implementation

Thanks to these partnerships, we are now in a position to start delivering world class client relationships at the lowest possible cost.

Lessons learned

With low to zero inflation, you can't put up prices to cover inefficiency. The imperative is to increase efficiency, but not at the expense of removing your ability to deliver high levels of customer satisfaction or to grow.

The only way to develop sustainable competitive advantage is to put the client at the very centre of your organisation and keep them there. You must also implement your base CRM applications across the board at the same time.

If you do it piecemeal, you're still looking at information anarchy and client dissatisfaction. You can raise the game later on, adding specialist applications as required. The main thing is for everyone within your organisation to start seeing the same screen when you go live.

CRM is not an easy journey. Tough decisions have to be made. Sizeable numbers of people will be displaced, some of whom can be refocused. We are resolving these issues within the context of being a non compulsory redundancy company.

One thing's certain, if you cannot implement a viable multi-channel CRM strategy when the going gets tough, you have to make cuts in panic mode. That's because you get to a point where the economics of your business are falling over.

Random violence of this nature spills over into the customer experience. Their reaction to cuts is that you don't value the relationship, which leads to the nightmare scenario of your clients starting to desert you. So you have to make more cuts. And so it goes on.

The right model

With the right CRM model to work with, you can tailor your economics to the business in the market, still deliver high levels of customer experience and still make money for your shareholders. This doesn't mean that you won't need to make cuts. Everyone has a cost reduction imperative these days.

The right multi-channel model tells you where to cut and allows you to predict with reasonable certainty what effect those cuts will have. This allows you to make a more balanced decision about how you invest in the business going forward.

Our multi-channel CRM platform is already forging better customer relationships for BT Major Business. Furthermore, having been through the CRM learning curve ourselves, we're in a unique position to help our clients transform the way they do business with their customers.

With the support of our partners, we can create and implement effective multi-channel CRM solutions across a wide range of platforms and infrastructures, with the added bonus that our clients only need have a single point of contact – BT Major Business.