Executive summary
Customer Relationship Management (CRM) is a business philosophy which provides a vision for the way your company wants to deal with your customers. To deliver that vision, you need a CRM strategy which gives shape to your sales, marketing, customer service and data analysis activities. For most companies, the aim of a CRM strategy is to maximise profitable relationships with customers by increasing the value of the relationship for both the vendor and the customer.

Software solutions and new technologies may facilitate the new ways of working required by a CRM strategy but simply implementing a CRM product will not, in itself, deliver increased customer satisfaction. Instead, companies need to introduce new cross-departmental processes which allow them to complete the four steps in the CRM cycle: plan, interact, process, leverage – and then plan anew.

Many CRM applications tackle only one or two elements of the CRM cycle. As a result, a high proportion of CRM projects which are based around implementing a particular package or suite of applications - fail to increase customer satisfaction, improve customer loyalty or deliver a return on investment for the supplier in the form of increased revenues or profits.

Any CRM initiative should therefore start with a vision and strategy which lays out the company’s aims and objectives. You must then adjust your processes and organisational structures so that they will allow you to execute that strategy effectively. These processes need to be underpinned by a CRM architecture which connects interaction channels with CRM applications and customer data repositories. Furthermore, your investment in CRM must encompass tools from all three solution domains - collaborative, operational and analytical CRM - if it is to support all four stages of the CRM lifecycle.

Our experience over many projects has allowed us to develop a CRM methodology and skillset which is enabling our diverse client base to succeed with CRM. We can help you with short-term execution of specific projects and provide longer-term support as you devise and then roll out your complete CRM programme. Above all, we can help you really leverage your customer information so that you can deliver increased value to customers and continue to reap the benefits of your CRM strategy over the long term.

What is Customer Relationship Management?
Customer Relationship Management (CRM) is a business philosophy which provides a vision for the way your company wants to deal with your customers. To deliver that vision, you need a CRM strategy which gives shape to your sales, marketing, customer service and data analysis activities. For most companies, the aim of a CRM strategy is to maximise profitable relationships with customers by increasing the value of the relationship for both the vendor and the customer.

From the vendor’s perspective, it is clear that not all customers are created equal.
An example for retail companies shows that just 15 per cent of customers will account for 45 per cent of revenues and generate 70 per cent of a company’s profits. A CRM-based approach to business allows companies to identify these high value customers and then service them in a way which keeps them loyal. From the customer’s perspective, the value of the relationship is a function not only of the classic marketing “four Ps” - price, product, place and promotion - but also of the quality of customers’ interactions with a supplier over time. Customers are looking for suppliers who understand their needs and who can respond to those needs with relevant offers, using the communication channels the customer prefers.

Moreover, customers’ expectations are increasing. Greater transparency means people rapidly find out about all the good ideas of other suppliers - including the ways in which technology can be used to facilitate interactions between companies and their customers. People expect suppliers to be able to deliver more quickly and in ways that are convenient for the customer rather than the supplier. As a result, customers are looking for services which are - to a greater or lesser extent, depending on the sector - personalised and "aware" of previous interactions between supplier and customer.

Meeting these customer demands and managing the customer relationship is becoming ever more complex as the number of channels through which interactions can take place has grown to encompass the telephone, the World Wide Web, e-mail and interactive digital TV as well as traditional high street outlets and direct mail. Companies will only succeed if they adopt a management approach that puts the customer at the core of the company’s processes and practices. Moreover, companies need to view CRM as a cyclical process which doesn’t treat customer contacts as one-off events but as interactions in a long-term relationship which develops and deepens over time.
Software solutions and new technologies may facilitate the new ways of working required by a CRM strategy but simply implementing a CRM product will not, in itself, deliver increased customer satisfaction. Instead, companies need to introduce new cross-departmental processes which allow them to complete the four steps in the CRM cycle.

The first stage is to plan your marketing strategy, determining the customer segments you will target and the campaigns you will aim at those segments. Those campaigns are increasingly likely to incorporate some kind of loyalty programme to allow you to develop long-term relationships with customers.

The second stage is to interact with customers and execute the marketing plan so that both the company and its customers get the most out of their interactions. Communication with customers can take place through many different channels and the organisation needs to have processes and systems in place to handle interactions through any of these channels, whether singly or in combination.

The next step is to process the information captured during the interaction and ensure that customer requirements are fulfilled. Too often, so-called CRM solutions are divorced from a company’s back-office processes and systems that ensure fulfilment of orders or services. CRM applications need to be tightly integrated with operational applications such as enterprise resource planning (ERP) systems so that the service promised during the customer interaction is fulfilled efficiently.

Finally, you should leverage the information you have collected during the previous three stages to learn about your customers and use that knowledge to update your plans in order to take your relationship with the customer to a higher, more intimate level. Analysing the data will help you: spot trends in customer behaviour; identify new segments; predict how customers are likely to react to particular campaigns and offerings; and determine where you are most likely to see a return on investment. You can then feed this knowledge into your plan for the next period of activity. We believe that it is only by closing the loop by leveraging your customer data that you will truly be able to deliver value for customers and the company.
The CRM market

Many CRM applications tackle only one or two elements of the CRM cycle. As a result, a high proportion of CRM projects - which are based around implementing a particular package or suite of applications - fail to increase customer satisfaction, improve customer loyalty or deliver a return on investment for the supplier in the form of increased revenues or profits. Current failure rates are around 55% and some expect these to rise to around 70%. With Gartner estimating that close to US$ 7 billion will have been spent on CRM software and services in EMEA in 2001 - while forecasting that the market may grow to up to US$ 22 billion annually by 2005 - increasing the success rate of CRM endeavors represents an enormous opportunity to add value.

At Atos Origin, we have the skills and experience to help companies tackle the full CRM cycle, close the loop and deliver real value for customers and a strong return on investment for suppliers.

Components of a CRM solution

Any CRM initiative should start with a vision and strategy which lays out the company’s aims and objectives. You must then adjust your processes and organisational structures so that they will allow you to execute that strategy effectively. These processes will need to be underpinned by a CRM architecture which connects interaction channels with CRM applications and customer data repositories. The CRM applications must be tightly integrated with each other and with existing back-office systems such as enterprise resource planning solutions.

The Gartner Group has identified some dozen different software components of a CRM solution. At Atos Origin, we divide them into three main areas, each of which, following a detailed planning phase, supports the further stages in the CRM Cycle:

Collaborative CRM solutions are concerned with all the elements of the interact stage of the CRM Cycle. These interactions can take place through multiple channels and media, ranging from the website, e-mail and inbound and outbound telephone calls through online chat, co-browsing and voice over IP callbacks to cash registers, kiosks and face-to-face interactions on the high street or in other locations such as customers’ homes.

Many organisations will look to implement a customer interaction centre - which takes the principles of the call centre and extends them to new media types - and to integrate it with enhanced systems used in offline channels. Applications which may be required include computer-telephony integration, interactive voice response, agent routing and e-mail response management. In addition, workflow management and integration to sales automation solutions will be essential for effective execution of the customer interaction strategy.

Operational CRM solutions relate to the process stage of the CRM Cycle. Some of
the required functionality, such as order processing, can be delivered by existing enterprise resource planning (ERP) solutions and other back-office applications. The key will be to integrate these systems with marketing, customer service and support suites from vendors such as Siebel. Workflow automation and business rules engines must then be applied to create end-to-end processes. Key to the "process" stage is the storage of (updated) customer information in an efficient way in order to support data warehousing and data mining.

Analytical CRM solutions support the leverage stage of the CRM Cycle. They encompass a range of technologies, including data warehousing, data mining, statistical analysis and predictive modelling and multidimensional reporting. Without customer analytics, companies will be unable to effectively leverage their operational CRM efforts and make the most of their investment in CRM.

Furthermore, as market conditions get tougher – as in the current economic downturn - companies will want to focus even more heavily on this area in order to rationalize their data structures and to use insights gained from analysing customer data to optimize the return from their current investments in CRM processes and technology.

The Meta Group has warned that failure to allocate CRM investments across all these domains will severely limit customer and supplier value. Atos Origin has experience of working with solutions in each of these areas and has strong integration skills to bring together the different technologies to create seamless end-to-end CRM processes.

Effective Implementation
Our experience gained in many projects for clients across all sectors has confirmed our belief that simply introducing CRM applications will not, by itself, allow you to create better relationships with your customers. CRM is not just an IT project but a business strategy which touches every area of a company’s operations. Furthermore, CRM is not simply about making your own operations more efficient but about increasing the value customers gain from their interactions with you. If your customers don’t benefit, you won’t either.

At the heart of any CRM initiative lies the customer data which will support and drive interactions. From the outset, you need to understand what you know and what you don’t know - and work out how you are going to plug any gaps in your knowledge. Creating a robust information architecture is
Because CRM is a business philosophy, it requires change at every level of the organisation. That means you need ongoing sponsorship from the chief executive officer and other board members. They must create a clear strategy setting out your business goals and priorities and drive it forward through a change programme which cuts across the company, and help you break out of the traditional departmental-based silos which often prevent organisations from satisfying customer needs.

While technology is a key enabler of CRM, customer value will be created through the actions of your employees. You need to communicate the philosophy and purpose behind your CRM vision at all levels of the organisation and ensure staff are properly trained in the new processes and technologies being introduced. As the programme is rolled out, it is equally important that you communicate the success your CRM strategy is creating – to employees and customers.

Finally, because CRM impacts on every aspect of your company, it is impossible to implement a CRM programme in one big-bang project. You need to break the programme down into manageable chunks which probably last no more than six months, prioritise sub-projects and focus initially on areas where you can achieve quick wins. The key is to make sure each of these smaller projects fits within an overall architecture: balance the need for excellence in point solutions with the need to create a sustainable integrated solution.

You cannot make this difficult and complex transition alone. You need a consultancy and implementation partner who can help you with short-term execution of specific projects and provide longer-term support as you devise and then roll out your complete CRM programme. You need to choose a partner who can lead change and see it through to daily practice, who can tightly integrate the many components of CRM and maintain them, and who can help you really leverage your customer information to deliver increased value to customers and continue to reap the benefits of your CRM strategy over the long term.

Helping deliver your CRM vision

We believe Atos Origin is ideally placed to help you execute your CRM vision. A full lifecycle IT services provider, Atos Origin’s proven “Consult, Build, Run” approach will enable you to turn your hopes for CRM into effective, customer-focused processes. We can offer support at every stage of a CRM project, from initial consultancy through to building solutions and then managing ongoing operations of IT and complete business processes such as customer interaction centres.

Our Consulting Services team can work with you in our CRM Visioning Workshops and CRM Strategy Development service to develop the ideal CRM strategy for your company, based on your current organisational capabilities and the marketplace you are operating in. From there, we can take you through process and architecture modelling to create a blueprint for your CRM solution, before assisting you with vendor selection and the drafting of an implementation plan.

We are then able to support you as you execute that plan with staff skilled in all aspects of project delivery, from project management through product and technical specialists to creative designers and marketing specialists. We are a true systems integrator, able to ensure your new CRM processes are tightly integrated with existing operational systems to create seamless end-to-end processes that allow customer needs to be satisfied quickly and effectively. Our long experience...
implementing ERP solutions from vendors such as SAP means we are particularly well placed to help companies which have previously implemented ERP to introduce CRM.

Our implementation skills are backed up by close relationships with the leading application developers, including: CRM and sales automation arena suites from vendors such as SAP, Oracle and Siebel; analytics and marketing applications from amongst others, SAS, Teradata and Epiphany, and customer interaction centres based on solutions from Avaya, Alcatel, Genesys and Netcentrex.

Since the key to effective CRM is migrating your “best” customers from mere satisfaction through loyalty to the stage where both customer and supplier derive optimal value from the relationship, we have developed our own platforms to support loyalty programmes and customer portals, allowing extensive services based around these solutions to be deployed quickly. Atos Origin is uniquely positioned to coordinate the segmentation, positioning, and branding aspects of a loyalty programme with the business processes and IT infrastructure needed to deliver it. We have implemented and are running customer loyalty programs for a number of high profile customers in the mass retail and oil & gas sectors.

We have particular expertise in designing, building and operating customer interaction centres capable of handling communications through a wide range of media types. This expertise has been gained through our experience of running customer interaction centres on behalf of clients which currently process some 40 million calls a year across Europe. Our call centre operations are just one example of the range of managed services and ASP options we offer which allow you to hand over the day-to-day management headaches of running these solutions once they have been implemented.
A proven approach

Our many satisfied customers will testify to the success of Atos Origin’s approach to CRM in both B2C and B2B marketplaces.

For example, car manufacturer Peugeot has worked with Atos Origin to develop CRM solutions to support both consumers and the company’s dealer network. In just six months, Atos Origin was able to help Peugeot design and build a 250-seat customer contact centre which handles 1500 calls and 100 e-mails a day. The centre provides multilingual support on a 24x7 basis, handling enquiries through four media and is the base for Peugeot’s telemarketing activities.

For dealers, Peugeot turned to Atos Origin to help it develop a marketing data warehouse and data mining solution which is accessible through an extranet. Vendors and Peugeot’s own staff can access interactive reports on Peugeot’s market shares on different product and service lines, while vendors can use the site to obtain information on stock, prices and delivery times. These two initiatives have helped Peugeot to achieve 40 per cent growth in international sales over the last three years.

Brewer Carlsberg chose Atos Origin to help it develop a B2B portal for selected clients which allows them to place and track orders online. The portal draws together Carlsberg’s sales force and customer service and fulfilment processes - linking the company’s sales automation, customer support and ERP systems - to provide an easy-to-use, informative portal for Carlsberg’s most important clients.

Also in the B2B arena, oil company ExxonMobil selected Atos Origin to develop and run a fleet card management system and card centre operation. ExxonMobil was looking for a single application which could handle operations across different countries in Europe and Latin America and support multiple products and services for clients with a variety of corporate structures. These needs were met by Card One from Atos Origin, a global fleetcard billing application which encompasses: client management; administration of pricing regulations; transaction acquisition; billing and clearing; and a card operation centre.

The ExxonMobil contract is a good example of Atos Origin’s “consult, build, run” philosophy in action. Another client with whom Atos Origin has been working for many years is Systeme U, the third largest co-operative retailer in France, which has 800 stores nationwide. With the help of Atos Origin, Systeme U became the first food retailer to launch a loyalty scheme. Atos Origin helped Systeme U
design the scheme, from determining the bonus points system and point redemption mechanism to selecting and implementing the technical infrastructure. Following a successful pilot in 1997, Atos Origin helped Systeme U roll the scheme out to all 800 stores in 1998. The retailer now has some 2.7 million customers signed up for the loyalty scheme, of whom three quarters are active members. The scheme has been a key element in Systeme U’s drive to gain market share and increase average basket transactions and share of wallet, while communication with customers has been enriched.

At the same time, Atos Origin understands that companies embarking on the CRM journey may want to begin with relatively low-key solutions. For instance, Kuwait Petroleum Italia (Kupit), a subsidiary of one of the world’s largest oil conglomerates, wanted to transform the sales force operations in two of its divisions through the introduction of sales force automation modules from Siebel. In both projects, Atos Origin helped Kupit understand its existing processes – based around paper and a legacy application – and then design new processes. Atos Origin then helped tailor the Siebel modules and interface them to Kupit’s Informix-based legacy systems. The solution allows Kupit to access a complete picture of its dealings with any customer, while giving the sales force a highly effective set of tools to support the sales process.

Similarly, eyewear specialists Essilor was looking for a way to manage large volumes of customer information and a wealth of complex product data. The company, which supplies contact and eyeglass lenses, frames and lens-glazing equipment to more than 200,000 optical laboratories, wanted to give sales representatives easy access to information while they were with customers. Atos Origin helped Essilor to formulate and then implement an eCRM strategy based on a CRM solution from Saratoga. The solution not only allows sales representatives to provide improved service when with customers but has also enhanced Essilor’s reputation as a more professional organisation.

Atos Origin can also handle CRM projects which are central to a company’s long-term strategic success. For Interpolis, one of the largest insurance companies in The Netherlands, CRM is the heart of a strategy aimed at achieving growth and maintaining a competitive edge. The goal is to upgrade customer contact and customer service in all channels and ensure customers experience a consistent and high quality service with each and every interaction. Atos Origin is acting as a strategic partner in this long-term strategy, supporting Interpolis with migration, implementation and change management services.

Specifically, Atos Origin has helped Interpolis develop a uniform implementation methodology for CRM projects. This has already been applied to the introduction of software from Siebel and Avaya in two business units, with Atos Origin helping Interpolis to: provide training for customer service representatives; set up new procedures; plan and execute the rollout and go live; and provide post-implementation user support and change control. This foundation has improved the
efficiency of customer service representatives while allowing them to handle contacts through multiple channels and the customer and contact information collected is being used for marketing purposes.

For mobile telephony provider Mobistar, the challenge was to develop an effective customer loyalty programme which would help Mobistar reduce customer churn in a highly volatile marketplace. Using Atos Origin's own Poseidon suite of products, we helped Mobistar to devise a loyalty point system which was successfully integrated with Mobistar’s billing system, call centre, IVR service, fulfilment operations and website.

Atos Origin also has extensive experience of linking CRM to web strategies. This was the challenge posed by Accor, Europe’s leading travel, tourism and services group. Accor has some 3600 hotels worldwide, along with travel agencies, restaurants and casinos. It also operates a range of corporate services such as food vouchers, expenses management and health and social care services. The challenge for Accor was to leverage its brands over the web, create up-selling and cross-selling opportunities online and use the web to recruit customers and generate loyalty through personalisation.

Atos Origin carried out an audit of Accor’s existing marketing and technical context, helped the company to devise a eCRM strategy for the next two years and proposed a technical architecture. Atos Origin then helped Accor devise and implement an eCRM action plan based around data mining, segmentation and e-mail campaigns.

**Conclusion**

Customer Relationship Management is an issue that every company, large or small, must tackle in some way. Handled well, a CRM strategy can deliver significant benefits for companies and customers alike. Yet experience has shown that developing and implementing a CRM strategy is fraught with pitfalls and that many companies end up wasting scarce resources on projects that disappoint rather than delight customers. To steer your way through this minefield, you need support from an experienced partner who has a clear understanding of the philosophies behind CRM and the implementation methodologies that succeed - as well as the CRM technologies that can be used. Our focus on all four stages of the CRM lifecycle ensures you will progress beyond simply planning, interacting and processing to leveraging your investment in CRM processes and solutions. Our “consult, build, run” approach can help your company make the journey from initial concept to optimal customer experience. Our track record of successful client projects speaks for itself.