



# CRM in a Down Economy...Revisited

## Weathering the Economic Storm through Customer Relationship Strategies

Peppers & Rogers Group

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### Overview

Two years after we first wrote about the value of Customer Relationship Management (CRM) in a down economy, the global economy remains stuck in a lingering malaise. The U.S. economic climate has proven particularly mercurial, still reeling from the fallout of the tragedy of September 11, 2001. Factor in sustained geopolitical instability and war, fears over terrorism and a deep mistrust of corporate America engendered by scandal, the picture of economic doldrums comes clearly into focus.

In Peppers and Rogers Group's first white paper, *CRM in a Down Economy*, we argued that by utilizing Customer Relationship Management (CRM) business practices, companies can affordably weather the storms of a down economy by providing cheap-growth opportunities, fresh strategic capabilities and incremental process changes. With two years of a lagging market under our collective belts, Peppers and Rogers Group figured it was time to test our mettle. Thus in our second installment, *CRM in a Down Economy...Revisited*, we were determined to find out just how accurate our CRM prescriptions for better business in a down economy really are; and regardless of the outcome, we decided to take a critical look at what new customer strategies and practices have emerged.

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The results: Judging by recent quantitative and qualitative research and our own set of in-depth interviews with senior executives, our first white paper may actually have *understated* the value of CRM in a down economy. In addition to the original benefits that we believe CRM provides, the experiences of executives from a wide range of companies and industries now prove that investments in customer relationships can provide financial stability, marketing efficiency and insulation from price competition during tough times. While profits may be down for some, CRM has kept their companies competitive. In other cases, it has sparked revenue growth or spelled the difference between a slight loss and bankruptcy.

But don't take our word for it. Listen to the voices of senior executives:

- **A U.S. specialty chemical maker's Director of Finance:** "We have several divisions where several years ago, before the economy headed south, we started out identifying our top 20 percent of customers by profitability. From there, we invested in data mining and relationship-management tools to help focus on these customers, looking for ways to improve sales and products and serv-

*"... we've gotten serious about CRM, we've created a cushion, a way of protecting our business until the economy improves."*

ices, and reduce costs and strengthen relationships. The remarkable thing is that today, though sales overall at those divisions are now down rather significantly, their profitability is down only a fraction—we've been able to focus on and hold on to more of the business of our best customers. So I guess you could say that where we've gotten serious about CRM, we've created a cushion, a way of protecting our business until the economy improves."

- **The Chief Information Officer of a mid-sized food services firm:** "In the current economy, we can't afford to be beating the bushes looking for new customers. It's not that we are ignoring new customers, it's just that our focus right now is on keeping the customers we have, and where possible, expanding the relationship. Close linkage with our customers is a strategic priority, resulting in lower inventory costs, increased customer retention, higher barriers to entry and higher sales. For example, one of the things we're doing is creating incentives for customers to give us more of their business: priority service, priority delivery, integration with our systems and the like in return for a larger share of their total budget. So far, our strategies are working. We're not losing our best customers, and in many cases, the accounts are actually growing in spite of the economy."

- **A marketing executive from a Fortune 100 technology company:** "Understanding what your customer needs to be successful is even more important in a tough economy than when things are going well. In a tough economy, you have to be better than your competitor—that's not an option, it's the only way to survive. It's due to our CRM strategies that we are able to do a much better job of identifying the needs and the hurt points of our customers. We have the right products and services because we know our customers. And we know which products and services our individual customers need. So even though things are tighter than we'd like, we're still doing better than our competitors. When things improve—and it looks like they will—we'll be that much further ahead."

With such proof that CRM acts as a bulwark against the effects of a poor economy while setting the stage for long-term growth, the time is right to revisit and assess the themes of the original *CRM in a Down Economy* and identify new ways to utilize CRM to survive, and even flourish, regardless of external economic conditions.

## The Maturing CRM Market

On the whole, IT spending has been less than robust. Following the drastic cutbacks over the last two to three years, numerous studies show that overall IT spending will remain moderate at best for some time. For example, the IT Spending Confidence Survey executed by Gartner and Soundview Technology Group, predicts that 2003 technology budgets are actually expected to decrease 0.03 percent compared to 2002 budgets, despite the presence of strong demand. Moreover, affirms Gartner, Worldwide IT services revenue is on pace to reach \$591.4 billion in 2003, up only 6.2 percent from 2002.

Despite these lukewarm conditions, spending on CRM-related technology remains steady—and grow-

ing by many estimates—despite the fact that the IT budgets of which it is a part have been subjected to sharp cuts. According to a survey by Gartner and Goldman Sachs, CRM-services investment is expected to increase in the near future. The study asserts that spending on CRM and related customer-facing initiatives will lead the IT industry's growth through 2005. In addition, research conducted by Getronics, in association with IDG Research and CIO Magazine, found that CRM was the top priority for 39 percent of CIOs. And according to PricewaterhouseCoopers, 80 percent of the fastest growing U.S. companies initiated programs targeted at customer acquisition, retention and increased profitability over the last three years.

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As recently as February of this year, Aberdeen Group and RealMarket's CRM Spending and Satisfaction Report concluded that over 52 percent of business executives surveyed indicated that their organizations plan to increase their CRM spending in 2003. All told, states the report, global CRM spending for 2003 (which includes hardware, software consulting services and licensing) will reach \$15.4 billion, a 14.24 percent increase over 2002. By 2005, says Aberdeen, the CRM market will grow to \$19.6 billion.

Mid-market companies entering the CRM fray and key vertical segments leading the investment charge will fuel much of this anticipated growth. Within the retail industry alone, for example, 80 percent of respondents to the CRMretail Survey sponsored by the National Retail Federation (NRF) endorsed CRM as a critical strategy to extend their business, up from 74 percent the previous year. More than 60 percent of surveyed retailers anticipated a significant increase in CRM expenditures over the next two years.

## The Beaten Path: CRM's Value in a Down Economy

Not surprisingly, this level of investment given the state of the economy is predicated on performance. As evidenced by the experiences of companies and senior executives cited throughout this white paper, the ability to produce tangible results is vital for further investment. To uncover how and why effective customer initiatives serve as protection against economic volatility, we need to revisit the original *CRM in a Down Economy*. Specifically, we advised:

**1. Managing customer relationships represents "cheap growth"** by selling products and services to those customers most likely to buy, while wasting less time and resources trying to sell to those customers less likely to buy. Keeping with this line of thought is the common business truism that it is much more affordable to retain an existing customer than to acquire a new one. Moreover, relationship building with key existing customers protects and even increases margins. Customers will pay more for a product or service if they have a long-standing relationship with a provider that they believe is responsive to their unique needs. Successful customer initiatives capitalize on these practices *affordably*, helping companies generate Return on Investment (ROI) via higher margins, greater share of wallet and improved operational and administrative efficiency.

**2. Investments in CRM process changes can be made incrementally**, in small pieces. In some ways, the move toward incremental or modular rollout of customer initiatives was part of the natural maturation of CRM in general. Although, an effective customer initiative must have enterprise-wide impact, pilot programs, implementation of specific programs to address pain points or capture "low-hanging ROI," the increasing level of sophistication of CRM called for a piecemeal approach. The down economy also played a role

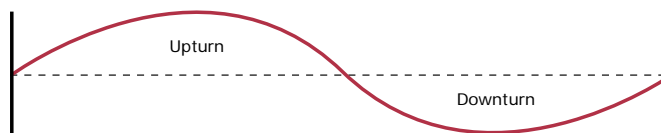
in moving toward incremental rollout. In contrast to many poorly implemented big bang approaches to CRM of the late 1990s in which technology was viewed as a “silver bullet,” modular approaches designed to generate ROI proof points became neces-

sary to justify continued investment of time, money and employee resources. As these modular initiatives began to deliver, the returns and the intelligence from each incremental step could be rolled up into enterprise-wide programs and sustainable ROI.

### The role of “customer equity” during different economic cycles

Your relationship with a customer is an evergreen process. Each individual customer relationship goes on through time, transcending the comings and goings of the economic cycle. For a business, this means that the actual importance of a customer relationship won't erode with these cycles, although the nature of the customer relationship may change, based on external economic conditions.

Think of the value of customer relationships as a company asset. A firm can use this “customer equity” to improve its growth and profitability prospects during both economic downturns and upturns. The particular CRM strategies it must emphasize and invest in will vary, however, based on the economic situation. Just as a squirrel buries nuts in anticipation of winter, a smart business will build customer equity during good times in order to live more comfortably in bad. Squirrels know that winter is inevitable, but so is spring.



#### In an upturn...GROW

#### In a downturn...HARVEST

<b>Business growth</b>	In an upturn the market is expanding, and companies have the resources both to acquire new customers and grow existing ones.	In a downturn companies should “get the most” from every existing relationship, selling more to customers they already have (“cheap growth”).
<b>Marketing</b>	Companies should invest in building brand awareness and attributes with the objective of attracting new and different customers.	Companies should focus on activation: current customers are a known quantity, so motivate them to do more business with you.
<b>Channels</b>	Focus on reach. Invest in your sales force and pay for new accounts, new categories, new markets; develop existing channels and pursue new ones.	Focus on economics. Try to squeeze the most value from each account or customer. Pay for profitability, not volume or conquest.
<b>CRM Infrastructure (investments)</b>	Cash flows are plentiful, so add CRM capabilities. Invest in IT and improve workflows.	Cash is short, so optimize current IT capabilities. Most existing CRM systems are extraordinarily underutilized, and now is the time to increase the usage of them.
<b>Product/Service Portfolio</b>	Divest non-core businesses. Now is the time to sell less productive assets, because divestiture during upturns will attract higher prices.	Focus on adding to core capabilities in a downturn, while prices are low. Use acquisitions and partnerships to create alliances around core offerings.
<b>Unprofitable customers</b>	Emphasize customer development. Convert marginal and loss-producing customers into money makers.	Be more aggressive about converting unprofitable customers, and cut them away if profitability seems impossible.

**3. Locking in valuable customer relationships is a strategic capability** and allows a company to stay extremely close to its customers. A more direct connection to individual customers allows companies to detect and react to their changing needs, preferences and expectations. For example, does “customer A” absolutely require lower pricing? Has “customer B” expressed a specific channel over which the company

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should initiate an interaction? Have the product specifications of “customer C” changed in any way? The ability to identify and react to the constantly evolving needs of customers provides substantial advantage in that companies can keep existing customers satisfied and loyal, increase the average spend of individual customers and recognize “at-risk” customers. All of which are critical to weathering a weak economy. Simply stated, when ROI is scarce, the more nimble firm with its finger directly on the pulse of demand wins.

**“Cheap growth”: Capture revenue, Improve efficiency, reduce cost**

“Cheap growth” comes when companies retain more of their existing customers rather than acquire new ones. An effective customer strategy can help to differentiate those customers according to their value to the company and their individual needs, and treat them accordingly. Companies that know who their Most Valuable Customers (MVCs) are can allocate more resources to market relevant products and services to them, while expending fewer resources on unprofitable customers. The goal is to make the right offer to the right customer at the right time. Such customer intimacy can immediately and significantly *reduce* total costs while at the same time *increase* sales with individual customers.

Take for example a Fortune 500 high-tech company that has made an incremental investment in its B2B Web site to improve personalization and deliver customized content. As it refines its portal, the company gains a more intimate understanding of its customers’ individual needs. As a result, the company is generating targeted email marketing campaigns much more cost efficiently. Moreover, thanks to the pinpoint accuracy of these campaigns, the returns are significantly in excess both of traditional campaigns and of the investment in the additional tools. Going forward, the company anticipates greater returns from its campaigns as costs continue to fall, conversion rates increase and more one-to-one communication initiatives gradually replace the company’s previous dependence on a mass marketing tactics.

Another way to incrementally build long-term value from cheap growth is to employ a “picket fence” strategy, which isolates the firm’s MVCs from the broader customer base and assigns them to customer managers. These managers control communications, offers and services relating to their customers, with the goal of growing these customers’ business over a period of time. For each customer behind the picket fence, there is a particular objective and a strategy for achieving that objective set by the customer manager. Over time, as the company gains more knowledge and confidence in the strategies and processes that work, more and more customers are placed within the picket fence.

The customer-focused organization is able to more efficiently allocate its scarce resources, improving its marketing efficiency in the process. This type of efficiency not only reduces marketing costs, but other operational costs related to marketing, as well. For example, one mid-sized electrical utilities provider has used CRM to significantly reduce its service costs. Previously, the company maintained customer data across a handful of disparate systems. But last year, it integrated the customer data into a single system, creating a 360° view of its customers. The benefits, says a service center executive at the company, are already evi-

dent. Call-center reps are now handling customer issues faster and more efficiently, resulting in higher productivity, lower head count and at the same time, improved customer service. Additionally, the company has reduced its call-center training time, is better equipped to handle spikes in call volume, and is more effective in directing the activities of its maintenance and repair fleet. All told, the company says its payback period for the investment is less than 15 months.

### **Incremental rollout, incremental gains**

The economy has created unprecedented pressure on many organizations to show a quantitative return on their investments, whether that return is higher revenue, greater market share or improved profitability. Short-term wins that lead to long-term ROI have become critical factors in justifying investment to shareholders, partners, management and even employees. Recent research suggests that this modular approach is paying off. A survey by AMR Research reports that 19 percent of companies will be investing in modular customer-based technology in 2003, based on short-term business initiatives and economic returns. This concurs with research from Giga Information Group saying 2003 marks a shift in strategic thinking toward a focus on smaller, incremental customer-based projects.

Clearly, a growing number of companies are realizing that investments in CRM do not have to be all-or-nothing technological or cultural upheavals. In fact, most CRM initiatives include some sort of customer-specific pilot program or alternatively, a means of getting more from under-performing current technology. Test, learn, evolve and improve: this approach to customer strategy can build long-term strategic advantage.

For example, in 2002, one nationally known, mid-market e-services provider began to look more closely at its customer interactions. Rather than purchase a vast CRM system, the company hired an outside provider as a third party to identify, gather, interpret and disseminate actionable relationship data.

Working together to scour the principal points of customer contact, the e-company and its third-party provider were able to identify a handful of critical relationship drivers. From there, the company developed a scorecard and began surveying its customers in order to establish a baseline “temperature” for the quality of each individual relationship. Now, relying on these baseline scores, the company measures the impact of incremental customer initiatives not merely on overall sales, but also on individual activity and satisfaction. According to the company’s VP, “The early ROI data is very positive.”

A second example of a smart incremental investment paying off is the case of one of the ten largest trucking companies in the U.S. In this instance, benefits came in the forms of financial stability and insu-

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lation from pricing pressure. The trucking giant was finding it increasingly difficult to maintain its rates, as well as weather cost increases in fleet insurance, fuel and maintenance. The company looked to increase the value of its customer relationships in order to stabilize—and even raise—its rates, while simultaneously reducing service costs.

The call center was the principal point of contact between the company and its customers. Historically calls were directed to designated agents, who each managed three lines. The result: Customers often found themselves “on hold” waiting for *their* agent. Even more damaging, the company was unable to efficiently prioritize call handling because it didn’t know who its MVCs were.

An incremental investment in new call-center technology created major improvements in customer service. The new system provided call-center reps with

more complete customer information, including prioritizing calls according to customer value. Reps are now able to handle customer calls more efficiently and “hold time” has decreased from 41 seconds to 4 seconds. At the same time, the call-abandon rate has plummeted to 2.6 percent, from 17 percent. Less-profitable customers have been migrated to a self-service Web site. Customers can now use the site to request rates, measure mileage between delivery points, book freight loads, track their deliveries and request proof of delivery.

The improved efficiency of its customer service has allowed the company to decrease call-center costs by \$1 million annually; with an additional \$1 million saving on phone bills. But perhaps more importantly, the improvements in customer service have created value for the customer to the point where the company is experiencing less resistance to rate increases. Revenue has climbed nearly 18 percent, even as its employee head count remained constant.

### **Build strategic capabilities**

The execution of such customer-oriented strategies, in turn, becomes a strategic capability for the organization and a competitive advantage in a down economy. Companies that have intimate customer knowledge can both predict and react to changes in customer behavior more quickly and efficiently than competitors. An organization that really knows its customers is better equipped to find creative or customized solutions for buyer and seller alike.

For example, a company that fosters individualized customer relationships can work with its customers to retool the value chain when and where necessary. This may include closer collaboration in terms of supply-chain management to better manage the buyer’s production and inventory, reducing or even eliminating pricing pressures. Or, a collaborative effort might help a customer manage or use a product or service it has purchased from the firm. For example, during a period where purchase cycles have lengthened, it might help

the customer repair, service or maintain a purchased product. Or in the B2B space, collaboration might even help the customer improve his own overall business by using the product more effectively. These capabilities increase the company’s value in the eyes of the customer, a necessary component in a down economy since customers need value for their money.

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Case in point: One major insurance and related financial-services provider is now investing in both best-of-breed CRM software and training for its sales force, marketers and other customer-facing employees. The goal, explains the newly appointed Vice President of CRM, is to move from the position of “personal-lines carrier” to “broad-based supplier of personalized financial services.” That strategy is particularly vital in a down economy, says the VP, “because we’ve learned that the more business we have with each customer, the less likely they are to leave. Elasticity of demand decreases notably as we increase the scope of the relationship.”

Most of its process and technology efforts focus on Most Growable Customers (MGCs)—those customers that represent the potential to buy more from the company. “These are customers we already know, and with our new systems we’re able to make inferences regarding their additional needs and we can target our efforts accordingly,” says the VP. Such forays are more precise than traditional mass marketing, he adds, and the returns “are significantly above average relative to other campaigns.” In addition, “If we can upgrade the relationship, the customer becomes more loyal.” The company is moving away from communicating with these customers through agents, moving toward adding Web capabilities, call centers and a personal selling force, as well as phone, fax and email.

“Right now the focus is on growing relationships,” explains the executive.

At the same time, the company is also looking to increase conversion of qualified prospects. “We’re taking a much more disciplined approach, in terms of new customers,” says the VP. “We need to do a better job of qualifying prospects, and then follow through with a program of converting them into customers.” In the past, the company used a mass-marketing approach to customer acquisition, but the down economy has led the firm to be more precise in its targeting. “We’re doing all we can to make sure the good prospects don’t get away.” The returns on these campaigns, says the VP, are much better than the company has experienced with traditional marketing. Combined, these and related strategies are delivering considerable ROI, even in the current economy. “The potential savings and incremental revenue gains are combining for a very quick payback.”

## New Roads to Success

As CRM has matured, additional avenues have emerged for long-term growth in good economic times and bad. Three of the most important factors in achieving these kinds of success with CRM in the current economic environment are managing change, building customer trust and effectively leveraging existing data assets.

Even the most powerful customer strategies fail when implementation is flawed. In fact, the failures occur in translating strategy to practice: processes are ineffectively coordinated; employees are not adequately trained or motivated; performance metrics and bonus plans are not properly aligned with new processes; and new technologies aren’t seamlessly integrated with legacy systems. Consequently, change management is perhaps the most important factor in the success of the enterprise’s implementation of the customer strategy.

More than is the case with most other new initiatives, implementing a technology-supported customer strategy involves people playing different roles

in many different departments across the entire enterprise. From top executives to sales reps, marketing managers and contact-center personnel to service technicians and financial staff—all must understand the importance of the initiative and have access to the appropriate CRM technology for it to work well.

To drive the adoption of a customer strategy, there must be an individual value proposition for each user,

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providing a clear and obvious answer to the question: “What’s in it for me?” Getting employees on board with the implementation means helping them take the vision to heart, giving them opportunities to buy into key concepts and enlisting their commitment to enterprise-wide change. Employee input can be invaluable. Front-line employees talk to customers every day, and are intimately connected to the processes that drive organizational action. Training and enterprise-wide communication are key tools for ensuring the transition from a product-focused to a customer-focused organization is a smooth one.

Just as important, many of these practices can be conducted affordably. Communicating with employees, assigning internal stakeholders key to implementing the CRM program, increasing the visibility and leadership role of management during the customer initiative and identifying internal champions that can support and disseminate the CRM vision can take place without hefty price tags.

### **Build trust, build revenue**

Consumer trust has been battered by a series of corporate financial and ethical crises. Yet, trust is a key enabler of long-term, profitable customer relationships. Without consumers’ tacit, voluntary agreement to provide personal information and preferences,

companies cannot provide customized, relevant products and services to them. To engender customers' trust, companies are now scrutinizing internal data collection and security practices, enacting more comprehensive, customer-focused privacy and security policies and centralizing the important issues of privacy, security and compliance in the hands of Chief Privacy Officers.

Information about customer purchasing actions, preferences, needs, lifestyle, life stage and actual and potential value to the firm provides companies a more distinct competitive advantage today than ever before. To seize this opportunity, companies are inter-

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acting with consumers at unprecedented levels and across channels, such as Web, email, text chat, Voice over Internet Protocol (VoIP), call centers, mobile devices and face-to-face, remembering and linking what each customer says. As technology continues to drive down the cost of interacting with customers and leveraging the collected information, the relationship revolution will continue to mature.

Building trust with customers and, in the process, developing rich relationships that generate loyalty, retention and ROI are intimately tied to the intelligent and responsible use of valuable information. Peppers and Rogers Group calls this process Responsible Information Stewardship (RIS), and it is designed to engender trust and confidence in how an organization's leaders, employees and agents manage sensitive information. It involves the alignment of stakeholder information preferences, including consumers, employees, shareholders and the general public, with business, data and technology management practices across the entire enterprise.

Creating a trustworthy corporate culture is more critical to the success of customer-focused efforts than many firms realize, and RIS is simply the privacy-and-data-security manifestation of a culture that takes the customer's own interests very seriously to heart. Such companies generate results when the proactive, benefits-focused practice of RIS encompasses and surpasses the defensive, cost-focused practices of regulatory compliance, protection from litigation and mitigation of public-relations fiascos that currently hold sway. The return comes in the form of higher revenue stemming from greater customer intimacy (satisfaction, loyalty and retention) and stronger brand due to the association of customer centricity and the protection of privacy and security. In other words, the value comes from the entire customer relationship, rather than just the value of any one transaction.

The criticality of placing the customers' interests at the center of business process and culture in the current downturn cannot be overstated. In the aftermath of numerous corporate scandals, companies that have maintained this level of trusted relationships with customers possess a distinct advantage. Those organizations that did not—or have lost credibility in recent years—face an uphill though necessary battle. As organizations continue to more intelligently and proactively handle privacy, security and compliance issues, they will be in a better position to build the loyal—and profitable—customer relationships that serve as protection against economic upheaval.

#### **Getting analytical: leveraging the data you have**

The operational CRM systems now in use have enabled companies to collect more customer data than ever before. Today, the all-important questions revolve around what to do with this wealth of data. How do I collect and organize it in a manageable and affordable way? Once I do, how do I derive intelligence from that data to determine what is actionable? Finally, how do I capitalize on that actionable data for the maximum return on every customer relationship?

These questions become even more critical in a down economy since organizations must leverage the information, resources and investments already in place.

Over the last several years, more and more companies are looking to leverage existing CRM investments (and the ensuing plethora of data) to reach ROI goals. For many, CRM analytics has been the answer.

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According to research firm IDC, spending on CRM analytics will surpass \$1.5 billion by 2005. Jupitermedia predicts investment in CRM analytics will reach \$8.7 billion in 2006. AMR Research estimates that investments in analytical applications will expand to nearly \$4.4 billion in 2005.

Analytics, or what Peppers and Rogers Group refers to as Customer Portfolio Asset Management (CPAM), includes both the strategies and statistical tools (such as data mining, personalization, segmentation and models) needed to more accurately predict customer behavior. Analytics systems analyze data collected from multiple customer touchpoints—including a call center, Web site or point of sale—and create actionable insight. Data such as customer transaction history, demographics, billing and service records is assessed and used to create customized offers relevant to individual *customers' needs and value* to the company. The result is to maximize ROI, regardless of economic conditions.

Critical steps in the process include robust data management—capturing and housing accurate customer information beyond basic contact information—and data integration. “We’ve been very disciplined in our approach to integration, focusing on the most critical

pieces of information and the most critical capabilities first. Then, over time, we’re consistently expanding what we have in one place on any given customer,” says the CIO of a major high-tech products and services provider. “We know our Most Valuable Customers, we know our Most Growable Customers, we know the evolving needs of our customers and we get the right information to the right people. We’re focused on customer satisfaction, we’re practicing CRM and we’re getting more disciplined all the time, but it’s an evolution, not a revolution.” To date, investments in CRM analytics are driving bottom-line impact. According to a recent IDC study, organizations that have successfully implemented and utilized analytical applications have realized a median return of 55 percent.

## Conclusion

Coping with difficult economic times can be a drain on any organization. However, companies that are pursuing the transformation to a customer-focused enterprise in these trying economic times are surviving and even thriving. Intimate customer knowledge, effectively implemented by leveraging data assets, managing internal change and responsibly handling customer information, can become a strategic advantage in any economic environment. But, especially when resources are scarce, and people are being asked to do more with less, the value of CRM becomes pronounced. The experiences of many firms and corporate executives over the last two years have shown that customer strategies allow organizations to achieve superior performance relative to their competitors, in a way that builds for the future. Simply stated, intelligent CRM creates sustainable competitive advantage that, when managed, can exist in any economic environment. ■

## About Peppers and Rogers Group

Peppers and Rogers Group is a management consulting firm recognized as the world's leading authority on customer-based business strategy. The company is dedicated to helping enterprises leverage customer data to drive profits and build more valuable relationships. Peppers and Rogers Group helps clients devise high-level strategies for building their business around customer value; assists clients in the operational implementation of their customer relationship initiatives; and maintains momentum by offering training and Web-based learning, research studies, workshops and keynote presentations.

Peppers and Rogers Group is headquartered in Norwalk, Connecticut with a domestic and international network of 11 offices. The firm maintains a global client list that includes BEA Systems, BMW of North America LLC, Bayer Corporation, Bentley Systems, Boise Office Solutions, The Ford Motor Company, Hewlett Packard, Jaguar Cars, Lifeway Christian Resources, Lowe's, Roche, Scottish Power, Telesp, The United States Postal Service, Wolters Kluwer, Verizon, Visa International and Volvo. For more information about Peppers and Rogers Group, visit [www.1to1.com](http://www.1to1.com).

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