



Attention CEO!
Avoid CRM Health Risk!

There may be a highly virulent and widespread tendency spreading through your organization. For more than twenty years, I have observed it in many corporations, particularly banks and financial institutions. It is something that must be brought under control as quickly as possible if you want to have a healthy, sustainable CRM (Customer Relationship Management) system that delivers true competitive advantages and on-going profitability improvements.

This threat has many variations, but they all fall within an innocent sounding category called “Application Islands.” There may be many of these within an organization. They are generally born out of a mid to upper-management level initiative to achieve some specific result. Fair enough. Over time Application Islands grow through an unending series of simple modifications while they accumulate a retinue of developers, support people, trainers, etc. In other words, they take on a life of their own. Soon their champions are attempting to bend their pet Application Islands to solve problems they were never intended to solve. CRM is often one of these;

A few common examples of Application Islands include:

Financial Planning, Monthly Reporting and Yearly Planning systems. They have one important thing in common. They were conceived and implemented from the top of the organization without taking into account the needs of the frontline, customer-facing revenue producers at the bottom.

Let’s take Yearly Planning as a case in point. Rather than creating tools within the CRM system used by the workers in the trenches, this high level planning system swoops down from above to strong-arm data from a variety of sources. It then compiles the data in the form of reports, which are printed, collated and assembled into copious three-ring binders. These are quickly browsed, admired and shelved for the remainder of the year because they present no clear method to implement the plan.

The problem is that these systems produce a static collection of abstractions that do not tie back into the systems that the end users actually employ to produce revenue for the company. Since it is not live data, managers cannot do ongoing analysis against it. Even worse, this Application Island provides revenue producers with no tools they can use to implement plans promulgated from on high. That’s because there is no live, integrated data that can be captured, analyzed and modified during the day-to-day workflow of the organization’s actual business processes.

Now I have a secret that you are not going to like. Your revenue producers hate these Application Islands. They resent the time and energy that must be expended feeding data into them. They are not tools end users can employ to do their own jobs better and produce more revenue for the organization.

So what should you do about this Threat to your Corporation’s Profitability?

First: If this really isn’t a problem for your organization, congratulations. Celebrate! And remember—Don’t let it become one.

Second: If your organization does have some of these islands, don’t even think about modifying one of them into a CRM system. Double back and perform a system-wide review of all your applications to find out which ones you actually need. Then redesign these to integrate with live information from your CRM system.

Third: Design or redesign your CRM system twice: First from the bottom up, taking into account all your revenue producers’ needs for doing their jobs better. Then design it again from the top down, incorporating the same live data functions to build management tools for analysis and reporting.

The Top Down/Bottom Up approach will give both management and end users what they need most: *actionable information and lively tools for responding to it.*

One Consultant's Definition

In our view a successful CRM project is one that

1. Has been implemented for five years or more.
2. Is reviewed and updated to meet the changing business requirements.
3. And has an acceptance rate internally of over 90%.

Acceptance means that, when you ask, users will tell you that the CRM system is necessary for meeting their objectives and managers will say it is necessary for managing their staff.

Drop me a note at aijaz.ansari@ambitsoftware.com.

I'd like to know what you think.

About Ambit Software

Ambit Software helps enterprises globally to become agile - adapt rapidly and cost effectively in response to changes in the business environment through the efficient use of IT. Ambit partners with its clients to understand their business pain points and arrives at appropriate IT led interventions to deliver a relevant solution.

Ambit helps organizations across sectors such as Discrete and Process Manufacturing, Financial Services, Logistics, Consumer Goods, Hospitality etc. to achieve their business goals through effective use of technology.

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