Americas-drivers of CRM success
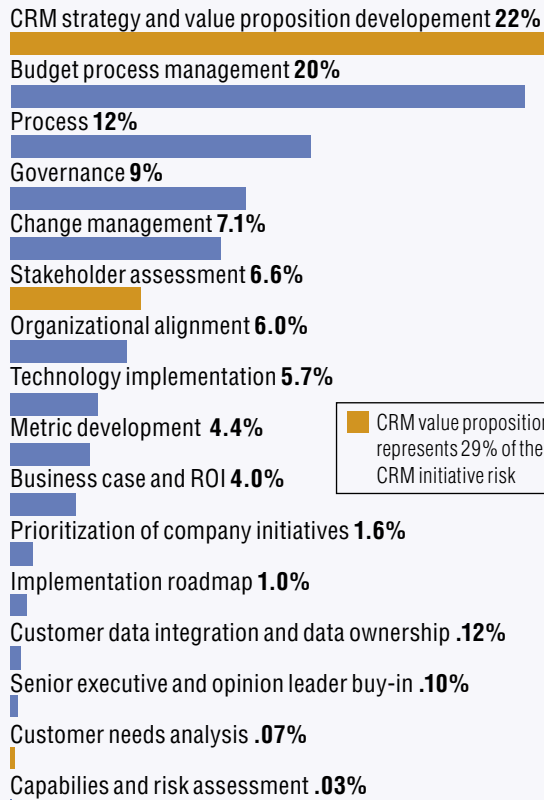*Percent of CRM initiative success predicted by performing the key CRM approach steps*

CRM strategy and value proposition developement **22%**

Budget process management **20%**

Process **12%**

Governance **9%**

Change management **7.1%**

Stakeholder assessment **6.6%**

Organizational alignment **6.0%**

Technology implementation **5.7%**

Metric development **4.4%**

Business case and ROI **4.0%**

> ■ CRM value proposition represents 29% of the CRM initiative risk

Prioritization of company initiatives **1.6%**

Implementation roadmap **1.0%**

Customer data integration and data ownership **.12%**

Senior executive and opinion leader buy-in **.10%**

Customer needs analysis **.07%**

Capabilities and risk assessment **.03%**

Statistical Values: N = 101, results include only Americas Respondents. Our acceptably low sample distribution indicates that at the 95% confidence level the obtained scores are reasonable reliable. The R^2 = .79 indicates that 79% of the variance of the dependent variable (Contribution to Success) can be explained by the independent variables (CRM Approach Steps). Note: *The 19% is the highest of the percents of respondents reporting to have had "Complete Success" with a CRM initiatives.

Source: IBM Business Consulting Services survey and analysis, 2004.

For more information
To learn more about IBM Business Consulting Services contact your IBM sales representative, or visit:

ibm.com/bcs

Or contact Steve LaValle Global and Americas CRM Strategy services leader at steve.lavalle@us.ibm.com

References available at ibm.com:

2004 Doing CRM Right Study –
Global Executive Summary

2004 Doing CRM Right Study –
Americas Group View

2004 CRM Done Right:
Executive Handbook for Realizing the Value of CRM

Related CRM Strategy capabilities:

- CRM value case
- CRM operational blueprint
- CRM implementation roadmap
- CRM sponsorship, governance, and change management
- CRM FACTS diagnostic

G510-3936-00

Customer Relationship Management done right: CRM value proposition

Finding the "sweet spot" within your CRM vision

Although often discussed in terms of departments, roles, or technology, the fundamental reason for Customer Relationship Management (CRM) is to achieve specific business goals that drive revenue, improve the customer experience, or reduce costs. Organizations are asking CRM-related questions:

- Are we headed for a growth period, and are we prepared?

- What do our clients expect from us?

- What are our clients worth to us?

- What do my service and sales staff need to succeed?

- How can I optimize costs and utilize channels effectively?

- How can CRM help me, our leadership, and our shareholders?

The answer to these questions, and their resulting strategies, are determined through the CRM value proposition.

The CRM value proposition defines the CRM strategy

CRM value propositions define the specific measureable objectives that create value for all of the stakeholders in our CRM equation. CRM value propositions are embedded in the sales, marketing, and service functions of the enterprise. They are specific, and must be able to promptly connote the benefits they provide and the experiences they create.

A durable, profitable CRM value proposition leads to a greater ability to:

- Serve customers more intelligently and more profitably

- Eliminate organizational barriers

- Enrich working relationships

- Heighten productivity

- Reduce costs.

Not just about the customer

In spite of its name, customer relationship management is not just about adding value for customers. It's about creating value for all of an organization's key relationships. This view of relationships may include different types of consumers, business customers, employees, investors, suppliers, partners, and other parties who are involved in the overall CRM equation.

Seek the CRM sweet spot

The "CRM sweet spot" is a position that balances value given and value received among the stakeholders' interest in key CRM relationships across the organization. Companies that reap the most rewards from CRM coordinate their efforts in a way that considers the needs, objectives and profit potential of each relationship, and provides value accordingly. This is the "CRM sweet spot."

Value proposition of the customer

Key to the customer value proposition is understanding the value of the customer and value to the customer. When investing and evaluating alternatives, base decisions on how your specific customers interact with your company, their ongoing value to you and what they value themselves .

Value proposition of the employee

The employee relationship is the most powerful lever for change within the organization. Organizations achieve the greatest degree of success when they emphasize the employee relationship in their CRM transformation efforts, asking and answering the question, "what's in it for me?"

Include employees at all levels – from the CEO to front-line personnel – who each have personal objectives that need to be considered on short- and long-term horizons.

Value proposition of the partners

Extend the CRM value proposition to other parties external to the organization who play a role in delivering or interacting with CRM operations. This may include partners, vendors, distribution channels, intermediaries, influencers, or the investment marketplace.

Value proposition of the organization

Verify that the CRM value proposition focuses on short- and long-term economic returns and reflects a corporation's posture.

Take into account business issues and opportunities like competition, the economy, stock value, investor confidence, profitability, growth rates, regulatory controls and geopolitical issues.

IBM's approach to CRM value propositions

IBM utilizes a comprehensive, strategic approach to building CRM value propositions with our clients. We gather a broad array of inputs from both internal and external sources, and compile a distinctive, specific vision for what CRM will mean to key stakeholder groups i.e., we help our clients find their CRM "sweet spot." During a value proposition project, we will:

- Gain an understanding of your industry and business context through internal interviews, external research, and our own deep industry expertise

- Gain an understanding of you customers and their needs, taking an "outside-in view" of your company from your customers' perspective

- Gain an understanding of your stakeholder environment to build a value proposition for all involved, including management, line personnel, and our client's best interest. This is the inside-out view

- Define the CRM value proposition that manages trade-offs between stakeholders and prioritizes needs, preparing us to build a comprehensive blueprint of your future operations.

Getting started

Value propositions are the first step in IBM's CRM done right approach. They should be developed at the outset of new CRM initiatives when you are determining what your next generation CRM strategy will be.