



Customer Relationship Management, or CRM, is a buzzword used throughout the financial services industry. In simple terms, CRM is learning about your customers by gathering all the information you have on them and using it to improve your service, products, etc. Implementing a CRM solution is a daunting task. Very large enterprises have invested many years and millions of dollars in technology to have a fully integrated set of applications using customer information to empower their sales force and management team. How do the smaller institutions without the same resources get to the same place? Fifth Star Consulting can help you prioritize your investment of time and technology dollars.

## SITUATION

One of the top challenges in the banking industry is connecting disparate systems across the bank. Where do you start? Fifth Star Consulting feels that the better a business can manage the relationships it has the more successful it will become. CRM is not just an application of technology, but rather a strategy to learn about customer needs and behaviors. In this economy, it is paramount to retain and expand the relationships that you already have versus the mounting cost of acquiring new relationships. Thus, many companies are turning to CRM projects to help them learn about their existing client base.

A recent Bain & Company study announced that as many as 69% of CRM projects fail to meet their stated objectives or are never fully implemented. The reasons for this are simple: CRM projects have too many competing goals & objectives.

## SOLUTION

Fifth Star has worked with organizations at different points of acquiring, building, implementing CRM solutions. We recommend you focus your efforts on the areas that will keep your organization focused on your clients.

First, as you embark on your CRM journey it is very important that the organization agree upon a few basic principles, allowing you to "*Know Your Customer*":

- A single view of the customer and customer relationships
- A management hierarchy of employees who own customer relationships
- A client-centric system to house the single view of the customer and management hierarchy so that all systems that need customer data are working off the same set of data. The technology behind this system should be easily integrated to other systems and scalable to fit the growth needs of your company for years to come
- An operational team and process that is responsible for the customer data and the rules for getting it and keeping it clean
- A leader at the top of the house that champions the importance of the single view of the client.



Second, develop a client profitability system that starts with the single view of the client relationship. The profitability system should include every product and service that a client uses, including balances, fees, usage volumes and unit prices and the associated fixed costs. This furthers your ability to not only “*Know Your Customer*” but also “*Appreciate the Relationship*”. This view of the relationship allows you to:

- Determine which relationships are profitable
- Identify cross-sell opportunities within existing relationships
- Model profitable relationships for prospecting/data-mining purposes
- Match service delivery to client’s needs/profitability
- Use the management hierarchy to roll relationships up by banking group.

Finally, yet just as important, focus on articulating and standardizing your sales management process, allowing you to “*Manage the Interactions*”. The market expects a consistent experience for clients. In order to achieve this, you need to manage to a set of successful behaviors that drive a consistent sales performance for your front office employees. Here are some keys to cultivating a winning program:

- A sales management process should be iterative, not perfect. You should learn from what works and modify best practices from time to time.
- Expectations are different for front office employees in different roles: sales, service, manager, etc.
- Identify Rules of the Road: calling programs, proposals, marketing materials
- Define key metrics and develop reporting that supports the sales management process
- Make sure the process is present 24x7—always modeled by senior management and in team meetings
- Stay focused on the clients
- Train to the “How”: Give your employees tools on how to:
  - Identify the Decision Maker
  - Identify the “buying” process
  - Complete company/industry research
  - Ask more questions and let the client talk
  - Gain agreement at each step
  - How to walk away from a bad deal
  - How to handle objections

## BENEFITS

By prioritizing your customer-centric system and business process, customer profitability tool and sales management process to the top of your CRM to-do list your company will be closer to the most common goals of a CRM implementation:

- ***Know Your Customer***



- ***Appreciate the Relationship***
- ***Manage the Interactions***

If the vision of your CRM program is to continually improve your relationship with the customer and have the culture to follow-up on those improvements, begin with understanding the depth and breadth of the relationship and prescribing the behaviors you desire of your front-office personnel. The benefits may just include:

- More shared data from a single source system
- Better customer service through centralized accounts of interactions, knowledge of products and service usage
- Superior customer satisfaction due to your improved ability to anticipate their needs
- Increased customer retention and loyalty

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