

CRM and Human Resources Are an Indispensable Duo

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When implementing big CRM programs in their organizations, many companies are mainly focused on fulfilling the standard steps for CRM success: defining a CRM strategy, optimizing processes with a customer-centric view, aligning organizational structures with the re-assignment of roles and responsibilities and installing a state-of-the-art CRM software application. And how are these CRM implementation programs staffed? Usually with resources from marketing, sales, after-sales and information systems (or technology).

There's no consideration that the "people factor" for CRM success not only lies in the delivery of CRM guidelines in daily contacts between customers and employees as part of the organization but also in the structured and consequent development of the employees in their company lifecycle. In other words, such companies ignore their human resources departments. But, to have a successful CRM program, you first have to admit that customer relationship management is more than a system—and that its success can't be measured with project milestones along the way. Once you understand the real impact that CRM has on your business, you'll make sure that HR representatives are involved in the project team from the beginning.

CRM leads to a change in the company's culture. Instead of building the company's values only on the brands and products represented, company values need to be built around the customer: What does the customer mean for us? What does a customer-oriented culture mean for day-to-day-business and each employee executing his or her daily work? These questions need to be answered by management and understood by the whole organization.

A good example is the U.K. retailer Tesco: Clear customer commitment is lived by employees because they are involved from their first day of work. Tesco's "Every Little Helps" is a collaborative strategy. Customers recommend how to improve the shopping experience, and employees recommend ways to improve their work environment. Tesco understands that true CRM can be delivered only as combination of sophisticated processes/customer analytics systems and people management. Its mission statement toward customers and employees is clear: "Our success depends on people: the people who shop with us and the people who work with us." And Tesco has been successful, using its strategy to become Britain's No. 1 retailer.

What do we learn from this? If CRM is to be a sustainable success in the company, CRM capabilities or values need to be present throughout the HR process of a company: recruiting, employing, developing/promoting. You have to check CRM capabilities during job interviews, reinforce them while the employee is on the job and enhance them in career development. Why? Because you can easily train employees in technical skills, but it's much harder to instill a customer-centric attitude.

In a recent client project, we developed the following scheme to embed CRM capabilities into our client's HR process:



In a first step, we defined values for CRM leadership, putting the customer in the center of attention:

- Understand your customer.
- Analyze your customer's situational context and behavior.
- Relate your customer's feedback/ request to your company's strategy and values.
- Invent new procedures and ways of working together for more customer-centricity.
- Enable your colleagues in delivering value to the customer.

In a second step, we defined those situations in the three-phased HR process, where CRM leadership has to be present (see the figure above).

In a third step, we enhanced the HR procedures and our client's tools and templates with clear behavioral guidelines derived from the CRM leadership values. For instance, here are questions you should ask in a job interview to evaluate a candidate's readiness for CRM leadership:

1. How do you feel as customer when a customer representative of company XY is not able to resolve your problem? How would you react as customer representative?
2. What is more important for you, to follow your superior's instructions or to satisfy a valued customer in a critical situation?
3. What comes first, serving the customer or finishing some company-relevant paperwork for business evaluation?

In this third step, it is very important that the CRM leadership values are aligned to the overall company strategy: I cannot expect my employees to live CRM leadership if I do not position the customer as "the heart of the business," giving my employees the necessary empowerment to serve the customer.

This framework for embedding CRM leadership values into HR is not only valid for those employees with direct customer contact but also for the whole organization. Each employee needs to know the importance of the customer and basic CRM reporting figures (how many customers complain to us and why? How many customers do we actually have? What is the loyalty rate of our customers?) to be involved—and not to see the customer as a "black box."

In our client project, we implemented this framework in a pilot market, starting with an employee survey to evaluate the current degree of CRM leadership presence. We don't have concrete data to prove whether it will work for this client. But our objective is to increase the daily living of CRM leadership values by at least 50 percent. And I firmly believe we'll not only accomplish that but also we'll help the company change its entire work ethic and, so, improve its relationship with its customers.



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