



Michael A. Brown's

## *Business To Business By Phone*<sup>®</sup>

Third Quarter 2005 Edition

### A NEW PERSPECTIVE ON CRM

From New Jersey, colleague and friend Bob Borders writes:

“An associate asked my opinion about an article on CRM, Customer Relationship Management. My major gripe with CRM is that it is a blueprint for failure.

If one entity (in this case, the Enterprise) is managing the relationship, it is doomed to fail. Name ANY type of relationship that will succeed if only one party manages the relationship! There is none. Imagine telling your wife that you (without input from her) were going to define the process and rules for your relationship, based on what YOU thought she wanted (again, without input from her). Well, after the ambulance and lawyer left, you'd realize that a relationship can't succeed without EXPLICIT input from ALL involved.

CRM has become a buzzword for selling more to the customer, quicker, based on what the enterprise wants, without direct input from the customer. As to 'personalized treatment,' many customers think it is intrusive and 'Big Brotherish' to have an inbound call answered by a rep who starts out by saying 'Well Mr. Customer, have we resolved the product problem you were having four months ago?' or 'Are you well-rested after that convention in Las Vegas with your secretary Judy?' In my opinion, if any label is required, it should be 'Relationship Management', in which a key component is direct input from the consumer about the specific tools, processes, and goals of Relationship Management.

This would be a boatload more than just existing market research! It would mean establishing a number of customer advisory groups, and A) explaining what the Enterprise is about to do, B) what the Enterprise goals and objectives are, C) collecting the customer opinions and thoughts about the Enterprise goals and objectives, D) adding the customer's goals and objectives, and E) modifying

Enterprise plans based on the customer's input ... even if it runs counter to Enterprise goals, but in step with what the customer wants. This would be true Relationship Management.

Now, back to the real world. What I described will never happen. And this underscores why CRM so often fails ... the Enterprise sees CRM as a tool to control a relationship, based primarily on its goals, with lip service to, or guesses about, what the other party(ies) involved want and need.”

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### SILLY ACRONYMS v. REAL BUSINESS

Now we have another acronym, ROC: Return on Customer. *BtoB* magazine reports that ROC appears in a new book by the same authors who claim to have invented the term CRM. Those authors (who shall remain nameless here, to avoid giving them free publicity) write that CRM and ROC are not merely acronyms; they are “business philosophies!”

That sort of self-serving pomposity compels a vigorous rebuttal. So I fired-off this letter to *BtoB*'s editor: “The only true acronym about CRM and ROC is ... BS. Let's can the acronyms and stop pretending they represent 'business philosophies.' CRM and ROC are only slogans to sell software and books. Instead, let us simply do business right and properly; i.e., pay attention ... ask before telling and learn before selling ... provide great service ... earn the business ... go to the bank.”

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### HOW TO PRESENT “PRICE BREAKS”

Do not talk price for starters. Instead, first establish the offer's value and gain agreement on the product(s). Ask about actual and potential quantities and listen carefully to the answer. Then offer only relevant price breaks using the “if - then” technique:

- **If** the customer is within 20% of a quantity break, **then** recommend the up-sell. Example: ordering



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ten, but better deal at 12, present the up-sell. "Mr\Ms Customer, **if** it's likely you could use a few extras, **then** you can save (either percent or actual dollars) by rounding up to (next quantity level). Shall we go ahead and do that?"

- But if the quantity break is beyond 20% of the intended order, do not present the break. Consider cross-selling instead.

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### YOUR OPINIONS ABOUT OFFSHORING

Last edition, I solicited your comments about Sen. Ted Strickland's (D-OH) bill to "require notification of the location of the (inbound) call center and provide the caller with the option of rerouting the call to the United States if the caller does not want to speak to an offshore agent." And here is how you responded:

"Good idea! It will help improve customer service."

"Not worth the effort or expense."

"Nice concept but very hard to administer. And no doubt the redirected calls would wind up in a long queue and customers would have to wait."

"Too little too late. India and the Philippines have already won."

"It is a feeble response to a huge issue; the export of American jobs. If the senator really wants to address this, let's see a bill with hefty financial dis-incentives for moving call centers overseas."

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### CHOOSING A SERVICE BUREAU

Selecting an outsource provider to call on your company's behalf is a **BIG DEAL!** Their callers' behavior and skills will either damage or enhance your image in your marketplace, and directly affect the success of your marketing and sales initiatives.

So as you conduct your selection "due diligence" with each bureau's reference clients, ask these questions:

- How many service bureaus did you consider?
- What were the criteria?
- Tell me about your consideration process.
- What put the bureau you chose "over the top?"
- What are they especially good at? Not so good?
- How closely do you have to "ride herd" on them?
- How well do they handle administration and reporting (v. call performance) matters?
- Would you renew with them for other programs or projects?
- Would you choose them again in the first place?
- If you had to do it again, what would you do differently during the selection process?

Also do something the bureaus may not like, but which is absolutely necessary ... talk with companies that considered the bureaus but did not choose them, to learn how come. Compare and contrast, then make your choice. **800 373-3966**

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### LEAD GENERATION SUMMITS

If you are involved with sales leads, pick your venue and prepare to be enlightened and impressed!

- Boston, October 24 and 25
- San Francisco, November 17 and 18

These are *really good* conferences! Visit [www.marketingsherpa.com](http://www.marketingsherpa.com) for all the details and to register. See you there!

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### ABIDE BY THE GOLDEN RULE

After stating a powerful and compelling "reason for my call," ask your contact, "Is this an OK time for a conversation?" Do it every contact, every call to distinguish yourself, earn the right to talk and influence, and prosper!