



Michael A. Brown's

Business To Business By Phone[®]

Fourth Quarter 2000 Edition

THE INCIDENTAL CUSTOMER

Perusing the *Wall Street Journal* and other business publications, one might reasonably conclude that all money and profits come from strategic alliances and "partnerships." We read of companies crafting elaborate cooperative marketing arrangements, putting each others' logos and banners in each others' web sites and ads, jointly sponsoring seminars and events, and so on. It's almost as if the folks running the organizations think that the mere fact of collaboration or linkage generates money, which of course it does not.

Customers are the only real source of revenues and profits for businesses. But more and more, it seems that customers are becoming incidental; subordinate to the businesses' apparently overriding urge to hobnob with each other. For example, consider this from Barton Goldenberg in *Sales & Marketing Management* magazine:

"IBM is both using and reselling Siebel Systems' CRM software. IBM's global services group, on the other hand, is implementing Siebel competitor Nortel Networks' CRM products (originally developed by Clarify, which Nortel recently purchased). Nortel also has joined forces with SAP, whose mySAP.com CRM product once again has been put on hold. SAP now sells and uses Nortel's Clarify CRM solutions. Siebel, meanwhile, has allied with Sprint PCS. Not to be outdone, Oracle has partnered with Cisco Systems to create an Internet-based communication network. Oracle also has gone to bed with Lucent Technologies' Avaya group. But Avaya has also entered into an agreement with Oracle's fiercest rival Siebel ... "

The article continues, but I think you get the picture. What does any of this have to do with actual customers? Little, if anything.

To be sure, business alliances are intended to bolster the participants' total product and service offerings, making the whole greater than the sum of the parts. It's a fine strategy as long as actual customers don't become bystanders to the marketers attending mainly to each other.

THE FLYING EXCEPTION

The airline partnerships, especially *Star Alliance* and *One World*, are valuable and customers really can benefit! Recently, my United ticket provided entrée to partner Air Canada's excellent club room at Vancouver airport. American Airlines miles can earn travel on Spain's Iberia, too. Cool!

SATISFIED CUSTOMERS LAST?

A Forester Research report in *Unisys' Exec* magazine lists the top five criteria for e-business funding decisions: ROI, coordination with business strategy, increased revenue, decreased cost, and finally ... *customer satisfaction*. Isn't this backwards? Seem to me that if you keep customers happy, you decrease costs, increase revenues, and automatically coordinate with business strategy, all of which produce ROI.

"YOUR CALL IS VERY IMPORTANT TO US"

No it's not. If it were, you'd answer it. This time the offending agency is the City of Austin Utility Dept. I've been on hold for 12 minutes already. I wish they would quit lying to me about the alleged importance of my call and assign enough people to cover their phones.

FEELING LIKE RODNEY

Comedian Rodney Dangerfield's routine includes the lament that he "don't get no respect." Call centers in many companies, and the people who run them and work in them, often are the Rodney Dangerfields of their firms. I think there are 3 main reasons: history, the perception that *anyone* can do phone, and too-narrow focus on the part of call center managers themselves.

We who do phone business carry around the historical baggage of "telemarketing." Offloading the



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baggage requires positive behavioral changes and on-target internal promotion. *Best behavioral advice:* make no call that your mom, your boss, your CEO, nor you yourself would not accept! Also, today's callers have to grow beyond being mere phone people, and behave as multi-media communicators. *Promotional advice:* don't keep these performance upgrades quiet! Let your bosses and colleagues know what you're doing and how the company benefits. Write a newsletter and e-mail it around your company, especially to people with big offices.

Reason 2 is that many people who do not market and sell by phone think that *anyone* can do it. That's because the physical act of marketing or selling by phone looks exactly like doing anything else by phone. (Which is why you sometimes hear, "As long as you're on the phone anyway, how about also doing ...") Certainly, we all *do* know how to use the phone as a tool. But it takes smarts plus artistry to use the phone as an *instrument of persuasion and money-making*. To correct the misperception that anyone can do it, invite and encourage the "heavies" to make and take live calls, side by side with your reps. The execs may balk at first, but they need to do this ... so keep trying.

The third reason has to do with trees and forests ... as in call center management working all day in the former but not seeing the latter. We must take great care not to become so mired in the routine doing of phone things that we lose our broader perspectives. So make a point of attending strategic marketing sessions and major sales meetings. If they won't let you, it's Rodney time. Polish your resumé.

QUOTABLE

"Most people have regarded VARs as black holes that exist in the space between supplier and customer, sucking in value from both." Neil Rackham in *Sales and Marketing Management*, elaborating his point that customers, not vendors, decide which sales channel works best. *Sidebar:* remember when there was a VAR on every corner?

OUTSOURCING UPDATE

Several corporate clients are bringing formerly outsourced phone functions back in-house. The main reasons: better control, and closer linkage with internal processes and CRM systems.

Two mid-size business clients are reviewing their current outsource relationships, because the quality of their agencies' callers has declined. (Many are temps.) These clients are unwilling to pay for substandard performance, and more willing than ever to "pull the plug" if need be. One is considering adding a 2nd service provider to spread the risk. The other likely will bring phone in-house.

The service bureaus report that their clients are demanding better callers and over-the-top results, at bargain-basement rates. At the same time, the clients are assigning younger project managers with big egos but little experience. In response, a few bureaus are trying hard to do it all, which usually fails. Others are turning away business from first-timers and price-shoppers. One bureau may launch a "good or cheap but not both" strategy.

UNDERSTATEMENT OF THE YEAR

From IDC's research director, in *CRM* magazine: "A lot of companies are worrying about what e-commerce is going to mean to them."

EARLY WARNING TO THE WISE

Only 8000 more years until Y10K. Get your IS people on this right away!

HOLIDAY WISHES FOR YOU!

May this season of lights shine brightly on you, your family, and your friends. And may you enjoy boisterous laughter, quiet happiness, and good business throughout 2001!