Talisma™

**Best Practices White Paper**

# Critical Steps to eCRM

TALISMA™

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# What are Relationships?

In business, we define "relationship" as the sum of all interactions between a company or an organization and a customer. These interactions range from exposure to informational messages to all types of direct contact, which may take many forms, including Web searches, Web form entries, e-mail, text chat, and voice conversations.

With the explosion of the Internet, the medley of new communication tools available to customers complicates relationship management. Each customer interaction presents an opportunity for a company to capture valuable information that can help them better serve that customer. Unfortunately, the vast majority of interactions are lost due to disparate information systems patch-worked together with little or no synchronization of data. The technology deployed to manage these interactions is the objective of Customer Relationship Management (eCRM) software.

The goal of this white paper is to demonstrate the case for integrated relationship management technologies and to provide organizations with examples of new processes that fully utilize the power inherent in current eCRM solutions. The white paper achieves this by closely reviewing the available technologies. We analyze their advantages and disadvantages, review possible applications, and describe currently available best practices. We also provide an evaluation methodology to distinguish field-tested implementation approaches.

# Differentiating Technology from Process

Previously, eCRM processes were architected around the limitations of available technologies. Now, with the genesis of so many new technologies, we can develop the process first and then architect the technology framework to fit our needs. Computer systems have changed the way businesses interoperate. And now, with the combination of the Internet, processor speeds, XML, and numerous other technologies, new degrees of flexibility are intrinsic in modern systems. With the many technologies now available, new processes must be developed to meet and maximize the advantages of these emerging solutions.

Splitting process from technology is a one way to analyze the real benefit of technology solutions and best practices associated with using those technologies. In the absence of offering the full suite of technology solutions available, process "workarounds" are developed to fill the technology gap. Many companies develop processes specifically to work around a technology hole. We liken this to using a table knife to turn a screw. (We have all done it, but it is much easier with a screwdriver.)

## Workarounds are Inefficient and Expensive

Currently, as many companies continue to migrate to the Web, we have not seen a dramatic change in sales, service, or marketing processes. Many companies are taking their existing communications channels and just transferring them part and parcel to the Web. Instead of leveraging the power of new technologies available and deploying process to compliment them,

we continue to see companies merely posting a phone number to service customers in the Web environment.

The lack of adoption of communication mediums such as chat is evidence of old processes not adapting to rapidly developing technologies. Only 13 percent of companies use chat to assist customers, compared to 88 percent offering phone.[1] If companies are really changing their processes to adapt to available new technologies then chat would be much more prolific because it offers the ability to serve customers at a significantly lower cost than phone-based support.

There are many reasons why alternative communications technologies are underutilized. In many cases, processes have not been incorporated because traditional call centers have difficulty integrating Internet communications. Call centers are now just beginning to become "multi-contact" centers. With a better understanding of the available technologies, we would expect to see a proliferation of new processes developed to leverage the full potential of these alternative communications methods.

## Evaluating Integrated eCRM Technologies

eCRM is a "customer-centric" approach that embraces the "front-office" functions of sales, marketing and customer service and supports the "back-office" operations spanning these functions. Customers may touch companies through any media. Thus, it is important that eCRM products integrate customer information across all touch points and automate the business processes. When evaluating technology providers, be cognizant of vendors who speak more of process than technology in their demonstrations because there may be hidden process workarounds developed to gloss over technology gaps.

A point solution vendor supports only a sub-set of the three modules of eCRM: Service, sales, or marketing, or provides a solution for only a few touch points. Multi-vendor point solutions successfully aggregated to provide a single view of the customer are unlikely, because truly seamless integration of all such solutions is practically impossible. So, not only are point solution vendors unable to meet most enterprise-wide needs, they also lack the core technical structure to evolve with a business.

Therefore, it is essential to ensure that a vendor is not a point solution provider—even if a company needs only one communication module today. Organizations should consider a suite solution that captures, documents, and integrates customer information for all business functions (service, marketing, and so on) across electronic touch points that include e-mail, chat, voice over Internet protocol (VoIP), wireless, Web forms and Web collaboration, as well as, the traditional touch points of phone, fax, mail, and in-person contact.

Evaluation is an assessment of the technical abilities of the solution. Many vendors promise a lot but deliver little. It is important to look at the underlying technical architecture and functional capabilities of the product to validate vendor claims.

[1] *Software Support Services: What end users really believe*, Gartner Group, September 18, 2000

# Technical Architecture

### E-centric Design

Customers want to communicate over various media. At the same time, many corporate users want to access customer data at their convenience. In order to accommodate both, it is essential for an eCRM product to be e-centric. Does it accept communication from various media, and let users access the system from any device?

E-centric design manages interactions in a universal queue across traditional and electronic touch points that include Web self help, e-mail, Web form, chat, collaborative browsing, fax, phone, VoIP, mail, and face-to-face meetings. Users can access best-of-breed solutions through a variety of clients that include Power, Remote, Portal, Wireless, Offline, as well as two Admin clients.

## Multi-tier Architecture

Users of an eCRM application require a rich set of features, a friendly user interface, and high-speed network connections. To derive the maximum from any application, it is imperative that users work in a LAN environment most of the time. At the same time, users accessing the application over the Internet should also experience optimized communication. Vendors should be able to say if and how they support both LAN and Internet environments.

eCRM software solutions should feature multi-tier architecture. A robust Power Client can bring full functionality and a user-friendly interface to a LAN environment. Internet access to a solution through a Remote Client using best-of-breed technology like Citrix® is another way to maintain efficient use of the system. Remote client technology eliminates the need for additional training, by allowing users to access the same familiar interface whether they are connected on the LAN or over the Internet.

## Databases and Services Load Distribution

Distributing databases and services optimizes application load by running CPU-intensive operations on separate machines. This increases response time and fail-proofs the systems, ensuring that applications allow load balancing enhances performance.

Load balancing is done best by:

- **Smart Distribution.** This allows query intensive databases and services to be separated from the main system.
- **Distributed Hosting.** Four databases (main, analytics, Web track, and media) can be hosted on separate machines making the network act as a computer.

## Scalability and Reliability

eCRM applications need to be extremely reliable because they affect millions of users, customers, employees, and partners who interact with the organization on a 24x7 basis. These applications must also be extremely scalable, since they support high traffic across multiple communication

channels that grow over time. Although all vendors claim highly reliable and scalable applications, it is important to look closely at what they do to deliver this.

Many technical configurations reveal a product's ability to scale. Does the solution have distributed application logic, stateless server protocol, and a modular design to bring about this boost in scalability? Does the solution have an enterprise-class relational database management system (RDBMS) foundation on Microsoft® SQL Server®, and the ability to run multiple servers in parallel to give high reliability?

## Easy Configuration

Given the mutable needs of most businesses, it is important for eCRM applications to be configured easily to accommodate new processes. Can the system administrator reconfigure the application or is it necessary to call the vendor each time such a requirement arises?

Technology similar to Talisma™ Adaptive Rules Engine and Workflow Engine is needed to optimally cope with the evolving demands on the system. These engines allow companies to configure the system to changing needs through an easy-to-navigate Graphical User Interface (GUI).

## Multi-level Security

Any enterprise level application must have a robust security mechanism that guards data from misuse by internal and external elements. This need is compounded for applications that are Internet enabled. Is a vendor's application secure enough to give a company the confidence to share invaluable data?

Any solution should provide robust and multi-level security ensuring that data is accessed and modified only by authorized personnel.

Minimum security expectations should cover four levels:

- OS and Application
- User l
- Module
- Object

Multi-level security is the best way to prevent unauthorized access at each level.

### Open Standards-based Extensible Architecture

Enterprise applications that support proprietary standards are ill suited to talk to technologies from other vendors. Because an eCRM application needs to access customer-related data from multiple internal and external applications, it is important that it supports industry standards. In evaluating whether the application easily talks to others, ensure that the vendor supports industry standards comprehensively.

Effective eCRM solutions must support industry standards like Extensible Markup Language (XML) and Lightweight Directory Access Protocol (LDAP). To make the product talk to external applications, it should also provide:

- An extensive library of published APIs.
- A user-friendly software developer's kit (SDK).
- Database integration with Open Database Connectivity (ODBC) compliant databases.
- Simple Object Access Protocol (SOAP).
- Microsoft BizTalk® Server.

## Technical Capabilities

A capabilities evaluation of any eCRM solution must include the breadth and depth of features that can support various functions and communication channels. While solution breadth allows assessment of a solution's ability to provide features pertinent to a particular function, depth gives a measure of the effectiveness of that feature. Many vendors provide superficial connectivity with other products (e.g., ODBC) that should not be confused with true integration or interoperability (e.g. Open APIs), which imply depth.

The entire breadth of best-of-breed eCRM is accomplished through tightly integrated service, marketing, and sales functional modules. These modules have a complete set of rich features to increase the effectiveness and efficiency of the system's users.

### Universal Queue Routing

Universal Queue technology integrates different channels, including e-mail, chat, VoIP, phone, or even custom media such as e-commerce and Sales Force Automation (SFA) applications. Robust rules-based routing allows companies to route messages to sales, service, or marketing representatives based on availability, workload, and skill level. It also provides the ability to prioritize based upon business rules (i.e. Gold customers vs. Platinum customers) and/or based upon the media type (e.g. the wait time of a Web contact vs. the queue holding time of inbound phone traffic). *Example:* Users adept at chat communications can easily be given priority to handle incoming chat conversations. Also, communication can automatically be routed to users based on their expertise in specific topics (e.g., billing, software support, and so on).

Universal queue technology allows users to handle inbound calls, outbound calls, VoIP, chat, Web forms, and e-mail, automatically threading related messages from different media together to provide a 360-degree view of the customer.

in, probability of an opportunity converting to order, and their past experience with the company. Smart data capture allows manipulation of this information to support business processes and decisions. Does the application allow the company to map and organize data as it relates to customer, company, interactions, campaigns, products, opportunities, and orders?

At a minimum, to sell, market, and service the business environment, the system should be designed to capture and categorize data related to contacts (customers), accounts (companies), interactions, campaigns, targets, opportunities, and orders. Data pertaining to the product such as product code, name, price, discount range, availability, and so forth can be associated with opportunities and orders by using the Product Order Object. All data associated with these objects should be stored as properties to give the flexibility to treat types of data in different ways.

## Properties

It is extremely useful to be able to create cross linkages, dependencies, protections, and calculations on data. This requires a flexible data storing mechanism that permits various data types to be treated differently. Another good vendor question: Does it provide a comprehensive yet simple way to achieve this?

Standard properties should be pre-shipped with provisions to define new ones to suit custom business requirements. The flexible data storing mechanism of the solution should allow companies to define such properties as:

- **Linked property.** Businesses frequently need to access information from other data sources. Does the application allow connection to external data sources using linked properties that synchronize periodically to update changes in the external data source?
- **Dependent property.** This enables creation of dependencies between related properties. *Example:* Pipeline can be a dependent property of the product.
- **Computed property.** This is the result of evaluation of an expression based on mathematical operations on properties. *Example:* Sales commission could be computed property using revenue and discount figures.
- **Record List property.** This enables a user to store multiple values for the property of an object and view it as a record.
- **Protected property.** It may be necessary to restrict information to a set of users. Such information can be stored as a protected property.
- **Invisible property.** This provides an option of protecting sensitive information from other system users.
- **Mandatory property.** Information that is critical and necessary to the business can be defined as a mandatory property.

In best-of-breed solutions, one can also assign values to these properties automatically through rules.

## Categories

It is important to be able to organize the numerous interactions, opportunities, orders, contacts, and accounts that reside in the system to make the best use of them. Categorization is a powerful way to organize information to allow intelligent search and intensive report generation. What methods does the application provide to organize information?

Best-of-breed software allows the creation of custom categories for information organization. Categories can be unique to teams and they can be shared across teams. All of these methods should be available for categorization:

- Automatic categorization.
- Inherited categorization.
- Manual categorization.

## Adaptive Rules

The data that has been captured and organized in the system has to be "administered" before it can be used in any meaningful manner. Data can be used to automate various processes in an organization, amongst other things. Does the application allow user-defined rules to span operations across service, sales, and marketing modules?

Using the Rule Induction Model (if… then…) to define the Adaptive Rules Engine is the heart of a best-of-breed software solution. A rule is a set of instructions that helps automate various aspects of the workflow based on the following format:

Event Conditions (If, then) Action

While events and actions are associated with interactions, campaigns, opportunities and orders, conditions are used to associate the business logic with these events. Rules not only help in assigning interactions, opportunities, and orders, but also facilitate service, marketing, and sales tasks in the following ways:

Service:

Auto-respond with personalization; categorize objects and capture property values; fire events and prioritize interactions triggered by *creation, escalation, review, deletion, transfer, response, or even categorization of interactions*.

Marketing:

Activate and deactivate campaigns; capture data automatically by setting value of property; auto-categorize and send mail to users and managers triggered by *deletion, creation, or any change in value of campaign properties.*

Sales:

Assign, transfer, and categorize opportunities and orders triggered by *opportunity or order creation, assignment, deletion, incubation, and so forth.*

## Integrated Analytics

Integrated analytics helps an organization see a complete view of data, thereby maximizing data value and enabling better planning. It is important to ask eCRM vendors if they provide a comprehensive set of pre-defined and customizable reports to monitor both real-time and historic events.

Integrated Analytics makes analyzing huge volumes of data a simple job. This includes detecting trends, checking work status, forecasting requirements, and diagnosing problems. If an eCRM solution claims a robust analytics feature set, it should include the flexibility to run customized reports.

- The Service module should be supported by reports that check user productivity and performance, monitor service levels, and study media usage trends.
  *Example:* A report of real-time monitoring of all high-priority open interactions across teams.
- In the Marketing module, integrated analytics should provide reports to track the effectiveness and turn-around time of campaigns, responses to campaigns, effectiveness of the chosen target segment, the return on investment (ROI) on a campaign, and so on. *Example:* A report on the number of sales closed by a campaign in a given period.
- A user working on the sales module could use analytics to review the pipeline, monitor sales representative productivity, the time required to convert an opportunity, and so forth. *Example:* Running a report to forecast sales for the next month.

Integrated analytics should be fully compatible with Crystal and Actuate reports if companies have previous investments in these tools.

# eCRM Solutions | Vendor Questions

Technical Architecture

1. Does the product accept communication from various media (telephony, Internet, face-to-face) and let users access the system from any device (desktop, Internet, wireless, portal)?
2. Do you support both LAN and Internet environments? How?
3. How does your system accomplish load balancing?

Scalability

1. Does your solution have distributed application logic? Stateless server protocol?
2. Can it run multiple servers in parallel for higher reliability?

Configuration

1. Can our administrator reconfigure the application or is it necessary to call you each time?
2. Do you offer multi-level security for OS and application, user, module, and object?

Standards

1. Does your architecture comprehensively support industry standards like XML and LDAP?
2. Do you offer:
    - An extensive library of published APIs?
    - A complete SDK?
    - Database integration with ODBC-compliant databases?
    - Simple Object Access Protocol (SOAP)?

Capabilities

1. Do you offer integrated functional suites for service, marketing, and sales?
2. Can the application facilitate prioritization, routing, and universal queuing based on media type and business rules?
3. Do you have universal queue technology that integrates different channels, including e-mail, chat, VoIP, phone?
4. Can your queue incorporate e-commerce and sales force automation (SFA) applications?

Teams, Roles, Permissions

1. Can your product capture multiple levels of team hierarchy that exactly mirrors my company's organization?
2. Can I grant generic permissions to users based on their roles in my organization and easily modify permissions for each user to exactly match his or her needs? Can I assign more than one role to a user?
3. Does your application allow me to map and organize data as it relates to customer, company, interactions, campaigns, products, opportunities, and orders?
5. Do you offer flexible data storage that permits various data types to be treated differently?

Properties, Categories

1. Can I assign values to properties automatically through rules?
2. Do you offer smart data capture? Can I manipulate the information to support business processes?
3. What methods of information organization does your application provide? Automatic? Inherited? Manual?

Integrated Analytics

1. Do you provide pre-defined and customizable reports to monitor both real-time and historic events?
2. Can I run customized reports? Detect trends? Check work status, forecast, and diagnose problems?

# Analyzing Available Technologies

## Web Self Help Technology Overview

In general, self help is a Web-based service tool empowering site visitors to answer their own questions using a knowledge base query, without human assistance. Over the past ten years, self-service (self help) support environments have evolved from file transfer protocol (FTP) or Web-based online libraries and frequently asked questions (FAQ) to sophisticated artificial intelligence systems where a virtual online representative or technician is available through the Web. (It should be noted that although they are primarily used externally, self help tools may also be used internally by companies serving as a knowledge base for customer service representatives who rely on them when answering customer questions in e-mail and other interactions.) This evolution has been driven by available technology, by the complexity of the problems submitted, and by the customer segments served.

As defined, self help tools provide, through a simple and clear interface for the Web visitor, a Web form field where the user can ask a question in plain language. Entries can also be navigated through a tree-based (or similar) set of questions and answers.

From a company standpoint, self help tools must also provide an authoring and workflow mechanism for the creation and publishing of self help articles, tracking of resolutions and hits, and integration with backend and other relationship systems.

At the core of the self help system is either a natural language processing engine or an artificial intelligence programs. Both types of engines are more than just word-matching systems. They use unique algorithms to review a user's question(s) based on context, word order, and word meaning. The result is an accurate answer to a multitude of questions.

More broadly defined, self help can also be understood as any of the following:

- **Traditional FAQ**—typically posted to a Web page in a static environment and maintained by a Webmaster.
- **Web site search engine**—searches all Web site pages or a subset of them based on key words.
- **Interactive FAQ**—With natural language processing, an "engine" can more accurately present correct answers through complex algorithms from a repository of available content.
- **Collaborative community**—company-sponsored (and monitored) user forums and bulletin boards where customers can help each other answer product questions (mostly post-sales issues).

### Advantages and Disadvantages of Self Help as an Interaction Channel

Advantages:

- **Dynamic content.** The contents of the knowledge base are limited only by what is thought will not be asked. Therefore, self help tools are often very robust, cover a wide range of topics, and must be constantly updated by adding new articles, and removing articles determined by user survey as incomplete, incorrect, or not relevant.
- **Good coverage.** Many topics can be covered and many users can use the tool.
- **Low cost.** Relative to other electronic interaction channels, the cost of purchasing, implementing, and administering is low.

Disadvantages:

- **Mixed resolution rate.** Some questions, due to their nature, may not be answered.
- **No engagement.** No human follows up or clarifies. What-you-see-is-what-you-get.
- **Impersonal.** Does not easily recognize user or patterns of user.

### Process Points for Implementing with Best Practices

Self-service applications should aim to accomplish several things:

- Enhance the end-user's experience. Make the tool useful, accessible, and well laid out.
- Always complement the self help channel with other electronic channels.
- Supply the knowledge base with a multitude of responses to potential questions.
- Track customer service costs and customer satisfaction to ensure that self help is having a positive impact on the bottom line.

## E-mail Management Technology Overview

The most prolific of communications technologies recently adopted is e-mail because it is cost effective, efficient, and universally available and can be easily personalized. E-mail has revolutionized personal communication. E-mail can take very different forms: One-to-one for customer service or sales interactions, one-to-many for mass marketing (and even one-to-one for direct marketing given the appropriate tools).

Traditional e-mail technology tools such as Microsoft Outlook have been popular for personal communication, but due to the dramatic increase in use of e-mail as a communication tool, businesses now need more powerful technologies designed to operate with a "one-to-many" communication model in mind.

### Advantages and Disadvantages of E-Mail as an Interaction Channel

Advantages:

- **Good potential for interaction tracking, personalization.** By using an eCRM system, companies can not only personalize e-mail responses and follow-ups, but can also track the history of the relationship with that particular customer.

- **Better resolution rate.** Being able to personalize and track e-mail lends itself to higher customer resolution rates by keeping track of customer history and inquiry status, as well as being able to follow-up as necessary in order to resolve any outstanding issues.
- **Relatively low cost.** The average cost for e-mail has been measured to be as high as $4 for those companies not systematically managing e-mail flow, and drops to $0.25 when e-mail is fully automated.[2]

Disadvantages:

- **Volume challenge.** By offering an e-mail option to customers, companies can "open their doors" to an e-mail deluge. Also, by doing so, they implicitly state that customer e-mail will be answered in a timely and accurate fashion.
- **Response time challenge.** As a corollary to volume challenge, e-mail response times often vary depending on workload. Even the best eCRM systems need to be staffed adequately.

### Process Points for Implementing with Best Practices

If a company decides to implement an eCRM system for managing e-mail interactions, it should aim for the system to accomplish several things:

- Increase response time.
- Decrease unanswered e-mail to zero.
- Utilize the productivity features of the tool to the maximum.
- Supply the knowledge base with a multitude of responses to potential questions.
- Track customer service costs and customer satisfaction to ensure that the eCRM system is having a positive impact on the bottom line.

**Case Studies of E-Mail Service Excellence**

E-Mail Management at:

- **VacationSpot.com**
- **RealNetworks**

## Web-form Technology Overview

Web forms are structured, pre-formatted static Web pages with input fields that allow customers to fill out information. Web forms can be used for a variety of reasons, including product orders, marketing surveys, personal registration, and service requests.

Web forms facilitate a structured collection of customer data. Web forms compel customers to supply certain types of information before they can accomplish what they are trying to do. In the case of eCRM, Web form information is passed on to an eCRM e-mail response system, where this information is treated and managed as an e-mail question or comment, and answered with e-mail.

[2] Source: *"The State of Online Retailing 2.0"*, a **Shop.org** study by The Boston Consulting Group

### Advantages and Disadvantages of Web Forms as an Interaction Channel

Advantages:

- **Data collection.** Allows collecting of structured, relevant, complete customer data.
- **Form.** Structured data enables the company to more rapidly respond to customer queries.
- **Low cost.** Inexpensive interaction channel.
- **Simplicity.** Easy to use.

Disadvantages:

- **Privacy.** Customers will not use Web forms if the data collected is too intrusive and does not match the perceived benefits expected from providing the information.

### Process Points for Implementing with Best Practices

Although Web forms are relatively easy to create, to get the most from them, a few guidelines should be followed:

- **Length.** Keep forms as short as possible. Obtain as much information as possible about the user, but keep the form unobtrusive, uncomplicated, and short.
- **Relevance.** In order to keep the Web form short and simple, collect only relevant information. While much information is "nice to know," only collect "need to know data."
- **Integration.** Collecting information about customers and targets is useful, but unless the rest of the organization can share the knowledge, the data has not achieved its full usability. Make sure that data collected from Web forms can be integrated with information collected from e-mail, chat, and voice interactions.

## Chat Technology Overview

As online companies struggle to convert surfers into buyers and offer top-notch customer service, one of their realizations is that an online business does not offer the "human" experience. In the brick-and-mortar world, employees are on hand to welcome shoppers to the store, offer on-the-spot guidance and useful information, and be a friendly face when a customer has a service inquiry or complaint. Until recently, companies operating in an Internet environment did not offer such luxuries. However, with the advent of chat technology, online customers can now introduce the "human" experience.

Chat, which was developed as a direct result of the Internet, is one of the more revolutionary technologies available. As a technology that allows real-time interaction with a customer, its application is extremely valuable as a technology for replacing the dependence on phones as an instantaneaus method of communication. The evolution of chat, in its short history, has been profound. Currently chat comes in many gradations:

- **Reactive Chat.** With the click of a button by a user, a service representative can be summoned by a customer to engage in real time to answer questions.

- **Proactive Chat.** Service representatives can use this technology to monitor Web surfers on a site in real time and initate a session with a specific surfer to see if he or she has any questions.
- **Co-Browsing.** While serving a customer in chat, using the collaborative browsing features of a chat session, specific pages can be pushed to a surfer for special promotions or to direct them to an answer to his or her question.
- **Collaborative Browsing.** To aid a customer or surfer, leveraging the chat technology, form filling can be done by a service representative to help a surfer fill out an order form, survey information or whatever Webform is data that may need to be entered through a Web transaction.
- **Remote Desktop Control.** At the furthest reach of chat technology is the ability for a surfer to turn over the control of his or her desktop to a service representative. This technology is extremely valuable in a technical support environment where it may be easier for someone to remotely diagnose and fix a user's computer than attempting to talk the end user through the fix.

Keep in mind that with chat technology a service representative provides a higher level of personalization than self help, Web Forms, and even e-mail by recognizing what pages the surfer visits, addressing surfers by name, and understanding the surfer's history if he or she has interacted with the company before.

## Advantages and Disadvantages of Chat as an Interaction Channel

Advantages:

- **Increase browser-to-lead opportunity conversion.** Proven 25 percent browser to lead opportunity conversion when customer is proactively engaged in chat.[3]
- **Decrease shopping cart drop-out rate.** As many as 27 percent of online consumers abandon the items they put into a "shopping basket" because they find filling out the forms too difficult.[4]
- **Improve customer experience.** Without being pushy, add 'personal touch' to customer's Web site experience by using real-time textual conversation with a trained CSR to build solid relationships. In a recent study, Yanklovich partners reports that 63 percent of people do not intend to buy online until there is more human interaction.[5]
- **Best resolution rate.** By responding quickly and accurately, a higher percentage of issues and questions are resolved.
- **Good potential for interaction tracking, personalization.** Keeping a record of all interactions provides the information to further personalize future interactions.
- **Potential for browser push/drive.** Leading chat applications allow Net reps to "push" pages to surfers (i.e. automatically take them to a Web page without the surfer having to click to that page).

[3] Results of Talisma™ Prospector Support chat-based lead qualification service.
[4] *"Digital Wallets: Pursuing Dual Wallet Strategy Before Leverage Is Lost,"* Ken Cassar, Lucas Graves, Marc Johnson and Robert Sterling, Jupiter Communications. February 1999.
[5] *"Putting the Customer Back in Customer Service,"* Yanklovich Monitor 2000, Yanklovich Partners.

Disadvantages:

- **Call volume management challenge.** If companies deploy reactive chat, there is the potential issue of many surfers requesting contact all at once.
- **Time management challenge.** Once a surfer is engaged, research has shown that he or she sometimes does not want to end the conversation (one primary reason is a are fascination with the technology) even though any questions may have been answered. Companies must find a way to politely disengage from unproductive interactions.
- **"Big Brother" syndrome.** Some surfers may be spooked or uncomfortable with proactive chat and pushing Web pages.
- **Relative cost.** Because of the limited volume that can be managed and the potentially lengthy interactions, chat is not viewed as a cost-saving relationship channel. However, because of the sales, cross-sell, and up-sell implications, it is viewed as a revenue-enhancing tool. An impressive return on investment is still quite possible.

### Process Points for Implementing with Best Practices

Many chat implementations are successful because companies recognize the value of utilizing a powerful technology such as chat. In addition to vision, there is a checklist of items that companies must consider to best leverage the benefits of chat. Companies willing and able to share hard-gained chat interaction experience are still few. Some tried and tested process points for chat are as follows:

- Use a distinct button to distinguish the chat service on the Web site.
- Place the hours of availability with the chat button, unless it is 24x7x365.
- Carefully position the chat button on the site in areas most directly related to revenue because chat is a more expensive resource and should be deployed strategically to control use.

Today, chat is primarily used as a service or support technology (and even in within this context it is not prevalent. Companies that want to be leaders on the Internet will need to harness the tremendous potential for this technology in order to stake their claims. Otherwise, Internet companies, as a whole, will continue to struggle and lag behind traditional brick-and-mortar operations.

## Voice Technology Overview

Using the phone as an interaction channel is a well-established practice throughout all companies regardless of size, vertical industry, or business model. The relationship between costs, returns, customer satisfaction, and infrastructure are relatively well understood. But now, the technology spawned from the Internet has added another layer of complexity to the traditional phone channel.

The catch-all phrase for linking Internet and telephony applications is called computer telephony integration (CTI). Once considered to be one of the more challenging goals of network technology, CTI today is more approachable and provides vital technology for many call center applications, VoIP, and unified messaging environments (providing PC or telephone access, with one call, to e-mail, voice, and fax).

In the early days of voice-data integration, only large corporations had the resources to develop and deploy solid CTI applications. But today, as the need for a consistent, accurate, real-time view of the customer takes center stage, as well as the ever-increasing advancements in technology come to market, CTI is becoming more practical, affordable, and useable.

The question remains, however, why is it important and what does a business need to do to include and integrate, from a process standpoint, voice technology with other electronic relationship channels?

## Advantages and Disadvantages of Voice as an Interaction Channel

Advantages:

- **Good resolution rate.**
- **Potential for interaction tracking and personalization.**
- **Personal attention and high service level.**

Disadvantages:

- **Call volume challenge.** Until customers are retrained to select the communication channel which best suits the situation (self help, e-mail, chat, VoIP, phone), they often resort to what is most convenient, over what may actually be most efficient. Sudden availability of voice can present a call-volume management challenge.
- **High cost.** To integrate voice with other electronic channels, it remains expensive and difficult to cost-justify for smaller companies.
- **Burden on customer to initiate call.** Although companies can achieve a 360-degree view of their customers, to utilize the voice channel, customers still have to initiate the call (assuming voice is used for service—not marketing or sales).
- **Single copper line dilemma.** Since many voice-integrated lines still operate, and will operate, on phone lines, customers have to start and stop Internet connections in order to operate voice technology.

## Process Points for Implementing with Best Practices

While this white paper does not discuss the technical implementation of CTI or Voice over IP, there are process best practices to keep in mind for companies considering this option:

- Give phone representatives access to the company's e-mail repository—even if the representative is not in the e-mail group.
- Give phone representatives as much information as customers have—give them access to the company's Web site.
- Train phone representatives to be "super users" of the company's Web site.
- Make sure that information input from the voice interaction is also captured for users of other electronic channels.
- Apply the integrated multi-channel technology to allow the phone representative to rapidly follow up a phone conversation with an e-mail covering the questions of the customer. This

process re-engineering drives the customer to respond in any follow up questions through less expensive electronic channels.

# Best Practice Customer Service Technology

One of the critical differentiating elements for any business is the quality of customer service. Service has emerged as a key means to build strong customer relationships and, hence, a competitive advantage. In order to foster stronger customer relationships, organizations must meet and exceed customer expectations and provide fast, high-quality, multi-channel personalized service time and again.

Service can be implemented using a combination of:

- E-mail management.
- Real time interactions using phone, chat, VoIP, and other channels.
- Self-service solutions, such as FAQ and Web self help.

Does the vendor support a data-centric approach that integrates all communication channels to make customer information from the knowledge base available across touch-points? Be sure to inquire if and how the product handles routing, escalations, productivity tools, proactive chat, multiple sessions, conferencing, supervision, collaborative browsing, and so forth.

A fully integrated solution of Web self help, chat, phone, VoIP, and e-mail with support for communication over any other media should be a minimum expectation in any service organization. The customer database is the central store of all interactions originating from any media. A common knowledge base comprising response templates and standard responses is available across touch points.

Employing auto-response, auto-routing, auto-categorization, auto-acknowledgement, and auto-suggest significantly improves the efficiency of any support organization. Based on user-defined time and event conditions, the following actions should be inherent in any service technology under evaluation triggered actions such as delete an interaction, send mail to a customer using a response template, increase a numeric property, transfer an interaction to another team, consult specialist, send for review, set interaction priority, set a property value, and so forth.

## Expect These Minimum Customer Service Features

Every service software module must integrate interactions from self help, e-mail, chat, VoIP, and phone communications. To properly track these disparate communications media, some robust functionality should be available to organize and present a customer's interaction history.

### Integrated Intelligent Routing

When a request arrives through any media, the eCRM system automatically assigns it to the most appropriate service representative based on business specialty (billing, support, and so forth) and

communication specialty (representatives with better voice capabilities as apposed to writing capabilities).

Every software system should allow one to define rules to route requests intelligently and automatically. Messages satisfying a particular condition can be routed to a user matching a set of conditions. Routing can be based on virtually any criteria. Following are of the more common criteria:

- User properties such as skill levels and regional coverage.
- Content.
- Load balancing.
- Preserving user-customer relationship.

## Integrated Audit Trail in Single Window

While responding to a request, a user needs to see all actions performed on interactions such as previous requests, assignments, replies, comments added, and escalations.

A system should capture all interaction-related information and sequence of actions as an audit trail. The user can then view and act on the audit trail, menu bar, properties, reply window, and other tabs, such as categories, chat, and contact details) in a single interaction window.

## Escalation and Review

Query escalation for advice or review occurs frequently in any customer service scenario. Escalated queries suffer from the out-of-sight, out-of-mind syndrome. The user may not be certain that the specialist responded to the customer. Escalation also opens a new point of contact for the customer that may be undesirable.

To accurately respond within service level agreement expectations, every software solution should track and allow users to:

- Escalate interactions to specialists for assistance in resolving queries.
- Send interactions to peers for review.

In both cases, tracking the interactions sent for consultation should occur without transfer of ownership. This provides flexibility in solving problems while maintaining a single point of contact with the customer.

## Knowledge Base (Canned Response Templates and Standard Responses)

Most queries coming into corporate mailboxes follow the 80:20 rule. Eighty percent of the queries relate to common issues. A user will typically spend most of his/her time typing out the same replies repeatedly to different customers. This repetitive activity reduces user productivity.

In order to avoid tedious duplication of effort, software should offer the ability to build a single integrated knowledge base of ready-made responses that can be used to respond to e-mail, chat requests, or telephone calls.

While looking for a suitable response template the user can:

- Search by category and key word.
- Preview a response template.
- Insert merge fields.
- Use the auto-suggest feature.

Due to the frequency of many questions, functionality for the administrator to configure up to three response templates as rapid responses is a valuable time saving feature. A single mouse click on the toolbar should create and send the specified rapid response message. This is a virtual "answer at your fingertips" feature.

## Productivity Tools

There are many other productivity tools that should be inherent in any system. These include personalization, spell checker, dictionary, auto-text, auto-correct, and response templates configured to provide relevant auto-suggestions. Best-of-breed software also provides the users with the ability to set reminders and notifications on certain events.

- **Personalization**—This feature helps in extensive personalization of responses by including details about the customer such as name, address, title, and company.
- **Spell checker and dictionary**—This familiar feature scans mail to catch mistakes. Check to see if the solution also ships with a built-in dictionary that not only helps carry out spell checking but also functions as a repository of words unique to a company.
- **Auto-text**—A typing tool that creates a shortcut for long pieces of text. One can use this feature to rapidly enter mailing addresses, standard responses to queries or some common mail elements such as a signature. The entries are user-specific, as each service representative will have a set of preferred auto-text entries. This is a convenient way to prevent monotony and time lost in repetitive typing.
- **Auto-correct**—This small, but extremely useful utility corrects commonly misspelled words as they are typed, saving time and creating messages that are more professional.
- **Auto-suggest**—When a user tries replying with a response template, check to see if the solution helps the user by its auto-suggest feature. The system suggests a set of response templates to the user, which have the highest probability of being appropriate for the interaction under consideration.
- **Automatic reminders and notifications**—Verify that the solution allows users to set reminders on objects. On the day and at the time specified in the reminder, an icon appears on the status bar. When the user double clicks it, the icon pops open to show a reminder message. Notifications are alerts that are sent to users when some specific events occur in the system. *Example:* Users may be notified whenever a new interaction is assigned to him or her.

# Best Practice Marketing Technology

There are different flavors of applications available that promise marketing automation. Some vendors promise to provide a framework for automating the entire marketing process, from workflow to analytics. However, most such applications succeed only for low-volume businesses where the sales function is the primary driver for customer acquisition. On the other hand, some applications categorized for high volume campaign management are suited only for organizations where marketing is the primary source of customer acquisitions. Yet another category is applications that provide analytical and profiling tools.

The chosen vendor must offer the virtues of all the above applications. The application must tightly integrate with the service and sales modules and provide:

- A framework for automating marketing processes.
- A campaign manager for conducting all types of campaigns.
- Analytic tools for customer profiling and reporting.

## Expect These Minimum Marketing Features

As a suite application, marketing applications must be integrated with Service and Sales modules and support the following features.

### Automated Marketing Processes

An Adaptive Rules Engine offers a framework of campaigns, targets, opportunities, and orders, which can be used to streamline the creation, management, execution, and tracking of marketing processes in an organization. This framework can be used to define a wide range of activities and accommodate organization-specific processes.

### Campaign Management

Campaign manager functionality allows automation of the flow of campaigns. It facilitates campaign definition and planning using workflow, customer profiling and segmentation, personalization of content and offers, scheduling of events and mailing lists, response management, and analysis tools.

#### Graphic Workflow

A simple drag-and-drop text and graphics workflow can be used to create multiple campaign types. The workflow captures the logic of the campaign and enables the user to define, schedule, run, and manage campaigns. It allows businesses to conduct a variety of campaigns such as loyalty programs, seasonal offers, sweepstakes, cross-sell, up-sell, product launches, partner and channel schemes, trade show registration, newsletters, and so forth. The powerful graphical workflow allows marketers to:

- Define multiple campaign types.
- Conduct permission-based e-mail marketing.
- Schedule multiple events and execute micro-targeting.

- Schedule condition-based events.
- Create manual actions (send thank-you notes).
- Test campaigns before rollout.
- Manage campaign rollout.
- Monitor targets in real time at each stage of a campaign.
- Associate cost and ownership with each stage.

### Customer Profiling, Segmenting, and Targeting

Customers can be profiled, segmented, and targeted based on the demographic and psychographic information available in the customer database. Any integrated solution should allow creation of static or dynamic mailing lists using a complex Advanced Query Builder. While static lists are suited for targeting niche segments, dynamic lists are used to target segments that need frequent updating.

### Personalization

Mailers should support features such as attachments, graphics, hyperlinks, and support to multiple languages. In addition, they should also provide the ability to highly personalize mailers.

**Content**—Personalizing mailers to include content specific to a customer together with properties such as name, company, and so on. *Example:* Dear (Customer Name): We have significant investments in (customer-specific country) and assure you of the best service at all times.

**Offers**—Creating offers having different discounts for different target segments. *Example:* Creating an offer with a 30 percent discount for existing users of a product, 25 percent for all customers having competition products, and 20 percent for others.

### Scheduling Events and Mailing Lists

Scheduling events using the wait function based on date and time elapsed is another valuable feature to look for in eCRM technology. It can also be used to schedule mailing lists to participate in campaigns at pre-determined intervals.

### Response Management

A comprehensive set of features must track the response of customers. Based on the response, send another mailer, move a target to a different campaign, change the value of target parameters, delete a target, or generate an opportunity or an order.

- **Response to mailer.** The response to the mailer can be tracked based on both the time taken for response and the message body.
- **URL and banner tracking.** Embedding trackable URLs and banners in mailers. When a customer clicks the URL or banner, the database automatically updates this information.
- **Web forms.** Inserting Web forms in a mailer. Information submitted in these forms is collated and sent as an e-mail to the eCRM solution. The solution then interprets the content and creates an interaction based on this information. This information is also saved directly in the integrated customer database.

- **Controls.** A business should be able to create its own Web forms using control buttons. Radio buttons, edit control buttons, submit buttons, and combo lists can be used to create electronic order forms, database queries, and questionnaires for surveys. When the contact fills out the form and presses a "submit" button, the browser bundles the current content of the form and sends it to the customer database where this information is updated.

### Analytic Tool

Campaigns can be analyzed through a rich set of back-end metrics and reports. These reports can capture the number of people who responded in a step (step efficiency), the number of people who responded within a list (list efficiency). They also track costs associated with each step, calculate return on investment (ROI) for campaigns and specific steps, ROI on lists, success percentage, and types of response actions taken. In addition, click-through ratio, cost per thousand (CPM) and responses to banner ads, can be analyzed.

## Best Practice Sales Technology

Sales should enable field sales personnel to sell collaboratively across time and geography. They should be able to accurately forecast future business, manage opportunities and sales pipelines, share information across sales teams, and provide superior after sales service and support. Sales personnel should also be able to leverage the rich contact and interaction data to render highly individualized solutions and target them at specific prospects to register higher sales closures rates.

Again, an integrated solution between marketing and service is imperative for empowering and automating the sales function. New Offline Client technology allows a sales force to manage contacts and accounts from Microsoft Outlook without having to access a separate software server. They can simply record the proceedings of meetings with clients in Outlook and this information would be available across the company. In Offline mode, the sales force can update their opportunities and orders. In the same regard, any change in main repository of interaction data must also be reflected in their Offline Client.

### Expect These Minimum Sales Features

#### Lead Acquisition

Managing the lead acquisition can easily become an overwhelming process that can stymie the productivity of sales people if not efficiently managed. To help a salesforce prioritize leads, the system should start by aggregating interactions for potential leads in the audit trail of a prospect. No matter how the interaction with the prospect begins, the opportunity can proceed through the pipeline without manual effort from the sales person.

- Import leads from various standard sources such as tab delimited formats, Microsoft Excel, and databases with no requirement for manual data entry.
- Integrate with transaction systems like BroadVision and Vignette, Microsoft Commerce Server, and others for sales tracking and personalized notifications on purchases.

- Supports the concept of account for B2B customers. Multiple contacts can be associated with an account with contact hierarchy mapped.

### Opportunity and Order Management

- Lead qualification through rules
- Create and manage sales pipelines and stages by tracking the flow of opportunities, retrieving and presenting all relevant sales information at each stage.
- Incubate opportunities.
- Set up meetings, sales calls, and product demos through calendar-based scheduling; create and manage a comprehensive set of tasks or activities related to each sale through a built-in task list.
- Capture detailed profiles of prospects such as product, revenue potential, forecast, and expected closure date.
- Route opportunities based on territories, product types, customer ownership based on work-flow.
- Capture order details such as product, discount, revenue, and closure date.

### Follow-up Marketing

- Target similar profiles with updates, and new product information using powerful search and segmentation functionality.
- Up-sell and cross-sell to existing contact database is enabled by integrated support for campaign management.

### Reporting

- Measure sales performance with pre-defined and custom-defined reports.
    - Calculate revenues associated with potential sales and deliver sales forecasts and projections.
    - Forecast and track revenue through sales pipeline and categorization reports.
- Integrate with marketing campaigns to track sales-conversion rates.

## Measuring The Value of Technology

The good news about eCRM is that its returns quickly pay for the investments needed, particularly with the basics described above. Companies implementing eCRM systems to handle inbound queries have seen annual ROI of more than 300 percent, driven mostly by productivity increases.

In addition to license costs, companies implementing eCRM systems should plan on the professional services teams who will be necessary to deploy (and integrate, if necessary) the systems. eCRM professional services multiples (compared to the license cost) will be significantly lower than what companies have paid for traditional front office and enterprise resource planning (ERP) systems.

Finally, many companies have also managed relationship costs by outsourcing part of or all of their customer interaction functions. Outsourcing relationship handling has enabled companies to

dramatically increase their response rate and customer satisfaction while reducing costs. Outsourcing can also be used for proactive and reactive chat.

The most important consideration while deploying an enterprise class application is its ability to deliver a high return on investment. This is no different for an eCRM application. It's a good idea to ask a vendor to draw a model that can prove a high ROI. This model should be studied in terms of its total cost of ownership (TCO) and evaluated on how the product can minimize TCO and maximize profits.

## Financial Benefits

An eCRM application brings a host of benefits to an organization that can be broadly categorized as tangible and intangible benefits.

### Tangible Benefits

- Increased revenues and profitability.
- Reduced internal costs.
- Higher employee productivity.
- Higher customer retention rates.
- Protected marketing investment with maximized returns.

### Intangible Benefits

- Increased customer satisfaction.
- Improved customer service.
- Closer contact management.
- Acute targeting and profiling of customers.
- Better understanding customer requirements.

## Assessing Total Cost of Ownership

Associated with these tangible and intangible benefits are a host of expenses that can be best captured using the TCO concept. The costs can be categorized as:

- Initial license fee or the purchase price.
- Acquisition costs, which may include:
  - Deployment fee.
  - Hardware costs.
  - Initial training costs.
  - Application integration costs.
  - Database integration costs.
- Ongoing support fee, which may include:
  - Annual support fee.
  - Internal maintenance costs.

Benefits accrue to an organization because of an eCRM implementation by:

- Eliminating slip-through of customer interactions.
- Improving response time.
- Increasing customer referrals.
- Gaining higher revenues through cross selling and up selling.
- Reducing customer queries by Web self help resolution.
- Increasing user productivity.
- Savings from automated routing.
- Savings from automated reporting.
- Savings from auto-response.

## Costs of Various Deployment Options

Multiple deployment options are a great way to minimize TCO. These options include:

- Outright purchase of the software
    - Initial license fee.
    - Calculating estimated and true deployment time
    - Cost of comprehensive training of end-users and administrators.
    - Look for a solution that exposes all objects that comprise the product. An extensive library of APIs means short integration timeframes and low integration costs.
- Online model
    - Investment in hardware and annual support fees is nil. The software provider manages all software upgrades while customers continue to derive all the benefits from increased revenues and reduced internal costs. Therefore, the ROI is significantly high.
- Outsourcing model
    - With this option, all investment is avoided except for the initial purchase price. Any increase in CSR headcount, software upgrades, expansion of infrastructure will be accounted for in the subscription fee. With time, customers realize a consistently higher ROI.

Through a combination of optimizing benefits and TCO, the highest ROI for an enterprise-class eCRM solution can be achieved.

# Conclusion—Making Decisions

## How to Deploy eCRM

Choosing which elements to implement, and in what sequence, is a ponderous issue. Understanding customer segmentation and customer expectations (based on products, channels, and industry) is the right place to start. Already, 32 percent of online shoppers name customer service as the most important component in choosing an online retailer; 39 percent name price.[6] At the very least, any company with a Web presence must guarantee that e-mail aliases shown on the Web site are monitored, and that e-mail queries sent through these aliases receive a prompt response. On the self-service side, offering at least a few static FAQ can improve the customer experience. Such basics are still beyond the current offerings of one- third of U.S. retailers based on a survey conducted by Talisma in June 2000. Out of more than 700 leading e-businesses surveyed, 33 percent do not respond to basic e-mail queries regarding their policies and companies.

Once the basics are in place, companies will be able to quickly expand their relationship capabilities in the direction of marketing and sales, using more advanced tools such as proactive and reactive chat, dynamic FAQ, and electronic campaigns. In this respect, eCRM is very similar to past eCRM initiatives focusing on improving other aspects of a business' operations. eCRM is more of a process than an end state, and carefully selected incremental approaches yield the best returns.

## Conclusion

As shown in the previous pages, building a customer-centric company is a challenge that can be addressed in many ways, using several different tools for distinct functional applications. Ultimately, successful relationship management is a competitive advantage. Innovative companies have mastered it to good effect, and their competitors are forced to match these innovations or continue losing market share.

In choosing technologies to communicate with existing and future customers, it is safest to default to an integrated solution. Tracking communications across functional business departments and across the various touch points is empowering for every person accessing the system. Determining best-of-breed technology is the first step in improving customer relationships. The second stage is applying the correct process to fully leverage all of the capabilities of these new technologies.

A few companies have already distinguished themselves in both technology and process and, as a result, contribute to shareholder value. How long will it take you, or your competitors, to set the pace of customer expectation in your industry?

[6] Source: Yankee Group August 2000 survey of 3,500 online shoppers, in The Industry Standard, http://www.thestandard.com/article/display/0,1151,18623,00.html

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