
Customer Relationship Management

Issues, Needs, & Challenges

Agenda

- CRM Definitions
- CRM Market
- Issues
- Trends
- Main discussion

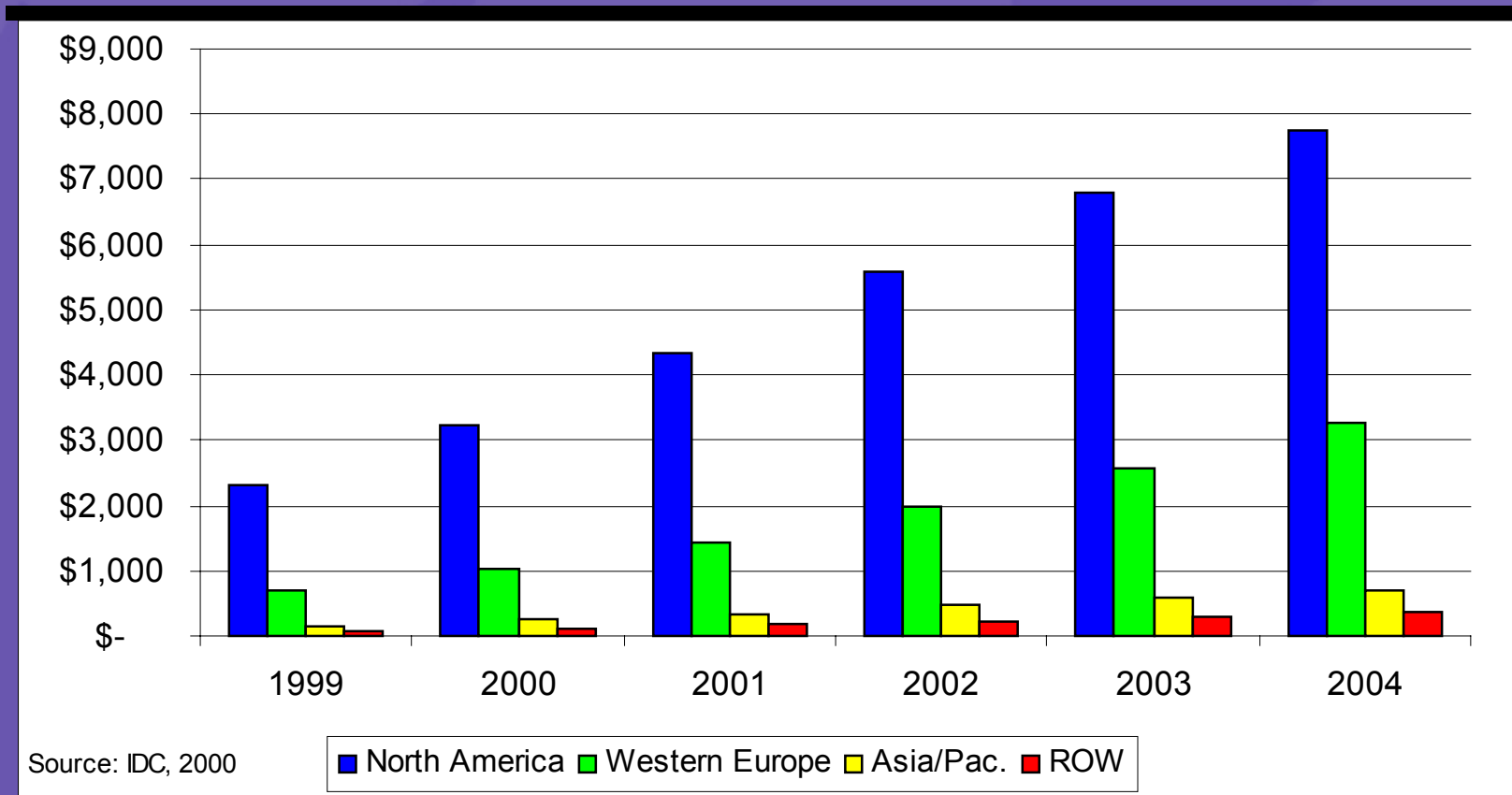
CRM Defined

- “The art & science of how companies deal with customers”
 - Distinguish your business from your peers
 - Steer your industries’ most profitable customers to you
 - Cement their loyalty with outrageous service
- Underlying Premise: C-CAM
 - Customer Capital Asset Mgmt (Lifetime Customer Value)
 - Defined as Customer lifetime revenue – lifetime costs = customer cash flow. Express as net present value.
- New Idea? Not really...
 - “The true business of every company is to make and keep customers” – Peter Drucker, 1954
 - “Some customers deserve to be fired” - unknown

Basic CRM Components

Campaign Management	Sales Automation	Customer Service	Web Tools
<ul style="list-style-type: none">• Campaign Mgmt. Tools• Response Analysis• Predictive Modeling• Segment, execute, improve	<ul style="list-style-type: none">• Lead Mgmt.• Proposal Generation• Forecasting• Product Config. Tools	<ul style="list-style-type: none">• Real time interaction• Web demos• App sharing• Voice over IP• Automated email responses	<ul style="list-style-type: none">• Personalization• Purchase recommendations

WW CRM Software Revs.



- Explosive growth!
- \$12B industry by 2004

CRM Issues

- Critical Success Factors
 - Must have customer centered culture first
 - Executive(s) championing the effort
 - Remember: It's the people, stupid
- Reasons for failures
 - Reengineering is hard! Must manage change effectively
 - System chosen before solution defined
 - Don't "pave over cow paths"
 - SFA apps can't build human relationships

Dynamic Landscape

- Recent News

- 2/14: Matrix Technology, Urban Science Analytics Alliance
- 2/13: PeopleSoft unveils CRM for midsize companies
- 2/13: Oracle announces free CRM (support.oracle.com)
- 2/6: SAP, Alcatel join forces for CRM
- 2/6: SAP partners with Genesys
- 2/5: Frictionless Commerce, OnDemand, Pegasystems announce new CRM products
- 1/30 Microsoft partners with Onyx on CRM package

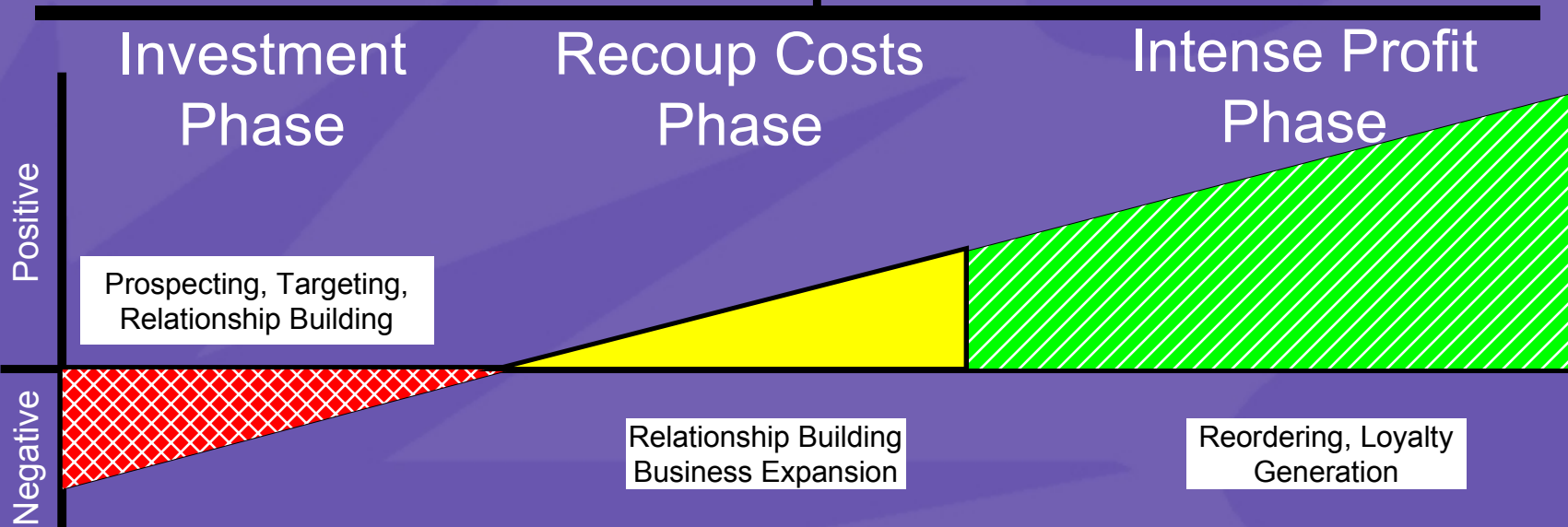
- Recent Consolidations (Acquirer/Acquiree(s))

- Broadbase/Rubric; Broadvision/Interleaf; Davox/Answersoft; Dendrite/Cornet; E.piphany/Octane Software, Rightpoint; eGain/Inference; eShare/Melita; Goldmine/Bendata; Exchange Applications/eXstatic; Kana/Silknet; Lucent/Mosaix; Nortel/Clarify; PeopleSoft/Vantive; Primus/Imparto; Quintus/Mustang; Remedy/Pipestream; SalesLogix (now Interact)/Symantec's Act Software; SER Systems AG/EIS International; Siebel/Paragren, OnTarget, OpenSite; Vignette/Datasage.

CRM Trends

- Right customer, message & *channel*
- Industry Consolidation
- Focus on mid-size businesses
- Microsofts' bCentral portion of .Net??
- Minimize data islands! Converge!
- Building customer loyalty will be prioritized, and Marketing's status will increase

Customer Lifetime Value Development



Business Goals	Stranger -->	Prospect -->	Customer -->	Repeat Customer -->	Loyal Customer for Life
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