



Implementing CRM... or MRC?

I went on a Google fishing expedition recently for the term "CRM" (customer relationship management). Not surprisingly, the results were skewed toward sites that treat CRM as an IT solution.

It has been well documented that many CRM implementations have failed for a variety of reasons, ranging from a lack of buy-in from executives to fragmented data sources and data sharing. The word CRM in itself comes with a lot of baggage. Many senior managers cringe when they hear it, as it implies expensive software solutions that have failed to provide a reasonable return on investment.

At the heart of the issue is the conflicting relationship between CRM as a technology and CRM as a philosophy. CRM experts argue that CRM is a philosophy that puts the client at the forefront. However, the reality is that most frontline managers and executives equate CRM with expensive technology solutions.

Managing client relationships should go well beyond technology solutions

I would argue that, even in the face of articles and publications that attempt to place CRM beyond technology solutions, many organizations still struggle with the notion of CRM. A friend of mine who works for a technology company told me that his organization recently abandoned a second CRM solution because it wasn't being utilized by sales staff, who relied on brute force methods of lead generation and contact management.

Clearly, organizations need to step back, look at the bigger picture and real-

ize that managing client relationships goes well beyond technology solutions. More important than CRM is MRC — managing relationships with clients.

While only simple semantics separate CRM from MRC, there are profound differences between the two. MRC espouses the much broader philosophy of putting the client at the forefront of product design and innovation, sales and marketing and client retention and market growth. More importantly, MRC loses the baggage of being associated with expensive IT solutions that fail to deliver expected benefits.

For an organization's purposes, MRC is essentially what CRM is supposed to be. It's about being client-focused as an organization, looking to grow markets and operate in a way that encourages relationships and loyal clients. Without loyal clients and growing markets, there is nothing for a CRM solution to manage.

The good news is that many companies already incorporate elements of MRC into their daily existence through initiatives such as: periodic client surveys; product development research with clients and prospects; data mining and segmentation; and contact management and lead generation.

One good example of MRC in practice is Nissan. A recent Peppers and Rogers e-newsletter (*inside 1to1*, July 21, 2003) provided an account of how Nissan decided to throw its hat into the full-sized pick-up market for 2004, competing against stalwarts like Ford, Chevrolet and Dodge.

Without an existing client base for full-sized pickups, Nissan incorporated competitors' clients and potential

prospects into product design, via market research. Nissan's MRC initiatives included: an unmet needs survey of full-sized truck owners; focus groups and individual debriefings with participants who used different pickups; and in-person observations of truck owners in action (i.e., at a job site, recreational activities, etc.). These initiatives helped product designers come up with improved features that could help differentiate Nissan's offering from existing pickups based on client needs.

While it remains to be seen whether Nissan will gain market share in the full-sized pick-up category, early indications from industry analysts are that the improvements will be well-received.

Ultimately, employing MRC does not render CRM useless. In many cases, a CRM solution could serve to make MRC more efficient and productive, justifying the investment. Having said that, organizations can look to develop a clear MRC strategy by:

1. reviewing existing initiatives and strategies to ensure that they are client-focused and on track
2. looking for opportunities to use the voice of the client in product development, marketing and sales
3. planning a forward-looking strategy, with investments made where necessary and warranted.

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