CUSTOMER RELATIONSHIP MANAGEMENT

CRM - principles, strategy, solutions, applications, systems, software, and ideas for effective customer relationship management. Customer Relationship Management, or CRM, is an essential part of modern business management. As you have up to now understood that it is used as a tool in this competitive world to take an edge over others. And it has proved very effective and forceful.

Let us again take a look at Customer Relationship Management, or CRM?

Customer Relationship Management concerns the relationship between the organization and its customers. Customers are the lifeblood of any organization be it a global corporation with thousands of employees and a multi-billion turnover, or a sole trader with a handful of regular customers. Customer Relationship Management is the same in principle for these two examples - it is the scope of CRM which can vary drastically. CRM focuses on the Relationship.

Successful Organizations use Three Steps to build Customer Relationships:

• Determine mutually Satisfying Goals between Organization and Customers
• Establish and maintain Customer Rapport.
• Produce Positive Feelings in the organization and the customers
• The organization and the customers both have sets of conditions to consider when building the relationship, such as wants and needs of both parties;
• Organizations need to make a profit to survive and grow Customers want good service, a quality product and an acceptable price
• Good CRM can influence both sets of conditions.

Why do organizations undertake CRM?

CRM is a new concept to many organizations. If it is new to you, here is why most forward-thinking organizations devote lot of energy and resources to the set up and management of a CRM capability. These organizations see clear advantage of using CRM as tool and process.

How CRM Impacts on the Organization:

CRM can have a major impact on an organization through:

• Shifting the focus from product to customer, traditionally, focus had been on product. It is only in the last decade or so that the focus has not shifted on customer.
• Streamlining the offer to what the customer requires, not want the organization can make. It was for a very long time that we put emphasis on what companies can produce and their efficiency in that. But now the focus is on what the customer wants.
• Now emphasis is on highlighting competencies required for an effective CRM process

Why does the Organization need CRM?

The ultimate purpose of CRM, like any organizational initiative, is to increase profit. In the case of CRM this is achieved mainly by providing a better service to your customers than your competitors. CRM not only improves the service to customers though; a good CRM capability will also

• Reduce costs
• Wastage
• Complaints

(Although you may see some increase initially, simply because you hear about things that without CRM would have stayed hidden).

If we make a sum total of all these three factors, we will easily arrive at a conclusion that companies are today benefiting from CRM and running more profitably than ever before. Reducing costs, reduction in wastage and fewer complaints is the dream of any organization today. Competition and cost of doing business has gone up sky rocketing. We have to save and reduce all kinds of costs which, hitherto, were ignored. The times have changed considerably and so are the requirements and demands. The customers have their own obligations to meet. So in this age of tense war-like situation, we have to work every bit to cut edges.
Effective CRM also reduces staff stress, because attrition - a major cause of stress - reduces as services and relationships improve. Stress is by itself a menace today all over.

CRM enables instant market research as well: opening the lines of communications with your customers gives you direct constant market reaction to your products, services and performance, far better than any market survey.

Good CRM also helps you grow your business: customers stay with you longer; customer churn rates reduce; referrals to new customers increase from increasing numbers of satisfied customers; demand reduces on fire-fighting and trouble-shooting staff, and overall the organization's service flows and teams work more efficiently and more happily.