



GAINING THE SUPPORT OF DECISION MAKERS

FOR YOUR CUSTOMER EXPERIENCE
MANAGEMENT STRATEGY

White Paper



sandsiv+
customer intelligence **made in switzerland**

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ABSTRACT

Building and maintaining an accessible, dynamic and mineable warehouse of customer intelligence is a crucial step towards monitoring, interrogating and refining the customer experience.

Modernday marketing experts have come to rely upon on demand customer intelligence solutions, which allow them to freely develop a more customer centric operating strategy.



INTRODUCTION

In an ever more competitive world, marketers are being increasingly put under pressure to deliver results. By exploiting the value of customer intelligence, marketers are able to design and implement more customer centric, and more strategic, marketing policies. Whilst it may appear logical to leverage the value of customer intelligence in this way, it is often far from simple to execute.

Marketers do not often have the tools and skills at their disposal to analyze customer intelligence at a beneficial level. "Marketing admits they lack high levels of competency in extracting valuable insight and predictive analytics from the mass of customer data" (The CMO Council, 2011).

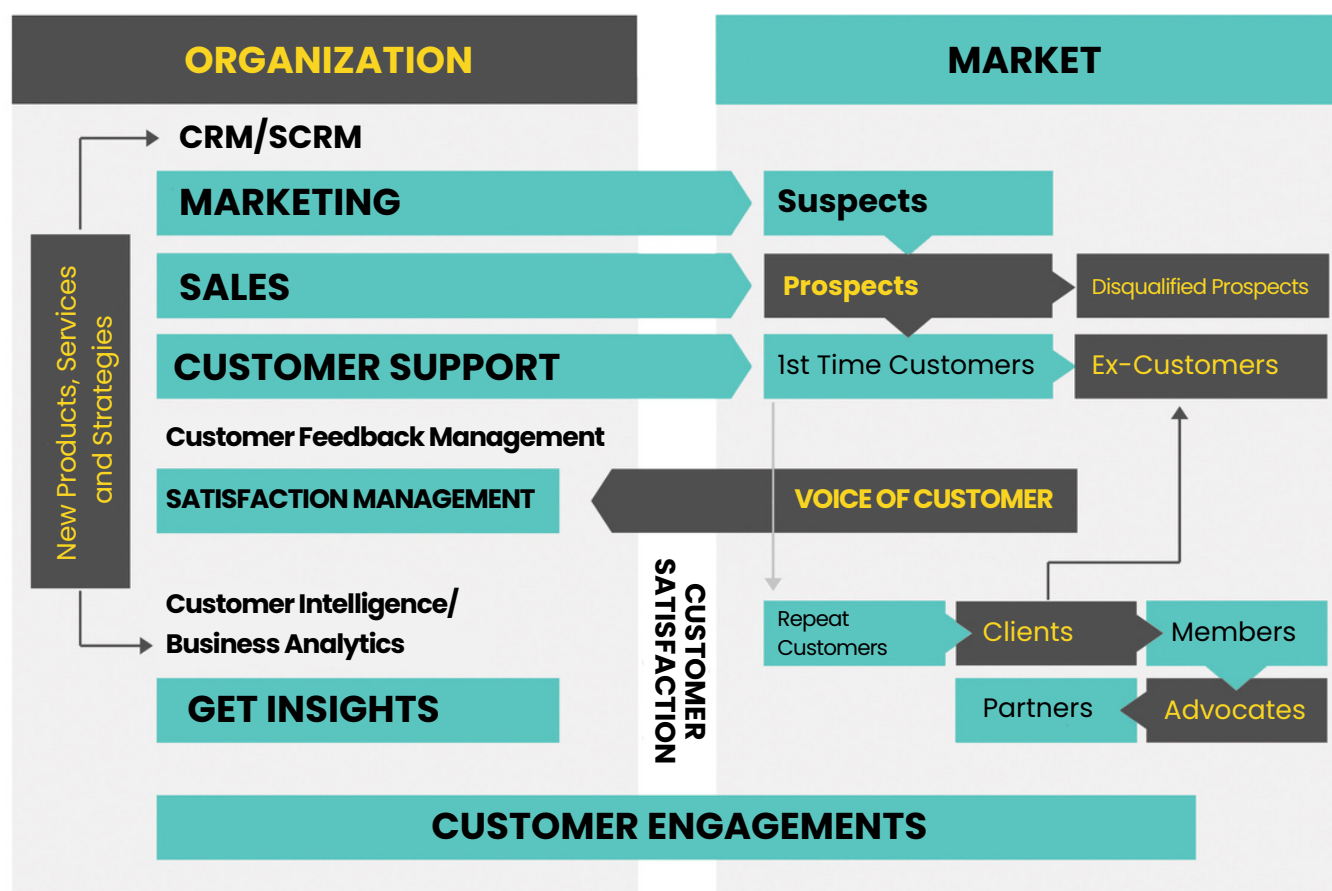
In order to achieve a higher level of effectiveness in monitoring and interrogating customer analytics, marketing departments will need to make a commitment to technology. Technology which facilitates the creation of a centralized warehouse of customer intelligence. Modern day marketers understand that the value inherent in such data can have a significantly positive affect upon the bottom line. However, deployment of such a system is often thwarted by the lack of tangible support from decision makers.



CUSTOMER INTELLIGENCE DEFINED

It can be difficult to surmise the concept of customer intelligence. Possibly Forrester Research did this best by stating that, “customer intelligence is the management and analysis of customer data from all sources, used to drive marketing performance and business strategy.” (Forrester Research, 2011)

In order to successfully implement an effective customer intelligence initiative, it is vital that marketers obtain the buy in of corporate decision makers. Laid out below is a schema for presenting the need for, value of and core benefits gained by deploying such a solution in order to obtain executive support.



MAJOR CHALLENGES MARKETERS FACE

Here are certain recurrent themes underlying the main problems faced by almost every marketer, and these include:

- No real way of judging the effectiveness and value of marketing initiatives.
- Dealing with outdated, ineffective technology which makes interrogation of existing customer intelligence difficult.
- Limited support, with little weight given to their needs from IT personnel.
- The impossibility of gleaning valuable insights from masses of incoherent customer intelligence data.
- Inability to access customer data when needed, most usually due to perceived ownership of such data being external to the marketing department.

In addition to the major problems detailed above, marketers are also often unable to validate their effectiveness in such areas as:

- Implementing focused campaigns targeting certain customer demographics. (The CMO Council, 2011)
- Gain insights from customer intelligence which has been gathered across multiple touchpoints or channels
- Monitor, manage and improve customer reward schemes.
- Communicate targeted messages to separate customer segments.
- Integrating the entire marketing chain, encompassing all channels including online and offline.
- Seeing a true 360 degree view of the customer based on current customer intelligence data.

All of these negative situations and hurdles can be overcome by deploying an enterprise wide CXM solution. Marketers know this to be true, key executives know this to be true, yet it remains difficult to convince the gatekeepers to implement such a plan.

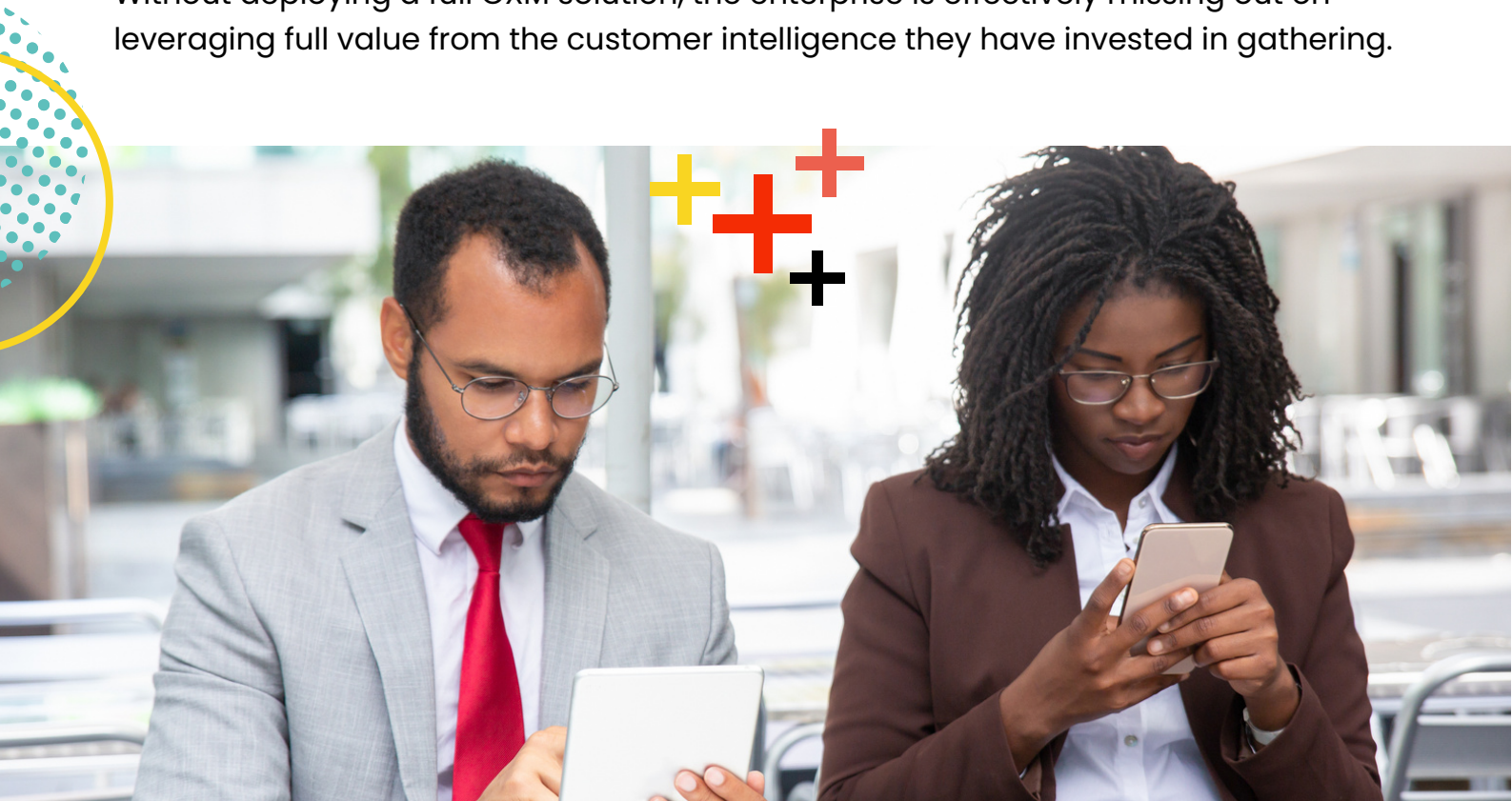
GAINING THE SUPPORT OF DECISION MAKERS

It is a demonstrable fact that companies which focus upon delivering a better customer experience and inspiring brand loyalty, experience revenue growth orders of magnitude greater than their industry peers. (Forrester Research, 2010)

Increasingly, CEOs are coming to understand the value of taking on a more customer focused way of operation. Perusal of any list of top companies in a specific market niche will almost always yield the result that the best of the best are renowned for valuing the quality of the customer experience as a vital business asset.

Although many CEOs are now waking up to the fact that the only way to compete in the modern commercial arena is to gain the loyalty of their consumer base, they have yet to perceive the value of implementing a technological solution to maintain it. Often corporate executives will have put their weight behind a CRM style solution, without knowing that CRM is simply one facet of Customer Experience Management (CXM).

Without deploying a full CXM solution, the enterprise is effectively missing out on leveraging full value from the customer intelligence they have invested in gathering.





TO EMPOWER CUSTOMER INTELLIGENCE

The pivotal point that every marketer must communicate to decision makers is that a modern, technological solution to the problem of gathering and extracting value for customer intelligence is sure to increase revenue and raise profitability.

This is achieved by the enterprise being equipped with the tools to better analyze, and thus profitize, siloed customer intelligence, and develop more effective marketing strategies based upon the findings.

By making efficient use of customer data in this fashion, the business is able to target specific customer segments, with specific messages. This leads to a more personalized and satisfying customer experience (from a marketing viewpoint), which in turn boosts loyalty, which is something every CEO should understand the value of.

SOLIDIFY THE ROADMAP

Once the attention of decision makers has been gained, and openness to the possibility of the implementation of a customer intelligence initiative has been achieved, it is vitally important to clearly explain the options which lay open, and the proposed route to implementation.

Depending upon the internal resources available there are three main options:

1

Development of an in-house CXM system – Possibly the most cost effective option for some companies, although almost always the option which takes the longest to deploy.

2

Extension and refinement of existing systems – This is almost always a cheap, quick fix. Companies considering this option need to ask themselves whether their short term savings will lead to long term benefits if they are considering this route.

3

Procurement of a specialized system from a third party – Often the best choice, and also the quickest. Deploying a tried and tested solution backed up by the support and expertise of people who know CXM.

The main question any company needs to answer when facing the decision of how best to move a proposed customer intelligence initiative forward, is how long can they afford to wait? In all likelihood their competitors are following a similar strategy, whoever implements theirs first is likely to capture an increased market share.



CEO COMMITMENT IS A REQUIREMENT

Once the CEO and other executive decision makers have agreed to the validity of taking a more customer focused approach to operating the enterprise, they must make it adamantly clear that they fully back the initiative. "Like any other organizational transformation, making a product focused company fully customer centric will be difficult. Transformation must be driven from the top down. But however daunting, the shift is inevitable. It will soon be the only competitive way to serve customers." (Rust, Moorman, & Bhalla, 2010)

Show the CFO the Financial Benefits

There is only one sure fire method of convincing the CFO of the validity of any proposed customer intelligence initiative, and this is to show him a positive bottom line outcome. It must be demonstrated that the investment will reap returns by empowering the marketing department to glean valuable customer insights, which in turn can be turned into effective marketing strategies which reap rewards in the form of increased levels of sales.

The CFO must understand that the ultimate goal is to increase market share, capture a larger portion of the customer's wallet, and increase sales volume by boosting brand loyalty.



EMPHASIZE THE RAPID ROI

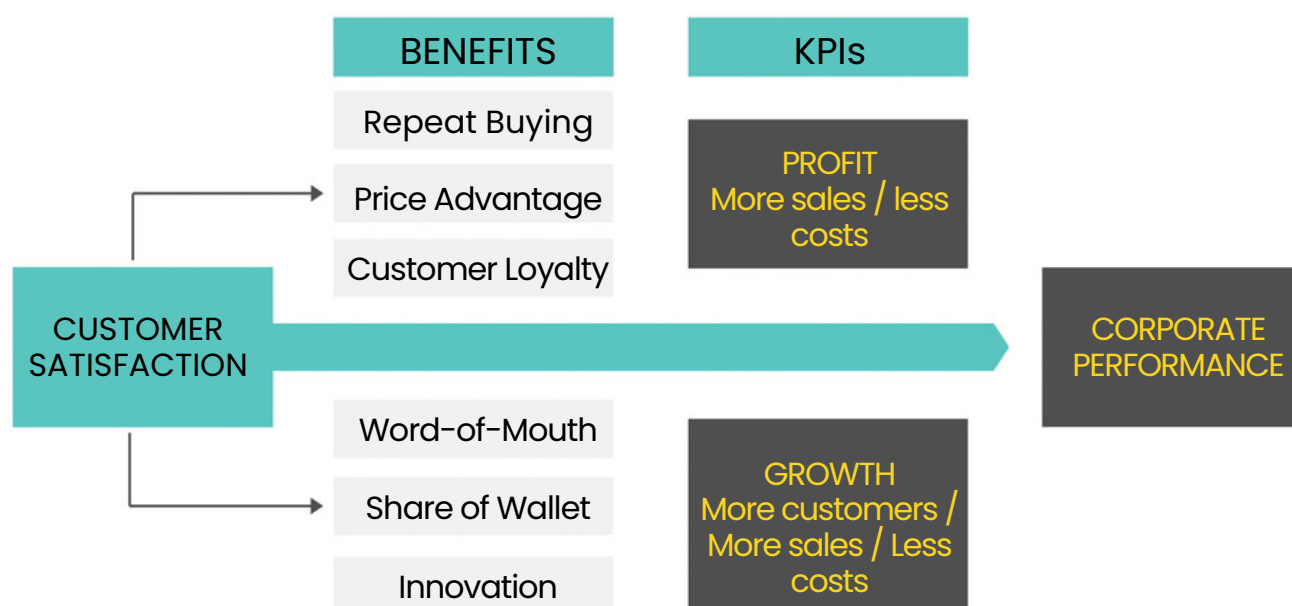
Every CFO is looking for a quick return on investment. It is important to understand that many CFO do not consider the overall level of investment to be the driving factor of a decision of this kind, they consider the lead time to ROI to be the definitive gauge of the worth of the investment. Put simply, they are less concerned by how much they spend from the company coffers and more concerned with how quickly it comes back.

For this reason, the CFO is often the main supporter of the third party provider option, and especially of low buy in, quickly implemented solutions relying on technologies such as SaaS.

SaaS is considered to be a very low risk form of technology investment, as there is no capital expenditure for associated hardware and software, and setup costs are minimal.

For these reasons, a SaaS based solution will often find the backing of the CFO. Indeed, SaaS investment is steadily on the rise for just these reasons.

However, it is also important to consider that the CFO will also be looking at other benefits gained from the investment. "While overall profitability is important, performance can be significantly enhanced by determining which customers are most (or least) profitable." (Aberdeen Group, 2010) Every CFO will be swayed by provable statistics that show clearly the positive benefits to the revenue of the company through increased levels of customer focus.

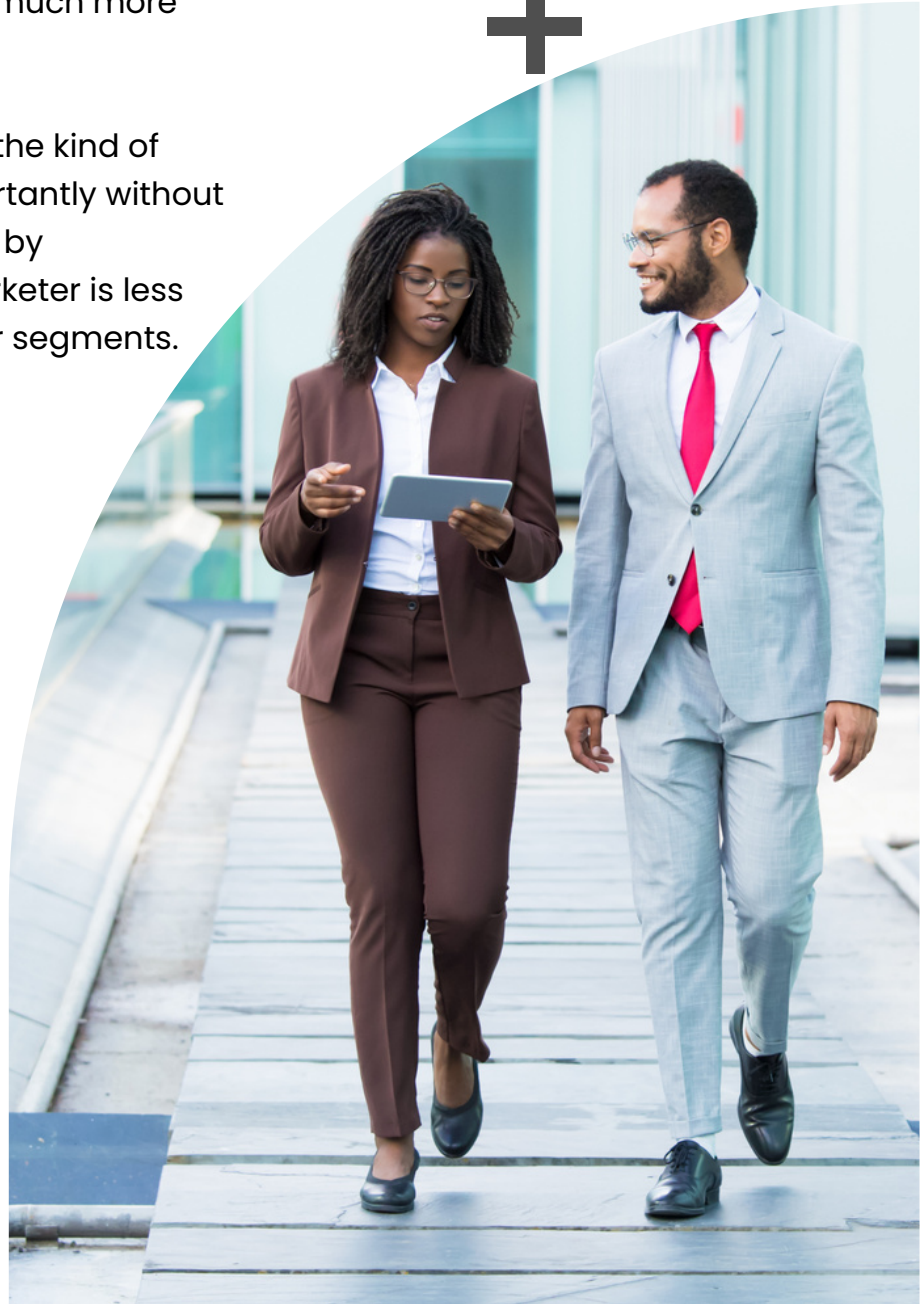


TOWARDS EFFICIENT MARKETING

Any form of well-planned customer intelligence initiative will offer additional ways of reaching ROI. Marketing itself becomes a much more focused, less hit and miss affair.

For example, without access to the kind of customer data, and more importantly without access to the insights gathered by interrogating that data, the marketer is less able to target specific customer segments.

Traditionally, a marketer would design a generic campaign; knowing that a significant portion of the audience would fall outside of the target group. Once customer intelligence is added to the picture, the marketer becomes infinitely more able to hone in upon exactly the customer group they need to get the message across to, and concentrate resources upon them. In effect, marketing becomes more efficient, as targeted messages replace generic messages.



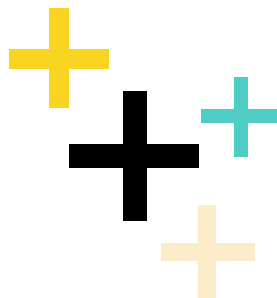
THE CIO AS A MAJOR SUPPORTER

There can be no doubt that in the world of modern commerce and the IT enabled enterprise the CIO has become a significant gatekeeper. Winning the support of the CIO is arguably the most valuable of all, and quite often the hardest to acquire.

When attempting to win the good opinion of the CIO for a proposed customer intelligence initiative, there are three strong arguments which could well sway their decision, these are:

- 1 That it is understood that the IT staff have a wide range of existing responsibilities, and that any new technology which is deployed would need to utilize as few internal IT resources as possible.
- 2 That strategic corporate data will be stored securely at all times.
- 3 That the IT group would form part of the steering committee during the evaluation and selection phase.

The CIO is often a kingpin around which much of the day to day operation of the company hinges. He is responsible for every facet of technology including hardware, software and communications, from procurement to desktop support. By getting the CIO on board at the proposal stage, it is possible to gain a heavy weight advocate who will add much credence to the proposed solution.



Reassure the CIO

Many CIO, quite rightly so, are wary of any outsourced or SaaS solution which involves company data being stored offsite. However, the CIO must also recognize that company data leaks out over multiple channels each day. Data becomes externally visible via email, fax and many other digital media. SaaS is no different. Data may be exchanged, but it is ultimately an exchange which is monitored by the resources the CIO commands.

This is especially true of companies which do business online. They are forced to face security issues, possible data loss and a whole host of other threats on a daily basis. These kinds of companies will more than likely already realize that corporate data is at risk wherever it may be stored, and that best practice is to take all possible measures to maintain data securely, without obstructing the business. In some cases, the involvement of a third party can actually highlight potentially overlooked security issues.

SaaS and cloud computing vendors, and the solutions they offer, can actually help organizations better protect their private data because they are focused entirely on storing and processing mission critical corporate data in a secure fashion.

(THINKStrategies, 2010)



REDUCE THE INTERNAL IT OVERHEAD

A major selling point for most IT group stakeholders lays in the fact that the current on demand customer intelligence solutions remove many of the traditional demands made by marketers upon their resources. A properly deployed system works in real-time, and does not rely upon reports, customer lists and other forms of traditional data aggregation tools. This means the IT group will be freed from needing to run custom queries, generate ad-hoc reports and generally be at the beck and call of anyone who needs access to data.

Indeed, the only drain in internal IT resources is likely to be during the implementation stage, and this requirement will be fairly light. The SaaS or outsourced solution is maintained and supported externally and internal IT staff have minimum involvement in its day to day operation and maintenance. In effect, this actually reduces demands upon internal IT resources significantly.

A SaaS solution is also infinitely scalable, meaning that the IT group will have no further involvement in the procurement of upgraded hardware, the allocation of computing resources and any other responsibility traditionally associated with scaling a strategically important in-house backend system.



SELL A BUSINESS CASE

An effective deployment of customer centric operational methods, alongside a unified customer intelligence solution, empowers not only marketers, but the entire enterprise to exploit the value of a warehouse of customer data. This enables the business to develop and implement a much more customer focused, more tightly targeted set of business processes.

Be sure to highlight the strategic benefits offered by such a solution when preparing a business case. To garner support for a new customer intelligence initiative it is essential that every decision maker is fully aware of the major benefits to be had by embracing this modern, fresh approach capturing customer feedback, measuring performance and improving the customer experience.



CONCLUSION

There can be no doubt that CXM needs to become a major issue within any enterprise which intends to compete in the current commercial environment.

Customers are beginning to expect a certain level of service, are starting to become used to having a voice, and are enjoying becoming socially connected with both the companies they purchase from, and other customers.

As was started previously, your business is already providing a customer experience to its customers, why not exploit this experience, create better customer relationships and increase revenue?



ABOUT THE AUTHOR



FEDERICO CESCONI

CEO OF **sandsiv+**

Federico has over 20 years' experience in customer experience-based roles including 10 years with UPC Switzerland, where he held several senior roles most latterly as Director of Business Intelligence.

He holds a PhD in Law from Università degli Studi di Milano and received several industry awards, across data mining and customer experience.

Federico co-founded SANDSIV in 2010 where he manages the strategic vision of the company, driving the company's business-and product-strategy as well as operations.

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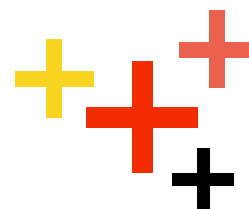
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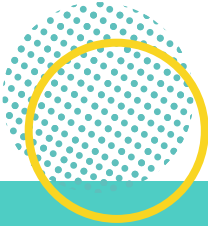
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ABOUT **sandsiv+**



SANDSIV is a Swiss software provider located in Technopark Zurich, Switzerland's main technology hub. Listed as a leading VOC vendor in Gartner's recent VOC Market report, SANDSIV has built its reputation in delivering its state-of-the-art Voice of the Customer enterprise solutions "sandsiv+" to advanced CX teams at leading organizations throughout EMEA, including leading companies in the telco, financial services, utilities, retail and transportation sectors.



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