Redesigning Work for Tough Times:
CRM Can Play a Crucial Role

Layoffs aren't coming. They're here. Look at eBay. Look at what's about to happen throughout the automotive sector – from manufacturing to dealer sales. Hey, looking for an investment banker job? And let's not forget retail. First stores will cut prices to post-Christmas levels, and when that doesn't work, they'll slash staff.

Properly implementing CRM helps you identify which roles add value–and which don't

Not fun to talk about. But if you're a senior or even middle level manager in almost any sector, you, personally, might have to make some mighty tough decisions. Even some that break your heart. And CRM won't make staff reductions easier emotionally. However, *properly implementing or upgrading CRM will identify where you can cut without damaging either customer relationships or company*, while making staff reductions more objective and less arbitrary.

Bet you're thinking, "Lee has really lost his marbles this time."

I haven't, though. Remember the old bromide describing CRM: "people, process and technology?" While this trilogy manages to omit the most essential CRM step - aligning business strategies with customers - it correctly identifies process as an essential CRM element. Now, by "process" traditional CRMers mean sales, marketing and service process. However, the universe of functions where process directly or indirectly affects customer experience expands far beyond these three functions, which we term "the front office." In fact, front office staff usually occupies but a small space within the customer affecting universe.

But does CRM really have to mess with this expanded universe of functions? You betcha, it does. Otherwise, CRM badly underachieves.

CRM streamlines work

Potential-fulfilling CRM implementations carefully redesign *all* customer-affecting work to align with customer-centric business strategies. We're talking redesigning a whole lot of jobs here – involving a whole lot of payroll dollars, and streamlining this much work can substantially reduce personnel costs.

Streamlining? Where did that come from? Aren't we redesigning jobs to improve customer experience, not cut staffing costs? Yah sure, we are. But what if I told you that redesigning work to be customer-centric goes hand-in-hand with streamlining? More than a little counter-intuitive.

So let me resolve this seeming contradiction with a bit of history. HYM has been helping clients redesign work in customer-centric ways for some 15 years, and I can't think of a single instance of recommending a staff increase to improve customer experience. Quite the contrary, in virtually every case, redesigning work for customer benefit *reduces* necessary work by 10% to 15%. That's right, *becoming customer-centric requires less staff, not more.*

Now, these work reductions don't automatically lead to staff cuts. In fact, in normal times we encourage clients to apply excess personnel to covering attrition, staffing growth or initiating new, value-adding work. But these aren't normal times, and we're girding for an increasing number of situations where retaining excess staff has become economically unrealistic. Makes our work less fun when this happen, but helping clients stay alive to re-staff another day does mitigate some of our angst.

Even if you now accept my premise that customer-centric work requires fewer people, bet you're still scratching your head over how and why. So I'll provide some examples.

Staffing with knowledgeable, empowered employees: Dealing with knowledgeable, empowered employees is at the top of almost every customer's wish list. But it should also be at the top of company wish lists. Knowledgeable employees don't constantly drag supervisors or peers into situations they should be able to handle themselves. And empowered employees don't have to constantly get approval from supervisors. Add the two together and a whole layer of supervision can be reduced by half, two-thirds, and

sometimes eliminated altogether. Great for contact centers. Also great in back office settings where supervisors often get paid good money to tell undertrained staff members how to do their jobs, or make sure they do things right.

Intelligently applying office automation tools: A good CRM implementation involves much more technology-wise than CRM software. For example, a recent client had to scan a substantial amount of documentation for regulatory reasons. So staff members passed bundles of documentation from function to function to function, sometimes from the field to HQ and back – then scanned these docs to archive them. Easy fix. Scan all the paper when it first enters the system, then move digital files wherever they need to go. Simple way to lower hours required to handle paper, not to mention time spent looking for missing pieces – all the while shortening cycle times to improve member experience.

Another example of using not office automation is B2B companies manually assembling long and complex bids and proposals. Tools that will index contents, cascade changes (such as an item price changes) throughout the document, store legal and regulatory boilerplate and provide quick access to text in similar documents are readily available. Using these tools can reduce bid/proposal development time by 50% or more. But a recent client of ours that produces bids hundreds of pages long requiring countless revisions was still working manually. The employee time invested in getting each proposal out the door was off the map. And we all cringed when a prospective client called them asking which price to use – the stated total bid amount or the sum of the elements, which was hundreds of thousands of dollars higher. Someone had changed a price in one place but couldn't (or didn't) find all the remaining instances. Not only do companies optimally using office automation reduce labor requirements, but they gain from reducing the quantity and impact of work defects.

Eliminating excess risk mitigation: I can't tell you how many clients we've encountered with torturous new customer credit approval processes in markets where unpaid invoices are uncommon. Why call credit references supplied when only an idiot would use references that would not say good things? Why pass credit applications through three sets of hands to get to an overstuffed file cabinet where no one can find anything. Why do "rubber stamp reviews?" The average company puts about twice the time into approving credit apps that's necessary and prudent.

Not recovering every last cent of cost on every invoice: We had a client that used variable pricing based on constantly variable commodities markets. The extra hours required to invoice versus using price averaging that changed only in cases of wide variances ate up any potential cost recovery gains many times over – not to mention irritating the hell out of customers, who couldn't rely on quotes. This nickel-dime mentality manifested itself all over the organization – to the point that I included a slide in a COO presentation saying, "You guys are spending millions to save pennies." Fortunately, he got it. The next day photo-copies of the slide were plastered all over the executive suite. Oh, and based on work redesign, this company was able to cut its 2,000 person sales and service staff down to 1,200.

Relying less on "push" internal communication: How do companies disseminate policy changes, process changes, important announcements and alerts? Via e-mail, of course. Now, how much time does sifting through e-mail consume for the average employee? Let's just say it's lots and lots and lots of time. On top of which, many important messages that affect both company and customer wind up in digital trash bins, unread. How do we redesign information flow to address this issue? By posting information on a well-designed, well-partitioned, central intranet site where everyone can quickly navigate to everything they need to know. Will they go there? Yes, if you pop a summary, "What's New?" first page on everyone's computer complete with links to full messages. A quick scan tells folks if anything needs their attention, cutting waste time sifting through communications to the bone. And we're talking mega hours here.

I could go on forever in this vein, but I won't.

Reducing FTE requirements

By redesigning work to improve customer experience, most companies can reduce FTE counts in customer-affecting functions by 10% to 15% Some even more. And they can apply the same office process design techniques to reduce staffing requirements throughout their office environs, in places including HR, order-to-cash, purchasing, accounting, etc. That's a fact. But the bigger issue is, "Will they?"