

CRM Strategy and Cost Benefit Telecommunications Retail

Background

Our client is the fourth largest Authorised Telstra Dealer in Australia. The Australian owned and operated private company has been established 6 years, and sells mobile phones and accessories, together with other Telstra fixed line and internet services, through a network of 23 shops and dealers in Queensland, New South Wales and Victoria.

The company had been experiencing rapid expansion and growth, and had an aggressive target for continued growth of 30% p.a. As part of its business planning, the company had identified its customer base of over 200,000 as one of its greatest corporate assets. In a transactional retail market place, few of their competitors have any idea who their customers are. They had already met with some success by using their existing information to contact existing customers to see if they wished to renew their plans close to expiry. In fact, they are one of the leading Telstra dealers in terms of contract renewals.

However, the process was very simple and unsophisticated, and there was ample room for improvement. They knew they needed a long term approach to leveraging their customer asset.

451 Consulting had been invited to discuss a range of directions arising from the business plan and a number of business-as-usual imperatives. After careful analysis of the business situation, 451 Consulting suggested a number of initiatives, the key one being the development of a long term **Customer Relationship Management Strategy**, to which the company agreed.

Process

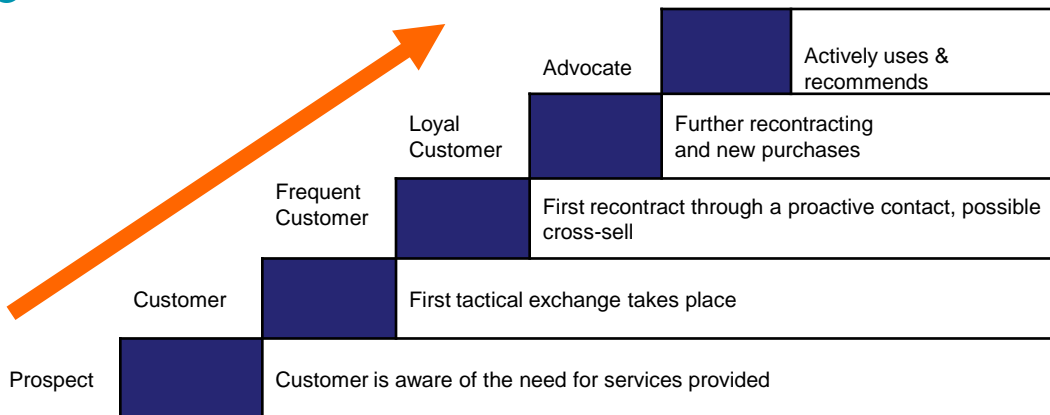
The company knew they needed a “CRM” solution, but didn’t really have a solid idea on what that actually meant for them. Was it customer information management, customer care, customer contact management, sales force automation, marketing automation or telesales, or some combination of these. What did their existing customer base look and behave like. What would their customers’ needs be.

451 Consulting set about understanding the retail transaction nature of the majority of their business, together with the additional nuances of business sales and telesales (recontracting), and their existing customer information and how it was captured. To achieve its business growth goals through increased customer sales and improved service, the company needed to focus initially on “tactical customer activity”. After discussions with the CEO and Senior Managers, a CRM Strategy was defined which focused on developing and enhancing these predominant tactical customer relationships, looking for opportunities to cross-sell, up-sell and re-sell, then to deepen these relationships over time toward more strategic levels.

Through this approach, the value of their existing customer information could be fully leveraged and their relationship with clients can be developed over time.



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However, other issues needed to be addressed before this strategy could be realised. Their existing customer information was held in a dated, difficult to manage Sales and ERP system. The data quality was moderate, and the data was difficult to extract. They had very limited automated support for telesales and other CRM functions. They needed to identify a suitable CRM solution that would match their functional and technical needs, as well as being affordable.

451 Consulting worked with the company’s staff to establish a broad set of functional, technical and implementation requirements for their CRM solution, incorporating a balance of Sales Force Automation, Marketing Automation, Customer Contact Management and Customer Care, with the potential to include outgoing Telesales. From a market analysis, we identified leading, entry-level and mid-market CRM solutions that matched these requirements and had telecommunication industry customers in Australia. We profiled a select number of these solutions, outlining key functional, implementation and support capabilities. We gathered indicative costs from vendors to estimate total-cost-of-ownership for one, three and five years, and outlined targeted business benefits.

Outcomes

The analysis undertaken by 451 Consulting provided the company’s management team with the necessary information to choose a preferred option, before moving into commercial negotiations with the vendor. This choice was based on functionality, strategic fit, value-for-money and overall affordability.

Rather than focusing on trying to find “the best” solution (by defining very detailed business and technical requirements and then going to the market), 451 Consulting preferred a more streamlined, pragmatic approach, which focused on identifying suitable, leading solutions that were widely used and well supported in the local market. After all, as Learmonth Burchett Management Systems in the UK identified more than a decade ago - a high level analysis (such as undertaken here) was generally sufficient to identify a preferred option, and that detailed analysis of all options rarely overturned that preference, but vastly increased the time and cost of acquisition.

A meaningful CRM strategy, a CRM solution and the desire to serve customers better and continue to grow. All indicators are for a bright and prosperous future.