

# CUSTOMER RELATIONSHIP MANAGEMENT

## CRM - INSIDE OUT THE HIDDEN CUSTOMER

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*Techniques That Lead To Success*

AMT  
ACTIVE MANAGEMENT TECHNIQUES

### Abstract

Many organisations equate the term customer relationship management (CRM) directly with technologies such as call/contact centres and sales force automation systems (SFA) or as some means of improving their level of service. It is bad enough when this view applies to the external face an organisation shows the world but is worse when you try to get the organisation to focus internally and treat each other as valued customers. Focus on internal customer relationships (a form of Internal CRM) seems to be something that just does not happen. Yet in many ways each team member in an organisation tends to be the customer of another department, division or the individual down the next corridor.

The whole notion of turning CRM inwards is certainly a bold and intriguing concept. It is also so very new that there is not yet even a widely-accepted term for it.

The term I propose here is 'Internal Customer Relationships', or 'I-CR<sup>®</sup>' for short. I-CR might be defined as an all-embracing business philosophy that focuses on the need for individuals, teams, departments and divisions to make that crucial leap in their mindset that involves them recognising that they have customers *inside* their organisation as well as *outside* it. Success for the organisation I suppose is created Inside-Out!

### About the Author



Michael Meltzer is a managing partner of Active Management Techniques that specialises in advising organisations on the use and the benefits of information to support relationship management in all its forms. He is a hands on partner who has experience spanning financial services, telecommunications, education and retailing. He has specialised in uses of information to support internal and external customer relationship management, e-business, customer knowledge and building organisations where innovation and learning can flourish. He is a respected author, sought after speaker, educator, consultant and experienced business manager.

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### Active Management Techniques

AMT was formed to offer unique personalised services and the knowledge of a group experienced consultant managers who have held senior positions often with P & L responsibility. Innovative thinkers and doers they offer exceptional support to organisations that wish to be successful today and tomorrow. Because of our experience, we understand the problems and the critical success factors associated with introducing new technologies, processes and ways of thinking. This translates into combining the right people, products, services, and partners required to successfully implement your solutions and then support you in realising the benefits of your investments.

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- ⇒ Are your Customers Profitable (What About ABC)
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- ⇒ e-Mining Myth & Magic
- ⇒ e-Insurance a CRM Perspective
- ⇒ e-Demand the consumer connection
- ⇒ CRM managing the Benefits Part 1
- ⇒ CURARE it could happen to you
- ⇒ **CRM – Inside Out – The Hidden Customer – I-CR®**

**Or why you need to manage your relationships with the customers *inside* your organisation as well!**

Internal Customer  
Relationship  
Management

Which organisations are most likely to maximise shareholder or stakeholder value and knock their competitors for six in today's enormously complex and competitive markets? The answer is those organisations which continually strive to re-think their attitudes, actions, approaches and assumptions in order to maximise their efficiency, cost-effectiveness and the value of their customer proposition.

Such continual self-interrogation can be painful, but it is essential for organisations to be open to sensible, major innovations in their strategic business thinking if they are truly to fulfil their potential.

The trouble is that there aren't too many innovations out there which are truly sensible *and* major. Most supposedly innovative business strategies just rehash what has been said or thought before, while others are just plain silly. All the more reason to pay serious attention when an innovation in strategic business thinking comes along which really does promise to effect a significant improvement in how organisations operate and how they see themselves.

Turning CRM inside out and then creating competitive advantage from the inside- now there's a thought

**The Customer Inside**

One new way of thinking about business that is most certainly sensible and which also has the potential to make an enormous impact on the bottom line is the idea of applying Customer Relationship Management (CRM) thinking *within* an organisation rather than only to external customers. The holistic view might mention this idea in passing and then move on to employee relations software as the answer to a yet unexplained problem/opportunity

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**I-CR®**

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What commercial problems and challenges is this new approach designed to meet?

Internal Customer  
Relationship  
Management

### **Internal Customer Frustrations**

Above all, I-CR is directed at solving the often bewildering and always frustrating problem that even the best-run businesses frequently fail to fulfil their potential. So many organisations regard themselves as well-run, thoughtful corporations, yet they keep on failing to achieve maximum profit and they generate unnecessarily high costs while working in an environment of needlessly low morale. Organisations facing this kind of situation are in a position similar to that of a sick person whose disease is not properly understood by their doctors. The medical team may be trying all sorts of different remedies, but the patient doesn't get any better. People and process may be the cause but many still look at the symptoms and ignore the cause!

**Improve individual  
performance – improve  
motivation – enhance  
positive rather than  
destructive behaviours**

### **Politics Here - Never!**

So often the real reason for this organisational malaise is that most people in business are far more interested in looking after their own divisions and mini-empires than they are in the commercial welfare of their organisation as a whole.

Furthermore, the truth is that all too frequently people in organisations don't really care very much about customers, either. They say they do, but when the chips are down, most people are more interested in protecting their own piece of the business and their own jobs rather than in getting to the nub of the problem of collaborating properly with colleagues to give the customer a deal that leads to the customer being truly delighted and wanting to come back for more.

Of course, this joining of ranks is in a sense understandable; nobody wishes to lose their jobs if they can avoid it. But surely the needs of customers should be paramount at all times, and surely the whole notion of customer *service* involves making some sacrifice oneself - whether of esteem, time, effort or whatever - or a change in behaviour in order to look after customers properly? Different customers, after all, do of course need to be treated differently.

### **Focus Energies**

And imagine if that same energy to provide a high quality service were applied not only externally but inside the organisation! It would be a rather wonderful and all-

pervading business philosophy, generating and inspiring inside the entire organisation a genuine concern within divisions, departments and the hearts and minds of individual staff members for how the other party was doing, taking every step to make them more efficient and more effective at their activities.

### **Customer Service Excellence**

At present, few organisations have a culture that is ingrained with the habit of encouraging staff to go that extra mile, to imagine themselves in the *external* customer's shoes, and to empathise with what the *external* customer wants, let alone with what the *internal* customer wants. Instead, the culture of the vast majority of organisations is based fundamentally around encouraging staff to focus on matters that protect their jobs and status in the eyes of their supervisors, peers and subordinates.

But how can anybody really serve internal and external customers if all that is on their mind is the internal politics of the organisation for which they work? Such people are almost certain to be profoundly suspicious of approaches by other departments for teaming, co-operation and sharing information; indeed, many individuals may assume that such approaches are ultimately calculated to undermine them. In this kind of climate, it is hardly surprising that inefficiencies exist between departments and that ultimately, the external customer winds up suffering because of the lack of any real dialogue and trusting relationships within an organisation.

### **I-CR Is Important**

Why is I-CR becoming a particularly important issue today? I think there are four reasons.

Firstly, the very success of the gospel of looking after external customers and using technology to make this happen has brought the customer relationship and service philosophy right out into the open. The difficulty of delivering on the promise which state-of-the-art customer service technology offers is rooted in the organisation itself: if its people are not working together successfully and with a genuine shared desire to help customers, no amount of expenditure on technology is likely to make much difference.

Secondly, there is a widespread dissatisfaction with modern management fads. There is something straightforward and honest about the philosophy of I-CR, which aims simply to adopt a genuine and probing attitude towards how different entities in an organisation interrelate and how trusting relationships can be fostered.

**CONSIDER IF THE  
INTERNAL SERVICE  
PROVIDER CANNOT  
MEET THE NEEDS OF  
THE INTERNAL  
CUSTOMER THEN  
MAYBE THEY WILL  
BE OUTSOURCED?**

Thirdly, because the idea of I-CR is so simple and strong, once an organisation has taken it to its heart, the organisation will have great difficulty persuading itself *not* to conduct at the very least an audit of its I-CR and see if this might allow areas of possible improvement to be identified.

Fourthly, organisations are becoming more and more dependent on technology. Technology in turn puts pressure on the internal organisation, and processes to communicate that trust more effectively and work together more efficiently. Organisations hope that by adopting an ethos of attentiveness to I-CR they will benefit from a more collaborative approach, and as a consequence, a much healthier bottom line.

Fifthly, senior management and all those on the receiving end of technology implementations have realised that technology is not the answer to all their problems. And there is a sea-change occurring so that the focus is being placed on the necessary but difficult needs of changing people and process. The people process focus means that technology comes in third not first and requires a different managerial mindset!

### **How Can You Make It Happen?**

But once the spotlight has indeed been put upon I-CR, what methods are available actually to make it *happen* and to bring its benefits to the entire organisation internally and also by extension to the organisation's external customers?

There has been relatively little experience out in the field to date of solving the problem of I-CR because until recently the problem was not even considered to exist. What is clear is that a dictatorial quick-fix approach consisting of an edict handed down from the Board to 'All Staff' saying in effect 'you will change or else' is very unlikely to be effective. Nobody gives anything like their best performance in such an atmosphere. Nor is a programme of performance metrics painstakingly introduced by consultants over a period of time but with little managerial buy-in likely to be particularly successful. As for the optimistic expectation that things will change of their own accord for the better, things just don't work like that.

Instead of forlorn hopes, what is needed is a systematic procedure that seeks to build understanding of I-CR issues through educative, motivational seminars and workshops directed at improving internal understandings and the introduction of practical measures, targets and incentives

**Change or Else**

**You need a systemic  
approach to making  
I-CR® a reality in your  
organisation**

for improving organisational performance through maximising the quality of internal collaboration.

Internal Customer  
Relationship  
Management

### **A Successful Proven Approach**

The technique pioneered by my own organisation - Active Management Techniques (AMT) - takes a highly pragmatic approach to making things happen on the I-CR front. The methodology starts with one-on-one diagnostic and discursive interviews with senior managers directed at creating a level of understanding of I-CR (including a discussion on the impact and objectives of external CRM) and encouraging senior managers to become champions of I-CR.

The next stage is to work with senior managers to identify what is in effect a syllabus of a series of seminars aimed at generating the awareness and practical implementation of I-CR within the organisation. These seminars need to create a heightened level of understanding of CRM and I-CR within the context of business realities and potential strategies.

Then, strategy and visioning workshops are designed and delivered to the organisation to allow the identification of possible routes which progress on the I-CR front could take. This is supported by workshops to clarify and identify real positive actions that can be taken. A programme of recommended actions will then be devised after a evaluation of the workshop's outcome.

The organisation is next given the assistance it needs to create a watertight business case for each set of actions that have been agreed. This business case will consist of business benefits, risks, business alignment gaps and will be prioritised based on an agreed set of principles.

Finally, it is necessary to map out the expected outcomes, initiatives, assumptions and constraints in terms of people, its processes, the organisation and technology.

This approach to meeting the challenges of I-CR works. Furthermore, it needn't be expensive to implement. The rewards it offers in terms of helping organisations to gain a completely new vision of how attention to I-CR issues will maximise their efficiency and profitability can be prodigious and have the potential catapult the organisation into a completely new level of ethical soundness, cultural fulfilment and financial success.

And after all, isn't that what really matters?

Michael Meltzer

**Meeting the challenge of change without the whole organisation at least pulling in the same direction makes life a little harder on everyone!**