
You Can't Handle the Truth— So You Have to Change

Several years ago, I began to work with a company that used a business model that had independent agents doing their sales and no direct salespeople at all. They hired me to develop a CRM strategy that would provide them with certain specific returns that I won't go into here—even if you torture me.

As I interviewed all their senior execs, I kept hearing a contradictory set of comments. They went something like this:

- ▶ We have a great relationship with our independent agents. We do a lot for them.
- ▶ They don't let us near the customers. They're afraid to.
- ▶ They'd (management) be interested in CRM, but they (the agents) would never let it happen.

That is a serious cultural disconnect. Enough for me to recommend transforming the culture and fixing the relationships between the company and the independent agents before they initiated any kind of CRM program at all. Clearly, the senior management of this company was frightened of the agents, understandably. They depended solely on them for the revenue of the company and the independent agents knew that. However, the client provided a nearly unique product (only three others in the U.S. provided it), and this was the only company that had a pure independent agent model so the agents recognized their dependency. Their relationship was cordial and they worked together pretty well, but that weak tie that was exposed was something that had to be addressed, and the culture of the company and the relationships to the independent agents had to be changed.

In lieu of a full CRM program, a program that was designed to strengthen the weaknesses that were exposed in the company/agent relationship was implemented with a two-year timetable for transformation. They created a joint group that did things ranging from discussing the company policies and having agents suggest changes to educational events and parties to agents being brought in on management discussions. The agents began getting a glimpse into what had been a friendly but closed company. The more the company changed the way it interacted with the agents, through joint actions and increased transparency, the more the agents began to trust the company. It's getting close and there are signs as this is written that the lead agents—the ones most enthusiastically supporting the company's change—are going to allow the company some access to clients. If they do, it's only a matter of time until that becomes *de rigueur*.

You'll notice something that might not be easily apparent. The core of what they had to do was to change the dynamics of the interactions between the corporate management and the independent agents to deepen the trust—even though there was some trust there. The purpose of the shift in the dynamics was to ensure that the agents trusted the managers enough to support a business transformation around a CRM program and to allow some exposure of the clients to company management without the fears of competition rearing its ugly head among the agents.

That's how customer-centered organizational change works. The customer here is quasi-internal—meaning the agents contracted to sell the services of this company. But the agents are customers nonetheless.

Note that there is no representation *anywhere* that is either explicitly or implicitly talking about change for change's sake. There is an objective that generates the reason to make the attempt to change the dynamics and, once the dynamics change, to build the support structures to sustain the change. You can't just start it, succeed until the particular goal is met, and then drop it. Once you've met your objectives that drove the change, those achievements will require the continuation of the change or a furtherance of the initiative.

A Little Background

Organizational change is compulsory when you are dealing with a business world that has changed its orientation and customers who

have a much greater sense of empowerment than they have ever had. In other words, I think you will unequivocally agree with me when I say the customer has already changed. If that's true, then you have to make changes to deal with how that newly minted version of your customer wants to deal with you. This means you have to be ready to institutionalize that change.

But how many of you have either funded organizational change initiatives from your CRM budget or as a standalone effort? I can tell you this—not many of you. Or, if you do, the effort is inadequately scoped and it gets lost quickly. But then, you may be the exception and if you are, come over to *PGreenblog* (<http://the56group.typepad.com>) and tell me about it.

Unfortunately, not working through how your culture is going to sustain and support initiatives around CRM and Social CRM that will include a number of dynamic elements, including the constant shifting the expectations of the customers, means that whatever kind of CRM program you're going to try to develop will pretty much be assured of failure.

A study was done as far back as 2005 (way back then) that looked at all the reasons for the use of change management in CRM. The author, Sudhir H. Kale, associate professor of marketing at Bond University's Faculty of Business in Australia, found that while there were a myriad of reasons and excuses as to why CRM wasn't being adopted that varied by industry, "The one major cause of failure to surface ubiquitously, regardless of industry, the geographic locations of companies surveyed, or who collects the data, is inappropriate change management or the so-called people issues."

In other words, the inability to shift the culture led to an environment that resisted the opportunity CRM presents, because they had no foundation to either understand how—and even more importantly, why—to use it.

CRM encourages resistance. It is a difficult system and outlook to implement, especially in business cultures that have been successful for years. At its best, when change is handled well, users enjoy the new business environment they are working in. It sweeps away the dusty behaviors and stodgy thinking that can cripple a business. It allows for a foresighted approach to how the business needs to conduct itself over the ensuing years to the benefit of the customers, employees, suppliers, and partners. Not just the paying customers. In other words, the entire value chain is affected by the change in culture.

But there are a lot of obstacles in the way of successful culture change, because the elements are both substantial and minute. For example, in most companies, the users of a system are often not empowered in any way to create the system nor are they involved in the decisions to adopt it. They simply are told they are responsible to make it work. As we saw (I hope you did at least) in the printed edition's Chapter 4 on sales and throughout many of the other chapters, this engenders resistance because there is no apparent benefit to a user from a system that is aimed at enriching the experience of someone else. The use of this kind of strategy and system also calls for cross-functional or cross-departmental cooperation and revealing data that was privately held. This is not how companies ordinarily work. Self-interest, often in the form of selfish interest, is the departmental chieftains' and their working minions' operational approach. Thus, users don't see the value to them, so why should they change how they behave?

But it isn't that simple.

Driving Miss(ed) Adoption

There are multiple reasons why users don't adopt a new strategy, outlook, or system. Some are obvious, some not; all are very human. There is one thing that you see persistently in CRM failures as a reason. Users don't want to use it.

There are an incredible number of studies that support adoption as the big issue and the reason for the big issue being the lack of interest in effecting culture change. For example, in a 2007 study of the best ways to get value out of CRM initiatives, Forrester Research found that 38 of the 58 business leaders interviewed identified promoting wide user adoption as critical to getting value from CRM. They didn't say "a useful way" to get value, they said "a critical way."

AMR did a study on the CRM market in general at the end of 2007 that found "33 to 47 percent of customer management applications facing serious adoption issues."

I'm not going to catalog the other 40-plus studies I found that said this. They are easy enough to find. Google them. But adoption is the key issue for CRM, and adoption comes when the culture that encourages the change is in place.

The Model: Madness Becomes Method

Transforming a corporate culture to a customer-friendly culture, and from "whatever else it had been" culture (sales-driven, product-driven,

no-organized-culture-to-speak-of-driven), is a complex process but starts with a few simple principles. The father of social psychology and change management, Kurt Lewin, identified a model for managed change in the 1940s that stood the test of time. It contains the plain vanilla stages that define the process of change:

- ▶ **Stage 1: Unfreezing** This is the most difficult stage. It often needs an organizational shock to occur. It is initially when at least the leadership knows that the old ways of doing whatever it is that you were doing are no longer appropriate. Failure isn't necessarily the motivation for this. It can come as a result of success and the need to improve upon that success. That is where the leadership comes in. They are able to think strategically to describe future opportunities if changes are made or difficulties if changes aren't implemented. If they can effectively get this across to their personnel, unfreezing could occur. What makes this so difficult is that there is a strong resistance to anything new and if it doesn't appeal to touch, taste, sight, or sound, then people have a hard time grasping it. It is all the more difficult to get the breakthrough understanding that comes with unfreezing.
- ▶ **Stage 2: Changing** People look for new ways of doing things and select an appropriate and promising approach.
- ▶ **Stage 3: Refreezing** The new approach is implemented and it becomes established as a supportive environment.

Crossing the boundaries of these stages are interactive elements that identify the dynamics of this change throughout the entire process:

- ▶ **Group productivity** What is going on in the departments or through the company that necessitates a CRM initiative? What is ineffective? What is effective?
- ▶ **Communications** How does influence work in the departments, among social cliques, at corporate headquarters, in the field, or between these entities?
- ▶ **Social perception** How do the sales managers and their sales teams perceive the stakeholders' idea that a CRM initiative is necessary? What does that do to the sales group?
- ▶ **Intergroup relations** How do sales and marketing get along? How does the board of directors get along with . . . well, they don't get along with anyone, do they?

- ▶ **Group membership** As the changes are made, how do the sales folks adjust? Poorly? Well? What is their response as a group?
- ▶ **Training leaders** Who are the leaders who need to get trained in order to train the staff? A natural leader who is respected can be trained to train his group. These are trained as change agents.

Finally, the forces of change have to be accounted for. There are two basic forces—driving forces and constraints. The drivers are those that move change forward, such as compensation plans that are aimed at customer loyalty. A clear mission and vision statement presented to the company for action is another example of a driving force. Examples of constraints are fear of job loss with the new accountability, or fear of job loss with the new accountability, or fear of job loss with the new accountability, or. . . . The actions taken for change are increasing the driving forces while reducing the constraints. The latter is the tough job. It's easy to provide those things that are happiness-producing. It isn't so easy to alleviate fears. That's because reality has very little to do with fear. Successful change is dependent on aligning reality with the goals of the individual and the company.

The Not-Hidden-Any-Longer Change Factor: Usability

Usability is one of the human factors most often overlooked when planning and dealing with corporate culture change. How your website looks and feels, and how your automated response system actually measures up when a customer responds to it, are all part of the thinking that has to go into the change in culture. Don't forget there is nothing more likely to limit or destroy strategic user adoption than a system that is hard to understand or use. The primary three reasons that someone repeats their visit to a site are content, speed, and ease of use. Usability and usefulness.

Usability is most often associated with technology. Technology is normally associated with performance-related numbers such as storage requirements, benchmark tests, and system "robustness." So the human factors involved in technology are ingloriously ignored to a bad end. At best, they are a rear-end test environment for users to see how well they respond to your completed new design.

The reality is that usability is perhaps the most important factor related to systems that you are going to install at your company. Usability needs to be considered a major design factor and is certainly a component of total cost of ownership. It is not just ease of use that determines usability, no matter how easy it is to qualify it that way. It also takes into account how quickly a system can be learned, how effective it is for regular users, whether users will remember how to use the system after a period of non-use, and how errors in the system are managed by or, even better, prevented by the system.

Factors and Standards

In order to set a common standard for usability measurement, a number of companies, including Oracle, Microsoft, Boeing, and the National Institute for Standards and Technology (NIST), got together and created the Common Industry Format (CIF). The CIF is the standard for usability testing and reporting that began development in 1997. The idea was to construct a common set of tools, tasks, facility types, methods, and data types to allow an easy exchange of results between consumers and vendors. It worked. The CIF is the standard for reporting and analysis among the labs that do the work in this millennium. It is a specific list of procedures and detail needed to successfully complete the results of a usability survey or test. For example, this is a verbatim list from Section 5.4.4 on metrics:

Section 5.4.4. Usability Metrics

As defined in Section 4.1, usability is measured by three types of metrics: effectiveness, efficiency, and satisfaction.

The following information shall be provided:

- ▶ Metrics for effectiveness.
- ▶ Metrics for efficiency.
- ▶ Metrics for satisfaction.

Effectiveness and efficiency results shall be reported, even when they are difficult to interpret within the specified context of use. In this case, the report shall specify why the supplier does not consider the metrics meaningful.

Looking at the Real Deal: An Organizational Transformation

So far, I would think all of this has been theoretically interesting, but as I said earlier, it all has to be aligned with reality. Let's do that. SAP has been liberally sprinkled throughout this book for one reason or another. Probably the most important section on them has been in print Chapter 12—the Collaborative Value Chain.

This is about to beat that.

Know why? I'm going to show you precisely what they did to change their corporate culture—one that, three years ago, I didn't believe could change. But they developed a specific initiative around CRM, thank you—very much, and used it to drive the conversion of their company—or at least significant pieces of their company—to become genuinely customer-collaborative, not just customer-centric.

So settle in. I'm going to tell you a story.

Case Study: SAP Goes for the Gold Standard

This all started with an interview for the book I was doing with Michael de la Cruz, SAP's then senior vice president of mobility and analytics (now SVP of Public Sector). Oddly, the purpose of the interview was not change (or organizational transformation, to use the buzzworthy term for it). But the narrative that unfolded in the course of the discussion led me to get this to you. Let's start with Michael on why and how SAP pulled off their effort.

While executive support from Shai Agassi, Hennings Kagermann, and Bob Stutz may have triggered and driven the changes at SAP in our culture, our most dramatic changes occurred by us deciding to focus on our customers in every way possible—changing our strategic direction, our processes, and our rates of interactions with our customers as we made the changes and beyond. We spoke to our customers every single day.

Change at SAP started out by having the team interview our customers about their pain points with us and our products. We started prior to the SAP CRM 2007 release and during that time, we found that a lot of our customers weren't in front of their computers. They were out there conducting their businesses. The customers told us that the product, not just the user interface, was too difficult to use. It was painful to hear brutal feedback on where our functionality fell short. But it was also refreshing for customers and SAP to talk openly and

honestly about the good, the bad, and the ugly. As we discovered more things like this, we began to base our strategy on customer feedback.

But even more than strategy, those interviews reinforced the need for a broad mindset change by those who created, produced, and released the products. Customers had been telling us this for many years but they were more emphatic now. They had been influenced by the consumer web and consumer thinking that had crept into the enterprise, and the pressure increased.

As simple as that may sound, it wasn't that easy, since large enterprises that are product-driven like SAP have multiple tensions pulling on product direction. They can include technology (for the sake of technology) priorities, internal initiatives, which are often given the same importance as the customer feedback, and of course, revenue and margin. Additionally, there is the presence of departmental imperatives and politics that can often break the back of what is seen as a forward-thinking transformation.

What SAP did was a paradigm of how a program or organization can drive a change in culture *when it has a specific mission and a purpose to do so.*

The Customers as True North

Product management historically had been seen as an engineering function at SAP. Their job was to get out the product and make sure it came to market when it was supposed to. End of story.

NOT.

Since SAP was a product-driven company that was becoming customer-directed, they created a new product management “function” (Mike D.’s word here) that was broken out as a customer-focused institution within SAP whose purpose was to “co-innovate and dialogue” with customers. It took almost two years to get it functioning the way it should, and what made that particularly impressive to me, anyway, is that it was done by internal staff, with only a little outside help.

There had to be a focus change as well. The orientation of the staff had to be outwardly aimed toward co-innovation and conversation with customers, with the idea that this would affect the entire company in some way.

The organization itself would be used to change how product management was done with a new mission, changes in scope, how it functioned, and even how products were being tested. Customers were

involved directly in the testing and feedback on products. More than 150 customers were engaged, from prospects to happy campers to unhappy customers, to help make determinations on how products should look and function.

My perspective is that you couldn't do this when you weren't engaged in a dialogue with customers day in and day out. What was particularly cool was that many of the same customers who pushed us were willing to invest their energy and resources to help. They responded and got involved. Customers opened their own implementations and pointed out which changes would have the highest impact. Customers like Siemens, Pepsi, Nestle, and Intel made users and business executives available, documented their needs, and reviewed hundreds of pages of specifications before we wrote code. Customers gave us feedback during the development cycle too . . . they invested 5,000 user days to test our new functionality.

Okay. Stop right here for a minute.

I have to stress something exceptionally important about what lies at the core of what you just read. As SAP found out, to actually make the transformation from a product-driven or sales-driven or anything-but-customer-driven organization to one that lives, breathes, and drinks “customer engagement” in a business environment that the customer owns, *the customer has to be directly involved in that transformation from the beginning.*

Don't think this is easy, because it isn't.

Oh, still being a skeptic about what that means, are you? Yes, I can read your mind.

Let's look at a brief checklist given the current state of your company.

- How active is your customer advisory council? Oh, you don't have one? Well, well.
- How transparently do you expose your corporate road map to your customers so that you can get input from them? What? You don't do that? Oh.
- What kind of communications plan do you have to give customers information they require to help them make decisions about their relationship to you? Press releases and scripts and . . . what else was that?

You get the point. Except for a few rare instances, as customer-focused as you might think you are, you most likely aren't actually

customer-driven. Given that they're already in the driver's seat with their hands on the wheel and foot on the gas, that might be a mistake.

But there was another feature in this dramatic culture change.

We had motivation, knowledge, and conviction that “we can do better.” There was pride in this, not just senior management driving the change top-down.

To do this, the new product management organization had specific mandates and a specific structure that was organized around customer alignment.

We made customer surveys more honest and shared feedback more broadly throughout the company. We brought the product managers into one unit, made the team responsible for customer engagement, and then made them the owners of the product. So now this customer-facing team defines the portfolio, defines how the software should work, tests the product extensively, and has to approve the release. This gave the customers a stronger voice in the product development process. More importantly, we made the whole organization more customer-focused. We gave one set of MBOs to product managers, developers, project managers, testers, and business development people. We were all measured on essentially one thing—delivering high quality product according to customer needs to accelerate customer adoption. Prior to that each function had its own MBOs.

Not only did the objectives for each person and group change but so did their job functions. Product managers became product owners and customer advocates. Quality managers shifted from scheduling outside consultants to authoring and executing product testing. Developers, a notoriously quirky group, had to subsume what they might have seen as technical priorities to reorient priorities to customer requirements.

The results?

Some good people left, but it was also great to see people re-energized by the new approach and mission.

So what's the core change concept here? Michael said it rather poetically, I think:

We were no longer internal. In all things, we took the customer as true north.

I love that.

Pulling Out the Lessons

Let me be emphatic. I've spoken with hundreds of companies over the past several years and there is one increasingly irritating and entirely smug concept I hear over and over. "Oh, we're already customer-centric. We have (shove in the name of a customer-friendly employee or five) and the customers love her (or him or them). We don't need that."

If you're working on a CRM initiative and someone at your company makes that statement as the reason they don't need to change, ask them the following simple question: What happens if that customer-friendly person leaves?

Every company has customer-focused employees somewhere in their service department or even in sales and marketing. But what makes a Social CRM initiative successful is that the best practices and the imperative to provide optimal customer experiences are institutionalized. If you've been reading the print book, you heard the expression in Chapter 5: "a company like me." The idea is that the company has to change the culture and then reinforce the reasons for the change to institutionally continue.

When SAP changed the job descriptions and the actual functions of specific jobs, and the incentives for success on those jobs, they institutionalized the changes so that each and every employee's standard—not exception—was the customer as true north. Simply put, that's your gold standard. When the employees your customers adore leave, the customer is sad and may even remain friendly with those departed folks, but they still love the company anyway. If it's not institutionalized, the good employees leave and the customers go with them or stop liking you. It's as simple as that.

It's Closing Time

I've completed the broad brush strokes. If I've done what I set out to do in these pages on change:

- ▶ I've convinced you of the importance of change in a CRM initiative around adoption in particular.
- ▶ I've described the basic elements of change management and process.
- ▶ I've given you a concrete success story and drawn some lessons from it.

I've got one thing left to do before we move on. I want to introduce you to Mike Chuchmuch. Mike is one of the rock stars of the change management world, having held principle change positions at Unisys, Chevron, and PricewaterhouseCoopers among many others in his incredibly long history as a specialist.

I have been delighted to know Mike since the second edition of *CRM at the Speed of Light* in 2002. He teaches with me and others in the BPT Partners CRM Strategy Certification course. His role is to lead a session in customer-centered change called “The Fisherman’s Guide to CRM Change,” which is widely acclaimed. He doesn’t stop there, though. He’s led change efforts in a wide variety of industries, including retail, manufacturing, food production, IT services, transportation, aviation, and oil and gas.

Mike is going to do a deep dive into what it takes to carry out CRM-specific change and that is worth the price of the print book. Hell, we charge \$1,000 for the certification, so you’re getting away cheaply here. Though you’re not officially certified.

I think you’ll be fascinated by this workshop in print. I am.

CONVERSATION AND MINI-CONVERSATION WITH MIKE CHUCHMUCH

Table 1: An Experience Transformation Framework Begins this Workshop

Creating the vision of the new experience	Identifying and aligning values as a catalyst for the experience	Creating a community of communication	Helping your people to help “your people”	Compensation and motivation—showing what you value
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Creating the Vision of the New Experience

As much as I love Billy Joel and many of his songs, the words “Don’t go changing to try and please me” just don’t fit with what CRM is all about. In fact, the words to David Bowie’s song “Changes” is a much more appropriate message to companies looking at developing a CRM culture: “Turn and face the strain.” Change has never been easy. This is obvious when we consider how many companies spent billions of dollars implementing ERP projects over the last two decades and yet hesitated when it came to budgeting appropriately for change management. Why? For the most part, many well-meaning yet wrong-thinking executives have had the notion that if we put a process or system in place, change will look after itself—almost as an evolutionary process. What they fail to remember is that evolution can kill you! Just ask a dodo bird—oh wait, I guess you can’t.

When it comes to the change processes, we need to start with the philosophy of change. Much like CRM itself is a philosophy, the way we consider change for

CRM needs to be reconsidered from its traditional routes. Many will talk about the concept of business transformation as an overarching framework for change, but I propose that for CRM the framework is “experience transformation.” As such, much needs to be done regarding building the vision of the new experience before we think about tools or methods for change management.

Where does the vision of the CRM-focused organization start? It starts with an understanding of what the relationship experience needs to be. That is, the relationship between the organization, its employees, and the customer. This is a triangulated, interdynamic relationship and one that will be tested with every transaction, inquiry, and corporate decision. The vision starts with a picture of the relationship experience taken from a behavioral standpoint. Consider the following questions:

- ▶ *What does the future relationship look like—to customers, employees, management, and executives? Can you describe this relationship from each of these stakeholders’ point of view?*
- ▶ *What is the desired customer behavior in the new relationship? What would their ideal behavior look like? Is it different for different customer groups?*
- ▶ *What critical behaviors must the company, including executives, managers, and employees, demonstrate in order to promote and sustain the customer behaviors? How can current behaviors provide a catalyst for desired customer behaviors? Where’s the gap?*
- ▶ *In all, what will the experience of each stakeholder look like and feel like given different levels of interaction? How will this experience change given different channels of interaction?*

Those who are leading the CRM program and who are responsible for the creation of the vision must describe the vision in terms of people and possibilities. Leaders must refrain from focusing the vision on numbers or the type of technology that will be employed. These are results and tactics that stem from the vision. It is important to note that all accomplishments are founded in relationship. Think about it. In order for people to harness their own personal motivation and become committed to make something happen, the relationship must be there to serve as the fuel that ignites desire and drives the person to accomplishment. Why does a person do what they do? Whom do they do it for? What’s the relationship? What do they get from that relationship? Why would they want to re-engage in the experience?

There are many tools that can help accomplish the creation of the vision, such as scenario-building, storyboarding, influence mapping, but the purpose of this

section is not to list the mind-swelling number of change tools out there. In the hands of an accomplished change facilitator they will mostly all work if handled correctly. The biggest difference in the CRM change approach is to remember that it is the experience that is being transformed. That means the development of the vision needs input from multiple stakeholders—dare I say, even your customers!

I am amazed at how much visioning work is done without the appropriate people at the table. But to be fair, I believe this is due in large part to the inward-looking culture large organizations have embraced through managing major initiatives over the past several decades. Let's go way back with the start of Total Quality Management, which worked to create enhanced levels of quality in all organizational processes.

TQM is a management approach for an organization, centered on quality, based on the participation of all its members and aiming at long-term success through customer satisfaction, and benefits to all members of the organization and to society. ISO 8402:1994

Not a bad thing on its own, but very little work in TQM involved including the customer to formulate the vision of success, let alone any talk about creating a new experience. TQM was about creating a better product to create customer satisfaction but really didn't approach the idea of how the customer could have input to design or functionality or how they would engage with the company offering the product, or if they really wanted the product at all! Most effort was internally focused and was about reinventing organizational processes to meet quality requirements. As for the aspects of betterment to society, the TQM craze has come and gone, and I can't really comment on how much society has benefited—perhaps that's for a different book.

Secondly, we saw Business Process Re-engineering (BPR) as a hot business item during the late 1980s and early 1990s. For the most part, BPR looked at process redesign leading to the reductions headcount and “increased efficiency.” Again, most change efforts, if any, were internally focused. Given the nature of these projects, this had little to do with customer engagement. Little to no consideration was given to the concept of employees being advocates for the company in the greater customer community. Unfortunately, given that attitude and philosophy of the day, many BPR projects resulted in mishandled terminations that eventually came back to haunt the companies by way of negative exposure in the community and what Paul Greenberg calls “verbal terrorism” by former employees and their families.

We started this conversation with a comment on change and ERP. Let's go back to enterprise resource planning (ERP) and how these projects were traditionally implemented. For the most part ERP projects of days gone by impacted

large multinational businesses and covered most aspects of a company's operations by integrating everything from finance through sales and distribution to personnel. Again, not a bad idea, but by the nature of the project very little consideration was given to the need to manage change, let alone including the concept of transforming the experience for the customer. I would hazard to say many ERP projects suffered from lack of good "people-related" change management essentials such as project sponsorship, change readiness, stakeholder management, communications management, behavior shaping, engagement planning, and so on—all essential aspects of the change effort. If delivering these components of a change strategy and approach proved to be a challenge even with a focus on the internal workings of the company, imagine the challenge of including the customer in the change process. Perhaps at the time the business world was not ready for that radical an idea.

So, bottom line is that company leaders, and even change professionals, can find it difficult to create visioning with the inclusion of customer. However, as the song says, "Turn and face the strain." So it hasn't been done in the past and, yes, it feels uncomfortable. That's why this is about experience transformation for each stakeholder involved—the organizational leaders, the employees, and the customers. This is not about your typical business transformation. It's about creating a new experience. It's exciting, it's new—it is the very thing that change itself is all about.

Identifying and Aligning Values as a Catalyst for the Experience

"Would you tell me, please, which way I ought to go from here?"

"That depends a good deal on where you want to get to," said the Cat.

"I don't much care where—" said Alice.

"Then it doesn't matter which way you go," said the Cat.

"—so long as I get SOMEWHERE," Alice added as an explanation.

"Oh, you're sure to do that," said the Cat, "if you only walk long enough."

Many of us are familiar with this passage from Lewis Carroll's *Alice's Adventures in Wonderland*, and it has been used as a means to highlight key learning points associated with decision making. However, it also says much about how a person's values play a part in making those decisions. What are values? To a large degree, values speak to those beliefs we hold as truths. For example, if I believe in the sanctity of family, there is a good chance that this value will be a foundation for decisions I strive to make. Those decisions will either benefit my family or at least not impact them in a negative way. If one of my values is that I believe everyone should have access to free public education, I may be an active proponent in the politics of ensuring that education is provided to those who

currently do not have access. So here's a question for you: "Do you truly believe in the customer owning the buying experience?" Is this something you believe to be an essential business truth? Is it something you hold as one of your business values? Let's be honest, if your answer to that question is, "I really don't care—so long as the end result is increased profitability," you are not a CRM proponent and your business values will not drive long-term behaviors or actions that will sustain the program—especially if challenges occur along the way. You may put some CRM ideas into action, but without the customer-centric philosophy as a core business value, it may not take long before you decide to go another way, resulting in your employees and customers deciding that the new customer-driven experience you are talking about is just that—talk. Whether your alternative business value leads you to profitability or not, no one can say, but—like Alice—you will eventually end up somewhere. Just keep walking.

So, why this focus on values? Remember the old adage, "You have to walk the talk." Let me add, "You have to truly believe the talk and believe in the necessity of the walk." Consider the following:

The greatest obstacles to change success include lack of sponsorship, or ineffective sponsorship, from senior leaders, poor support from middle management, and disbelief and lack of support from employees and other stakeholders.

—Prosci, *Best Practices in Change Management*

Lack of sponsorship support comes from lack of belief in the program or the vision of the experience. In essence, the lack of support says, "My own business values do not align with this idea or program as I see it." In reference to CRM, it would be like saying, "I can't really 'walk the talk' because I don't believe in this customer ownership of the buying experience." If this is not identified and addressed early in the program by the change effort, internal stakeholder communities will eventually observe misalignment between the "CRM talk" and the "leadership walk." You just can't fake your values—at least, not for long. People hate to be tricked, fooled, or lied to, and once it's discovered, the negativity surrounding any double-mindedness of the company leadership will cause the CRM program to unravel. Remember the idea of verbal terrorism? Just wait until your best customer asks your salesperson, "So, what's new at the company?" You've got to believe that based on human behavior and the need to relate, they will tell them—and it won't be pretty.

But wait—it gets worse. It's not just about you or your company. There are external stakeholder communities involved with your customer's buying experience, and if these stakeholder communities are associated with the experience your customer is having, they are perceived as your people and part of

your company. Here's a question for you, "Are the external stakeholder communities all on board with the concept of customer-centric values and the customer owning the buying experience?" This truly is where the change manager earns his pay. This is where critical stakeholder analysis and management must be conducted to ensure that the appropriate values do exist. If they do not, determine what behavioral shaping is required, is appropriate, and how it will be conducted to create a new set of values that will support the long-term success of your CRM program.

So, where do you start with this challenge? As a change effort, you need to start with an understanding of who the stakeholder communities are and whether their core values reflect what is appropriate for supporting the customer ownership of the buying experience. Whatever values exist, there is a very good chance that these are entrenched and that people will have been rewarded over time for actions and decisions that reflect these values. If values inappropriate to CRM have been rewarded in the past, change will be a major challenge. Consider how these stakeholder communities exist inside a company as well as outside, and how people in these communities all interact to deliver and receive a particular buying experience. Let's look at this as a Venn diagram (see Figure 1).

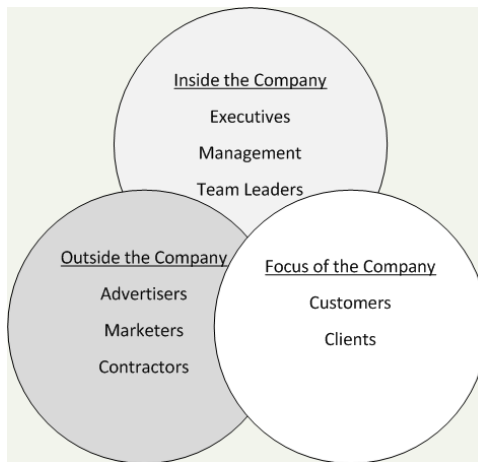


Figure 1: Customer-centered change illustrated as Venn diagram circles

In order to determine the appropriate behaviors and actions that support the desired customer experience, that experience must be articulated in a vision statement outlining how behaviors will work together. For the behaviors and actions to be sustained as part of the change effort, these must be grounded as being values-based. The "sweet spot" as proposed by the Venn diagram is when

the collected values of inside and outside stakeholder communities match with those of the customer.

There are tools out there that can help in the values analysis. For example, Quinn and Rohrbaugh's Competing Values Framework serves as a great tool to help determine not only what values exist, but what values need to exist. But the point of this discussion is not to present tools, but to highlight aspects of change management that must be considered as you put your change plan in place. The same goes for the concept of shaping. We're not covering shaping tools here, but suffice it to say that if you need to refocus a stakeholder community on a new set of values, you will need a shaping plan. That means the new values, including observable behaviors and actions, must be described, and there must be rewards for delivering on the new values as well as consequences for continuing with wrong or inappropriate behaviors and actions.

The point of all this is that the change effort needs to take into consideration that there is an underlying set of values that drives a person's behaviors. The change effort must ensure that the appropriate values are identified, described, embraced, and aligned for the CRM change effort to be successful and for the desired experience to be sustained.

Creating a Community of Communication

We talked about the various stakeholder communities and how they need to be aligned in terms of values. Now, let's talk about communication—wait—is that redundant? Anyway, the communications aspects of the change effort are paramount to reaching the multiple milestones associated with delivering buy-in to the new experience of the CRM program. I've read somewhere that it was Aristotle who came up with the hypothesis, "Nature abhors a vacuum." Guess what—so do people with no news to think about or talk about. If there are no communications going to the stakeholders involved in the CRM change effort, by nature people will create their own. Again, the shadow side of human behavior prevails and the news that is made up will usually not be positive. Time and time again, this pattern of human behavior has been proven through communications workshops and "power labs" designed to observe how people fill the communications void. Call me a bit unadventurous, but when it comes to a major change effort I really don't want or need to retest these experiments. It's far simpler and way more productive to just create and roll out a good communications plan.

Here is what I call the "8-point cheat-sheet" to better communications:

- 1.** *The communication starts with the vision of the new customer experience. You must be able to articulate how each stakeholder fits into the vision, what the new experience is worth to them based on their own needs, and what value the new experience will provide them.*

2. *Identify all triggers, such as key events/milestones/deliverable dates, that will initiate communications.*
3. *Determine and document the approval process for all communications. Make sure this is well established and known on the CRM team.*
4. *Confirm what each stakeholder needs or wants to know at each major milestone of the program. Consider too how the communication must take place. People need to be involved for commitment to occur. Identify the most appropriate commitment-supporting media and methods for use at various stages of the program, such as town hall meetings or smaller group presentations, customer meetings, and so on. Yes, e-mail has its place, but don't fall into the trap of having an endless e-mail campaign just because it appears easy. I really detest those "change professionals" who flippantly remark, "Well, it's not my fault that they didn't read their e-mail—I sent them the information." My response: "Yes, it is your fault they didn't read it. As a change professional you needed to test for traction. If traction wasn't occurring, you needed to change your tactics or at least add to them. If you missed this, you're to blame."*
5. *Create internal and external feedback processes to help evaluate the effectiveness of communications as well as other program management processes. Look for impact of communication in terms of building the vision of the new experience.*
6. *As much as interaction for commitment building to the vision is important, there are times you will be required to provide "Just the facts, ma'am." Identify who are your "go to" people for information and, if possible, assign responsibility for the provision and collection of that information. Test the information for accuracy before posting it.*
7. *Define a process for responding to ad hoc inquiries from all stakeholders. Given that the program will touch internal and external stakeholder communities, you may want to assign a particular member of the CRM team to respond to certain stakeholders.*
8. *The communications plan is a living, dynamic document and process. If you have developed one, it's not a trophy! Define a process for testing, updating, and changing the communications plan.*

I want to emphasize that the communication process must include all your stakeholders—that means customers too. Remember that communications is more than just sending e-mails or unsolicited automated phone calls (anyone

cringing yet?). Have a plan to engage your customers. Get their input into the building of the experience and learn what information they want and how they want to be communicated to. Use this knowledge to continually enhance the CRM program and strengthen the customer's buying experience.

Lastly, be aware of new technology that is facilitating the communication process. If you don't know it, your customers are already talking to each other about you, your company, your products, and their current experiences. Get to know about social networking and what current sites are being used by customers. I truly believe that social networking is a driving force behind the volume in the voices of your customers. Use the knowledge from social networks to create greater effectiveness in your communication strategy. Use the technology to converse with your customers. You may be surprised at what they will tell you.

Helping Your People to Help "Your People"

This section isn't about ensuring that your training program is well funded, although that's not a bad idea. Obviously if you're going to build the right competencies you will need a well-funded and well-planned training and development program that serves to deliver the appropriate capabilities to support the new customer experience. But let's get outside the box. Remember the Venn diagram? Think of all those stakeholder communities as your people. How do you get them to help each other? How do you get your customers to help the advertisers and shippers? How about customers helping each other? How about your company's executives helping executives from one of your vendor companies? Remember we started with CRM change being about experience transformation? Remember that we said it would be best described by the lyrics, "Turn and face the strain"? Well, "here it comes," but you don't need to suffer a "nineteenth nervous breakdown" to manage the process.

How do you get these people to help each other? It's like asking, "How do I get people to change?" The fact is, you don't. You will never get anyone to change, at least not for long. People must want to change. This can be applied to behaviors, actions, attitudes, and anything else people can change. The desire must be there—it must come from within and it must be values-based. Gee, where have I heard that before?

In addition to being values-based, there must also be a degree of value that occurs from making the change. Do not confuse value and values. Value means a measure of gain that will be acquired if the person makes the change, and that gain needs to align with an individual's values or adopted beliefs. For value to be realized, the individual must have defined the worth of the experience. In essence, the person who is looking at the change will contemplate, "What's this

process going to be worth to me? And is the end result worth enough for me to change something or get engaged in something new?"

The same goes for the concept of people helping people. No matter where you see this occurring, there is something an individual receives from providing help to others. Even if it's from a sense of duty, the individual's interaction with others fulfils a sense of worth. Determining and filling the "What's in it for me" factor starts with the understanding of the values and value being held in your stakeholder communities. If you know this, you can leverage this knowledge to build the experience that will respond to those needs and build a tremendous network of your people helping your people as a result. As you think about the environment where people help people, consider too the channels that allow for the interaction between the stakeholders and the stakeholder communities to occur. The change effort must uncover where barriers to interaction exist and how these can be removed.

Think about classic examples where customers helped customers and where companies provided the means to make that happen in the computer and video game industry. You saw this work in printed edition Chapter 6 with Paul's dive into that.

How about BMW allowing customers to help engineers by providing desirable design features for new automobiles online? They had over 1,000 customers who love their BMWs provide ideas for design changes through the innovation toolkit that BMW freely gave away. More than 15 telematic (OnStar-like) features that the customers created are being added to the car.

By allowing your people to help your people, the result can't help but be a more positive customer experience and ultimately a stronger customer relationship.

Compensation and Motivation: Showing What You Value

We've talked about values as a foundational belief that serves as the basis for decisions. Then we talked about value as a measure of gain that each individual looks for as they decide whether or not they will pursue an objective or process of change—it's the "what's in it for me" factor. Let's take it one step further. If the subject of the change fits with the person's values, people will trade what they see as their value—their time, skills, thoughts, voice, and commitment—for something that is of equal or greater value. This will lead to a longer-term commitment to an action or behavior—in essence, the desired change. For example, in the case of a job, people trade their personal or professional value for a paycheck, a bonus, peace of mind, safety, and so on. However, it's not the paycheck or the extrinsic value that commits them for the long term. It's what that extrinsic value brings in terms of experience. When it comes to motivating stakeholders to commit to supporting the CRM program, it is important to consider what the catalyst

for that commitment or action may be. What do stakeholders see as value from their CRM experience? How can you provide a form of returned value that will act as a catalyst for sustained change? Don't forget, if you've done a good job on the stakeholder analysis, you should have a good idea of what people perceive the program being worth to them. It's now time for program leaders to commit to providing the value in response to that perception of worth.

Don't be fooled by the easy approach of "Let's throw some bonus money at all those people who show a commitment to the program." Extrinsic rewards will typically be used to recognize specific displays of knowledge, skills, and behavior, but on its own, this doesn't speak to the core beliefs or values of the person, and it will have limited effectiveness concerning sustained change if it is not linked to a person's desire for a value-based experience. In other words, extrinsic rewards typically provide incentive to people for doing something they normally wouldn't want to do in the first place. The approach tends to treat everyone the same way by attempting to motivate them the same way. Extrinsic reward is used as a carrot, but in many cases, the carrot loses its taste!

Consider what truly motivates a person to adopt and sustain change. The result of the change and the overall experience must be good. The key is creating an experience that responds directly to what makes the person tick. Call it motivation from within or self-actualizing experience, the fact is, people will be drawn to repeat actions and behaviors that reward them in a manner that speaks to their personal needs or values.

I know, I know, I can hear you saying, "Wait—I like that extrinsic stuff. Show me the money!" Let me suggest that it's not the money that provides you with the satisfaction. It's what it gives you in terms of prestige, confidence, safety, security—in short, the experience. Think about it—is it really the extrinsic reward, in this case, money, that makes you go for more, or is it what that reward provides you? If you could get the end result or experience without the extrinsic reward, what would that extrinsic reward really be worth? This is why so many "customer incentives" that are supposed to motivate a person into having a CRM relationship with a company just leave me speechless. Consider old-style coupons or customer cards that suggest a savings of a few pennies here and there on various products. An extrinsic reward, but what does it lead to? Does it speak to a desired experience that is worth repeating for the individual?

Why is all this so critical when it comes to CRM? Because CRM is about the experience—the total experience for all your stakeholders. It's a journey, not a destination. And the journey keeps going because a new experience occurs every time the customer engages with your company, your people, or those who represent you. That means there must be an effort to continually provide for the reward of the experience throughout the process of program planning, through

to implementation and as a continuous endeavor. If you're going to use an extrinsic reward, it must somehow speak intrinsically to a desired experience for that person. Also, there may be different types or levels of rewards that speak to different intrinsic values. This really amounts to a component of continuous change management that constantly seeks to uncover the definition of how stakeholders see worth in the program and how the program provides for the unique experience (value) that keeps people committed and engaged to the relationship. This is sophisticated change management and goes well beyond token favors for interaction.

If your change management approach is being conducted correctly, you will be applying a number of tools that are going to provide you with constant feedback from all stakeholders in the CRM experience. I encourage you to think of all this stakeholder feedback as your catalyst to truly engage with all your people and develop various types and levels of reward that speak to each person's value and values. This information will lead you to a better understanding of what is important to them and allow you to realize your own value—and experience—from the CRM program as you consider making their experiences more beneficial. How will you use extrinsic rewards and how will these lead to intrinsic satisfaction? That's part of the journey and part of your discovery process. However, paving the way for the commitment and experience of your people rests with how you approach the area of reward.

The Mini-Conversation

- ▶ Change management related to CRM is about experience transformation. Everything else traditionally related to change—securing sponsorship, establishing the vision, process change, new technology implementation, communication planning, behavioral shaping, and stakeholder management, the whole change tool kit—serves to support the delivery of the new experience. If the change approach you are using starts with the premise of business transformation, the primary focus is on the wrong target. Concentrate on the vision of what the new experience needs to look like and feel like to all stakeholders involved in the CRM relationship.
- ▶ CRM is about more than just your customer—it's about your people. Remember the Venn diagram and that the “sweet spot” is when the collected values of internal and external stakeholders match with the values of the customer. The proof will be in the observable actions and behaviors of these people aligning to deliver the new customer experience in accordance with the established vision. In effect, the customer owns the buying

experience, and the internal and external stakeholders work to meet expectations based on a shared set of core business beliefs—their business values.

- ▶ *Behavior and actions that lead to sustained change are motivated by intrinsically based rewards. It's important to provide acknowledgment and rewards to people for their contribution to the CRM program. This also involves customers who provide you with information and insight into product development, service levels, and ultimately how they want their buying experience to look and feel. Examine your reward strategy for your customers and your employees. Stay away from meaningless rewards that do nothing to further the relationship between your people and your company. Look at what the experience is worth to your stakeholders—it should have been captured on the stakeholder analysis—and think of rewards that will speak to their need of value and ultimately their sense of intrinsic values. This isn't easy, but when this is done correctly, each stakeholder and especially your customer will remember you and the experience provided to them by the relationship they have with you and your company. The result of this approach will be that the desired commitment and changes in behaviors that you are looking for from your people and your change will be much easier to achieve, build upon, and sustain.★*

Mike loves Billy Joel. I love the Beatles. So I'm going to paraphrase here. This is a book of new approaches to Social CRM—all of which have been tested in the marketplace in some way. But there's still more to examine, including a look at the future after we've gone through what is really the more traditional elements of a Social CRM implementation. A long and winding road.

Next up, go to the printed edition and check out customer-centric business processes. Shut the lights off after you leave here.