



Maximising customer capital



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From mobile e-commerce offerings to storefronts on social networks, smart businesses and government agencies are getting closer to customers and citizens in any way that they can.

The future belongs to agile and innovative organisations that know how to make the most of their “customer capital” in today’s Web 2.0, cloud computing-driven business landscape.

The world is moving from one of PCs and data centres to one in which Web and corporate information can be accessed on a range of devices, from PCs and television sets to phones and tablets. There will be new interfaces like voice and touchscreens that bring with them an entire new world of customer interaction – and of customer information.

Business success in this new world is all about finding the right customer data, getting insight out of this information and sharing that knowledge with the right people — in other words, getting the utmost from your organisation’s “customer capital”.

Maximising customer capital means making the most of each customer interaction by creating better interfaces with your customers and, more importantly, establishing the *right* interface for each kind of customer.

In this new world of business, if what you’re doing isn’t generating revenue, it isn’t worth doing. If the recent global downturn has taught organisations anything, it is to focus on projects that enhance a company’s products and spur sales.

Generating positive business outcomes is about a lot more than managing leads, however. Maximising customer capital also means being able to analyse your customer data more effectively to produce real business outcomes.

Smart business professionals have learned to keep a sharp eye on how their enterprises collect, distribute and use data. They know that access to real-time data and analytics — potentially driving actionable alerts and business leads — can help deliver a superior customer experience.

As a result, organisations of all types are branching out and experimenting with new channels for interacting with their customers. Early adopters are using Web 2.0 technologies to reach a mix of people including

user communities, customers and citizens, as well as suppliers and channel partners. Text messages, instant messaging, chat and voice services are all coming into play, along with social networking and real-time data analysis and alerts.

Large enterprises are learning to wring every drop out of the treasure troves of data found inside the ERP, CRM and supply chain applications in which they have invested years of time and money. At the other end of the spectrum, a range of new low-risk, quick-implementation options are coming to the fore, made possible by the advent of Infrastructure-as-a-Service (IaaS) — also known as “cloud computing” — services, as well as software-as-a-service delivery models.

Many organisations, both large and small, are opting for these “pay-for-use” offerings instead of the usual monolithic, high-risk and high-cost approach to CRM and BI projects.

These new online delivery models are part of the revolution that is currently underway in how organisations acquire and analyse customer information. Offering applications that can range from payroll management to executive dashboards and even citizen management, organisations both large and small are excited by these new solutions’ potential to save money, reduce overhead and increase efficiency and flexibility for IT-related projects.

## The right interface for the right customer

Organisations need systems that can help them look after customers and keep them coming back for more. But every customer is different, and they all interact with your organisation in different ways.

Often how customers prefer to interact with your organisation tends to split along generational lines. In this year, for instance, when Gen Y is likely to begin supplanting Gen X in the workforce, is your business ready for the ways Gen Y likes to do business? Are you able to provide the kind of interfaces and interactions these consumers have come to expect?

Companies need a strategy that takes into account who their audience is and how they prefer to be reached. Smart companies analyse how they approach each interaction with customers in order to learn how to better manage those contacts and increase the capital out of each customer approach.

Adding data from social networks can provide even deeper information about your customers, helping you not only to spread corporate messages but also to head off potential “Internet firestorms” that could damage your brand.

Central to achieving success is being able to manage these multiple contact channels effectively and ensure service consistency — delivering what customers want when they want it.

## Social Networking



Social networking sites like Facebook, LinkedIn and Twitter, and their many associated applications, can help you keep tabs on the world around you — or at least direct your attention to what is most important to your business.

An Australian company has utilised LinkedIn to great effect. By encouraging staff to respond to questions from LinkedIn users on a daily basis, they have successfully increased their reputation overseas and expanded to the American market.

Many businesses have used social networking sites to pull their fan base, customers and potential customers together. Facebook, in particular, provides tools that allow users to play videos and allow businesses to send marketing messages directly to targeted audiences. One of the greatest benefits of using social networking sites for business is their viral effect. If any person becomes a fan of your product or service, the word spread quickly among that person’s friends, providing a great channel to get your message out to many people over a short period of time.

You can sell your product/service by creating search terms related to your business that you can monitor. This enables you to pick up on Tweets or other social network postings that might be relevant, spurring new business and even offering you the opportunity engage vocal customers in conversation directly.

Searching through keywords within Facebook friend profiles other social sites helps your organisation tell users which friends might be the right target for various offers or sales campaigns. Meanwhile, recruitment functions match users’ friend profiles with keywords in company job opening descriptions. Users get the results through their own profile, from which they can alert friends to job openings.

Similarly, “group” functions on social networking sites enable members to share information around a common topic or interest. Setting up a group for your company invites customers and fellow employees to share tips and keep up to date on the latest news coming from your organisation.

Another trend is toward social CRM — marked by collaboration tools like wikis and blogs within the CRM experience — to morph into “cloud CRM”, wherein CRM applications connect to external social-networking sites like Facebook or LinkedIn, as well as other Web sources.

If your business is not actively pursuing a social networking strategy, you are likely missing out on a huge opportunity to find the clients you want and to better serve the clients you already have.

## Today’s Focus for IT Departments: Business Opportunities

The increasing popularity of both social networks and other new customer channels is prompting new thinking about IT-business alignment. IT’s new role in the current business landscape is to clear the channels between customers and the company.

Most businesses today have more data than they know how to use. And getting at that data and then presenting it in a useful manner for cogent analysis are two tasks that even the largest enterprises struggle with.

The days of the monolithic, high-risk CRM implementation are over. You still see them occasionally, projects that aim to transform the

business by linking all kind of legacy systems and databases to provide the elusive “single customer view”.

However, many organisations do not want deal with that level of CRM complexity. The reality for most is that disparate enterprise resource planning (ERP) systems and poor data integration have yielded a fragmented view of the customer.

With BI, in particular, surveys have shown that 40 percent of executives still trusted their gut in decision making (as opposed to their BI systems), and many more are frustrated with CIOs and IT for failing to give the business what it needs and deserves with analytic and decision-making tools.

There’s been a substantial backlash and pleas for real-world, usable innovation. Why spend tens of millions of dollars on large CRM and BI systems that could years to deploy — and still fail to achieve a single view of the customer? Historically, the role of the IT department has been to provide a menu of applications that users could choose from, but increasingly users are saying “just give us a set of corporate-sponsored tools and get out of the way”.

Companies don’t need to create systems that create more information. What they need is to obtain better views of the information they already have at their disposal.

The goal for IT is to add value to the business through the use of “actionable intelligence”. The solution is available in the form of low-risk, quick implementation offerings and pay-for-use systems being delivered online via Softwares-as-a-Service (SaaS) or cloud computing.

Make no mistake about it: service is the new sales. The job of IT is to improve customer service and while reducing the operating costs of the business. And today, improving customer interactions is all about having the right modules in the right place at the right time — and at the right price — to get the best out of your company’s existing information assets and new cloud opportunities.

## Cloud computing

Cloud computing is one of those technology revolutions that is so powerful and far-reaching that it continues to gain traction outside of IT. This especially

true in the halls of business, which is sick of throwing money into long and costly IT infrastructure projects that deliver poor ROI.

In fact, the idea of cloud computing has become so popular that executives and employees who don’t even work in the IT department are starting to ask for it by name. Budget-minded CEOs are telling IT managers to look into cloud computing to reduce the amount of expensive hardware running their data centres; CFOs are interested because they’ve heard the model can reduce costs associated with new IT projects; tech-savvy employees are asking for it because they think it sounds hip.

Many of the traditional IT approaches to harnessing customer capital have been at the top end of town — large scale call centres, ERP systems, CRM and BI. What’s happening in the market is the commoditisation of those capabilities that were once the exclusive domain of large enterprises. Software-as-a-service and cloud computing solutions provide users with leveraged virtual servers, storage, networking and desktops to establish a flexible and agile IT services approach and an IT infrastructure that is customer-centric, not product centric.

The benefits are easy to see. One common use of cloud computing is to deploy Web applications that are temporary or which experience erratic traffic patterns. If a site will only be up for six months or will be prone to high traffic volume spikes, the reasoning goes, why spend the money and resources to sustain the site indefinitely or at maximum capacity?



## Better Understanding of Customers = Competitive Advantage

A cornerstone of better customer service is a sound knowledge base, one that is accessible to all those providing service across any channel and, in some cases, even accessible directly by customers online. In business terms, that means better business intelligence and customer data that's accessible from multiple browsers and phones.



The latest wave of solutions for making the most of customer capital centre on the ability to build workflow controls around business processes and CRM alerts. Well-targeted alerts can help make integrated data come alive and boost efficiency. An alert can be set up to call a prospect, if a given event occurs. Or an SMS can be sent to an account manager, for instance, if a purchase is made. The goal is to turn “data into action” and respond quickly to new sales opportunities or changing market conditions.

Integration with data warehouses and financial systems to enable dashboards is one way that these applications are delivering business value. Many retail, financial services and government organisations have already created useful analytical interfaces, using modular applications to create a dashboard view that gives employees a snapshot of the key information they need to know before they make an important sales call.

Business benefits include:

### Improved staff allocation

Analyse general calling patterns and other forms of customer contacts so as to ensure the right staff — with the right skill level — are allocated to manage each interaction effectively.

### Interactive Voice and Self Service

The use of interactive voice response can cut e-mail and voice traffic to call centres and customer service personnel by promoting self service, thereby helping to reduce operating costs.

New voice analytics tools are also being developed which can gauge a customer's propensity to purchase by analysing their tone of voice and of use of key words and phrases.

### Automated “Next Best Offers”

Create a marketing campaign or on the spot offers quickly and effectively to take advantage of emerging opportunities. If 100 people have rung your support line asking about a product that's actually offered by a competitor, you can turn that mistake into a sales opportunity.

### The ability to undertake live trials without going into full production

Large systems often involve radical transformational change. But the latest cloud computing and SaaS offerings mean you can get new initiatives up and running fast, making for quick wins that you can make to impress your colleagues and spur change throughout the business as a whole. No more being held back by long IT project cycles — today's computing lifecycles are geared for rapid turnarounds, paving the way for real “innovation on the fly”.

## Risks

Technical migration to this new world of business is not without its own set of challenges and operational risks, which include exposure to phishing, brand damage via social media and more.

Sometimes initiatives designed to enhance customer capital occur through guerrilla rollouts, where the business or sales organisation bypasses internal IT to get the functionality it feels it needs.

There's plenty for IT departments to lose sleep over with cloud computing too, such as the security risks created when companies move sensitive information beyond the limits of their own data centres.

One issue often cited as a barrier to the adoption of hosted services — trusting your business data with an external party — is of particular concern in many regulated businesses. Users have an emotional connection with their data, but in reality cloud

providers are often in a better position to protect data than the companies that own the data.

Social networking sales initiatives offer up similar areas of concern. As exciting as it is to live on the progressive edge, the new socially-networked world can be difficult to navigate and any wrong moves can severely hurt a company's reputation.

IT departments that are directly involved in social networking initiatives often raise concerns about whether social tools are properly integrated with business processes. Many social networking initiatives are still in their infancy, but it's clear the tools are not going away. When embracing new social tools, businesses often have to overcome cultural issues



and make sure employees understand they have to watch what they say in public forums. But business leaders are recognising that there are tremendous opportunities in social networking and that they need to encourage them.

The risk that comes with social media is how viral it is. It's the risk of scale that can work both ways. Many companies that use social networking for business purposes have failed to implement formal processes for adopting the tools, and even fewer say their IT departments are directly involved in the social networking initiatives.

Companies must employ a formal process associated with adopting consumer-based social networking tools for business purposes to ensure the potential risks associated with these tools in the enterprise are not overlooked.

So far, the majority of business-sponsored social networking initiatives involve marketing and communications, with some activity in human resources and customer service departments. While social networking allows more communication with outside audiences, companies are also starting to adopt private social networking tools for communications that need to stay private. But the business implications of social networking are often overlooked, and organisations have yet to define who "owns" or has control over social initiatives.

Ideally, social networking tools integrate with one another and existing IT infrastructure. Organisations need to understand the relationship between business, process, culture and technology and how each area helps organisations instil effective collaboration to drive optimal performance and business success.

## Intelligent Velocity

Consolidation, expense reduction and risk mitigation have been the defining elements of most business conversations with IT over the last 12 to 18 months. The intensity of that focus really paid off, as many companies did a remarkable job of managing expenses.

The rough seas that pounded the business technology landscape really stress-tested the IT infrastructure side of the ship, which responded by battening down the savings hatches in everything from server and storage virtualisation to data centre consolidation and unified communications.

Like never before, this redoubled concentration on the business is setting a new course for business in this century's second decade. No longer can IT departments afford to narrow their gaze to internal capabilities alone. The game has clearly moved to applications and solutions at the edge of your businesses, where they can deliver more useful intelligence and actionable information in a quick and timely manner.

Technologies such as cloud computing, service-oriented architecture, business process management, data analytics, collaboration tools and mobile devices are the underpinnings of IT's "new normal". Competing effectively in this new world demand a mix of on premise and cloud services to provide end-to-end solutions that achieve business efficiency, flexibility, productivity, increased customer responsiveness and

cost savings. The goal is to reduce the complexity of various ICT service and delivery models and instead tailor a client-facing solution that is straightforward and easy to use.

The new world of business demands that IT solutions deliver “intelligent velocity” — that data-driven ability to move faster and smarter as you respond to customer expectations and desires.

## About Gen-i

Gen-i is at the forefront of helping customers take advantage of the convergence of technology and telecommunications, and the new opportunities this makes possible. Gen-i works alongside its 3,300 corporate, government and business customers to deliver seamless and integrated ICT solutions. Gen-i achieves this with the support of over 3,000 highly skilled people in 17 locations across Australia and New Zealand.

## Maximising Customer Capital: IT's Goals

- Increase proportion of costs that are transparent, variable and invested in value adding activities
- Increase control of the customer service outcome
- Establish flexible and agile IT services that can easily respond to business demand and change
- Influence third party supplier performance through better organisational alignment  
Improved business perception of IT service value and enablement
- Costs — Short term: reduced total IT costs. Long Term: reduced proportion of fixed costs overall.
- Tangible improvements to qualified and relevant customer service experiences

## Driving Better Customer Outcomes: The Benefits:

- Better retention
- Lower cost to serve
- Customer valuation & categorisation
- Heightened intelligence

## Overcoming Issues of Legacy resistance to transformation capabilities

- Moving From Product focus to customer focus
- Single view development, Challenges of CTI, Cloud etc
- Effective delivery of a high quality customer service experience
- Effective cost control (including more dynamic control over cost drivers)
- Enabling functional differentiation and operational business efficiency
- Aspire to a powerful single view of customers, their profiles, demographic preferences, risks & opportunities by integrating
  - CRM
  - B2B exchanges
  - Contact systems
  - Analytics and Business intelligence

## The Customer Centric Organisation: Goals and Risks

IT transformation challenges:

- Traditional systems built on product architecture not customer architecture
- Clients keen to differentiate around customer needs/solutions requiring single customer view/segmentation
- Customer views must be integrated to database analytics

The Risks:

- Customer identity management one of the biggest challenges globally
- Fraud is at record highs
- CIO challenges of system consolidation & data sharing/privacy/invasion
- Phishing, pharming, microchips

For more information on Gen-i, visit [www.gen-i.com.au](http://www.gen-i.com.au)