



Implementing Customer Management Programmes and The Curse of the Monkey's Paw

Introduction

The classic tale 'The Curse of the Monkey's Paw' offers some salutary lessons for those about to embark upon the introduction of a customer management programme. The story is based around a magical monkey's paw that has the power to grant three wishes. However, what each of those using the paw soon discovers is that whilst they do indeed receive what they wish for, they tragically receive **exactly** what they wish for and often at the expense of something they value more. Thus a man wishing for riches does indeed secure them but in the form of a compensation payment following the death of his son due to an accident at work.

So it is with the metrics one uses to manage the introduction of a customer management programme. As the saying goes, 'What gets measured, gets managed' to which one might add, 'Be careful what you wish for'. Unless one carefully crafts the metrics used to manage the implementation of a customer management programme to cover all the different aspects involved, a company is likely to find that the benefits it anticipated prove elusive.

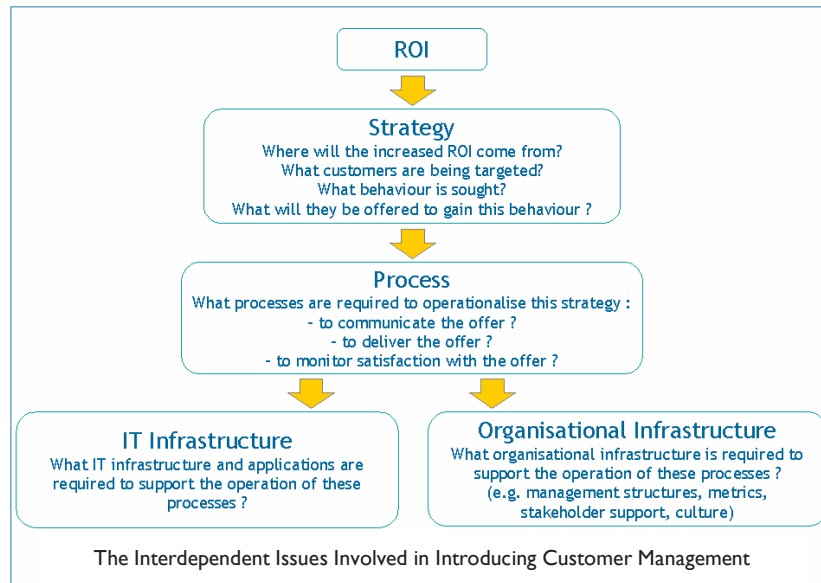
Deciding What to Wish For – Formulating Project Objectives

In all too many cases, the approach companies use to introduce customer management is formulaic. Having seen the success that another organisation has enjoyed with its customer management programme (sometimes in a different industry), other companies often simply attempt to copy the approach it used in the belief that similar benefits will accrue to them.

However, environmental conditions differ markedly not just between different industries but also between companies within the same industry. Consequently what may have been an appropriate solution for one company may well not be so for another. Companies not tailoring their customer management programme to their own particular market conditions and situation are thus unlikely to be successful in securing the enhanced performance they seek.

Moreover, customer management is a complex affair involving many different aspects of the business, as illustrated in Figure I overleaf. As well as addressing the strategic questions of which customers it is targeting and what it will offer to secure their business, a company also needs to put in place the processes required to operationalise its chosen strategy and the technical and organisational infrastructure needed to support those processes.

With so many variables, before a company embarks upon implementation it is critical that it is clear about how specifically its customer management programme will deliver the increase in shareholder value it is seeking and the different elements that will be involved in achieving this. Without such an understanding, it has little hope of being able to identify where it needs to focus its efforts and can easily overlook issues that are critical to the project's success.



Thus the overall financial objectives of the programme need to be unpacked into the customers or segments being targeted, the level of business to be gained from them and what the company will offer them to gain this business. In turn, the processes required to operationalise this strategy need to be identified along with the levels of performance that will be required. On this basis, the organisational and technical infrastructure that will need to be in place to support these processes can then be specified.

Together, the results of such an analysis provide a balanced set of metrics for planning and managing the implementation of the company's customer management programme, encompassing the diverse range of elements that need to be addressed for the company to achieve the financial benefits it is seeking.

However, in practice, even when companies have done extensive work in strategy development, process design and organisational infrastructure planning, all too often the metrics used to manage the implementation of their customer management programme focus purely on technical issues such as system roll out and end user training. Not only does this overlook all the other areas that need to be addressed, the lack of a clear link between the activities addressed in the implementation phase and the achievement of the financial objectives being sought from the company's customer management programme makes such an approach unlikely to result in the realisation of the desired business benefits.

Like the curse of the Monkey's Paw, such companies get exactly what they wished for – a fully installed IT system. However, because the objectives they set for the implementation did not cover all of the other critical issues involved, they fail to secure what they were ultimately seeking, namely a customer management programme that delivers increased shareholder value. In fact, sadly all they gain is a huge outlay that generates little in the way of returns.

A Parting Thought

To close this article, permit me a change of analogies. Flying a plane is a complicated affair and many factors are involved in getting to one's destination safely such as air speed, altitude, direction of flight etc. Consequently, it would be the height of folly for a pilot to attempt to undertake a journey using the plane's fuel gauge as his sole source of information during the flight.



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Similarly implementing a customer management programme effectively is a complex task involving many different aspects of the business. However, all too often companies attempt to manage this task by focusing on only one of the issues involved i.e. the implementation of an IT system. Like trying to fly a plane with only the aid of the fuel gauge, such an approach is destined for disaster.

About White Whale

White Whale assists companies in the development and implementation of customer management strategy. Through its work with blue chip clients, it has developed a range of practical tools to support companies introducing customer management to ensure they achieve the business benefits they are seeking.

If you have a problem with your customer management programme and would like to discuss how White Whale could help, please call our Customer Management lead Chris Bebbington on 0800 058 8158 or contact him by email at chris.bebbington@whitewhale.co.uk.



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