CRM 3.0

The Bridge to the Future of Customer Relationships

Strategy

The tri-bridge integrates and extends prior approaches to CRM

CRM 3.0

Technology

People
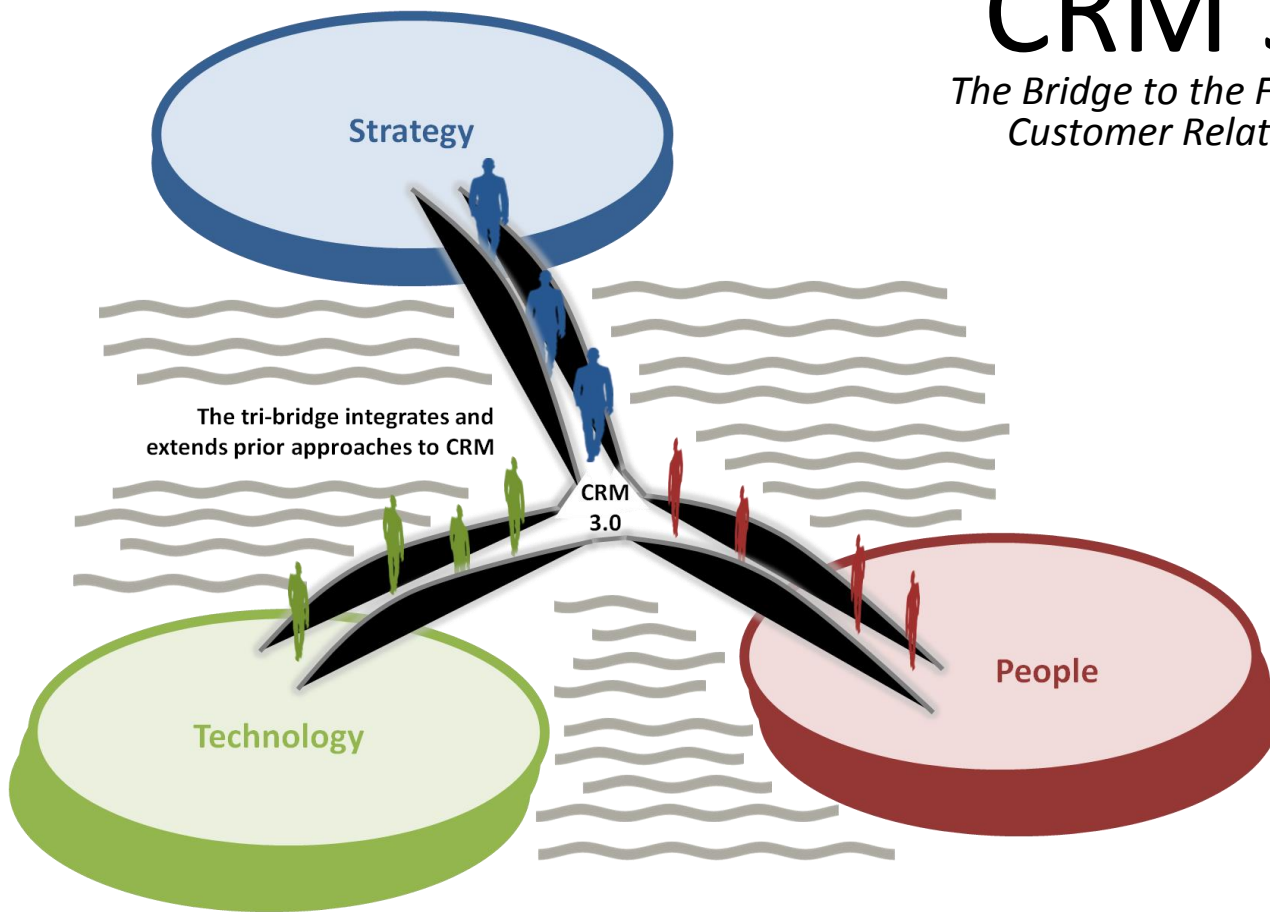
A Semplar Scientific White Paper

Semplar Scientific

Modeling paths to success ®

Authors

Brian C. Glibkowski, MBA, PhD
Managing Director, Semplar, LLC

Paul Quaranto, Jr., MBA, LLIF
Vice President, Boston Mutual Life
Insurance

James J. Gillespie, JD, PhD
Managing Director, Semplar, LLC

Lee P. McGinnis, PhD
Managing Director, Semplar, LLC

Introducing CRM 3.0, a new marketing and sales management model that integrates and extends prior approaches to CRM to unleash the potential of customer relationships.

Just as the placement of a bridge has profound impact upon the economic, cultural, and political development of the newly connected communities, the CRM 3.0 model is designed to challenge preexisting approaches to strategy, people, and technology to reevaluate them in a new light, ultimately transforming them in fundamental ways.

CRM 3.0 offers the promise of increased usability, decision making clarity, and effectiveness.

This whitepaper chronicles **Boston Mutual Life Insurance Company**, the first sales organization to embark on CRM 3.0, bypassing CRM 2.0, representing a paradigm shift in strategy, people, and technology management. We outline how this bridged approach was achieved and how your organization can do the same.

Contents

The New CRM 3.0 Model

CRM 3.0 represents the logical evolution of customer relationship management into a new CRM model that effectively integrates and extends prior approaches toward CRM.

Research has shown that conventional CRM approaches have not been as consistently effective as they should be. According to Forrester Research, a significant percentage of executives evaluated their current CRM capabilities to be poor/below average across the key CRM best practice areas (see Figure 1).

Figure 1. Perceived Effectiveness of Current CRM Approaches	
	% Effective
Marketing	37%
Customer Analytics	36%
Indirect Sales	33%
Customer Data Mgt.	31%
eCommerce	30%
Customer Strategy	25%
Technology Infrastructure	23%
Field Service	22%
People Mgt.	20%
Direct Sales	17%
Source: Band, 2008	

CRM 3.0 represents the intersection of three key perspectives required for the development of a more effective CRM approach (see Figure 2): **strategy**, representing the organization's plan of action to achieve sustained competitive advantage, **people**, representing human capital practices, and **technology**, representing the software and hardware that unites the strategy and people perspectives to achieve efficiency.

Figure 2. CRM 3.0 Model and Contributor Profiles
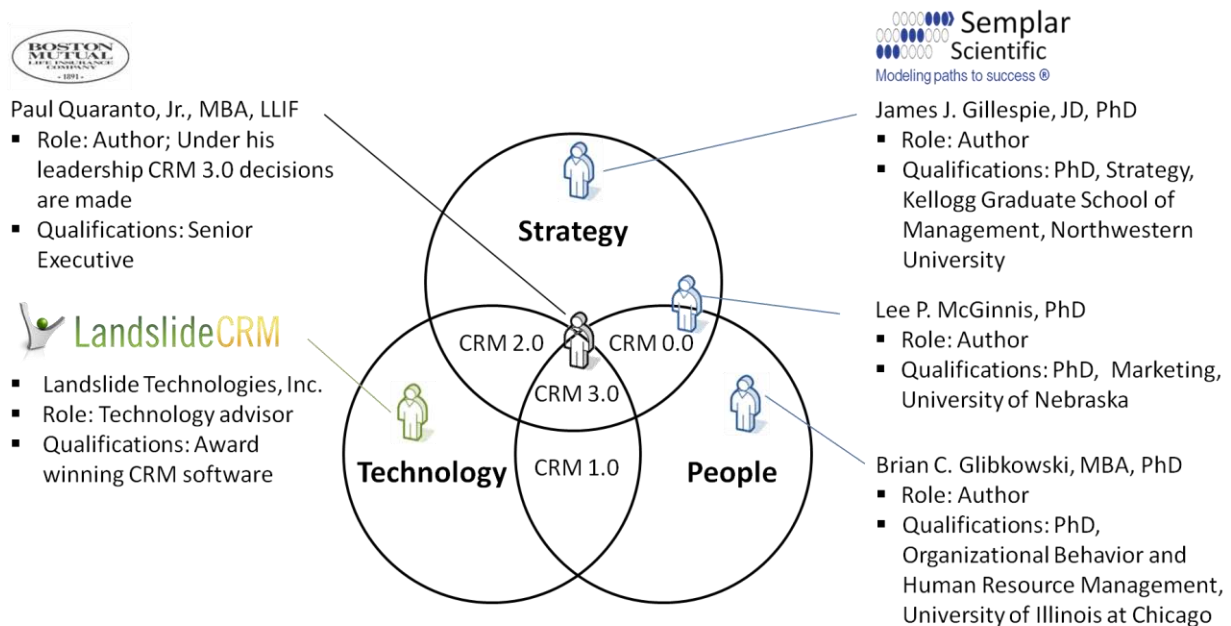
Over a 12-month period, Boston Mutual identified notable gaps in current CRM approaches (CRM 0.0, CRM 1.0, and CRM 2.0). It was determined that the conventional approaches to CRM were inadequate to meet the needs of Boston Mutual.

The CRM 3.0 model adopted by Boston Mutual (and is still evolving) is qualitatively different than earlier CRM models. This new model provides a greater depth and breadth of insight to the business across each of the three perspectives, strategy, people, and technology. More importantly, it caused Boston Mutual to reevaluate their preexisting approaches about strategy, people, and technology in a new light, and ultimately has the potential to transform the organization in fundamental ways.

The Evolution of CRM

As a tool for marketing and sales management, CRM has existed in the business organization in one form or another since the first business was organized as a means toward gaining a competitive advantage through effective and efficient management of the sales relationship. However, it is estimated that 50% of the small to medium-sized business market does not use a formal CRM software system (Leavitt, 2010). In modern business usage, CRM has evolved to become an integrated, sophisticated and highly informative software-based business tool used by a wide range of organizations as the cornerstone of their business strategic planning functions.

- **CRM 0.0** – This is CRM prior to technology. At this time, marketing/sales strategy and people management determined business success using simple, yet functional, paper or rudimentary systems. Though founded in 1891, Boston Mutual did not feel that formal CRM software was necessary for their business success until 2010.

- **CRM 1.0** – With the advent of the computer, the focus is now on boxed, software-based work flow automation solutions for managing and tracking high volumes of records associated with accounts, opportunities, and leads that needed continuous updating. At Boston Mutual, the demand for CRM software was driven from the bottom up by the sales representatives who wanted the efficiencies of work flow automation software to make tasks more efficient, eliminate redundancy, and ensure accuracy.

- **CRM 2.0** – CRM has matured and is now defined as "a philosophy and a business strategy" (Greenberg, 2008). With the introduction of *Software as a Service* (SaaS), CRM is now delivered via the internet as 'software on demand' (i.e., from the cloud) outside of the traditional technical limitations, making it available to all sizes of organizations, not just enterprise-class corporations.

- **CRM 3.0** – Represents an analytical framework by which CRM can be "perfected" by the CRM industry. It also provides an effective developmental roadmap for marketing and sales organizations of all sizes to utilize CRM perspectives (strategy, people, and technology) to gain a consistent and sustainable competitive advantage.

Boston Mutual's CRM Development Approach

Boston Mutual desired a CRM software solution that enabled their marketing and sales strategy while also meeting the work flow automation requirements of the sales reps (CRM 1.0 capabilities). Semplar, on behalf of Boston Mutual, conducted an in-depth review of the CRM software providers for the purpose of software selection. The comprehensive review consisted of evaluating the top 40 CRM software vendors (Business-Software.com, 2010) and included reviewing vendor websites and marketing collateral. Then, a subset of these vendors was selected for further interviews and/or demonstrations.

Currently, most of the vendors place a strong emphasis on the technology as the dominant focus of solutions. Indeed, this technology focus has yielded tremendous gains in workflow automation (CRM 1.0) and promises to offer assistance for strategy automation (CRM 2.0). However, despite large investments in CRM software technology, the return on investment (ROI) is often less than expected as some user needs and customer requirements often still go unsatisfied. This is due, in part because the depth of the technology perspective has not been matched by an equal depth in the strategy and people perspectives. Within CRM 3.0, the key, overarching requirement for a CRM solution is that it needs to align with the firm's specific strategy.
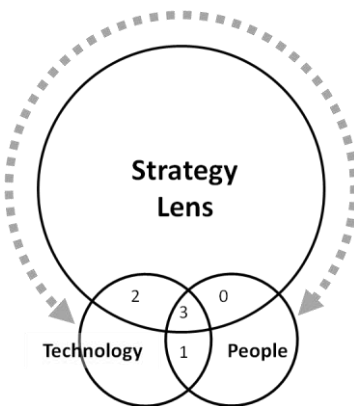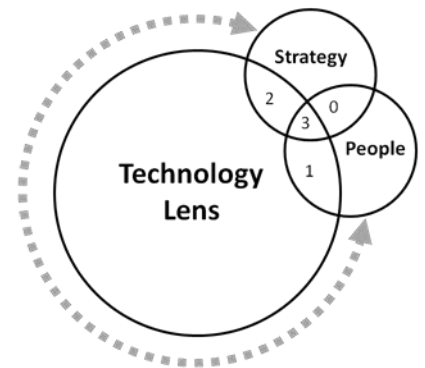
When viewed through a *strategy lens*, CRM utilizes the technology to deliver the strategy in a manner that the people can maximize its effectiveness through tactical execution.

When viewed through a *people lens,* effective CRM implementation takes into account personnel recruitment, selection, development, training, job analysis, job design, performance management, and compensation. Additionally, within the people lens, we examine the latest social science research in marketing and sales, scientific methods (e.g., statistical techniques), and organizational behavior to better understand CRM's value to the organization. *Moreover, it has been suggested that technology only accounts for 20% of CRM Success, with the remaining 80% attributed to strategy and people* (Goldenberg, 2008).
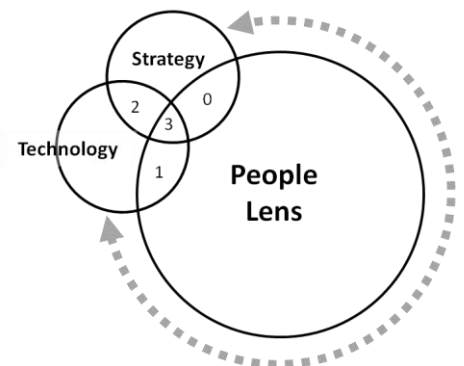
As depicted in Figure 3, prior development of CRM represents *incremental* change, a result of technological innovation. However, as the limitations of each iteration were understood, they resulted in the need for further evolution. It became clear to Boston Mutual during the software selection process that the lack of a consistent (or visible) strategy, and systems not being user-friendly to support strategy were the two most lacking aspects found in many CRM software solutions.

Figure 3. Competitive Advantage of CRM 3.0
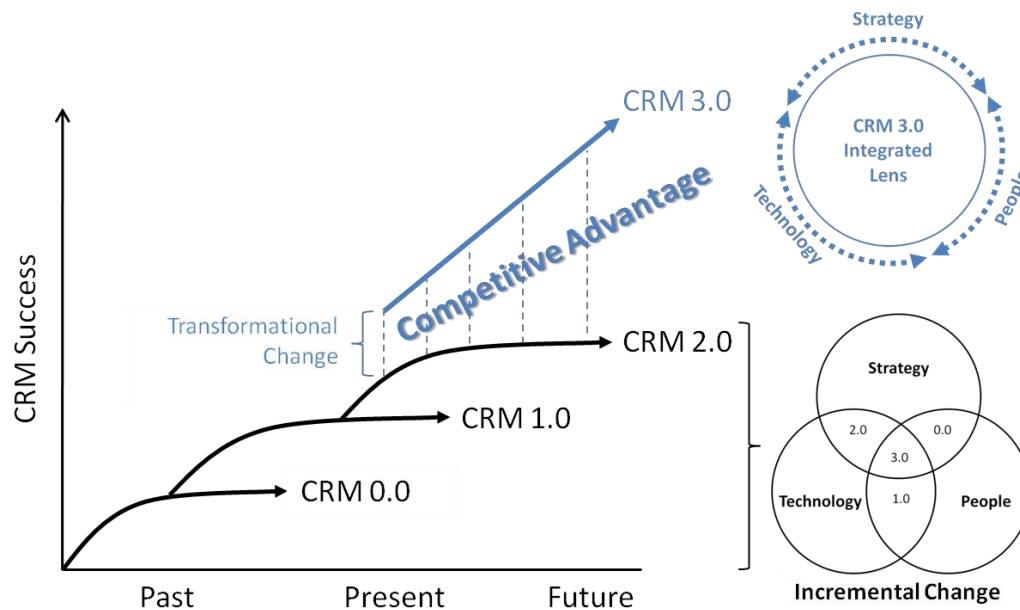
CRM 3.0 represents *transformational change*. Now all three perspectives are considered in equal relation to each other allowing organizations the ability to implement a CRM system that articulates the organization's strategy effectively, considers people practices, maximizes the technology, and is user-friendly so that the organization can now gain a consistent and sustainable competitive advantage.

Accordingly, the Boston Mutual CRM software selection (the technology) was based upon two key criteria:

- The technology solution's ability to model, test, and enable Boston Mutual's marketing and sales strategy.
- How well the CRM software could enable human capital practices.

Based upon these criteria, CampaignerCRM was selected for implementation as Boston Mutual's CRM software.

CRM 3.0 Illustrated at Boston Mutual

CRM 3.0 is designed to help organizations deliver fully integrated CRM system that span and connect strategy, people, and technology. Boston Mutual's selection of CampaignerCRM was only the beginning. The next step was to develop a framework for an effective strategy that maximizes the technology implementation and deployment, and gains full adoption (and usage) by the end-users at Boston Mutual.
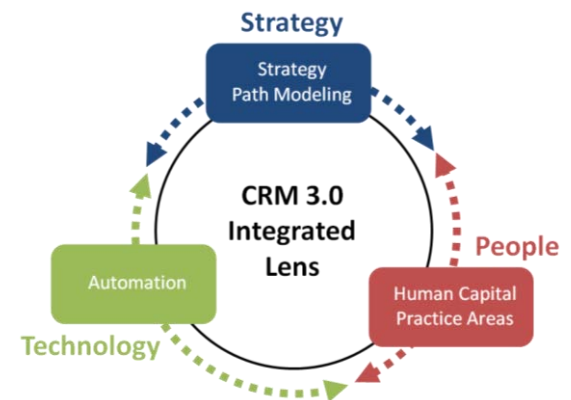
Boston Mutual Strategy Development

Boston Mutual's strategic development centered on eliminating the gap commonly observed in many organizations where little or no effort is given to objectively analyze how the organization's business strategy relates to the use of CRM software. In other words, Boston Mutual needed to ensure that their CRM software would effectively deliver on the corporate strategy with the CRM software becoming an invaluable component of the management system.

Recognizing this gap, Semplar developed ***Strategy Path Modeling (SPM)*** as an approach to model and assess strategy at all levels and areas of the organization (Glibkowski, Gillespie, Konstam & McGinnis, 2009). Strategy Path Modeling applied to CRM draws upon the scientific disciplines of Strategy, Organizational Behavior, Human Resource Management, and Marketing to model and measure cause-and-effect relationships between predominately intangible variables (needs, motivation, attitudes, behaviors, processes, and resources).

Based on discussions with dozens of Marketing and Sales Executives, as well as a sample of CRM software audits (See Figure 4), Semplar concluded that the marketing and sales value chain is not captured or represented as part of CRM software, a phenomenon we coined as the ***CRM Disconnect***.

STRATEGY FIRST
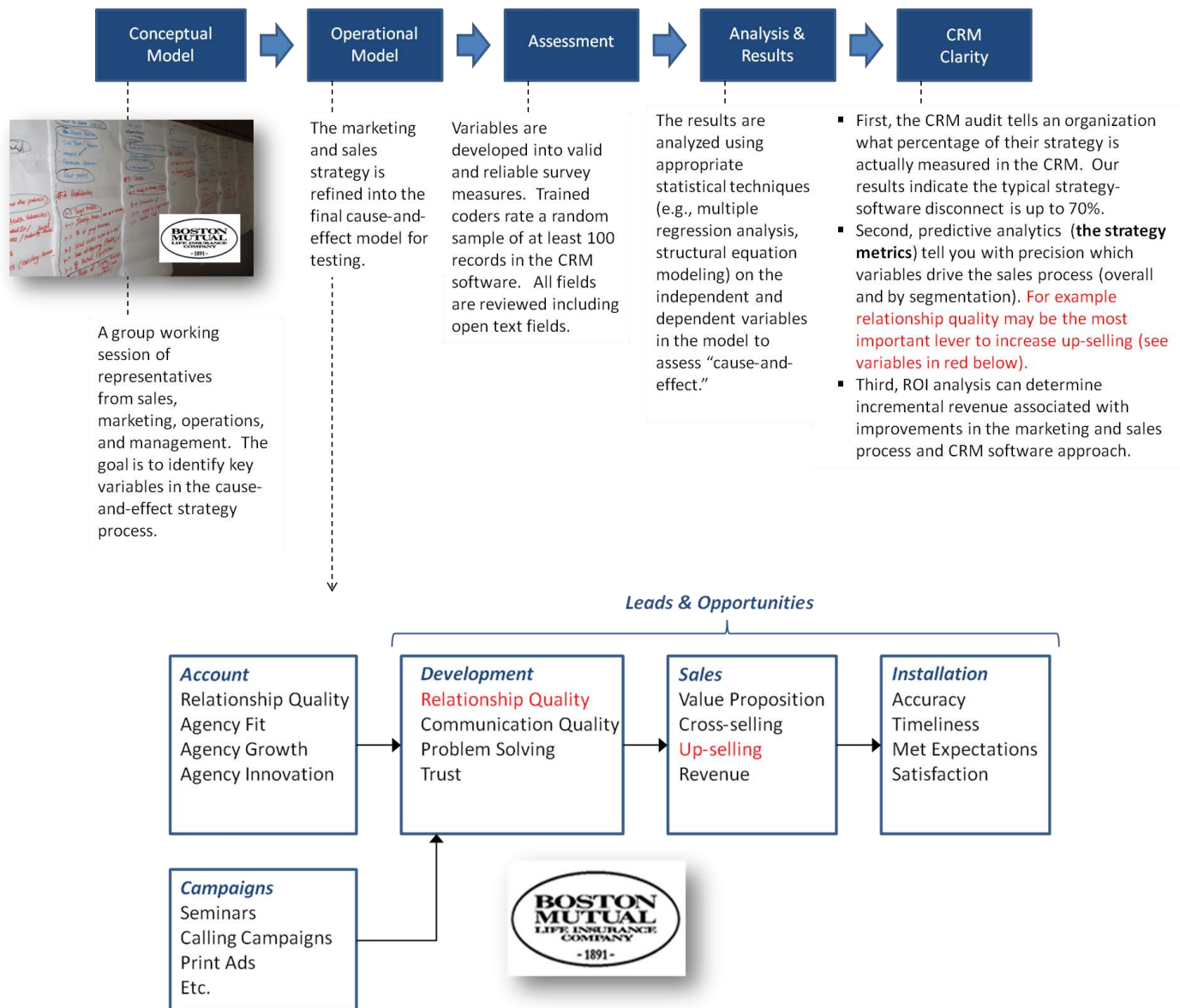
"Strategy first, technology second, not the other way around. This sounds straightforward, but many CRM vendors and many of our peers seem to reverse this order to their own detriment. If you understand strategy, technology automation ultimately leads to strategic activities within and outside the CRM software."

Sharon Thomas, Second Vice President, Group Operations, CRM Project Manager

For example, based upon the CRM audits (see Figure 4), Semplar found up to a **70% disconnect between an organization's operational marketing and sales strategy and what was actually measured in the CRM software**.
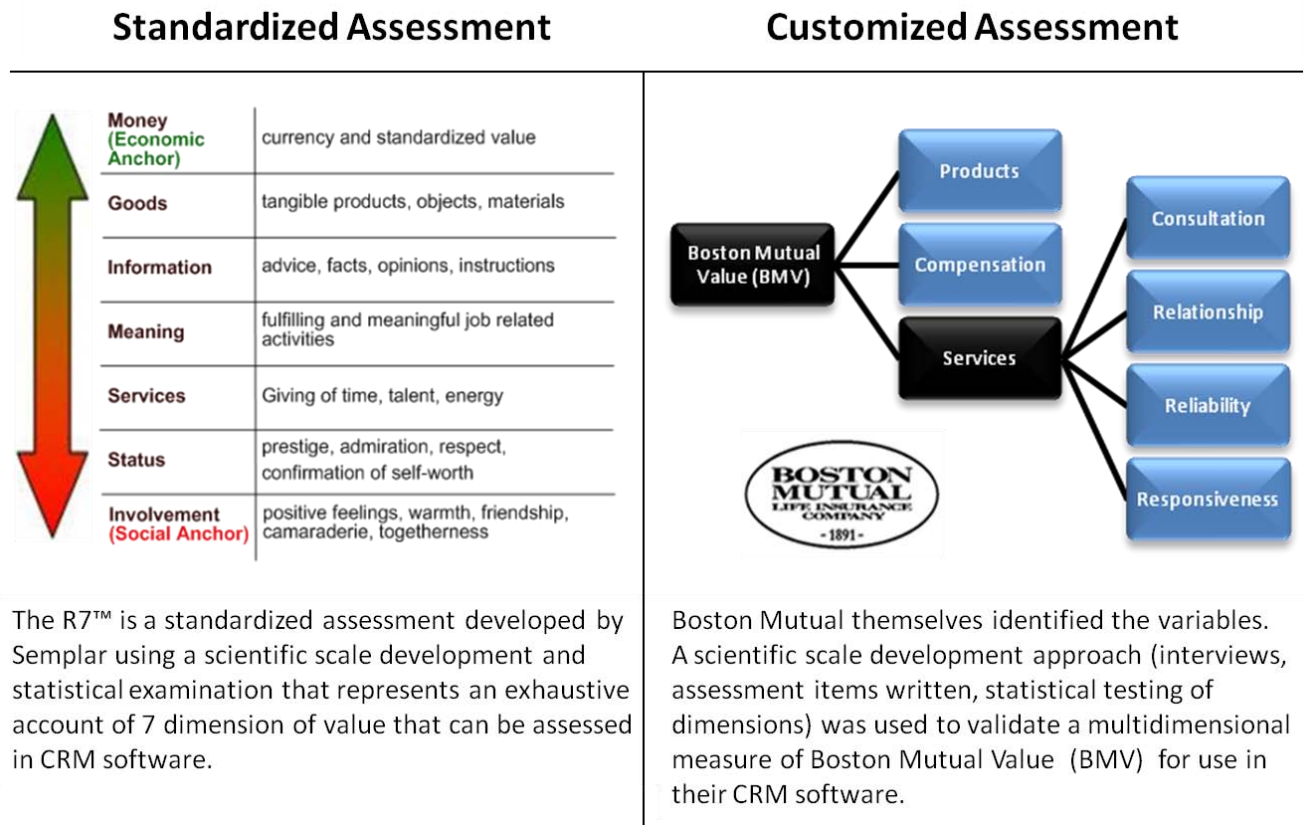
Figure 4. CRM Strategy Path Model Audit

Conceptual Model	Operational Model	Assessment	Analysis & Results	CRM Clarity

A group working session of representatives from sales, marketing, operations, and management. The goal is to identify key variables in the cause-and-effect strategy process.

The marketing and sales strategy is refined into the final cause-and-effect model for testing.

Variables are developed into valid and reliable survey measures. Trained coders rate a random sample of at least 100 records in the CRM software. All fields are reviewed including open text fields.

The results are analyzed using appropriate statistical techniques (e.g., multiple regression analysis, structural equation modeling) on the independent and dependent variables in the model to assess "cause-and-effect."

- First, the CRM audit tells an organization what percentage of their strategy is actually measured in the CRM. Our results indicate the typical strategy-software disconnect is up to 70%.
- Second, predictive analytics (**the strategy metrics**) tell you with precision which variables drive the sales process (overall and by segmentation). For example relationship quality may be the most important lever to increase up-selling (see variables in red below).
- Third, ROI analysis can determine incremental revenue associated with improvements in the marketing and sales process and CRM software approach.

Leads & Opportunities

Account
Relationship Quality
Agency Fit
Agency Growth
Agency Innovation

Development
Relationship Quality
Communication Quality
Problem Solving
Trust

Sales
Value Proposition
Cross-selling
Up-selling
Revenue

Installation
Accuracy
Timeliness
Met Expectations
Satisfaction

Campaigns
Seminars
Calling Campaigns
Print Ads
Etc.

A Scientific Approach Toward Strategy is Needed

At the heart of the CRM disconnect between strategy and measurement is an inability to **quantify the qualitative**. For example, most important variables in CRM software remain unmeasured (e.g., relationship quality, commitment, satisfaction, value proposition). As depicted in Figure 5, using a custom assessment, Boston Mutual was able to measure, with precision, their **value proposition**—the reasons why clients make the decision to buy (or not buy) their product and/or service. In most organizations, there may be an intuitive sense of value proposition, but that intuition is rarely matched against rigorous analysis of the empirical data.

Figure 5. Value Proposition Clarity: Two Assessment Options

Standardized Assessment

The R7™ is a standardized assessment developed by Semplar using a scientific scale development and statistical examination that represents an exhaustive account of 7 dimension of value that can be assessed in CRM software.

Customized Assessment

Boston Mutual themselves identified the variables. A scientific scale development approach (interviews, assessment items written, statistical testing of dimensions) was used to validate a multidimensional measure of Boston Mutual Value (BMV) for use in their CRM software.

CRM Automation

As depicted in Figure 6, CRM Automation enables efficient strategy path modeling and human capital management associated with five key CRM processes: model development, data collection, analysis, reporting, and activities. Effective strategy path modeling begins with model development that clearly identifies the key organizational variables, as well as the paths for each element. It is necessary to then collect the related data and conduct the appropriate analyses to objectively measure the model's performance. This is then followed by creating the necessary reporting to interpret the performance and provide insight into activities.

Figure 6. CRM Automation of Strategy Path Modeling and Human Capital
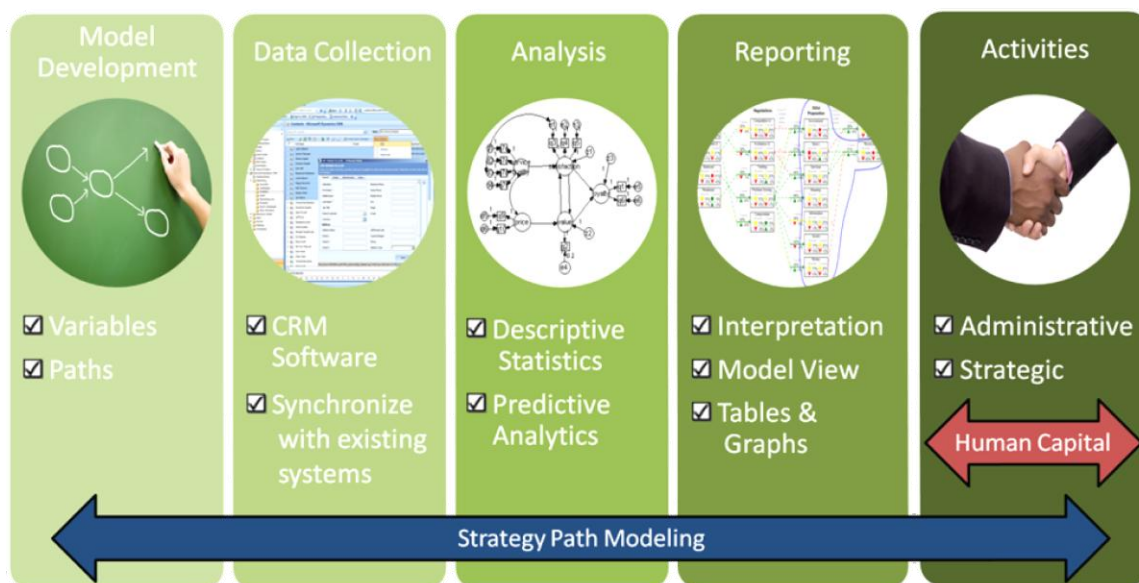
Model development starts with creating a cause-and-effect model that executives draw on a whiteboard to identify the key **variables** and **paths** and then use arrows to connect and show interrelationships.

As shown in Figure 7, CRM 3.0 model development consists of an ongoing cycle (and associated testing) of strategy path models that continually refine the cause-and-effect paths connecting each of the variables in the marketing and sales process. These variables can be both observed and unobserved. Unobserved variables measure difficult to see variables (e.g., trust, commitment, loyalty) that can have the most significant impact on operations. CRM strategy path models are ideal for organizations to objectively analyze and evaluate these paths and translate them into their marketing and sales decisions and activities.

Figure 7. The Bow-Tie of Relationship Marketing in the Era of CRM 3.0
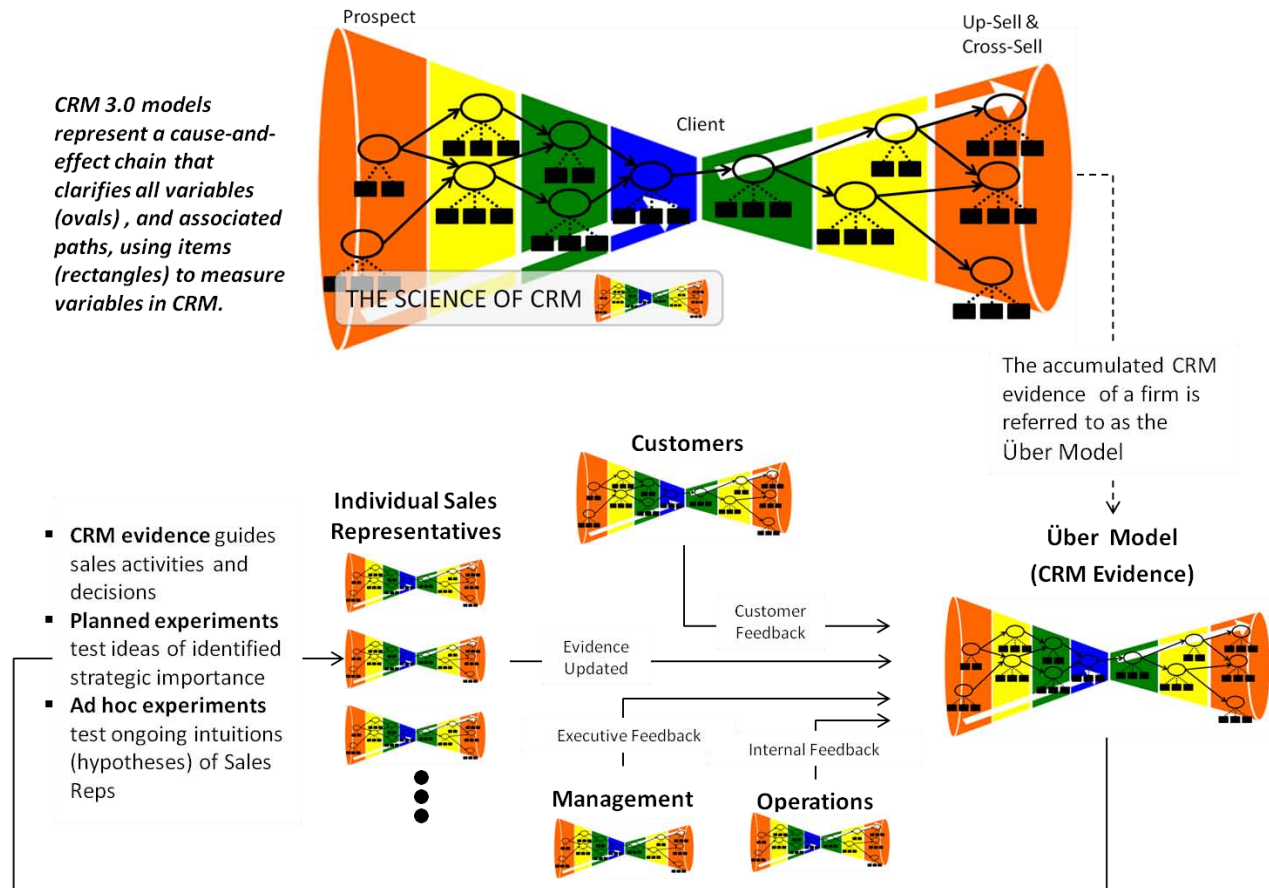
It is critical to gather feedback from all levels of the organization (executive, internal operations) as well as from customers. Central to CRM 3.0, feedback is critical for identifying and testing the best ideas in order to achieve greater clarity into CRM success. It allows the organization (as well as each sales rep) to separate valid intuition from false intuition. An experimental design approach should be used that generates sales and marketing ideas, tests the ideas, and encourages valid ideas to be embraced and spread throughout the organization. Consistent with this logic, Davenport (2009) has identified six steps associated with successful organizational experiments. We believe these six experimental design steps should be applied to CRM:

Boston Mutual has developed an experimental design program consisting of **planned** and **ad hoc** experiments, with the goal of continually refining and enhancing their sales process.

Planned experiments are scheduled in advance, typically on a quarterly or annual basis. For example, during one quarter, Boston Mutual could focus on modeling the negotiations process, for the purposes of better understanding variables associated with closing more business. Gained clarity could be used in several ways, for example, identification of negotiation tactics best practices that can be replicated by all sales reps.

Ad hoc experiments will represent spontaneous and ongoing ideas for how to improve the sales process. For example, during Boston Mutual's weekly sales meetings, ideas can be solicited and green-lighted for testing during the following week in the CRM software.

Using this approach, Boston Mutual is able to use both planned and ad hoc experiments to create a scientific and evidence-based sales approach.

Boston Mutual uses the **Sales Process Tool** embedded within CampaignerCRM to create separate lead and opportunity process views to make complex strategy path models actionable and approachable for their sales reps. Using the ongoing process of experimentation, Boston Mutual can easily monitor the effectiveness of each aspect of the current sales processes and then benchmark, evaluate, and refine the effects of changes occurring within each process. They have developed, and are continuing to evolve, a portfolio of lead and opportunity processes that guides sales activities (see Figure 8).
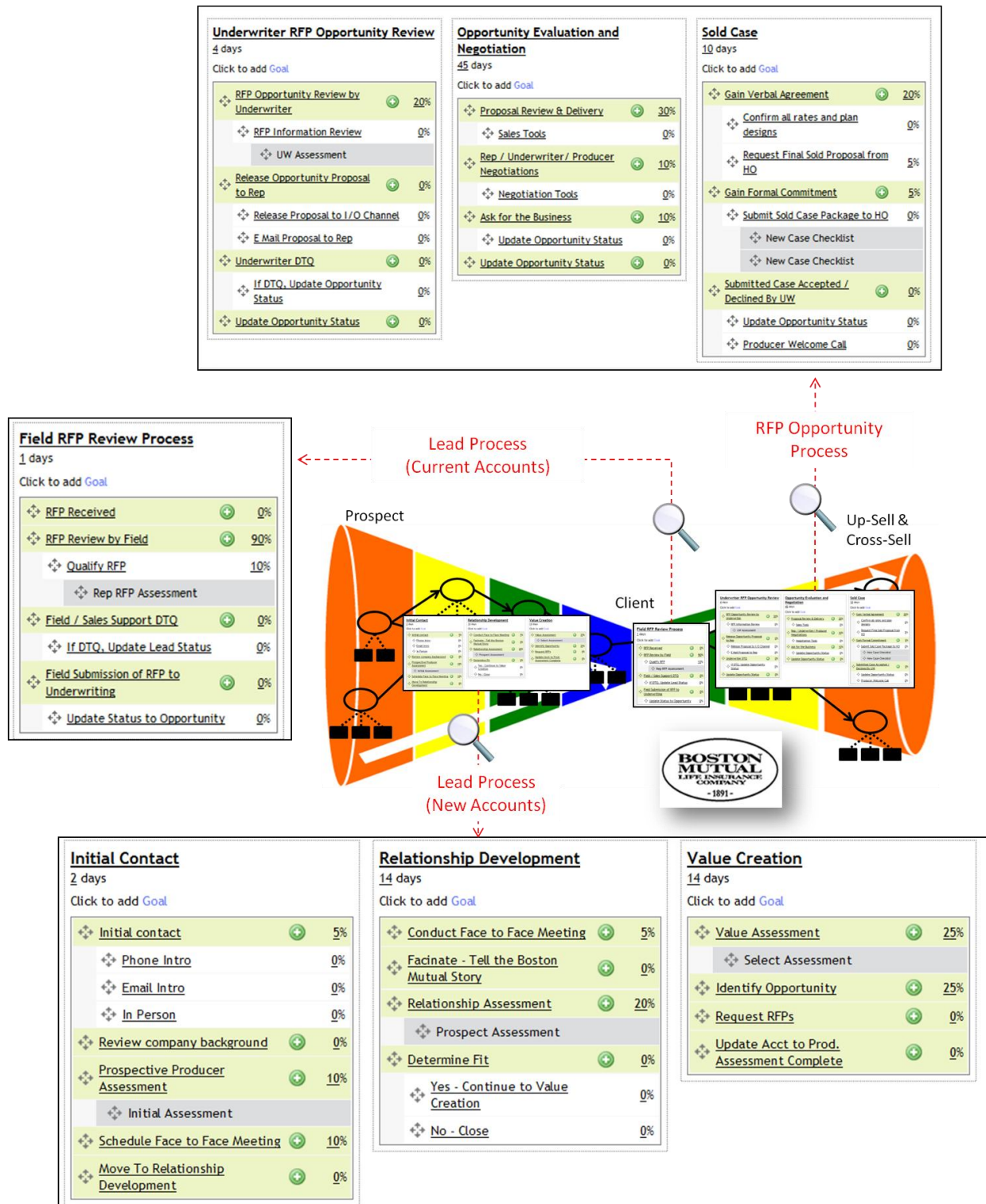
EXPERIMENTATION

"We are using experimental methods to uncover the attributes associated with brokers that are the best fit for Boston Mutual. Using science, we can then calibrate our efforts to meet the needs of this ideal broker profile."

Paul Quaranto, Vice President, Boston Mutual

"As Sales Reps, we have the ability to test ideas, get evidence, and clarity on our sales approaches. It is empowering and exciting. This is a game changer."

Joshua Police, Group Territory Manager, Boston Mutual

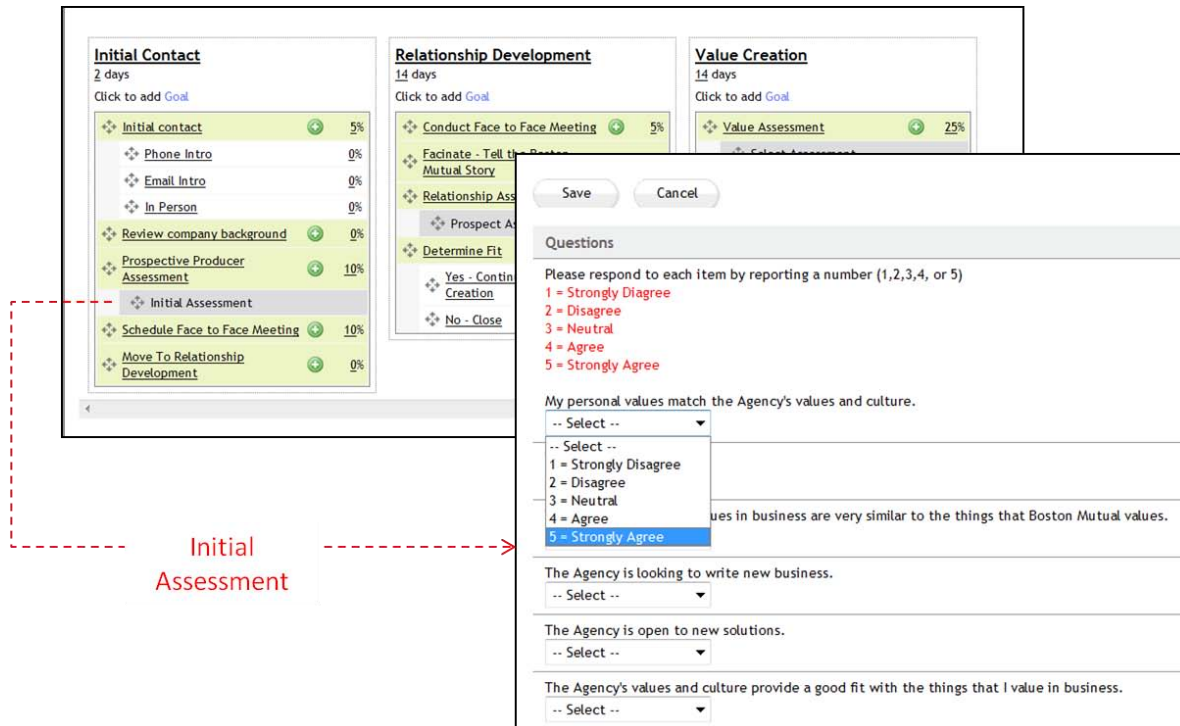**Figure 8. Strategy Path Model Process Views within *Campaigner*CRM Software[1]**

Data collection involves the collection and creation of information to assess the various strategy path models. For Boston Mutual, data can be directly reported within the CampaignerCRM software by their sales reps and internal employees (see Figure 9) by following the interactive sales process checklist. It is then synchronized with existing systems (e.g., Boston Mutual has a rate quote system that is integrated with their CRM software), and other external data sources (e.g., customer assessment surveys).

Figure 9. Boston Mutual Initial Assessment of a Prospective Business Partner within CampaignerCRM

One shortcoming of existing data collection approaches within many CRM software systems is the inability to include and measure intangible variables such as trust, customer engagement, loyalty, satisfaction, and value proposition within the software. As CRM 3.0 matures, developing an automated menu-of-variables approach will make it easier to measure and manage the sales process by capturing this type of data. Complex sampling designs are also not automated within older CRM 1.0 and 2.0 software. In other words, existing approaches do not provide flexibility in assessment approaches (see Figure 10). Moreover, assessment options should allow for data collection to be capped when adequate sample sizes having been reached. As CRM 3.0 matures, these types of complex sampling designs will become standard and a valued addition to the data collection component.

Figure 10. Illustrative Complex Sampling Automation Capability

	Q1	Q2	Q3	Q4	Notes
Annual customer satisfaction				a	Planned, reoccurring (a)
Account requalification	s		s		Planned, semi-annual reoccurring (s)
Lead qualification	———————————→				Planed, daily and ongoing assessment
Hypothesis about up selling opportunity	—— x ——————→				Ad hoc, one-time hypothesis tested (x)

Analysis consists of reviewing the data collected based on two aspects: **descriptive statistics** (e.g., means and variance associated with variables commonly used in CRM 1.0 and 2.0) and **predictive analytics** (cause-and-effect analysis between variables central to CRM 3.0).   As strategy is about creating impact, it is measured by predictive analytics. CRM 3.0 organizations utilize a statistical-based approach to gain understanding of how a CRM value chain and associated processes create unique value to the marketing and sales management process. Unfortunately, predictive analytics have not been regularly utilized by organizations. The effect, according to a Forrester report, is that nearly 40% of executives feel their organizations are deficient in analyzing marketing performance over time (Band, 2008).   Of high-performing organizations, 65% reported significant decision-support/analytical capabilities while low-performing firms reported just 23% (Davenport & Harris, 2007).

CRM 3.0 is based around predictive analytics with the goal of providing clarity to understand exactly how antecedent variables impact subsequent variables within the process view. For example, using a multiple regression analysis would allow an organization to understand which, of several, value proposition dimensions are the most important reasons a customer buys from them (see Figure 5). Currently, many CRM software and analytical solutions are heavily weighted toward summarizing past and current data and fall short of an effective predictive capability.

Reporting directly follows from analysis and has three primary purposes: (1) to influence or validate decision making, (2) guide ongoing activities or tactics, and (3) predict future states (Kellen, 2002). All three purposes are facilitated by predictive analytics.

The CRM 3.0 model requires more analytics driving insights to better accumulate, assess, predict, and optimize the effectiveness of marketing and sales expenditures. To aid in **interpretation,** reports need to more clearly provide actionable prescriptions for sales reps and management. For example, most CRM reporting applications do not incorporate simple, straightforward red, yellow, and green light indicators associated with variable scores and impact scores (associated with paths between variables).

To our knowledge, no CRM software incorporates true predictive analytics (impact scores) into their standard analysis and reporting offering. A related shortcoming, no CRM software incorporates a **cause-and-effect report view** to aid in the interpretation of strategy. For example, as depicted in Figure 11, Boston Mutual is interested in developing high-quality partnerships with brokers (intermediaries they sell through). As summarized in takeaway #1, Boston Mutual found that *fit* (between the broker and Boston Mutual) and *relationship quality* (broad scope, long term and investment oriented) were the most important statistical predictors of value creation (*problem identification* and *search for alternatives*), which in-turn was directly related to developing business opportunities. Prescriptively, it was clear that Boston Mutual should focus on *fit* and *relationship quality* in developing partnerships.

*Figure 11. Developing Partnerships: A Cause-and-Effect Report View*
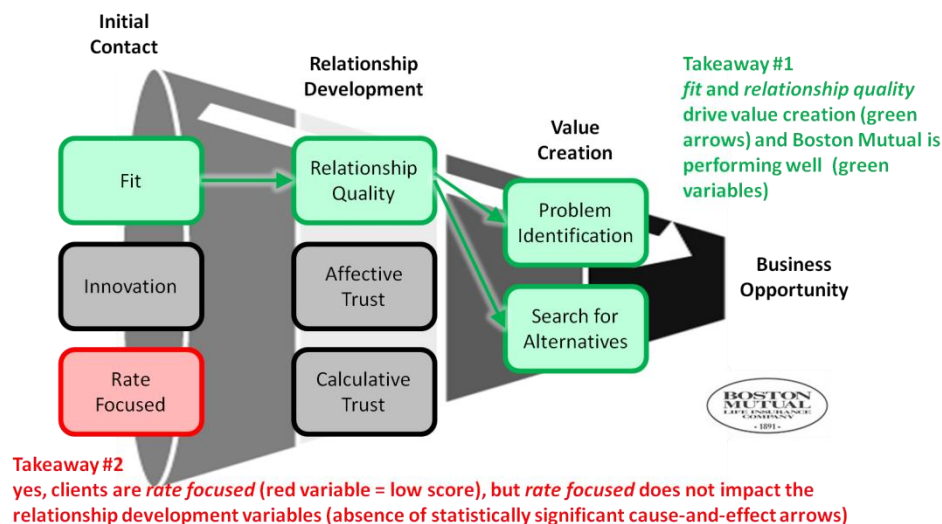
Additionally, takeaway #2 indicated that potential partners tend to be very *rate focused* (a concern of some sales staff), but the evidence indicated that rate focused had no statistical bearing upon developing the subsequent relationship. In other words, it was true that brokers tend to be *rate*

focused, but this would not impede the relationship development process. This insight was important to move previously reluctant sales managers beyond a false intuition: 'if prospective partners are *rate focused* I cannot work with them.' Again, there was no evidence to support this sentiment. Absent the previous mental road block, sales reps could productively develop partnerships with the existing *rate focused* broker population.

Activities represent the basic aspects of the sales process (e.g., appointments, contacts, and follow up tasks). In CRM 3.0, activities are strategic because they are embedded directly within strategic cause-and-effect process views within Campaigner CRM for use by sales reps as well as other internal employees (see Figure 12). As discussed next, strategic activities are made more effective when human capital management approaches are utilized to ensure best practices for a more consistent and efficient approach.

Figure 12. Automation of Strategic Activities within CRM 3.0 at Boston Mutual
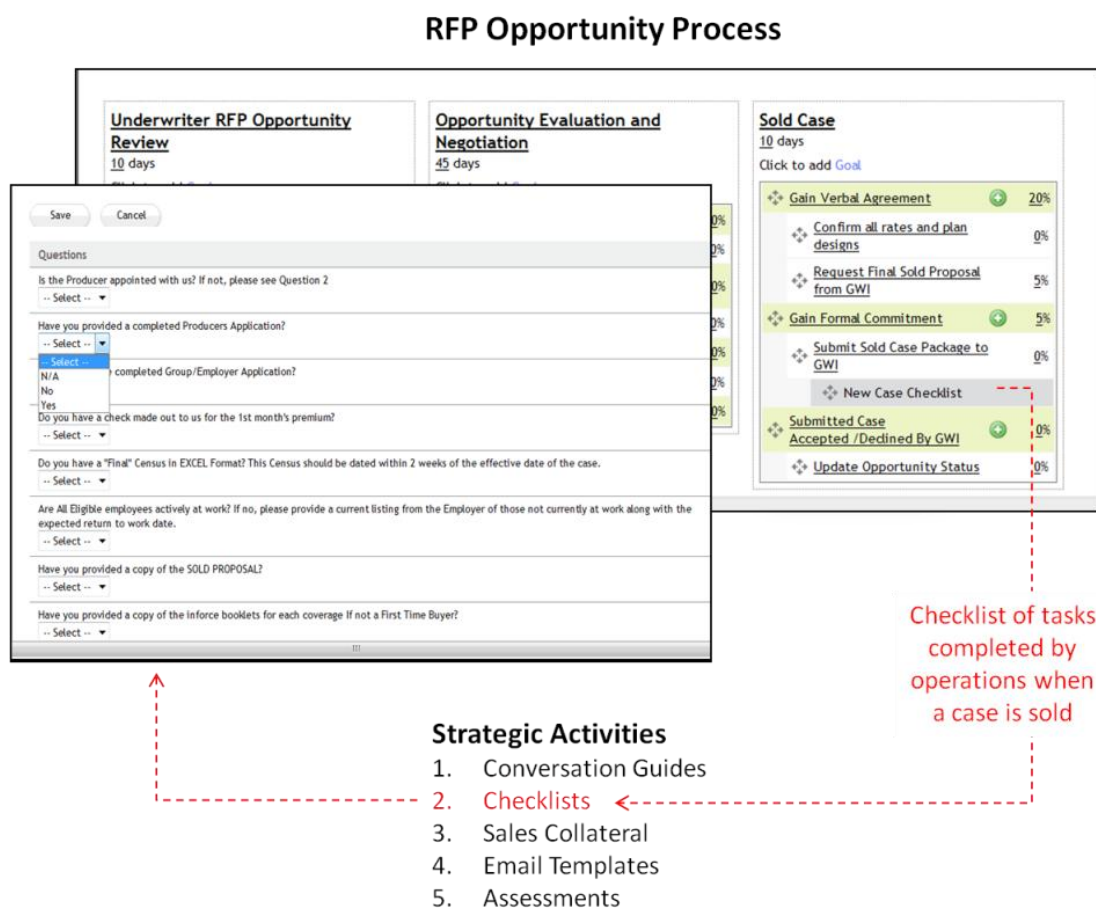
Human Capital Practices

As previously stated, it has been suggested that people practices are the most critical factor in CRM success (Goldenberg, 2008). People management is important because it represents the heart of sustainable competitive advantage—ultimately success or failure depends on people and their ability to execute strategy.

As illustrated in Figure 6 in our CRM 3.0 framework, people management impacts strategic activities associated with CRM software. It is necessary to outline a framework for human capital management that is readily accepted by human resource managers. Semplar has identified five people practice areas that are important to CRM 3.0 and successful human capital management:

1. **Performance Management:** This is the micro-approach to assess employee performance. Nearly 25% of companies rate their CRM performance management practices as poor/below average (Band, 2008). One major issue is that CRM software is generally not integrated with performance appraisal. CRM 3.0 software will allow sales executives to administer assessment approaches, such as 360 degree feedback, directly in software in a nonthreatening, constructive manner.

Some senior marketing and sales professionals remain resistant to the analytical and predictive dimensions of CRM 3.0, preferring to make decisions based on "gut feelings." This cultural and organizational barrier must be overcome because the present and future of marketing, sales, and service will be driven by fact-based decision-making relying upon metrics to achieve optimal performance. Evidence-based management (see Figure 13) is a growing movement in management and is has a strong influence on CRM 3.0. In today's market, more than ever, CRM needs to tell the selling professional what will likely happen, when, why, and what can be done in anticipation. However, as outlined in Figure 7, intuition will always be related to new ideas at the frontier of knowledge. Therefore, in CRM 3.0, tested intuition contributes greatly to CRM evidence.

Figure 13. Five Principles of Evidence-Based Management

1. *Face the hard facts, and build a culture in which people are encouraged to tell the truth, even if it is unpleasant.*
2. *Be committed to "fact based" decision making -- which means being committed to getting the best evidence and using it to guide actions.*
3. *Treat your organization as an unfinished prototype -- encourage experimentation and learning by doing.*
4. *Look for the risks and drawbacks in what people recommend -- even the best medicine has side effects.*
5. *Avoid basing decisions on untested but strongly held beliefs, what you have done in the past, or on uncritical "benchmarking" of what winners do.*

*Source: www.evidence-basedmanagement.com*

2. **Compensation and Benefits:** Because CRM 3.0 is strongly based upon predictive analytics, Boston Mutual is developing a compensation plan for sales reps to be compensated based upon two factors: (a) performance and (b) predictive clarity. Conventional performance management approaches emphasize performance—the productivity of a sales individual/team (e.g., deals won, dollar value of deals). CRM 3.0 will additionally require sales reps to be compensated based upon predictive clarity. For example, Boston Mutual plans to compensate sales reps who suggest actionable and measurable improvements to the existing sales process. This allows the CRM software to increasingly become a knowledge management system where intelligence is actively shared between sales reps for the benefit of the entire selling organization. For example, if the sales organization collectively understands 50% of the factors of how to get the "next appointment" (in the sales process) and an individual sales rep comes up with an idea that explains an additional 5% variance in getting the next appointment (representing millions of dollars in potential incremental deals won for the organization), then that sales rep should be compensated for this "intelligence" (*predictive clarity*) that helps all sales reps close deals, irrespective of the particular sales reps ability to actually close deals him or herself (*performance*).

3. **Job Analysis and Design:** Analysis represents an objective review of the work flow associated with the strategy. Job design involves the active process of (re)designing jobs based on the analysis. Both job analysis and design involve the examination of activities, context, human attitudes and behaviors, tools, and performance standards. Existing CRM software providers all conduct job analysis and design; however, the depth of this analysis is often shallow. CRM 3.0 will require more in-depth and scientific approaches toward job analysis and design. Job analysis and design is especially important because it directly influences decisions in three specific areas:

   - Candidate recruitment and selection – identifying appropriate candidates to recruit and hire
   - Employee performance management – effectiveness of employees in their role
   - Employee training and development – developing knowledge, skills, and abilities

4. **Training and Development:** This is the organization's planned efforts to improve knowledge, skills, and abilities associated with job-related activities. Training tends to be formal, and employees are removed from everyday activities. Development tends to be informal and embedded into everyday activities. CRM 3.0, driven by predictive analytics, will provide greater clarity into the sales process, which in turn will place greater emphasis on training and development to improve and optimize performance. For example, integrative negotiation or "win-win" negotiation consists of three phases: problem identification, search for alternatives, and outcome selection (Sebenius, 1992; Walton & McKersie, 1991). If assessments reveal that

sales reps are most deficient in one area (e.g., problem identification) the training prescription is clear. Employees may need additional training on how to decipher problems, perhaps indicating an inability to discern symptoms from causes. As CRM 3.0 systems mature, there will be more emphasis on effective training and development approaches, and these methods will be integrated within and analyzed by the CRM software.

5. **Recruitment and Selection:** Finding and hiring the right people for the right roles is critical to an organization's success. CRM 3.0 will offer organizations a more complete strategic sales process, which will aid in recruitment and selection. For example, CRM 3.0 will provide more realistic, evidence-based job previews by way of detailed selling processes and associated automated tools. Additionally, CRM 3.0 represents a more analytical and scientific selling method that will attract better employees in addition to offering expanded roles for existing sales reps and mangers.

Conclusion

Customer Relationship Management (CRM) is arguably the most important process in an organization. The CRM revolution started with CRM 0.0, emphasized people and strategy; CRM 1.0 introduced software that focused on workflow automation of administrative activities (e.g., appointments and contact records); and most recently CRM 2.0 has been introduced to focus on the interface between technology and strategy. Moreover, each new generation of CRM is incremental, in that it includes advances of prior generations.
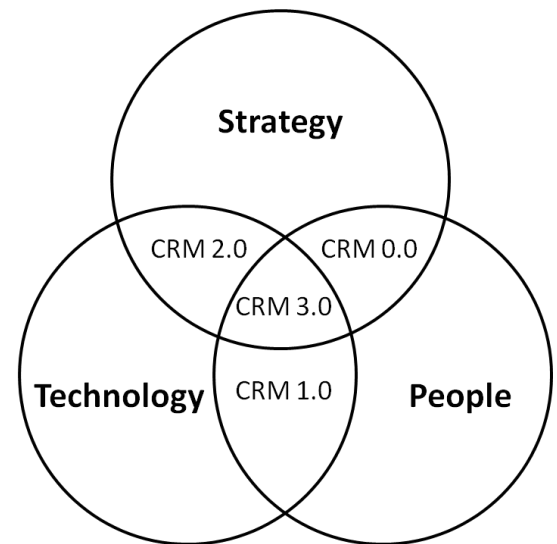
CRM 3.0 is designed to address the gaps found in CRM 0.0 to CRM 2.0 that relate to integrating strategy, people, and technology perspectives, and to allow for building a greater depth for each perspective. Although all three perspectives are important, CRM 1.0 and 2.0 (the current CRM approaches) tend to overemphasize technology, and underemphasize the strategy and people perspectives. Effective CRM strategy is the primary deficiency found in CRM 1.0 and CRM 2.0. In CRM 3.0, strategy path modeling enables, measures, and analyzes CRM strategies. Strategy path modeling allows for genuine strategy automation within software. Second, in CRM 3.0 the people perspective, the ability of CRM to aid in developing human capital, is important to customer relationship success. The people perspective enables effective performance management, compensation and benefits, job analysis and design, training and development, and recruitment and selection.

Boston Mutual believes that CRM 3.0 will have a transformational effect. Just as the placement of a bridge has profound impact upon the economic, cultural, and political development of the newly connected communities, the CRM 3.0 model is designed to challenge preexisting approaches to strategy, people, and technology to reevaluate them in a new light, ultimately transforming them in fundamental ways.

CRM 3.0 is a clear roadmap for marketing and sales organizations interested in achieving a sustainable competitive advantage. Though there are challenges inherent in the evolution to CRM 3.0, there are also significant opportunities. As Boston Mutual has already discovered, using CRM 3.0 as the foundation of its customer relationship approach is not only helping transform the CRM design and implementation, it is also helping to transform the entire organization. Other organizations would be well served to objectively consider CRM 3.0 and its effect on their CRM software – as well as their entire business organization. CRM 3.0 is the bridge to the future, cross it now.

Acknowledgements

Semplar, LLC

Semplar Scientific is an applied science solution provider. Our vision is to bridge the gap between practice and science. We are pioneers of strategy path modeling—an approach to model and assess strategy at all levels and areas of the organization. The name Semplar reflects our focus on modeling paths to success, and stems from the Latin words semita (path) and exemplar (model). Our solutions are designed and implemented by applied scientists with PhDs. We are trusted advisors to innovative and evidence-based businesses and institutions. Semplar Scientific publishes the Science of CRM Blog (www.scienceofcrm.com). To learn more about Semplar visit www.semplar.com or email Brian C. Glibkowski, MBA, PhD, Managing Director at bglibkowski@semplar.com.

Boston Mutual Life Insurance

Founded in 1891, Boston Mutual Life Insurance Company has a proud history of solid financial performance. Our vision is to become "the best niche marketer of insurance products and services". Although not a new vision, this statement clearly focuses our efforts on what we need to accomplish to make our Company successful now and in the future. Boston Mutual's dedicated employees and professional sales force have continually made progress towards this vision. We have a successful core benefits strategy and enhanced our product offerings in our Worksite Marketing Division, have increased our agent recruitment and product portfolio in our General Agencies niche markets, and continue to focus on core products and quality producers in our Group Division. To learn more about Boston Mutual visit www.bostonmutual.com or call 800-669-2668.

CampaignerCRM

Passionate people are behind CampaignerCRM, the next generation in customer relationship management solutions. Built by salespeople for salespeople CampaignerCRM incorporates a process-driven approach to allow sales professionals to not only simply to track sales, but actually close business faster and more effectively. CampaignerCRM is the first CRM system that combines sales process consistency with sales performance to transform individual performers into a world-class team of consistent producers. CampaignerCRM is the first CRM system that combines sales process consistency with sales performance technology to transform individual sales performers into a world-class team of consistent sales producers. CampaignerCRM codifies proven, best-practice sales processes, provides step-by-step sales guidance to create a high-touch and unique buying experience for the customer, leading to consistent sales performance and results. To learn more about CampaignerCRM visit www.CampaignerCRM.com or call 1-888-845-4544.

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