

# eCRM ... electronic Customer Relationship Management — achieving customer relationship nirvana or opening Pandora's box?

by Susan Ashe

**Y**OUR CUSTOMERS EXPECT constant access, immediate response, and a personalized touch. Will eCRM help you do business with them the way they want to do business with you? If planned and implemented well, the rewards for a good eCRM strategy and execution are high. If done poorly, CRM can mean "Customers Really Mad."

## What is eCRM ?

eCRM is CRM that is enabled by Internet technologies. From a technology perspective, eCRM solutions are built for operation, delivery and deployment over the Internet. From a business perspective, one of the basic tenets of eCRM is to fully incorporate your web channel into your overall business operations. eCRM provides a business and technology platform to integrate your customer-facing practices (primarily marketing, sales, design center and customer service as well as any customer self-service functions) with your back office and supply chain. One of the principal driving forces behind eCRM is the desire to understand customer needs and behaviors and respond to them consistently across all touch points; for medium and large builders it holds the additional promise of providing a platform to develop and drive consistent practices across your enterprise.

## Components of an eCRM Solution

One of the toughest challenges is keeping up with the myriad of technology advancements and innovations that support the digital economy, separating the reality from the hype, and identifying which ones are appropriate components for your eCRM program. Now, add the homebuilding dimension to the requirements mix and see what shakes out. eCRM tools and applications vary in



their features/functionality, their technology underpinnings (open and scalable vs. proprietary and limited), their business process support (marketing campaigns and pre-sales through to sign-up and post-closing), business model (small, custom builder, big production builder, federation of many builders?),

their focus (external customer or internal operations) and of course, their cost.

eCRM technologies are provided in suites or point applications that can be knit together for a solution. eCRM applications share some functionality, components and technologies with other e-business initiatives and can include technology to support:

- Portals
- Collaboration
- Document Management & Workflow
- Multi-media
- Content Management
- Configuration
- Consolidated Customer Data Store/Repositories
- Analytics, Decision Support, Reporting
- Data Exchange & Transformation tools
- Personalization and/or Collaborative Filtering
- Surveys & Questionnaires
- Process Automation (Business Rules)
- Electronic Response Management (ERM)
- And Campaign Management, to name but a few.

eCRM solutions that specialize in homebuilding are starting to emerge. It's important to determine if the product is customer-focused, that it isn't just legacy

technology being recast as eCRM, and that it meets your organizational, functional, technology needs and eBusiness strategy.

### **Does one size fit most?**

Once you understand what eCRM could mean to your customers, suppliers and stakeholders you will have a better idea of what solutions are appropriate to your business and organizational model and your current and planned technology investments. What can be the ideal solution for a supplier is not the right fit for a builder. What might be appropriate for a smaller, custom builder can be woefully inadequate for the needs of a large one. Marketing gets very frustrated when customer data is spread across 40 community databases (and data warehousing as a silo tactic means your customer data is wrong in one place instead of 40). Customers get confused when they want to configure their own house on the Internet and have to put it in a shopping cart. A house is a complex product and eCommerce software alone may not be up to the task.

### **Are you easy to do business with?**

How do you know what functionality is key? How do you make sure you don't just provide all the tools you need to consistently annoy your customers? Make sure you've mapped out the sales, marketing and customer service processes and more importantly, identify where the current processes impede your ability for effective customer interaction. In your communities it could be the failed face-to-face interactions

(How many "hot" prospects don't advance to a sale? What is your true cancellation ratio? Do you know?). Are your marketing campaigns effective – or are you reporting 50% effective, but you just don't know which half? (old joke, couldn't resist). If you're a big builder, are your sales people incented to cross-sell your other communities or design center? What is your contract and change order process? Do you have paperwork snafus between sales and construction? How do you manage and market inventory? If we understand what stands in the way of creating customer-effective interactions, we'll be better at providing eCRM solutions to support it.

### **What is your current and planned technology?**

Understand your current technology investments and direction. You'll be in a better position to assess the feature/functionality customization or trade-offs required before you commit to a packaged application. Some key elements to keep in mind: is it open and scalable; does it leverage XML; can it truly integrate?

As for picking an eCRM partner, you can shortlist it really quickly by considering the following:

- What is the vendor's support of the homebuilding industry?
- What is the vendor's understanding of customer-facing business functions?
- What is the vendor's experience with your organization model?
- What is the vendor's product feature/functionality?

- Is the technology platform appropriate to your current/planned infrastructure?

### **Summary**

CRM is a journey not a destination... "going live" with an eCRM solution doesn't mean you're done. Customers will continue to change that your target... plan, anticipate, invest appropriately... keep your eye on the goal and be prepared to change when appropriate.

Customer Relationship Management means focusing your business around customer needs. It's about "walking the talk" when it comes to "delighting the customer", being "customer-focused", "presenting one face to the customer" or having "customers for life". An eCRM program is the "how" of becoming customer-centric in the digital world. eCRM technologies enable CRM but, like all technologies, need to be supported by the appropriate cultural and process change. You've heard it before... but in the case of CRM, if you don't pay attention to the people and process part of the equation, your mistakes will be very visible indeed.



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