



Debunking Social CRM

How can an organization remove the hype from the claims about Social CRM, focus on what matters, and deploy a valuable initiative that delivers value to everyone.

Oh, the hype.

Just about everyone these days has a post, book, article, or white paper defining Social CRM, telling organizations how to select the best vendor, how to implement it better, how to make history by being the first one to do it right.

What they all excel at, hype, is not what any organization needs though. Social CRM is actually quite

Social CRM is the company's response to the customer's control of the conversation.

Paul Greenberg
Author, CRM at the Speed of Light

simple once you remove the well-intended but misguided definitions and advice. It is about recognizing that we are going through a very large change in our society, in which consumers and customers are changing their predisposition towards organizations, and organizations must respond to this.

It is that response that constitutes Social CRM. It does not require software (but it helps), massive changes (but often carries change with it), or a revolution. It is simple an add-on set of solutions and tools an organization will bring to their CRM Suite to extend it into Social Channels.

If we can get past the many definitions and just focus on what needs to be done, make the business more social, then we can focus on the task at hand. Then, the question is not what is Social CRM – but rather why do you need it, how are you going to implement it, and what the future holds for it.

These are the questions we will answer in this document in three sections: planning for Social CRM, extending Social CRM, and Case Studies and Success Stories.

Part One – Planning Social CRM

The Need for Social CRM

Why would an organization feel compelled to extend their CRM implementation into the Social Channels?

Many have attempted to label Social CRM in many ways and give different reason why you **MUST** or **HAVE TO** do it. To me is a lot simpler than what anybody else may have said. It is about actionable insights. It is about doing something with the feedback you collect from your customers. It is, finally, about being able to understand your customers' expectations, and being able to meet or exceed them. It gives any organization the power they did not have before, to really understand their customers and to really make them satisfied.

Am I implying that we did not know what they wanted before? No, I am not implying it. I am saying it.

You see, in the past organizations did not (at first) cared about what their customers wanted or needed. Sure, they had Focus Groups and Research Efforts, but those were mild at best and not always designed to find what customers wanted – more like telling them what the organization was doing and expecting praise on return. Don't believe me? Think about Coke II.

Later they thought it would be simpler to do surveys, mostly online, and the world of Enterprise Feedback Management was thrust upon us. What I took to call the "Denny's Effect" soon exploded: everyone was asking for your opinion from the gas station to the automobile dealer. The amount of feedback collected was staggering. A company that had 80 million customers and conducted over 2 billion transactions a year was able to store almost 2 Terabytes of survey responses.

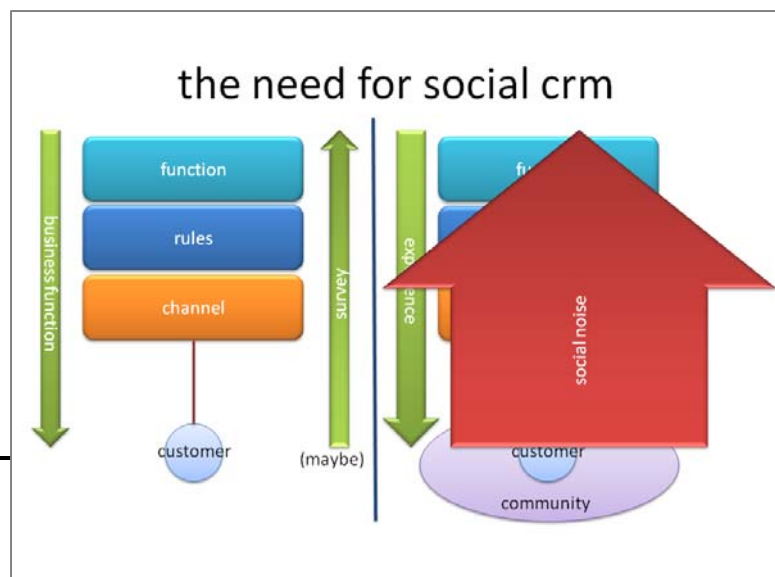
Alas, all that data is useless – or almost useless for two reasons: first, most people did not know what they were trying to ask and the questions were, at best, biased and did not have a lot of value. Of course, there is the also the problem that people lie in surveys. Well, lie is a very strong word – let's say that they are usually biased towards the entity asking the questions. At the end, 90% or more of those surveys we produced and distributed are biased, incomplete answers to questions never asked.

Or utter garbage.

Do you really want to use that data to make decisions for your business?

One thing we have known all along was that people tend to be honest in their relationships and recommendations to peers. Enter Social Networks.

These new Social World gave us the ability to tap, almost eavesdrop if you



may, into these peer-to-peer relationships. Those of us in Feedback Management have said for many years that the structured feedback (the surveys, focus groups, and other market research activities) represented at best 5-10% of the available feedback. Now, thanks to the Social Networks we span, we can access that other 90-95% -- the truer, more honest feedback.

And as we access that data, this is where Social CRM becomes ever so powerful – and needed. For any organization with clients, the value of feedback increases exponentially as you merge its existing customer, transactional, and operational data. The ability to analyze that data in that context is what Social CRM brings to the table – and the reason you need it.

Actionable Insights can only exist in this context, and can only bring value to compensate for the work it takes to compile them if they are used in that matter.

And that is the need for Social CRM – aggregate true feedback collected from Social Channels with data from Customers Systems of Record and Transactional Systems(CRM and front office), Operational Systems (ERP and back office) and bring it all together into an analytics engine, analyze it within the context of specific processes or functions, and create an actionable insight.

In other words, use the true Voice of the Customer to create better products, services, and experiences to over-deliver to the customer's expectations.

That is the need for Social CRM.

The next question that usually comes after this discussion is how to do it. How can an organization implement Social CRM? There must be a complex methodology, a set of tools that we must have to do it. Certainly cannot be the same as implementing CRM – can it?

Well, it certainly is. Social CRM is an addition to any existing CRM solution. If an organization does not have CRM implemented, then Social CRM cannot be implemented. If the existing CRM solution cannot be extended or modified, then Social CRM cannot be extended.

Alas, most organizations are in their second or third iteration into CRM and have working systems and experience on how to deploy CRM. This experience is what becomes critical for a Social CRM implementation.

The first and second iterations through CRM is when organizations learn the most interesting lesson about implementing CRM – it is driven by a strategy, not a tool or a software product. It is the strategy that makes the difference and what makes or breaks the implementation.

The same holds true for Social CRM – it is the strategy that ensures success, not a tool or methodology.

The most interesting thing happens usually at this point, organizations hear the word strategy and panic. They see complex documents, hundreds of pages with lots of charts and tables, complex text detailing how each action and step on the way to Social CRM will be a complex task. Albeit an interesting take, not exactly the way it works.

A strategy is much simpler, easier to handle than that. Sure, you can hire a strategy consultant to look into the nooks and crannies of your organization and tell you how each portion of it will be affected by one of three possible solutions – or you can use a simpler method to craft a strategy for Social CRM.

Key Elements of a Social CRM Strategy

This is a pragmatic model for creating a strategy that worked for my customers in the past.

There are two camps when it comes to enterprise applications strategy. First, there are the ones that say you cannot succeed without it, that you have to undertake it before you even consider implementing a solution and that without it is not even possible to have a successful implementation (OK, there is always luck – but luck is not a strategy).

Second, you have those that say “oh, just go ahead and do it – you can learn as you go and fix what is not working on the way”.

I am of the firm belief that a strategy is the only way you are going to succeed (we addressed the issue of luck-not-being-a-strategy above).

A strategy has four parts: Mission, Vision, Goals, and Objectives.

Mission – What *business need* are you trying to fulfill? Are you undertaking this project to generate more revenue? To save money? To generate goodwill and peace for humankind? That is your mission, which is the reason you are starting this project.

Vision – If you ever been to sales training, you know what a vision is: if I give you a magic wand (or a billion dollars, or a magic genie) and you get to wish for the perfect solution, what does it look like? How does it work? Who works with it, and how do they benefit? Your vision is no more than the end stage, what are you trying to accomplish?

Goals – What numbers you are going to show at the end? If your vision comes true, what is the numeric proof that you succeeded? There is no place here for intangibles, feel good, vanity metrics, or anything like it; we are talking hard core numbers. We will see \$1,000,000 more revenue. We will save \$150,000 per day. Those are goals; the rest are objectives.

Objectives – Let’s say that you have no way to generate numbers for your goals. Or, there are several variables that you know are going to make the goals a guess at best. There’s got to be an end result to what you are setting out to do. If the vision is the picture of how things are going to work, the objectives are the specific items you are going to accomplish by implementing the vision. We can reduce the time to process and make customers happier. We can make it simple for customers to shop in our site and reduce the abandoned cart ratio. These are objectives, which you will then turn into goals for your next iteration (when you have better metrics to benchmark).

How complex and detailed does it need to be? If you can simply produce the answers to the questions above, and make it a story that makes sense and can be executed length does not matter. Southwest’s

vision was put in a cocktail napkin and their business plan in two typewritten pages – now they are one of the most successful companies in the world. It is not about complexity and length; it is about knowing what you want to do, and how you are going to know you did it.

Alas, this series is about SCRM – not about generalized business issues. So, let's focus the four items above to Social CRM (somewhat – always remember that Strategies are personalized and mileage definitely does vary – if you adopt the following examples as your strategy without changes, you do deserve the failure that is coming your way).

Setting the four basic tenets of a Strategy for Social CRM goes something like this (the following is a very simple example, not your answer):

Mission – We are going to create a Social platform to allow our organization to interact better with customers, partners, and consumers through social channels and enable us to get on the road to becoming a social business.

Vision – All the departments and business units in the organization will have the ability to use any social channel of their choice, for any purpose, and measure the performance of the same. The integration with existing systems will allow those same business units to make these social interactions part of their daily operations as they do today with any other channel.

Goals – We know that we lose close to \$1,000,000 per year due to churn in our customer base from unsatisfied customers. A recent survey showed that 30% of our customers are either dissatisfied or mildly satisfied with our social initiatives. We expect that we can retain at least 50% of those unhappy customers by deploying a social platform (which should add to the bottom line).

Objectives – In addition to reducing the churn ratio we can use the higher satisfaction ratings and the improved customer service platform for social channels to attract more consumers and grow our customer base – however, we don't have sufficient data to quantify these claims yet. We want to make sure we have a complete platform that allows our organization to be highly competitive in the market and can meet or exceed customers' expectations to facilitate the new customer acquisition and be able to properly measure and monitor those metrics.

Surely, it cannot be that simple in real life.

There are going to be changes along the way, more documentation and text you may need to create to justify a specific position or to corroborate the numbers you may use. However, it is that simple. The next steps, of course, are project plans on how to get to what you need to go, followed by implementation plans, the actual deployment, pilot programs (more than likely), and an iterative roll-out.

Then you have Social CRM.

Part Two – Extending Social CRM

Congratulations, you are now the proud owner of a Social CRM solution.

Well, there is more to it, but let's assume that you have successfully planned and deployed your first iteration of Social CRM. Just like CRM, Social is an iterative process – it requires more than one pass to get the most value; each successive iteration will build on success and value from the previous one.

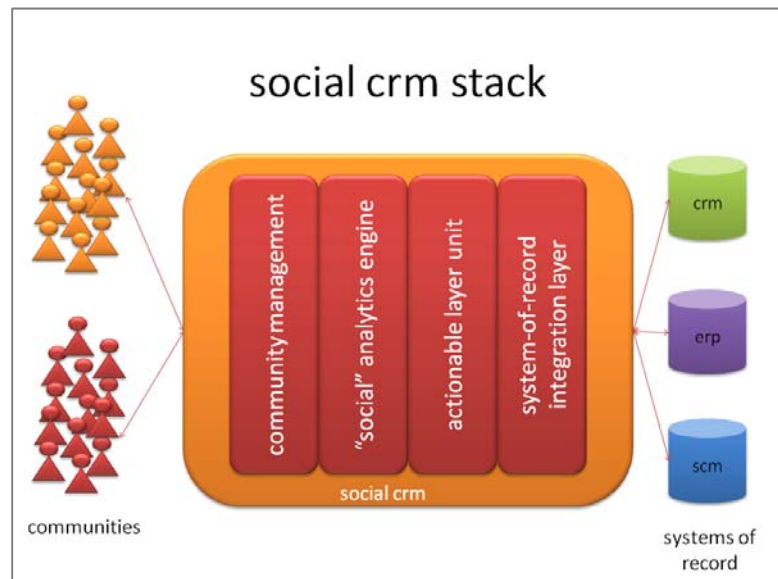
In order to plan into the future, you need to look what the future looks like – and that is what we are covering in this section: the near term and long term future for Social CRM.

The Near Term Future for Social CRM

Social CRM is just beginning to be implemented, how can we talk about the future? Well, it is by focusing on what's coming that we can do a good job of planning and deploying the better today.

Where is Social CRM headed in the near future? In the next two to three years Social CRM will experience the following three phases:

- 1) **Get Defined** – no, I am not talking about restarting the war of the definitions, to me that is settled – Social CRM is likely to mean different things to different organizations, in the same way that CRM means different things to different organizations. However, we have a standard and accepted CRM definition (it is not just technology, has three core components, takes time to do well, etc.) that we use when we talk about managing the relationships with the customer. We also have them for other enterprise software application—and we will get one for Social CRM.
- 2) **Get Understood** –We are going to start answering the key questions about Social CRM – not just the “what” of getting defined properly, but also the “how” to implement it properly; the “when” is the best time for any organization to adopt Social CRM; the “why” should be considered by the organization; the “where” in the organization the decisions and implementations reside; and the most important part – the “who” can help or “who” is responsible for the solution being deployed (hint: it is not a single person or group). This period will also allows us to start



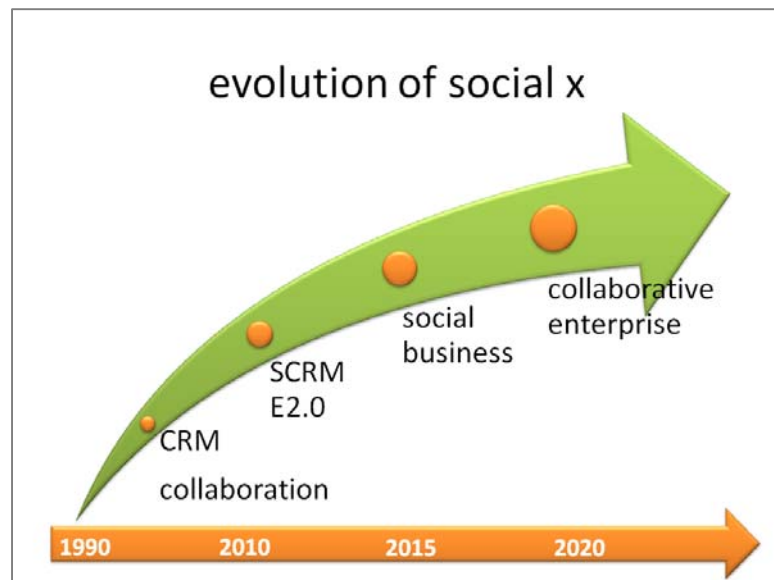
documenting recommendations, best practices, frameworks, and plans for Social CRM to answer those questions – repeatedly.

- 3) **Get Adopted** – In spite of the hype surrounding Social CRM today, there are fewer than five percent of organization that have adopted it and deployed it in their organization. Even that number may be too high for now. We define critical mass as the moment when an enterprise application moves from being used only by early adopters to being used by mainstream organizations. Critical mass is the moment when fast growth of the market ends (that explosive moment at the beginning akin to the Gold Rush of 1848 in San Francisco), and the market begins to get settled. Critical Mass is defined as around thirty percent of the potential market having deployed the solution. We shall reach Critical Mass for Social CRM towards the end of this two-to-three year period.

Sounds good?

Well, depends on who you are and what you are looking for. In three years time, your organization will be able to follow a methodology to:

- 1) Prepare a Social CRM Strategy
- 2) Plan the Change Management for the shift in culture
- 3) Implement Business Process Management to supervise the changes in how functions get done
- 4) Select a vendor to help with the technology needs
- 5) Choose a Measurement Initiative to support Social Business, and
- 6) Embrace the necessary changes in Governance and Administration



In other words, you will have taken the first steps to becoming a Social Business – where Social CRM is just one more cog on the wheel.

Now you are asking – what comes after that? What happens after Critical Mass?

The Long Term Future of CRM

Social CRM cannot do anything by itself.

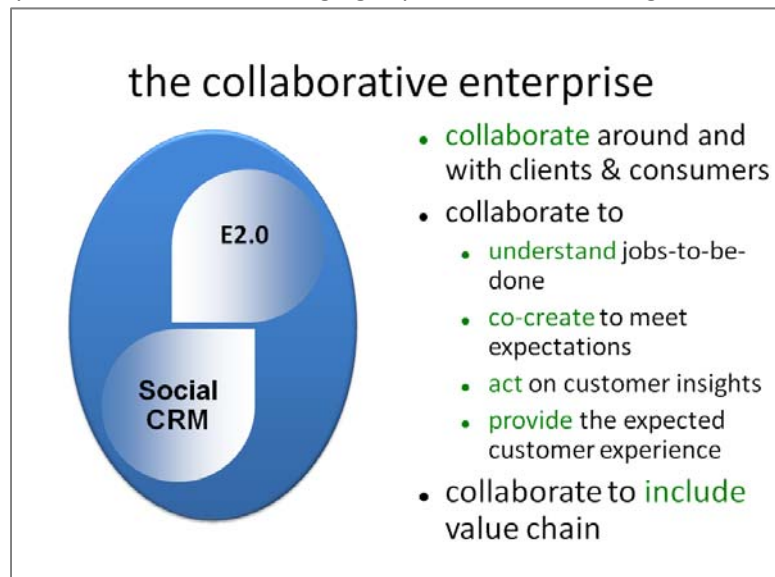
There is no software, magic motion, silver bullet, or Hogwarts' spell that will make it work and be useful as a stand-alone solution. Actually, I don't even know what it means to do Social CRM as a stand-alone solution – are we talking about setting up a Twitter account? Creating a community? Either way, what I

mean is that the only way you get some value of Social CRM is to realize that it is a part of a business – much like CRM was is. And ERP. And SCM. And...you get the idea.

So, how does the future look for Social CRM?

Fantastic, there are three things that will happen to Social CRM going forward:

- 1) *Social CRM will integrate with CRM very well.* Your customers, partners, employees, entities-you-deal-with, etc. don't change who they are, or how they relate with you, just because you added new social Channels. Social CRM (the ability to bring in those social channels, their data, and their value to CRM) has to work in harmony with your existing CRM solution. If this integration does not happen, you merely implemented Social Media – added some new channels and their management tools, but have no idea what to do with them.
- 2) *Social CRM becomes part of the Social Business evolution.* Let's face it, the term as shiny, new, and cute as it may be really means nothing without being part of business. Same as it happened with CRM. Remember when CRM was a four-letter word? I do, I even wrote at that time that if you wanted to get CRM approved in your organization, you had to call it something else (Sally or John are popular names). Bottom line, Social CRM is one core component of a Social Business – it will evolve to join forces with Enterprise 2.0 implementations (no, not the real ones – the internal collaboration as Enterprise 2.0 ones) and become the basis for a Social Business – organizations collaborating with customers, suppliers, partners, employees and others – in preparation for...
- 3) *Social CRM disappears, as it became part of the Collaborative Enterprise.* The collaborative enterprise model is about destroying the barriers between people and let whoever needs to collaborate in any situation freely do so. It is about leveraging expertise and knowledge and data regardless of where it lives and what it is. There is limited, at best, future for Social CRM as there was for electronic CRM, mobile CRM, and many others in the past. It is not about adding a letter or word to CRM to make it better – it is about making CRM, Social CRM, Electronic CRM, and the many other flavors work better for the business.



I know what you are thinking – this is going to take forever to do, there are no guarantees, it is just an opinion, etc.

Actually, this is not just an opinion – this is the direction we are taking today’s world. The more customers, consumers, partners, suppliers, and others get exposed to what it means to “go social”, the more pressure there will be on organizations – all organizations to become social businesses.

And later on, collaborative enterprises.

There it is – the roadmap to Social CRM success today and into the future. It does take time, dedication, and a plan. It cannot be done on a whim or without a strategy, but the rewards are plenty and there is a litany of benefits to pick up as an organization on the road to becoming a collaborative enterprise.

What are some of them? That is what we are covering in Part Three.

Part Three – Success Stories for Social CRM

I am going to have to admit from the start: there are no success stories for Social CRM. However, before you start the hair-tearing and apocalypse talk, let me explain what I mean.

If you look at Social CRM as the intersection of Social and CRM (I know, quite simplistic) or even as the company's response to the rise of the Social Customer – the success of a Social CRM implementation is how well the organization can adapt an end-to-end CRM process to Social channels. That, we have not yet seen. We have seen organizations succeed at adapting or integrating Social Channels for specific CRM functions – but none that have adapted the use of Social channels across the CRM spectrum of functions.

However, focusing on Social CRM and expecting a success story from that this early in the game is naïve. Regardless of whom you read and believe CRM had no stories of successful deployments for at least five-to-twelve years after CRM was introduced. Even today, we still see few end-to-end CRM success stories; most of them are single-function (sales, marketing, and customer service) and single-channel at best.

There is a modicum of Social CRM success if you are going to measure it as a single channel, single function implementation. Most of the well advertised and known case studies: Ford doing Social Marketing for the Ford Fiesta's introduction, Dell using Twitter to implement social Sales, Comcast implementing Social Service via Twitter – are more focused on the successful use of the Social Channels than on the valuable data and analysis that may have accompanied deploying and managing Social interactions.

However, the success of Social CRM at this early stage is not to replicate CRM deployments via Social Channels and prove that they can work (some of them have, some of them haven't) but it is more about making Social CRM a recognized key system in the Social (r)evolution and the business march to becoming a Social Business.

Indeed adapting some of the CRM functions, even incompletely, to work in Social Channels is considered a success in this early stage, as in the following examples:

Social Service – Widgetbox leveraged the power of their community – realizing their customers were social media savvy, technical oriented, community-focused by seeing them share information with each other in other communities – and gave them the space to implement a focused community, took it one step further by integrating it with their helpdesk ticketing system. Not only did this help them to make sure that tickets that were closed were documented as such, but also gave customers an incentive to use that community versus an external one – their support cases could be tracked and accessed at any time. This also allowed Widgetbox agents and subject matter experts to participate in the community, fully knowing that their efforts were part of their commitment to their customers as well as their company.

Social Sales – Best Buy, often considered a case study for social service by leveraging their employees into a twitter-based support group called Twelpforce, recently stepped in one of the most complete and early example of crossing boundaries between CRM functions. They noticed that when helping employees in their communities to find the right products, or to solve specific issues, they often had to recommend additional products, or a better solution, or even make a recommendation for someone looking to buy. They extended their social service implementation to accommodate the ability to tap into their catalog, automate searching for specific recommendations, and automatically placing links to those products in the forums. They not only placed links to products, but also provided reviews, space for commentaries, and links to related products. By allowing their customers and consumers to only get an answer, but find a link to the product that solved their problem increasing their sales and delivering extra support to the customer.

Social marketing – probably the most famous cases for social marketing can be ascribed to Groupon – a collective coupon model that brings the ability to do social marketing to small and mid-size organizations at the local level cheaply and efficiently. Groupon signs up their own followers for a specific city, and offers them a daily coupon featuring a local business. Customers get notified of new and exciting businesses every day, and the businesses get to spread the word cheaply and effectively.

The above are three simple cases to highlight what works in Social CRM: making sure that the new social channels are included as part of business. There is no fast rule for success in Social CRM beyond that.

Always remember – to ensure success it is all about measuring and tracking the right data to show that success.