

Reprint

Balancing Idealistic vs. Realistic CRM Processes

By Mitch Bernstein

Customer Relationship Management (CRM) solutions promise an “ideal” customer relationship process via instantaneous sharing of detailed customer information across multiple business functions. However, the ideal CRM solution is not always feasible and CRM has often been singled out as an organizational investment that has over-promised and under-delivered benefits to its practitioners. The best CRM approach is to balance the realistic needs and capabilities with the idealistic goals of the future. There are several companies within the pharmaceutical business that have successfully implemented CRM programs that are already paying dividends at both the core of the enterprise and out in the field.

At CBI's 6th Forum on Customer Relationship Management for the Pharmaceutical Industry, held in New York City, October 17-18, 2003, Sharon Reffett, Director of Customer Systems and Administration

at Allergan, John Vaeth, Director, CRM Capability Development at Biogen, and Wendy Jackson, President, Direct Marketing at Publicis discussed how their respective companies were coming to terms balancing realistic results and idealistic objectives from CRM deployments. The panel was chaired by Michael C. Lengel, Partner at Peppers and Rogers Group.

Each of the panelists had different backgrounds, infrastructures, and goals for their projects, but there was a remarkable degree of similarity to their approaches for getting up and running.

Abbott's Consumer-Centric System

Jackson explained how her agency helped Abbott Laboratories set up a consumer-centric system that could act as an umbrella to a couple of separate initiatives, including opt-in patient marketing as well as cultivating relationships with potential prospects for Abbott products. She believes that “The ideal process is marketing

driven,” and that it should help support the brand architecture, wherever the messaging is directed.

Without any prior CRM infrastructure in place, Jackson noted that it would be difficult to align the technology investment with a positive ROI in the short term, but that the system addressed Abbott's communication and acquisition needs for a newly launched drug. This platform will therefore support a variety of campaigns, including brand advocacy, compliance and retention efforts over the coming months and years.

Biogen's Practical Approach

A relative newcomer to the pharmaceutical space, Vaeth began Biogen's move towards a more customer-centric marketing infrastructure with a

“The ideal process is marketing driven.”

highly practical approach that would make sense at any organization. Establishing a concrete definition of CRM is important, he says, as almost everybody in the organization had a different

understanding of what it involves. “The first step of the project was to codify what we were talking about: a set of business processes and technologies that create mutually beneficial relationships,” said Vaeth.

From there, Vaeth set up a program office that included US & European representatives from both a business as well as an IT perspective. While he originally wanted buy-in from a wide range of stakeholders, the VP of Commercial Operations pushed him towards a smaller group in order to streamline the task and minimize the risk that scope creep would derail the project. “Begin with the end in mind,” he suggests, “and figure out what questions you want to answer” before you start exploring other opportunities and an expanded vision.

This compact program office was able to articulate a CRM vision for the company which involved

establishing a single view of the customer, presenting a single face to the customer, developing meaningful customer segmentation, and customizing and differentiating his customer communications based on the insights extracted from segmented data.

This set the table for Biogen to launch an ambitious “big bang” approach to CRM. With one drug accounting for the lion’s share of the company’s revenue and customer data, and another drug about to hit the market, he saw little incentive to move piecemeal. The resulting project was a one and a half year journey that saw them tackle a range of issues that included a Siebel implementation, the launch of a knowledge management system nicknamed BRAIN (Biogen Resource and Information Network), computer/telephony integration, the integration of the company call center and Internet properties, a global sales force automation upgrade, and the implementation of new business processes.

Allergan’s Holistic View

Reffett had a different set of issues to tackle. She felt that Allergan was capturing a comprehensive breadth of information, although some data streams, like clinical trials, were difficult to track back to business requirements. “We had snippets of information from all over the company,” she said, “but none of it tied together.”

She reasoned that this was the result of having outsourced a lot of the company’s analytics, and decided to take a step back to look at processes and establish what data really matters. This has enabled Allergan to focus on looking at important markets and mapping processes to them, thereby

getting the information to make better decisions in the appropriate timeframe. “You need to think holistically about a customer and what she represents,” she notes. “An ideal process keeps a 360 degree view of a customer and develops a backbone from there.”

Reality Check

So how have the realities of these implementations panned out? Vaeth had presented his CEO and executive committee with a prototype and associated ROI analysis to gain approval for full funding of the project. Even with highly conservative assumptions, the gains looked impressive, and the committee opted for a rapid implementation. Biogen has already exceeded the sales and service expectations of Vaeth’s models, improving sales force compliance with processes conceived at the center of the organization and reaping the rewards of more consistent data.

Reffett has also been able to face down what had been one of her organization’s biggest challenges – getting people on the same page. “Marketing is hungry for answers,” she smiles, “and with more unified data, we hope to create a sustainable competitive advantage before competitive pressures arrive in the US.”

Jackson, on the other hand, cited a recently published article that compared CRM to high school sex, where everyone is talking about it, everyone assumes everyone else is doing it, and everyone is doing it poorly. On the contrary, it seems, some people are actually doing it quite well.

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