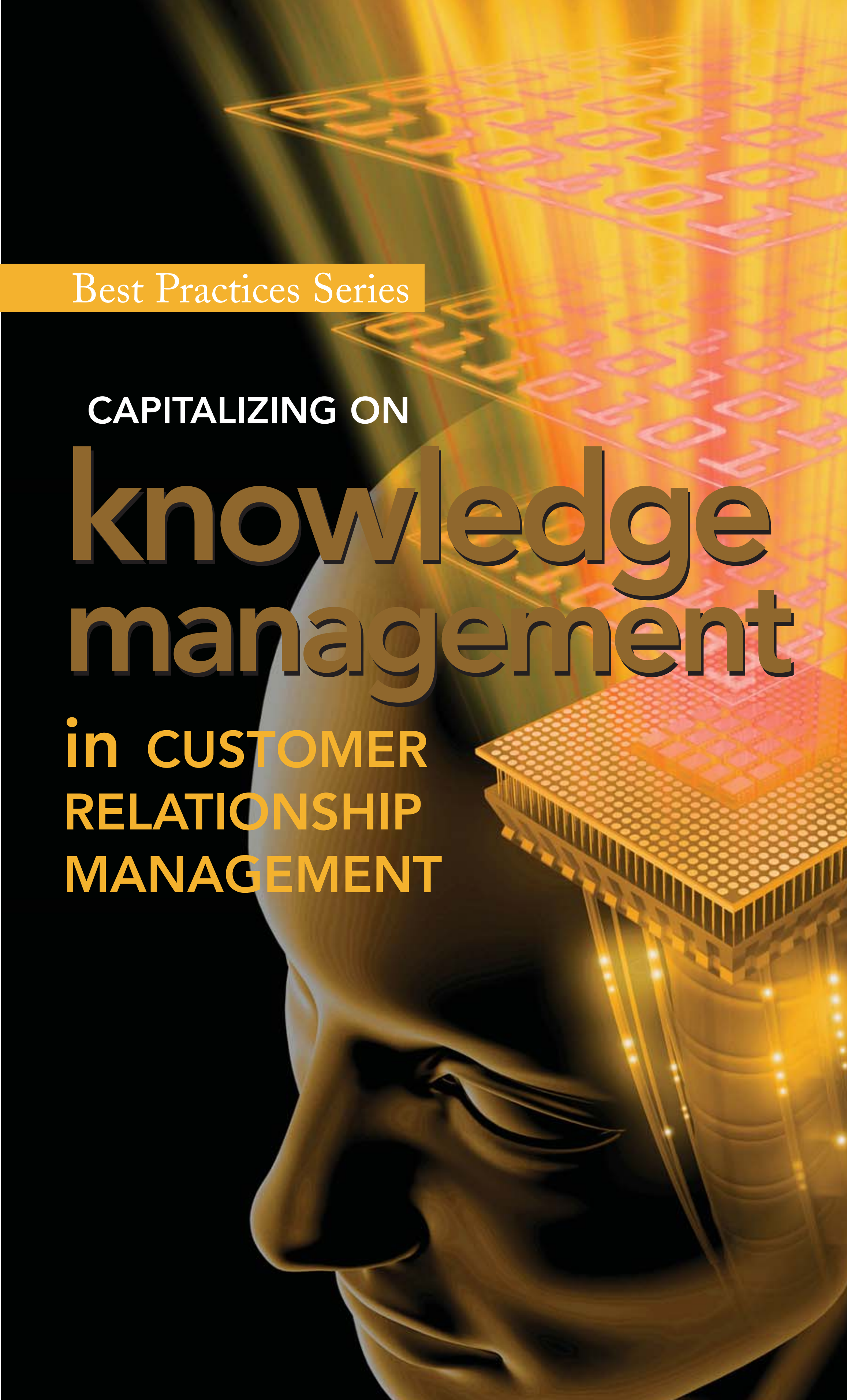

Best Practices Series

CAPITALIZING ON knowledge management in CUSTOMER RELATIONSHIP MANAGEMENT

CRM CUSTOMER RELATIONSHIP MANAGEMENT

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CRM Media

CRM Magazine Best Practices Series:

CAPITALIZING ON Knowledge Management IN CRM

Amazing efficiencies have been realized in many of the processes making up customer relationship management solutions. Of course, all that call routing speed and those multiple channel contact points will eventually cause incoming customer inquires to pile up into a logjam unless effective knowledge management processes are imbedded deeply into the solution. Delivering effective customer service is all about answering questions quickly and efficiently.

In the following pages of this section, five leading vendors offer their insights into how to capitalize on knowledge management strategies and practices in your customer relationship management initiatives. Not surprisingly, the insight they offer has very little to do with technology but instead concentrates on the larger questions on project scope, best practices, and creating a knowledge management solution that is adaptable and dynamic.

Sometimes a broad topic like this seems daunting to everyone except those deep pocketed companies at the end of the revenue spectrum, but I think that you will find that the information proffered can especially be of value to readers in the small/medium arena as well.

For those of you who would like to download this section in its entirety, please visit our website for a complete PDF at **http://www.destinationcrm.com/whitepapers/**, and contact our sponsors directly.

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CRM
CUSTOMER RELATIONSHIP MANAGEMENT

Best Practices for Combining Business Intelligence and CRM

Delivering Clarity to Knowledge Management

Knowledge, understanding, insight, enlightenment.

Knowledge in its many forms is critical to success in today's competitive environment. And critical to the success of the knowledge creation process is business intelligence (BI).

Knowledge management is focused on leveraging and sharing knowledge using technology to facilitate the process. BI software enables organizations to transform data into useful and meaningful information that can be shared with those who need it to make more informed decisions.

Business intelligence delivers what key stakeholders—including sales, sales management, marketing, finance, and executives—are increasingly demanding: information that is delivered in precise, accurate, and understandable terms.

A 2006 Gartner survey of CIOs with CRM investments found that the number one application business area targeted for spending in 2007 was performance management, BI, and analytic tools to transform their transactional data into information that would help business performance. A 2007 sales performance study by CSO Insights revealed that almost 65% of CRM users plan to enhance their CRM applications with sales process integration and sales management analytics.

As organizations rush to adopt or increase their footprint in BI, however, they should be cognizant of the best practices—and potential pitfalls—that could make the difference between BI clarity and confusion.

BEST PRACTICE: DEFINE SHORT- AND LONG-TERM GOALS FOR YOUR BI IMPLEMENTATION.

Know what you need now and plan for your needs in the future. While you may only require certain reporting functionality to start, once users have been exposed to the benefits of business intelligence, demand increases for broader and deeper analytical capabilities such as query and analysis, dashboards, and scorecards, information management, and performance management solutions. Evaluate BI vendors for their breadth and depth of offerings as well as the ease with which they can expand the solution to meet your future requirements.

BEST PRACTICE: EMPLOY AN EFFECTIVE PROCESS IN SELECTING A BI VENDOR.

According to Gartner1, one of the primary reasons for BI project failures is an ineffective process when selecting a service provider. When evaluating BI vendors, scrutinize their history for reliability and stability. Select a vendor with a proven track record, extensive experience with organizations of all sizes, and successful growth both in revenues and capabilities. Choose a vendor that's large enough to retain its independence and is likely to survive in an increasingly competitive market.

A BI vendor with strong partner network—both in software vendors and consultants—will also prove invaluable. Vendors with a strong base of consulting partners make it easier to find outside expertise should your organization have special requirements down the line. BI vendors that hold strong partnerships with leading CRM providers such as Salesforce.com will deliver solutions that are already integrated and optimized for use on your CRM platform.

BEST PRACTICE: ENSURE DECISION MAKERS HAVE ACCESS TO ACCURATE AND TIMELY INFORMATION NEEDED TO DRIVE THE BUSINESS.

In the past, real-time access to reports and dashboards has only been available to enterprises that could afford to purchase and manage a large-scale BI solution. For organizations unable to divert internal resources to support enterprise level solutions, the alternative has been ad-hoc information delivered via static files over email or hard copy. Unmanaged, unstructured, and unsecured, these solutions have been inconvenient, time-consuming, and unwieldy for the report authors and decision makers who rely on the data. Today's on-demand business intelligence solutions ensure that companies of all sizes can instantly, simply, and securely distribute the accurate and timely information needed by decision makers, without the need for IT resources or capital budgets.

Business Objects™

BUSINESS INTELLIGENCE COMBINED WITH CRM HELPS DELIVER COMPLETE INSIGHT INTO YOUR BUSINESS, ENABLING KNOWLEDGE WORKERS AT ALL LEVELS OF YOUR ORGANIZATION TO MAKE FASTER, MORE INFORMED DECISIONS.

BEST PRACTICE: EVALUATE ON-DEMAND BUSINESS INTELLIGENCE OFFERINGS AS AN ALTERNATIVE TO TRADITIONAL ON PREMISE SOFTWARE.

As with other on-demand or software-as-a-service (SaaS) offerings, BI on demand can deliver the functionality and power of on-premise reporting and analytics combined with the ease-of-use, ease-of-implementation and administration, and cost-efficiencies that have made on-demand services so popular. With an on-demand solution, such as crystalreports.com, Business Objects OnDemand, and Information OnDemand, you can give insight to customers and partners immediately, without an IT project.

RapidAdvance, a leading direct provider of cash advance services for small and mid-sized businesses, uses Salesforce.com as its CRM tool for end users ranging from internal sales teams to executives to partners. With virtually no IT department or resources to call on, RapidAdvance evaluated all its options and chose Crystal Reports and crystalreports.com to access, report, and share its company data, which included Salesforce.com. "Crystal gave us the breadth and depth of reporting that other solutions we looked at couldn't deliver, including Salesforce.com itself. I downloaded the free trial of crystalreports.com and found it unbelievably easy to work with," says Scott Cohenford, Senior Analyst at RapidAdvance. "A major feature in crystalreports.com is its direct integration into the Salesforce.com interface. All Salesforce users are in the application every day as part of their daily routine. All they have to do is click on a tab and they have all the reports they need, instantly. Business Objects provides a complete on-demand solution that allows us to continue growing our BI strategy as we grow our business."

BEST PRACTICE: ENSURE PROVEN COMPATIBILITY WITH YOUR EXISTING CRM SYSTEM, ENTERPRISE APPLICATIONS, AND DATA SOURCES.

To maximize your CRM investments and fully leverage your knowledge management, ensure that any BI solutions you implement will work seamlessly and efficiently with your existing CRM systems. Whether you have on-demand CRM from Salesforce.com or on-premise solutions such as Siebel, Microsoft, PeopleSoft, or SAP, make sure that the BI solutions have proven, effective integration that will result in a smooth, pain-free deployment and fast time to results.

Also investigate the BI vendor's ability to work with a wide variety of data sources. Although many companies initially run reports against individual systems like Salesforce.com, it's likely that, over time, your organization will deploy BI against additional systems and databases or that you will need to access data from several sources to see the total picture. By ensuring that your BI vendor can report from large or disparate data sets, you can also avoid the painstaking and time-consuming process of manually combining data.

BEST PRACTICE: EVALUATE YOUR NEEDS FOR SCALABILITY, FLEXIBLE PRICING, AND PERFORMANCE RELIABILITY.

If the utmost in flexibility and scalability —up or down—is desired, then the attractiveness of an on-demand BI option becomes even greater. One key advantage of on-demand solutions is that they can be adopted in an incremental fashion. This permits companies to test SaaS solutions in pilot situations, or add new users or application modules on an "as needed" basis. An on-demand application should be able to accommodate an increasing number of users to grow with a company's needs and offer flexible monthly subscription pricing to fit your budget requirements.

Because companies continuously rely on their BI solutions to make both strategic and tactical decisions, the on-demand service must be available 24x7. Carefully review the SaaS vendor's uptime performance records, service delivery infrastructure capabilities, hosting company relationships, and service level agreements (SLAs).

BEST PRACTICE: ENSURE STATE OF THE ART SECURITY PROTOCOLS ARE IN EFFECT.

Given the sensitive nature of the data and analysis captured by a business intelligence application, it is critical that companies carefully examine the security measures that the solution vendors have adopted to protect their proprietary information, particularly if you are deploying an on-demand solution. Encryption and other technical safeguards should be in place, as well as SAS 70 certification to assure that the vendor has the proper policies and procedures to protect its customers' valuable data. Within the tool, you should also be able to specify permissions and user profiles to ensure that users receive only the reports relevant to their needs.

Business intelligence combined with CRM helps deliver complete insight into your business, enabling knowledge workers at all levels of your organization to make faster, more informed decisions. It allows you to combine marketing data, leads, opportunity data, and now even external market data into a single, comprehensive report or analytic. Decision makers will be able to see the complete picture of business performance, often in real time, and make decisions that will truly impact competitive advantage. ■

[1] Kurt Schlegel, Gartner research director, Gartner Business Intelligence Summit 2007, Chicago, IL.

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CUSTOMER SERVICE AND CONTACT CENTER SOFTWARE

Knowledge Management for "Stand Out" Customer Service

6 Best Practices from the Global 2000

Customer service has emerged as one of the few remaining differentiators that businesses can sustain over time.

Companies that are winning in this environment provide "stand-out" customer service by using knowledge to empower contact center agents and drive self-service interactions.

In delivering KM solutions to world-class contact centers and self-service operations for over 15 years, we have compiled hundreds of best practices that improve the odds of success in KM implementations, while maximizing ROI. Listed below are some of the popular ones.

1. QUANTIFY VALUE

Assessing expected and realized ROI before and after the deployment helps you justify the initial investment as well as ongoing maintenance of the knowledge base (KB), while elevating your visibility as a value creator for your business.

Best Practice: Make sure the metrics you use are aligned with business objectives. For instance, if your main business goal is to increase upsell and cross-sell through knowledge-enabled contextual offers, reduction in call handle times will be a conflicting metric. As you assess ROI, keep in mind that KM delivers positive ROI in areas such as:

- Increase in first-time fixes and revenue through upsell and cross-sell
- Reduction in escalations, transfers, repeat calls, call handle times, training time, unwarranted product returns, field visits, and staff wage premiums

2. BUILD THE RIGHT TEAM

Successful KM implementations start with the right team for knowledge capture and creation.

Best Practice: Build a cross-functional team that can bring a 360-degree approach to knowledge creation. Best-practice teams typically include:

- Lead expert: individual who decides how the KB will be organized, which topics will be covered, what the roles of various people in the team are, and plans for maintenance and use
- Users: high-performance contact center agents who provide suggestions
- Knowledge authors: individuals who are trained to use authoring tools
- Project manager: individual who keeps the project on track

3. AVOID THE "SWISS CHEESE" SYNDROME

Ambitious deployments almost always result in a KB that is solid in places, but full of holes, like a slice of Swiss cheese. This is a recipe for failure, because if users can't find the answers, or get inadequate or wrong answers, they will quickly stop using the system.

Best Practice: Focus on depth and quality rather than breadth. For instance, if an enterprise sells printers, scanners, and copiers, the best approach would be to cover one product line thoroughly first.

4. MAINTAIN VELOCITY

A classic mistake in KM implementations is not making midcourse adjustments to keep the project on track.

Best Practice: If the deployment appears to be falling behind schedule, narrow the scope of the KB and finish on schedule. In fact, it is better to widen the scope later to expand the benefits of the deployment. As a rough guide, a typical enterprise deployment should not take more than three months after the initial planning, with three or four full-time people engaged. Deployment includes software installation, knowledge gathering, and testing both the quality of the KB and system performance.

5. BALANCE "IVORY TOWER KNOWLEDGE" WITH "STREET SMARTS"

Enterprises often make the mistake of relying solely on internally focused domain experts who rarely speak to customers. It is sometimes difficult for experts to get down to the level of ordinary customers who may not know technical terms such as whether their mutual fund is "no load," "frontloaded," or "back-loaded." Using jargon in questions posed by agents or self-service systems is a guaranteed way to increase escalations and customer defections.

Best Practice: Find KB contributors that are both technically competent and not too far removed from customer contact. Successful customer service depends as much on the questions posed to customers as the answers.

6. PROVIDE FLEXIBLE CONTENT ACCESS

People have different ways of finding information, or the same person may use different methods to suit the situation. A flexible approach to information access dramatically improves user adoption and ROI. For instance, novice agents, whether they are in-house or outsourced, may find it difficult to wade through hundreds of search hits to find the right answer, but may fare better if they are guided through a dialog, powered by an inference engine. On the other hand, experienced agents may prefer to quickly process search hits.

Best Practice: Provide users multiple ways to access information—FAQ, browse, search, and guided help. The key here is to make sure that the KB remains the same and there are no content silos. ■

eGain has helped world-class companies achieve and sustain customer service excellence for more than a decade. eGain Service™, the company's top-rated customer service and knowledge management software suite, enables organizations to build customer interaction hubs to provide best-in-class customer service and experience, and reduce service costs. Available for on-premise or on-demand deployment, eGain Service™ includes integrated applications for multi-modal web self-service with flexible information access methods and adaptive content management, email/fax/letter management, chat, live web collaboration, case management and knowledge management, built on a common customer interaction hub platform.

TALISMA™

Establishing a Knowledge Management Initiative

The Shift to Web Self-Service

Most customers expect businesses to have a web self-service offering.

According to a 2006 Forrester Research report, customer behavior changes are driving companies to invest more in self-service. Additionally, businesses are realizing the benefits of not paying $5 per interaction to provide web call-back or chat—they can pay 25 cents or less to resolve the issue and provide 24/7 customer service via web self-service. Leveraging knowledge management (KM) best practices is essential for all companies, but it's even more critical for those replacing ineffective solutions or implementing a knowledge base for the first time.

A recent Jupiter Research/Ipsos executive survey indicates that most companies are not monitoring self-service resolution failure. Only 21% of executives at companies with more than $50 million in annual revenue and with self-service deployed monitor their offerings for failure. In these cases some of the major benefits (i.e., cost savings and improvements in overall agent efficiency) associated with deploying a knowledge base won't matter if customers are left frustrated after an issue is unresolved. You may think the easy answer is for businesses to monitor the effectiveness of their web self-service, but that is only part of the solution. To mitigate this problem businesses need to ensure their KM initiative is established through best practices.

HOW TO CHANGE COURSE?

Let's start with the difference between KM and a knowledge base. KM is a philosophy, a set of practices. A knowledge base is the technology or repository for knowledge. Before deploying a knowledge base, a company must have a solid KM vision. Executive sponsorship is essential to KM implementation. It begins with a clear statement of the value that KM has in the business, and then puts expectations, resources, and communications in place that constantly reinforce the value statement. Vision comes first, technology second. The IT department's role is critical in acquiring and maintaining technology. Partner with IT early to ensure the technology is stable and will grow with the business. Temper the IT relationship, however, with the understanding that business users will drive the feature set.

Consistency, predictability, and repeatability (CPR) are the tenets of effective KM. Ensure that KM practices drive these tenets throughout the process, from capture through delivery and the feedback/improvement loop. From the customer perspective CPR exhibits a strong ability to provide an exceptional customer experience. From an agent's point of view, their job is easier because they are sharing the same message as all other customer touch points.

HOW CAN A KNOWLEDGE BASE BE USED WITH OTHER CUSTOMER SERVICE COMMUNICATION CHANNELS?

All customer interactions are knowledge dependent, and today we trust that through training and mentoring, agents have the knowledge to effectively satisfy customer needs. By centrally capturing, storing, managing, and delivering knowledge, you create a hub that supports all interactions and channels. This hub enables companies to establish and execute a plan for capturing the wisdom of the few and delivering it to the many. The hub allows agents to pull information into any communication. This seamless integration improves the customer experience and drives consistent, accurate messaging.

HOW DO YOU ATTRACT CUSTOMERS TO YOUR WEB SELF-SERVICE?

1. Don't complicate something that should be simple. Customers using web self-service feel inconvenienced already; don't add to their frustration by burying content in complex or confusing navigation schemes.
2. The site's visual enticement must always come second to ease of use. Cool is pointless if customers can't figure it out.
3. Understand what the customer wants early on in the development process.
4. Provide multiple methods for finding answers. Search, point and click, FAQs, solution finders, and glossaries are powerful tools that have the same high-level objective, but approach knowledge from slightly different points of view and (sometimes) different process orientations.

NEXT STEPS FOR BUILDING YOUR KNOWLEDGE MANAGEMENT INITIATIVE

Developing a knowledge management initiative involves conducting thorough research. To get more insight into this process, visit **www.talisma.com/kmprocess** to download a complimentary white paper on *Knowledge Management Implementation Best Practices* or call Talisma at 1.800.474.1149. ■

ABOUT THE AUTHOR

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Feedback that drives vision.™

Best Practices for Survey Success from Vovici

DO's and DON'Ts

DON'T…
Ask too many questions

It's easy to ask too many questions or include questions that are very complex. Avoid questions that are too granular and try not to incorporate topics without a clear focus. You can easily scare away or confuse respondents and not get the information you are after.

DO…
Keep Surveys Simple and Focused

Studies show that keeping surveys short—with no more than 30 questions—is the best practice. In many cases surveys can be much shorter. Focus on a single underlying theme and ask questions to gather the exact information you need. Resist the temptation to ask, "Just one more question…."

DON'T…
Take Responses for Granted

A survey is not successful without respondents. People have plenty of things to do with their time, and despite the importance you may place on the survey, it is usually not a high priority. If you don't pay sufficient attention to how you recruit respondents, you may be faced with a poor response rate, a high abandonment rate, or both.

DO…
Invite Respondents with Care

A strong invitation shows respect for recipients and their time. Studies have shown that most email recipients look at an email for eights seconds before deciding whether or not to take action. If you can't grab a recipient's attention and provide them with a reason to take action in those eight seconds, you've lost them.

DON'T…
Contribute to the Spam Problem

Everyone hates Spam…and Spammers. But you don't want them to hate you, your survey, or your company. To make sure you are not sending Spam, take care to avoid violating the CAN-SPAM Act and be sure you know where your lists are coming from.

DO…
Use Lists Appropriately

The respondents to your survey will come from either your own lists (your customers or employees, for example), or from outside lists. If you are not using your own list, invite respondents using reputable, third-party list brokers or panel providers. These organizations enable distributions to their lists without directly providing you with the names and addresses of the prospective respondent.

DON'T…
Substitute Data for Analysis

Once responses are compiled, many organizations present the data they've gathered in a linear fashion that exactly follows the order of the survey questions. Little analysis is performed and data is merely repeated for everyone to see. The data is not compelling and few people read the reports. In effect, the value of the survey data is severely degraded because people find it hard to see any actionable data in the survey.

DO…
Analyze Results and Present a Compelling Story

Analysis is key to making the data useful, so don't assume the data will speak for itself. Present results by telling a story using a combination of charts, graphs, and narrative. Use visual variety to lead your audience through the information and point out the important results. Don't assume that just because data is presented on the page, people will read it. Use call-outs and brief analyses to show people what's important on each page.

DON'T…
Underestimate the Value of Data

All primary data is valuable because it provides information you can't get anywhere else. The data you are collecting may originally have been intended for one purpose only, but most of the time it can have significant uses and value beyond that one project.

DO…
Repurpose and Share the Data

As you analyze and report on your data, include colleagues who might benefit from the same information. You can also share it with your customers and prospects, with business partners, with press, and with anyone in your industry who might be interested in the results. Some organizations have developed a reputation for thought leadership in their markets simply by publicizing their survey results.

The Knowledge Management Maturity Model

Transform Your Support Organization from Reactive to Business Centric

By Rick Joslin
HDI Executive Director of Certification and Training

When a service desk manager is asked, "Do you use Knowledge Management (KM)?" The answer is often, "Yes".

But what "Yes" means can vary dramatically, since the term Knowledge Management within the service desk can mean something different within each organization. Accordingly, these organizations need to develop an understanding of the levels of KM maturity so they can determine where they currently stand with KM and determine the steps required to move from reactive to proactive, to customer-centric, and finally, to business-centric.

Knowledge-Centered Support (KCS) is a KM methodology developed by the Consortium for Service Innovation. KCS is a set of Knowledge Management best practices grown out of the experiences of the Consortium membership. Subsequently, many companies have successfully adopted this methodology, but upon closer analysis of those implementations, you will discover that few companies have reached full maturity.

In 2003, the HDI Strategic Advisory Board defined "The Support Center Maturity Model." The model examines the characteristics of support: people, process, technology, and vision. It also provides guidance to support organizations as they evolve and become more valuable to their companies. Realizing that support centers often start off tactically and then mature to become a strategic asset of the company, the HDI Strategic Advisory Board defined the four phases of maturity as reactive, proactive, customer-centric and business-centric and specifically noted that Knowledge Management was a key enabler of this evolution. It is important to understand that there is no right or wrong place to be in terms of this maturity model. The key is to understand the model so you can determine your current state and aspire to achieve the next.

The Knowledge Management Maturity Model aligns with "The Support Center Maturity Model" and advocates the use of Knowledge-Centered Support, the only set of Knowledge Management best practices based on process and proven practices. The model provides a look at the various characteristics of KM methodologies along with the requirements for optimizing your own implementation. When implementing Knowledge Management, you must first identify gaps compared to the model and then evolve your organization accordingly.

There are 10 elements of the Knowledge Management Maturity Model. By looking at each element, you can analyze your current state and perform a gap analysis. The gap analysis can be leveraged to build a vision for Knowledge Management within your support center. These 10 elements are:

1. Objective: *Why are you implementing Knowledge Management?*
2. Sponsor: *Who worries about the knowledge initiative at the highest level?*
3. Audience: *Who is the target audience of the knowledgebase?*
4. Culture: *What is the burning question related to Knowledge Management?*
5. People: *Who is involved in Knowledge Management?*
6. Quality: *What are the quality requirements? How is quality managed?*
7. Technology: *What type of investment has been made in the tools?*
8. Marketing: *What is the purpose of the marketing initiative?*
9. Analytics: *What measurements are used to evaluate success?*
10. Methodology: *What processes are implemented based on what methodology?*

As you examine each element of the model you will gain an understanding of the characteristics as they relate to the four states of maturity: reactive, proactive, customer-centric, and business-centric. For each element, you should determine your organization's current state of maturity and contrast it with your desired state. Only then can you fully create a vision for your initiative and define an action plan for Knowledge Management implementation.