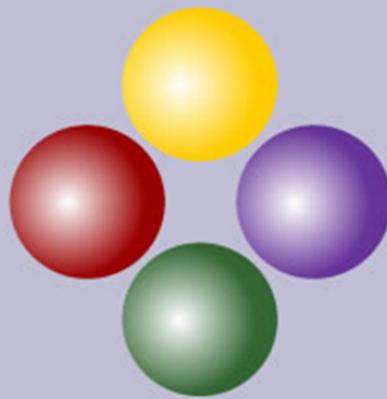


The Promise of Social CRM



*Simplifying Social Business
series*

Kathy Herrmann

with

Dr. Natalie L. Petouhoff

The Promise of Social CRM

(Simplifying Social Business series)

By: Kathy Herrmann with Dr. Natalie L. Petouhoff

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About this eBook (Edition 1). *The Promise of Social CRM* is the first of in our *Simplifying Social Business* series of eBooks. It lays the groundwork to help business leaders understand the opportunities and challenges of the social business model and Social CRM strategies. Along the way, we'll explore why the social business model is so important for companies today -- and the potential impact for companies that get it right.

We'll cover:

1. The essence of social business – defining what it means, why it's a paradigm shift for business, its benefits, and communication methods required for success.
2. The Unsolved Challenge of CRM failures.
3. The promise of Social CRM -- emulating the human approach, making sense of social interactions, and how to start applying SCRm in your company.

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Chapter 1: Introduction

If you are in business today you can't help but be inundated by the plethora of information about social business -- social media, Social CRM and the like. As social moves from the early adopter stage of maturity into the early majority, the message from pundits today far and wide is deploying social is a "must have" for businesses.

It's true, social media has changed how we interact – at least in our personal lives. The bigger question for business leaders, though, is whether social media will help them solve their business problems. And if so, then the question becomes one of how to combine traditional business methods with social media to do so.

Before social objectives can be defined much less strategies formed, it's important to first understand what social business is, as well as its closely related corollary of Social CRM. From there, you need to understand how these business methods will impact your company.

*The **social business model** centers on engaging, collaborating, and connecting with customers, partners, employees, and other interested parties.*

It refers to the holistic corporate adoption of activities that occur both internally and externally to the company and incorporates a company's entire business ecosystem.

*Social customer relationship management, also known as **Social CRM** or just **SCRM**, narrows the focus to the customer, making them central to the business.*

It goes beyond saying your customers are important. Companies with strong SCRM strategies build genuine and authentic relationships with customers by sharing two-way conversations with them.

The reason why the social business model is fundamentally changing the business landscape is because it supports how real people relate and do business with each other.

Social data, or the unstructured data cornerstone to SCRM, contains valuable and insightful information about what's really important to people, as well as about how they really make decisions, do work, and live their lives.

*Transactional data derived from traditional CRM activities tells you **what** your customers did. However, social data captured by SCRM shows you **why** customers behaved as they did.*

By undertaking social media monitoring and engagement, you can become an active part of the communities where conversations about your company, products, services, and competitors are taking place. This means you can also then be a stronger influencer for your own customers and other parties interested in your company and products.

Undertaking social business initiatives can then result in competitive advantages that include:

- Socially-based CRM capabilities and competences that drive sales, profits and revenues, while...
- Measurably increasing customer and vendor partnership satisfaction.

With the fusion of science and art, SCRM can become your organization's new, novel standard of bottom-line customer relationship management.

Why businesses are hesitant to embrace social business

Why, then, aren't business leaders rushing to implement social programs in their own companies?

Several reasons cause the paralysis:

- Social business is still in its nascent stage of the corporate life cycle and business leaders require education about social networks and technologies and how they work. They need to understand potential impacts on people, processes, and technologies.
 - And they need to know how to obtain a return on investment (ROI) from their social initiatives.
- Social business requires a paradigm shift from being a transactional-based business to a networked one.
 - Successful SCRM change management requires executive leadership committed and engaged to drive sustainable results, infrastructure, organizational and cultural growth.
- Social CRM seemingly puts power into the hands of customers and away from the company.
- Too many business leaders view social media as entertainment rather than a pathway to making better informed decisions.

About this eBook

The Promise of Social CRM is the first in our *Simplifying Social Business* eBook series. It lays the groundwork to help business leaders understand the opportunities and challenges of the social business model and SCRM strategies. Along the way, we'll explore why the social business model is so important for companies today -- and the potential impact for companies that get it right.

We'll cover:

1. The essence of social business – defining what it means, why it's a paradigm shift for business, its benefits, and communication methods required for success.
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3. The promise of Social CRM -- emulating the human approach, making sense of social interactions, and how to start applying SCRm in your company.

In later eBooks, we'll dive deeper.

We'll show you how to build social strategies that will solve business problems in customer-facing departments like marketing, PR and customer service. Additionally we'll show you how to determine the ROI of your social initiatives.

And, we'll show you how to determine your social media maturity so you can devise stronger strategies to improve your performance and business results.

Review

Chapter 2: The Essence of Social Business

The social business model focuses on engagement, influence, collaboration, and creation with customers, partners, and employees. Mutual value is created in a transparent business environment between the company and its customers and partners, but also with its employees as well.

Social customer relationship management (Social CRM or SCR) is one of the planks of the model and turns the focus to the customer. SCR makes customers central to the business.

Paul Greenberg, author of the popular book *CRM at the Speed of Light*, defines SCR this way:

Social CRM is a philosophy & a business strategy, supported by a technology platform, business rules, workflow, processes & social characteristics, designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted & transparent business environment. It's the company's response to the customer's ownership of the conversation.

It's very much a customer-centric model, although partners and employees also play important roles.

The benefit to the social customer is having their needs and interests heard and incorporated into the company's activities (product development, customer service, etc.).

Advantages to the company include savings from better and accelerated product design and lower support costs. On the revenue side, companies are able stimulate higher customer satisfaction deriving from more relevant product catalogs and higher customer loyalty, all of which lead to higher revenues.

Social business is a paradigm shift

Looked at another way, social business is a return to a village mentality where people worked in the same community where they lived.



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Because of physical proximity, villagers lived mostly transparent lives with the people they did business with. Additionally, villagers had a vested interest in helping the community prosper because it helped bolster their own their individual prosperity.

As we entered the Industrial Age, the business environment experienced a paradigm shift away from village-based businesses. And in the modern Digital Age, we're shifting back.

The modern spin on the village model -- which is where social business comes in -- is a company's village outposts today can occur anywhere in the world, thanks to electronic and mobile connectivity.

However, the same village rules still apply. Transparency is still important. Customers will compare what you say versus what you actually do. Where there's misalignment, there will be dissatisfied customers.

Part of the transparency may not even be driven by the company itself. Customers share information about your products and services. They did in back in the old village days too but those conversations occurred "across the fence." In the digital world, though, many of these conversations now occur across online communities.

There's a key difference between the physical fence and the online community, though. Conversations of the former type have a limited shelf life. Online conversations can remain visible and vibrant for years and perhaps even decades to come. That's great news when customers are sharing stories of satisfaction. It will damage your company, though, when they share their dissatisfaction.

A key factor to remember, though, is those conversations are happening -- whether your company is aware of them or not, and whether your company is participating in them or not.

Centers of focus

The social business model incorporates four basic centers of focus and they are:

- Engagement and data collection,
- Monitoring social channels and measuring sentiment and activity.
- Shaping and influencing your customers (as well as partner and employees) -- and being influenced by them.
- Collaborating and creating with your customers, partners and employees, gaining from their ideation and feedback.

Issues surrounding the paradigm shift

As a business leader, should you care about incorporating social business into your company if a non-social model is making money and appeasing the Wall Street gods?

The answer is still “yes.”

Today’s customers expect companies to connect with them within their preferred channels -- and not yours. While some customers continue to prefer traditional business channels of phone and email, there is a groundswell demand for social connectivity.

What’s also important to understand is the social business model creates a collaborative bridge between a company and its customers. It’s the bridge that creates a paradigm shift because it puts more power into the hands of customers.

Despite the view of some, though, the social model doesn’t mean your company loses control over its destiny. Instead, it means you can leverage valuable insights gained from customers, partners, and other interested parties to do your business better. In the next section, we’ll outline primary benefits.

Don’t assume the social business model is about a customer’s desire to make “friends,” though. Sometimes that *will be* true, and more so in the B2C environment. However, many customers don’t want “a relationship” with your company at all beyond the buying and selling transaction. But these same folks may want to connect socially in order to gather information to make buying decisions.

It really depends on your products and services as well as your target customers. Being a social company means knowing your customers well enough to understand how and when they use social channels relative to your company.

Social business is about employees too

Also remember, the social model extends to your employees too – especially the Millennial Generation, also known as Gen Y or the Digital Generation.

In [Bloomberg Businessweek](#), Peter Cheese wrote:

Generation Y is highly relationship-oriented and uses a wide range of media and technology to connect with others. They expect to experience this in the workplace as well. Give them opportunities to engage and share ideas and to



work on new things. Traditional behaviors that define power as possession of knowledge to be doled out sparingly are anathema, and failing to encourage openness and the sharing of information will turn this generation off.

If you want to attract and retain Millennial workers, your company needs to provide social connectivity outlets.

Keep in mind, though, Gen X and Baby Boomer workers are making social demands too, although their motivations may differ from the Millennials.

However, too many executives still view social media engagement as playtime. However, these folks are failing to grasp the duality that digital workers already understand -- while social media can be a form of entertainment, it's also an aid in decision making.

By all means, place limits on using social media for entertainment at work just as you place limits on water cooler socializing. However, don't assume that just because a worker is on Facebook, the activity lacks a business purpose. That in itself is a paradigm shift.

Social business – Benefits

Why should your company infuse the social business model into your corporate DNA? Is it simply to be more of a touchy feely company as you engage your customers, partners, and employees in authentic and engaging ways?

Let's face it. At the end of the corporate day, there are only two reasons embrace a social business model and SCRM strategy -- higher revenue generation and profitability (a.k.a., higher cost savings).

First, you have to hang onto your revenues and profits -- and that means collaborating with ever more demanding customers. And it's not just the big customers you have to worry about. Little ones can make big waves too in the right circumstances ([United Breaks Guitars](#) is the quintessential example).

So how do you increase revenues and cost savings from social business initiatives?

Leading indicators of Revenue generation

The leading indicators of revenues from deploying a social business model are:

- **Higher sales from:**
 - Products that better meet customer needs and interests (and you know because you listened to them).
 - Extended influence or impact with prospects and customers.
- **Accelerated buying decisions** from better informed customers.

- **Heightened customer loyalty** leading to recurring revenues or new after-marketing sales.

Leading indicators of cost savings

The leading indicators of cost savings from deploying a social business model are:

- Customer service savings:
 - Agent deflection from fewer opened incidents or cases.
 - Increased agent productivity, leading to Lower Average Handling Time, faster First Contact Resolution, and enhanced Knowledge Base generation.
- **Customer insight savings** from substituting lower-cost market research for traditional methods.
- **Brand protection savings** from mitigating communication crisis that might occur in the social web.
- **Lead generation savings** from lower-cost media or shorter sales cycles.
- **Product development savings** from accelerated development and lower costs of the launch.

Communication in the social business world

The social business model recognizes the need to engage in different types of conversations with customers and these are:

- One-to-One,
- Many-to-Many, and
- One-to-Many.

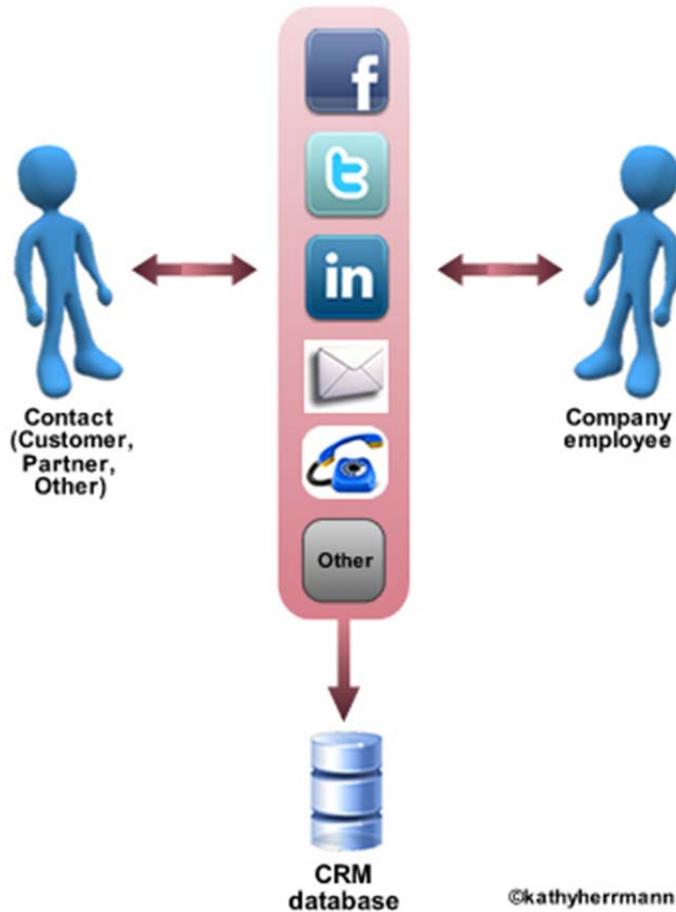
Each conversation category carries its own impact on processes and technology requirements.

One to one communications

While the social model gives rise to many-to-many conversations, it doesn't replace traditional one-to-one relationships with customers. What differs, though, are your customers' preferred outlets for communication.

Younger generations often look to social outlets first for product information or support. Older customers may still turn to the phone (or email) first for help, or use some combination of phone and social channels.

One to One social business relationships



From a corporate standpoint, your one-to-one challenge is to:

- Know which social media channels your customers prefer (and realize there may be segmentation by age, interest, or product).
- Gather customer-specific communiqués across multiple channels. To the degree possible, capture relevant customer activities in your CRM system.

[Note: "Multiple channels" refers to some combination of phone, email, chat, online communities (corporate branded communities as well as public ones like Facebook), Twitter, etc.]

For example, if you discover a customer experiencing a problem, create a support case and alert your customer service team to undertake proactive follow up to resolve the issue. In another example, if discovery shows a potential upsell opportunity, based on buying indicators, create a lead or opportunity and alert sales to follow through.

Capturing customer communications via phone, email, or chat are old hat to companies with well-designed contact centers. It's the social channels that can challenge companies.

Many to Many communications

The many-to-many communication scenario recognizes customers and partners are actively participating in a variety of social channels in their personal and business lives. These channels can be:

- **Public communities like Facebook or Twitter.** They may also be communities created by users or other interested parties, blogs, or other sites outside of your corporate control.
- **Communities branded by your company** for marketing or support purposes. These can also include corporate blogs with active commenters.

Many-to-many conversations can happen with and without your company's participation. The ideal solution is to monitor online conversations and be responsive to queries and comments in the cloud.

Unlike the one-to-one scenario, many-to-many communications don't lend themselves to data capture in CRM systems. First, they tend to lack the needed customer-specificity and, second, the data itself is unstructured.

However, community conversations will provide your company with a wealth of intelligence about your products and services, as well as give you competitor insights.

Technology comes into play through social monitoring and analytic solutions that allow you to monitor, collect, and analyze these unstructured conversations. The insight allows you to know which social channels are favored by your customers and other interested parties, what they're saying about your products and services, and how you can improve your business.

Technology solutions that allow you to rate or rank customer ideas and comments on your community sites allow you to prioritize customer interests and needs. Using these social insights, your company's product development team can accelerate product development and launch. Costs savings will accrue from lowering the costs to go to market. These can fall into categories related to personnel, engineering costs, and market research.

Keep in mind, though, social business *is not* just about SCRM technology. The most important factors are *people*. Technology comes into play in an enabling role, to support the people and process.

The right SCRM technology solution set will comprise some combination of (traditional) CRM, SCRM add-ons, branded communities, and social and web analytics.

One-to-many communications

The one-to-many conversation scenario is viewed negatively in social media circles because these types of communiqués are one-sided broadcasts.



However, there are times when broadcasts are appropriate and highly customer-centric. This scenario commonly occurs when you need to alert a wide array of customers about a situation.

For example, if your company is experiencing some sort of service outage, then you can alert all or a relevant segment of your customers through social channels to help mitigate support calls. Your broadcast may include information about the nature of the problem and an expected timeframe when you anticipate the problem will be resolved.

In the one-to-many scenario, you won't necessarily need to capture customer information in your CRM database unless specific customers have issues that arise out of the conversation.

However, you will want to capture customer sentiment about how your customers viewed the problem and your company's resolution. Social monitoring is key to capturing sentiment data. To go beyond data capture, though, you'll need the capability to analyze what the social data is telling you.

Now that you have an overview of the social business model, let's turn our discussion to the challenge of traditional CRM strategies and systems.

Review

Chapter 3: The Unsolved Challenge -- CRM failures

It's common knowledge among folks familiar with CRM that the list of failed implementations is long. Too many companies spent millions of wasted dollars on implementations, in the range of \$300-\$500M, and abandoned them midstream.

The purpose of this eBook is not to undertake a detailed explanation of what went wrong with CRM. Other industry experts have already provided detailed analysis and we point you towards them.

However, we cannot discuss the promise of SCRM without at least considering the missed expectations of traditional CRM. One, doing so provides us with a depth and breadth of knowledge and case studies of what doesn't work. And two, it provides us with a foreshadowing what business can do to get Social CRM right.

We said in the beginning of this eBook, SCRM offers the promise to connect, engage, and collaborate with customers to create long lasting relationships with them. This was also the original promise of CRM.

Why then did CRM fail and how can it be different with SCRM?

There is no one single answer for CRM failures but they can be broken out into the following reasons, and any combination may qualify:

- Poorly defined migration paths between legacy software solutions and databases to the new CRM software needed to integrate with or replace these systems.
- Failure to undertake the hard work of business process mapping or to re-engineer business processes as needed to gain the full value of CRM.
- Unrealistic expectations and poorly defined business requirements.
 - Implementation of *operational* CRM functionality to gain the ability to collect and track customer activities while...
 - Failing to implement the *analytical* CRM functionality needed to deliver actionable customer intelligence.
- Implementation of customized software solutions which made upgrades highly difficult and expensive.
- Bolt-on business intelligence applications, intended to in-fill gaps in customer analytics, that led to customer data siloed within functional departments.

Keep in mind that SCRM is not a replacement for CRM but an enhancer. Said another way, SCRM is a sub-set of CRM that adds in a layer of social data – and we'll discuss the value of that data in the next chapter. What you need to understand here, though, is adding a social component to CRM doesn't mitigate the problems bulleted above.

We'll revisit the above discussion in a later section.

Why CRM is really CTM

Before we dive into the real promise of SCRM, we need to understand one other truth impacting CRM failures. And it has nothing to do with technology and everything to do with people.

Real people use complex and often fuzzy thought, impacted by group input, to navigate through the world, make decisions, and do work.

Therein is a big problem with CRM and other large enterprise business systems. They're so doggone transactional and linear. They require people to force-fit themselves to the system rather than working naturally.

This brings us to another important point about the CRM monogram. It's wrong because for many companies, there's little to no "relationship" in CRM. It should really be called **CTM – Customer Transaction Management** – because it focuses more on collecting customer data.

Given this, it's not surprising so many companies faced difficult adoptions of CRM systems (despite our feeling CRM is misnamed, we'll stick with the convention).

That said, though, there's a good reason why we needed such linear-based systems – and will continue to need them.

Modern companies are complex and managing them requires collecting bucket loads of transactional information. We need to be able to track specific customer activities like contact information, sales opportunities and orders, service problems, etc. This benefits both the customer and company.

Thus, another very real truth is we still need CRM processes and systems to manage business. Transactional demands will always be a part of business – as has always been true.

Given the problems with CRM, then, what will be different about SCRM? Or will it be different? Answering that question takes us to the next chapter.

Chapter 4: The promise of Social CRM

Social data versus transactional data

In today's world, we need to move beyond CRM to add in the social component that is prevalent in SCRM. But what does that even mean?

It means adding "relationship" into CRM in the way it was originally intended. It means gaining valuable and insightful information about what's really important to people, as well as about how they really make decisions, do work, and live their lives.

The advantage is huge.

"Social data" refers to the proliferation of online conversations occurring relative to your company, products and services, as well as competitors. By their nature, these conversations are unstructured.

Social analytics solutions allow you to collect social data. These include exposure to social conversations and channels that you may not already be a part of. Social analytics solutions also give you the ability to analyze the data using proven scientific methodologies centered on natural language processing and semantic technologies.

Analysis turns the data into actionable intelligence centered on the behaviors of customers and other interested parties across the web.

The result will go far beyond how we collect data. It will also impact how we manage our businesses. However, the real promise of SCRM is remembering it adds a social layer to existing CRM processes. That is, SCRM *will not* replace CRM but will *enhance* it.

Look at the diagrams below to better understand the difference between traditional and transactional CRM versus SCRM.

CRM

Transactional
Sequential
Discrete
Structured
Siloed
Logical

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The benefits of actionable social data

Using actionable social data, your company can gain departmental and holistic corporate advantages. The short list includes:

- **Marketing and PR:**
 - Know the sentiment (positive, neutral, and negative) from your customers and other interested parties regarding your company, products, and services.
 - Create better messaging to enhance on or mitigate the sentiment as needed or in general.
 - Lower marketing costs by leveraging the right social channels preferred by your customers and prospects.
- **Sales:**
 - Accelerate sales by building on social relationships.
 - Alleviate buyer concerns.
- **Product development:**
 - Prioritize customer interests and needs.
 - Accelerate product development and launch.

- **Customer services**

- Address customer issues, often gaining an early warning system of brewing problems.
- Lower costs through agent deflection.
- Increase customer satisfaction by improving agent productivity, responding faster and more effectively to customer questions.

The above list shows you how you can win with SCRM strategies but not why you'll win. To understand that, continue to the next section.

Emulating the human approach – The really big win

Social business, and supporting SCRM strategies, allows us to once again emulate the human approach. It's not about adding a human touch to your business. Instead, it's about being human.

In the process, social business unleashes the creative processes of real people, incorporating normal right- and left-brained processes, rather than force-fitting us solely into a left-brained, transactional mold.

One organizational problem we face, though, is we're still trying to apply traditional business processes -- a.k.a. transactional ones -- to the emerging social model which employs networked and unstructured engagement.

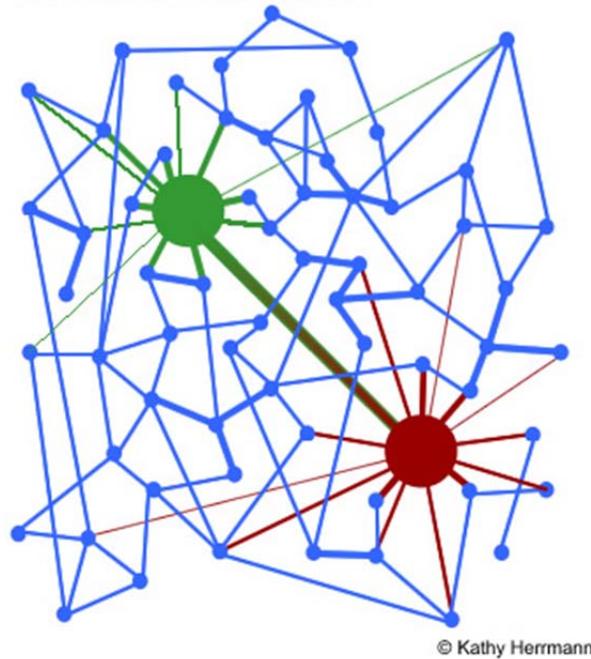
That's a big reason why a chunk of people are struggling to grasp and embrace social business. It's hard to even understand what social business is and its value when you approach it from a left-brained, analytical view.

Let's try it in pictures. Here's a picture of the traditional business model:



And this is the networked, social model.

Networked social network



The green and red dots represent social hubs that have attracted a mass of community members. And in the real world, these can be live, in-person communities or virtual ones. In contrast, the blue dots represent individuals outside the hubs. And our communities can consist of family, friends, and expand out into circles of acquaintances.

Real people's everyday decisions are influenced by the people in their communities, as well as by individuals encountered in everyday life. Very few of us ever make decisions in isolation, no matter how much some believe themselves to be lone wolves. Also, even the most left-brained, linear thinker is still impacted by his or her networks.

Additionally, current research shows we look to people who are "like us" when making decisions. And the people "like us" are those who we congregate with within our communities.

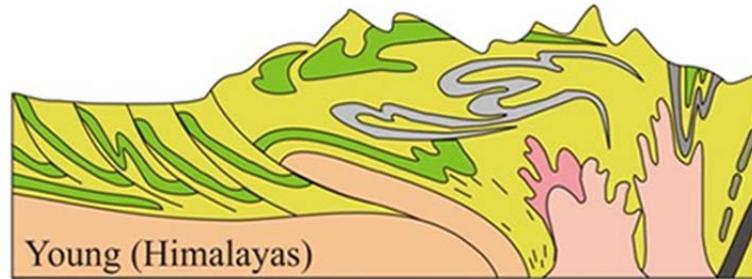
From a corporate standpoint, this has a direct impact on how and when you can and should expect prospects to convert to a buying decision.

Now this is nothing new. What is new, however, is the modern spin on "community."

In [Chapter 2](#), we discussed how social business is a return to the village (a.k.a. community) mentality.

Remember, a company's village outposts today can and often are virtual, thanks to the ease of electronic and mobile connectivity.

Once again, we've circled back to the value of social analytics solutions to monitor, gather, and analyze unstructured social data. Without it, you don't know what your virtual communities are saying about your company, products, services, or competitors. However, with monitoring, analysis and engagement, you can become an active part of the community.



Geologic cross-section of the Young Himalayas;
Callan Bentley, Northern Virginia Community College.
<http://ow.ly/1wA4D>

That means you can also then be a stronger influencers for your own customers and other parties interested in your company and products.

And once you become engaged in the social community, then that's when you can really accrue all the [social benefits](#) discussed in the above section.

It's not enough to capture social data, though, you also have to understand what it's telling you.

Making sense of social interactions

CRM and other transactional systems seek to take the complex and break them down into discrete transactions. In the process, we can miss the bigger picture.

Of course, a challenge of social business is making sense of the data. [Cynthina Heinsohn](#), one of our collaborative partners, likens social data to a series of overlain patterns that need unraveling. That is, social data is a challenge of pattern recognition.

Social data sounds a lot like the sort of geologic data that the author Kathy used to study early in her career.

It's like this. When you study a cross-section of the earth, you see a variety of geologic events overlain one on top of the other, aggregating together in ways that commonly hide the discrete events.

Take a look at the geologic cross-section of the Young Himalayas below to get our meaning.

Today's Himalayan Mountains result from millions of years of ongoing tectonic activity. The impacts of successive geologic events are overlain on one another. And over time, each individual event became part of the aggregate whole that can be seen in today's mountains.

The challenge for the geologist is to unravel the strata as it is today and piece together the history of these individual events and how they all fit together. By doing that, the geologist can understand the history of the region.

However, it's not just about rocks. Each geologic event had an impact on the ecosystem of the region. By understanding the geologic history you also gain insight into why some animals and plants thrived while others went extinct. In other words, the biological and geological history all tie together once you understand the individual events.

Now, keep this in mind and reconsider the networked social diagram, reshown here. In concept, it's the same thing.

Remember, social business model is fundamentally changing the business landscape is because it supports how real people relate and do business with each other.

All those interlocking social connections mean something insightful and valuable to your business.

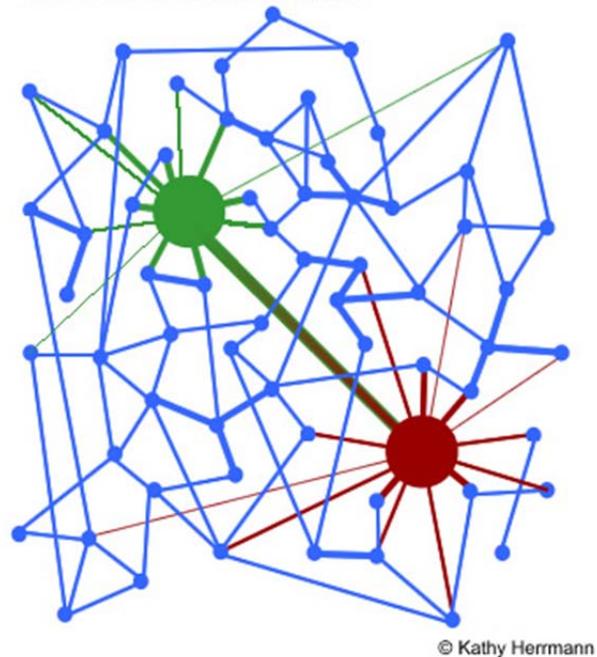
By unraveling those patterns using social analytic solutions, you gain insight into customer behaviors that translate into actionable intelligence. The competitive advantages you gain include:

- Socially-based CRM capabilities and competences that drive sales, profits and revenues, while...
- Measurably increasing customer and vendor partnership satisfaction.

SCRM is the fusion of transactional and social insights converted to corporate action. Through the fusion of these two, science and art, SCRM can become your organization's new, novel standard of bottom-line customer relationship management.

And keep in mind, we're only in the early stages of pattern recognition with the sentiment analysis of text. The next level is to gain the ability of trending on images and search.

Networked social network



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Start applying SCRM by building on CRM

If you get the sense that social business will require re-engineering your process to incorporate both linear and non-linear engagement, you would be right.

In a previous section, we discussed how social business is a paradigm shift. It requires a higher level of sophistication than a transactional-based business model. It will take time to plan for and adopt. Even if your employees are eager for it, you know adopting change takes time.

1. Start at the top

There is a common belief in some social media circles that SCRM can be driven from the bottom up.

And those folks are wrong.

It's true you can implement siloed social media activities like undertaking a marketing campaign from the bottom up. However, implementing social business, and supporting SCRM strategies, is a change management initiative.

Thus, success starts at the top. It requires executive leadership committed and engaged to drive sustainable results, infrastructure, organizational and cultural growth. And like any change management opportunity (or challenge), success requires the supporting one-two punch of planning and communication.

2. Become a corporate geologist

Once you've committed to SCRM, then it's time to become a corporate geologist. Unravel your corporate culture and processes. Determine where your company already has customer- and social-centricity. Find out what's getting in your way.

Pave the way for a social paradigm shift by preparing your strategic plan to stimulate and embrace the changes needed to make the adoption of social business a success. These will center on culture, processes and technology -- in that order.

Keep in mind that SCRM is not a replacement for CRM but an enhancer. Remember, devising supporting processes to collect transactional information about customers and partners (and employees too) is still important to business. Look for step-change ways to layer in the social components so you also gain the value of unstructured social data.

3. Clean up your CRM problems as you implement SCRM

Expect to re-engineer some processes. Also expect to implement social technology to complement your existing technology platforms.

Understand, though, adding a social component to CRM doesn't mitigate the problems highlighted in [Chapter 3](#). If you have bad CRM, then adding social to it can provide some improvement to your customer relationships. However, you'll never gain the same depth of benefits as if your company has well-considered and executed CRM.

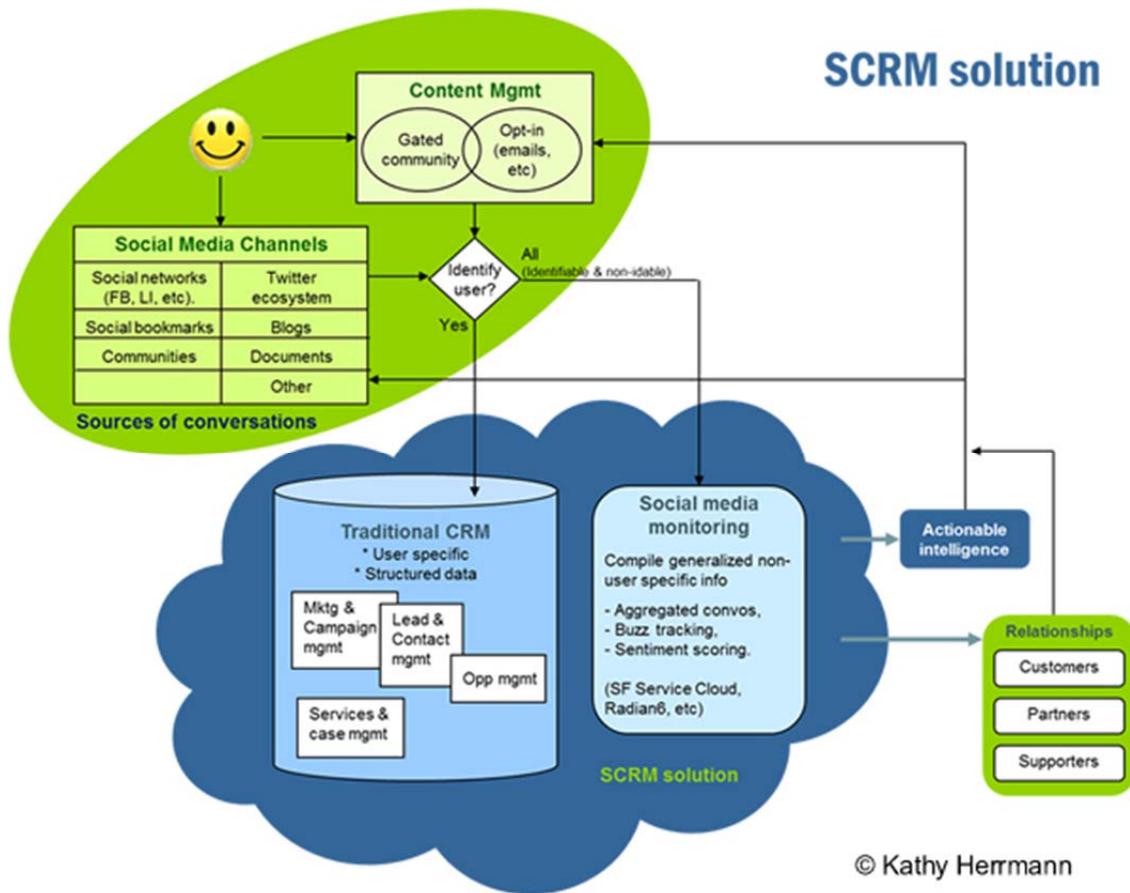
Thus, as you prepare your SCRM strategies tactics, this is an excellent time to also clean up your CRM problems.

4. Define your SCRM processes and supporting technology needs

Although the scope of this paper isn't to build SCRM processes or solutions, here's a diagram that you can use to ignite a discussion within your company.

The diagram may be too detailed for you to clearly see in your eReader. If so, you can [view a larger copy](#) via your PC browser at:

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5. Understand the expected business results

Before you launch changes in your organization, convince your executive team it's worth it. That's where determining the ROI of social programs comes into play. The higher the ROI, the more likely you'll accelerate adoption of your initiative. It will also show what your company can afford and when.

We don't discuss ROI in this eBook but we will be covering it in detail in a later installment in the *Simplifying Social Business* series.

Chapter 5: Closing thoughts

The title of this section is a misnomer because social business is a new beginning. And *The Promise of Social CRM* is the first in our *Simplifying Social Business* eBook series.

Social business is a paradigm shift for companies. It's a new approach for modern businesses already steeped in tracking transactions. In reality, though, social business is taking us back to the future with a modern-day spin on the village.

The social business model doesn't negate the need for transaction-based activities managing contact information, placing orders and tracking their histories, managing service histories, etc.

However, the model enhances business by layering in the value of social networks grounded in authenticity and transparency. It celebrates collaboration and co-creation of customers and partners with the company to create mutual value for everyone. The kind of value gained may vary from customer to partner to company, but it's present.

Unfortunately, many business leaders shy away from embracing the model. Avoidance is understandable because the new model requires change management and change is always stressful.

However, don't confuse understandable with acceptable.

Your customers, partners, and employees are active on the social web whether your company is or not. Whatever short-term gains you achieve from avoidance will be undercut in the long-run.

Of course, the opposite is also true. Embracing social business and SCRM strategies means you gain prime opportunities to drive sales, profits and revenues, while measurably increasing customer, vendor partnership, and employee satisfaction. All that translates into higher shareholder value which will make the Wall Street gods happy.

Consider this. Once upon a time, companies dragged their feet over accepting the phone and email. Know any companies today that don't use them now though?

However, do social business the smart way. Think it through so you don't fall prey to SCRM failures akin to CRM fails. Understand the challenges and opportunities of SCRM. Then go forth and do it in the way that makes the most sense for your company.

What's coming

The Promise of Social CRM is just the first eBook in our *Simplifying Social Business*. We intend it to open a gateway to understanding how social business and SCRM will impact business. However, it's just the start of things to come.

In future installments of the *Simplifying Social Business* series, we'll show you how to build social strategies that will solve business problems in customer-facing departments like marketing, PR and customer service.

Later eBooks will also show you how to determine the ROI of your social initiatives for customer service, marketing and PR. And just so you know, when we talk ROI we won't dance in an ivory tower. Instead, we'll show you specific methods and formulations so you can construct an ROI for your own initiatives.

Additionally in our eSeries, we'll show you how to determine your social media maturity so you can devise stronger strategies to improve your performance and business results.

Stay tuned!

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About the authors

Kathy Herrmann



Kathy helps companies ignite positive change by holistically fusing people, process, and technology. Her consulting practice centers on:

- Change management, including designing business strategy, implementing streamlined workflow processes, and determining the economic value (ROI) of strategic initiatives.
- Driving the business of social business, including:
 - Unraveling the patterns across social and web analytics, combined business metrics, to understand customer behavior and its impact on business results. This includes determining social media ROI.
 - Optimizing customer relationships, grounded in the ways real people relate and do business with each other.
- Designing the user experience for technical solutions.
- Spearheading implementation of integrated technical solutions.

Kathy moves companies beyond departmental or functional siloes to create integrated corporate results. It's a little bit like herding kittens but Kathy is an expert wrangler. She gained her experience at luminary companies like Exxon, ARCO, and Kewill Solutions, as well as a number of small businesses, and via clients big and small.

Additionally, Kathy's almost 30 years of diverse corporate experience -- spent in operations, marketing, sales management, and petroleum exploration -- allows her to accelerate and elevate client success.

In her spare time, Kathy enjoys bike riding and is much too fond of Netflix. She knows without a doubt that *Buffy the Vampire Slayer* is the bestest TV show evah. And as a life-long lover of Cheez-its, she's waiting for Kellogg to draft her as paid spokesperson.

Connect with Kathy via Google+ (+KathyHerrmann), Twitter (@KathyHerrmann), or via her website at www.kathyherrmann.com.

Dr. Natalie L. Petouhoff



Dr. Natalie served as a Forrester Analyst in Social Media, CRM (Marketing, Sales and Service) and ROI, and as the Chief Strategist for a Social Media and Digital Communications firm with a world-wide practice role spanning client work, practice development and thought leadership.

She's led the development of consulting practices in management consulting as well as organizational change management at PricewaterhouseCoopers, Benchmarkportal and Hitachi Consulting.

Dr. Natalie's consultation focus helps clients formulate strategy for social media, marketing, PR, customer service. She helps integrate strategies using organizational change management, new technology deployment and social media analytics, measurement and ROI.

Over the past 15 years, Dr. Natalie has developed tools for social media ROI and brand index scoring systems; Human Capital ROI models; Customer Service, Brand Equity/Reputation ROI models; and PR and Marketing Conversion Rate Models.

Dr. Natalie the President of Social Media Club LA, participates in Girls in Tech and is a Guest Lecturer at UCLA Anderson School of business, teaching in the MBA program on Social Media and Digital Communications and an Adjunct Professor at USC Annenberg's School for Communication, teaching PR & Marketing Measurement.

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