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**At the end of this article, readers should be able to understand what:**

- Customer Relationship Management (CRM) is,
- Understand the drivers of CRM
- Identify the elements of a good CRM strategy,
- Know the relationship between technology and CRM.
- They should be able to explain the CRM solution map,
- Define E-CRM, and know the differences between CRM and E-CRM.
- They should be able to highlight some of the challenges of implementing CRM in any organization.

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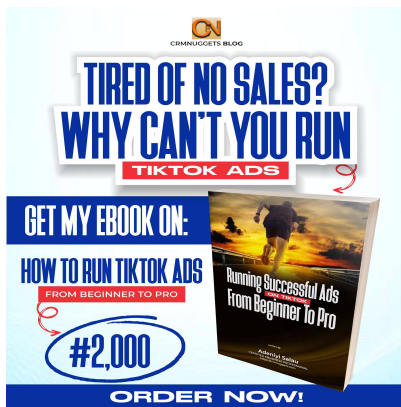
**Definition of CRM**

When we talk about [CRM](#), we are talking about how you relate to your customers. We want to look at where your business is focused on. However, before doing that, I would like to look at the subject matter of CRM from the angle of authorities in the field.

Brent Frei, the president of Onyx software, defined CRM as a comprehensive set of processes with potential and current customers and business partners across marketing, sales and services regardless of the communication channel. The

goal of CRM is to optimize customer and partner satisfaction, revenue and business efficiency by building the strongest possible relationship at an organizational level.

From the above definition, we can see that CRM is a deliberate effort by an organisation to manage the relationship between all stakeholders in the organisation in order to increase their value. It is a deliberate attempt at ensuring that customers enjoy maximum satisfaction irrespective of their communication channels. This means that whenever a [customer walks into an organisation](#) or calls a customer service centre, he enjoys the same benefits.



From the above diagram, you notice that objectives come first, which shows that objective, they will formulate programs of action to achieve the objectives. The organization will communicate the idea to marketing, sales and services organization can now introduce technology in order to make it web-based.

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In essence, CRM is the desire of an organisation to do business from a customer's perspective. In this regard, all effort should be focused on the customer alone. You should know that this will not happen overnight as it has to be a gradual process before we get to the Zenith of a customer-centric enterprise.

You should know from the onset that CRM is not all about customers alone. It has much to do with all the stakeholders involved in your business. You want to make sure that distributors, partners, employees and all others involved in the business chain work to project a good image of your business.

### **Scenario**

Mr Winston is an MTN customer. He used to buy cards and lines in bulk from Mr Andrew a dealer. If Mr Andrew did not treat him well as a customer or he had a problem with some of the cards he purchased and Mr Andrew was reluctant in addressing the issue, it can force Mr Winston to stop dealing in MTN cards and sims.

The above scenario simply shows that any incident in the distribution chain can affect the business if it is not properly addressed.

### **Another Definition**

CRM, according to Robert Thompson of [crmguru.com](http://crmguru.com) is a business strategy to

select and manage customers to optimize long-term values. CRM requires a customer-centric business philosophy and culture to support effective marketing, sales and service processes. CRM applications can enable effective CRM, provided that an enterprise has the right leadership, strategy and culture.

In applying CRM, you try to select some of your profitable customers and see how you can package products and services in order to meet the needs of your loyal customers.

The greatest mistake one can make in life is for one not being able to identify loyal customers and how they want to be served. It is unfortunate today that many businesses in Nigeria do not know the total number of their customers and what they actually want.

CRM requires a customer-centred philosophy in which you try to make all the departments in the organisation most especially marketing, sales and customer service to make customers the centrepiece of their day-to-day decision.

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According to Thompson, CRM needs three basic things in order for it to materialize. These are leadership, strategy and culture. This is to say that before a customer-centric enterprise comes to fruition, you have to involve top-level management. You must also have a well-documented plan of action and the organisation must metamorphose from a product-centred enterprise to a

customer-centred enterprise.

In my own view, I would say that CRM has much to do with the innate desire of an organization to do business from a customer perspective. This is done in order to raise the exit bar for loyal customers and the desire to meet a customer at an organisation to ensure that customers enjoyed the same benefits irrespective of the communication channels they are using to reach the organisation.

Above all, some scholars believe that CRM is a process, strategy and practice but not a technology. The reason is that it is not the applications or software that really matters but it is a concise decision from the organisation to do business from a customer perspective through a well-laid down strategy.

## **SUMMARY**

In this chapter, we have tried to explain what CRM is. It is the desire of an organization to retain its loyal customers and do business from their perceptive. It is said to be a measure put in place by an organization in order to ensure that customers have the same experience irrespective of a communication channel.

CRM is a business strategy to create and sustain long-term, profitable customer relationships through successful CRM initiatives. It starts with a business philosophy that aligns company activities around customer needs. Only then

can CRM technology be used as it should be based as a critical enabling tool for the processes required in order to turn strategy into business results.

## **BRAINSTORMING SESSION**

1. You are a staff in a new generation bank. Your Branch Manager has appointed you and some key staffs to work out the modalities of how the bank will become customer-centred. In your own view, how can you enlighten your Branch Manager on the need for the bank to become customer-centred?
2. Critically examine the fig. 1 diagram and use it to explain to your Branch Manager, how CRM works in any organisation.
3. Using Mr Winston's issue as a case study. In your own view, why do you think that MTN as a large organisation needs to monitor the activities of its partners so that they are not misrepresented?

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## **REVIEW QUESTIONS**

1. Given the various definitions of CRM
2. Why do you think metric is necessary for CRM
3. Explain Robert Thompson's definition of CRM.

## **Action Point**

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those that I have trained include the staff of Dangote Refinery, FCMB, Zenith Bank, and New Horizons Nigeria among others. Please come on Whatsapp and let's talk about your training. [You can reach me on Whatsapp HERE.](#) Please note that I will be using Microsoft Team to facilitate the training.

I know you might agree with some of the points that I have raised in this article. You might not agree with some of the issues raised. Let me know your views about the topic discussed. We will appreciate it if you can drop your comment. Thanks in anticipation.

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