



# Optimizing the power of CRM

How establishing a Center of Excellence can help increase efficiencies, standardize operations, and achieve next-level CRM



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# Driving innovation with platform optimization

In an increasingly digital world where customers have more options than ever before and personalized service is a given, customer relationships reign supreme. And with even more customers online due to the pandemic's fast-tracking of virtual business operations, customer relationship management (CRM) is becoming even more critical to success.

In fact, CRM is one of the fastest growing global software markets, valued at \$40.2 billion in 2019, with an anticipated annual compound growth rate (CAGR) of 14.2 percent from 2020 to 2027.<sup>1</sup>

Perhaps even more remarkable than its projected growth is the fact that CRM is not a shiny new technology enjoying its 15 minutes of fame. It has been a long-standing staple in sales, marketing, and customer service operations, evolving over time to meet the changing needs of customers.

As the recent KPMG paper, [The third wave of CRM](#) points out, CRM has grown significantly from its early data repository days residing on mainframe computers to a more functional and flexible cloud-based solution that is now welcoming vast new potential from artificial intelligence (AI) and other emerging technologies. Such innovation is accelerating next-level CRM.

However, in many organizations, CRM technology can still be found as fragmented solutions built to accommodate, rather than integrate, marketing, sales, and service silos. In such cases, the full benefit of CRM is sacrificed to a

lack of synergy between process, strategy, and system. To combat these challenges and protect their CRM investment, organizations are beginning to realize the advantages of unifying CRM across front- and middle-office functions to cultivate a single, consistent view of the customer, derive maximum value, and optimize customer and user experiences.

While a unified customer strategy supported by a cross-functional platform is an optimal state, achieving it is not always easy. Establishing a CRM Center of Excellence (CoE) can help. A CoE forms the body of people, processes, technology, and governance that operationally support CRM driving innovation, promoting collaboration, managing development efforts based on business priorities, generating business intelligence and insights, and increasing adoption. In this paper, we'll explore how a CoE can help organizations develop a cohesive strategy and operational process on one platform to optimize CRM before, during, or after implementation.

**A CRM Center of Excellence (CoE) forms the body of people, processes, technology, and governance standards that operationally support CRM, maximize ROI and innovation, provide business intelligence and reporting, and deliver exceptional experiences**

<sup>1</sup> Grandview Research, 2020.

# Why create a Center of Excellence?

A CoE should act as innovation engine, not an attempt to impose structure that merely sustains current state or enforces a set of rules. Its purpose is to leverage processes, resources, expertise, and assets as enablers that empower users, optimize investments in technology, and improve the ability to better understand and serve customers.

The creation of a CRM CoE can help an organization move at the speed of the customer by promoting a single, consistent record of the customer to elevate customer experience. It brings key data points together to capture the moments that matter on the same platform. Additionally, the CoE unifies platform management across the extended network of business and technical functions that support CRM. It plays a pivotal role in defining and implementing the CRM platform strategy and sustaining critical platform operations, which delivers a return on investment for technology investments.

## Benefiting from a CoE:

By establishing a CoE, organizations can expect many benefits in support of CRM operations, including:

- Allows the organization to share best practices and successes across the organization.
- Promotes executive buy-in, usage, and leadership communication, which is critical to the adoption of the CRM platform.
- Aligns technology development to strategic business objectives and long-term transformation goals.
- Removes ambiguity of roles across an organization and aligns shared services and dedicated CRM resources to expectations.
- Eliminates subjective standards, and applies an objective lens to the advancement of the platform (no backchannel development).
- Provides visibility to the organization on how the system is being maintained and developed.
- Supports operations functions (e.g., sales ops) by assisting in standardization of reporting and insights.
- Introduces new capabilities strategically across the organization and increases the speed of delivery to realize benefits faster.

# Providing governance and guidance

Truly successful CRM implementations begin with a clear vision, a defined purpose, and a strategic roadmap aligned to business goals and objectives. A CoE can help an organization establish a robust governance framework to bring that vision, purpose and strategy to life—and keep it on track over time.

Governance is supported by processes and tools that streamline and centralize request intake, routing, and prioritization while allowing the product owner to maintain control over the build, velocity, and direction of the CRM enterprise. It ensures that data standards are upheld across the platform and provides a variety of key data points for measurement and analysis.

Proper governance focuses on making continuous improvements, which is necessary to maintain CRM effectiveness, relevance, and user adoption. Management is instrumental in driving user adoption of CRM as they have direct contact with CRM users on a regular basis. Managers will rely on the CoE to ensure that their needs are met, both tactically through maintenance efforts, and strategically as they ask for additional features to be built. Managers also participate in established governance councils and help determine business priorities related to major development efforts.

A CoE helps govern a consistent and centralized process for CRM intake requirements, build decisions, and data standards across the platform.



# Transforming operations

A unified CRM acts as a core system across the enterprise, underpinning end-to-end experiences and presenting a comprehensive and consistent view of the customer. A CRM CoE will align and link the organization's business and technical competencies to produce immediate benefits while creating standards for optimal future support. To do so, unified CRM platforms should be supported by CoE operating model principles. These principles include a focus on value, alignment, and standardization.

## Focus on value

- Synchronizes strategic objectives to system capabilities and COE activities: Synchronization links big-picture strategy with day-to-day operations and solves for the gap between leadership establishment of strategic priorities and the teams who operationalize them. Functionality and activities are assessed based on their relationship to critical needs, achieving objectives, or supporting key capabilities.
- Improves user adoption and utilization: Allows for quality assurance and consistency of training and end-user experience and creates opportunities for user growth and upskilling. Availability of user support and resources encourages adoption and supports CRM's long-term success by helping to ensure proper usage and data accuracy.
- Enhances measurement and value delivery: The CoE enables quality improvements, tracking, and analyses to occur more broadly and generates more meaningful insights, provides operational agility to meet current and future demands, and ensures the CoE delivers only what is needed.
- Breaks down silos to centralize processes, communication, structure, and reporting: The CoE is assembled according to key functions and expertise rather than operating within the confines of reporting structures or organizational alignment. It drives consistency in governance and reporting and improves communication.
- Reduces inconsistencies, redundancies, and incompatible tools or processes: Defined support functions and tiers of escalation with clear methods work to spread awareness and issue resolution

## Standardization

- Optimizes staff and provides operational efficiency via consistent, repeatable processes
- Promotes sharing of products, resources, and best practices across areas and geographically distributed teams
- Reduces time to delivery, development rework, technology debt, and maintenance costs
- Establishes ways of working rooted in best practices
- Leverages cross-functional oversight to identify opportunities to develop and/or implement standard processes, artifacts, etc.

## Alignment

- Enables collaboration and cross-functional project visibility at the platform level: This ability provides comprehensive understanding and awareness of initiatives, trends, challenges, and KPIs across the enterprise.

# The CoE support model

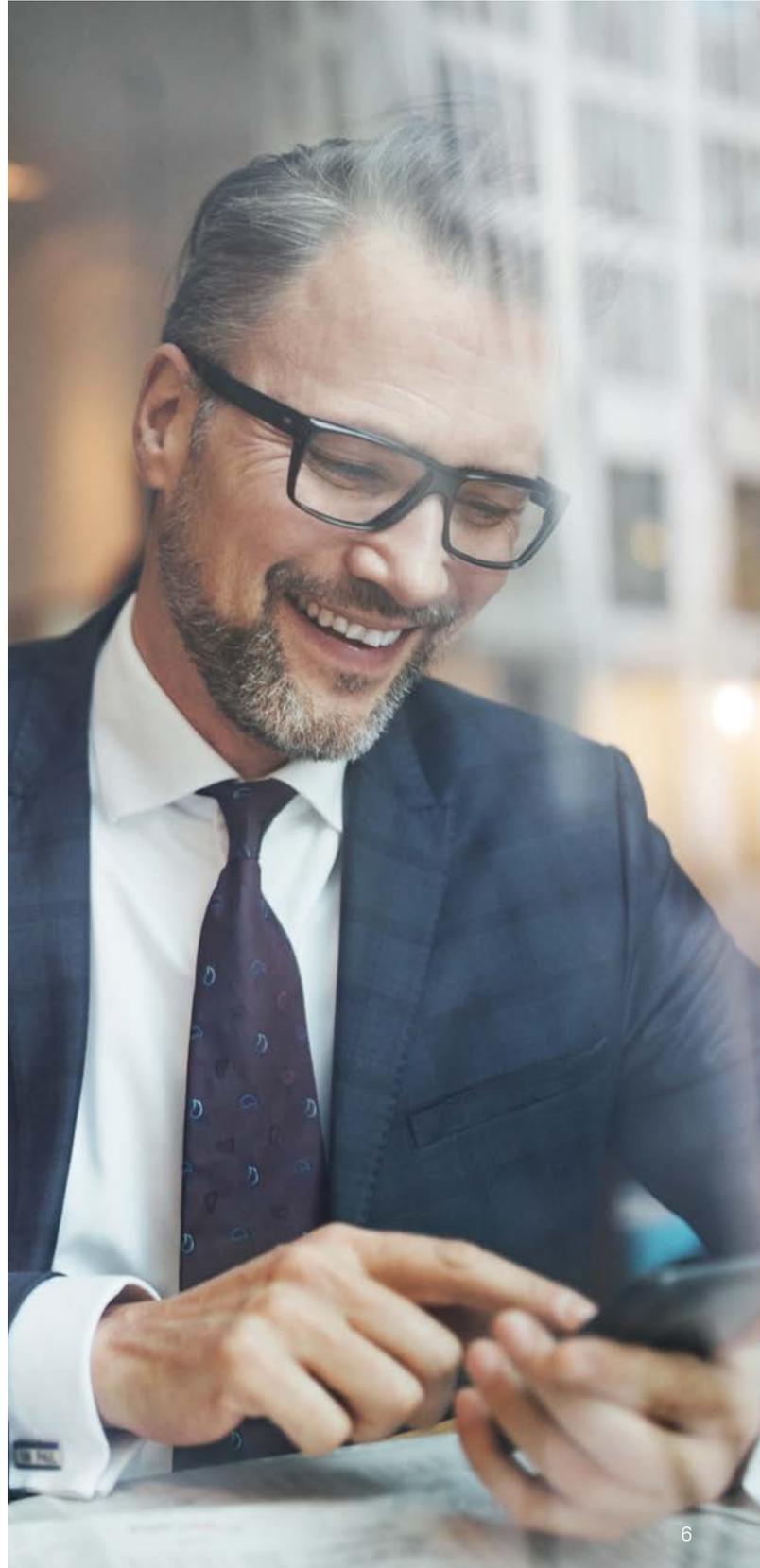
The CoE provides a support model capable of supporting the CRM platform both functionally and strategically. It includes specific roles and responsibilities that are dedicated to maintaining and promoting CRM. These include foundational roles and responsibilities complemented by extended delivery teams of technical and specialized talent.

Resources to support the COE will depend on the size of the organization, the structure of the business and IT departments, and business needs. Dedicated CoE resources are critical to maintain the momentum of continuous development and are instrumental in engaging shared resources to support alignment and ongoing support as the business matures.

Governance around new features, data, integrations, and alignment to strategy will be heavily influenced by the involvement of the key people that belong to the COE as business leaders, IT management, and dedicated CRM resources. The people assigned to the COE are supported by a robust and interconnected network of processes, governance standards, and technology tools that drive the functional operation of CRM in a defined operating model.

Standardized reports and consolidated business intelligence tools lead to insights that are shared and discussed throughout the organization. For instance, a standardized approach to CRM reporting and intelligence allows the entire front office to operate off a shared understanding of the customer lifecycle, instead of a fragmented set of reports that may tell a different story depending on the analytic lens.

These operating model principles, when applied to the CRM CoE, allow an organization to manage their investment in CRM technology in a structured way, and remove subjectivity from the development and insights cycle.



# CRM Center of Excellence

Streamlining platform operations

The COE ecosystem is comprised of foundational roles that are often solely dedicated to CRM, with supporting functions, boards, and shared services aligned to the broader operating model

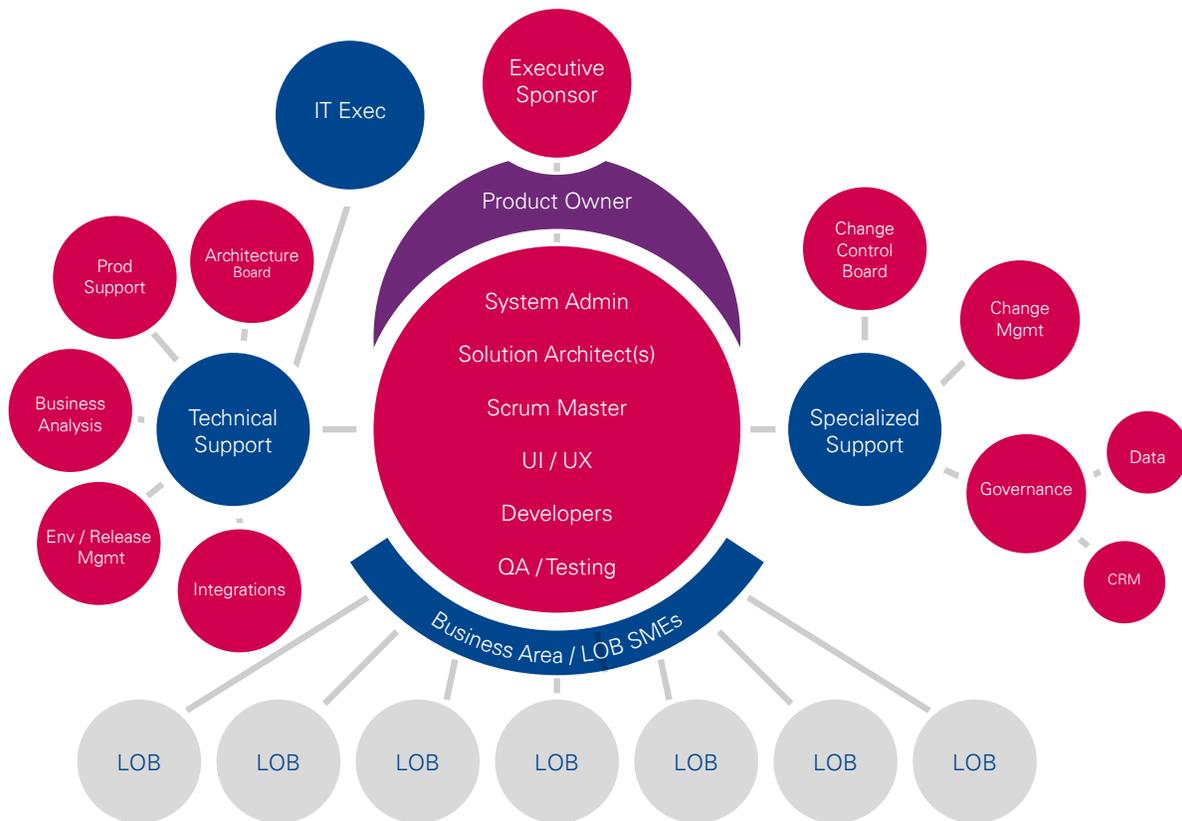
### COE foundational roles

Portfolio Leader, Product Owner, System Admin, Solution Architect, Scrum Master, UI / UX, Developers, QA / Testing, Business Area / Line of business (LOB) / Subject Matter Experts (SMEs)

### Extended delivery network

**Technical Support:** IT Exec, Architecture Board, Prod Support, Business Analysts, Env / Release Manager, Integrations

**Specialized Support:** Change Control Board, Change Mgmt Team, Governance Councils — CRM & Data



# Understanding CRM maturity levels

Standing up a sustainable COE operating model does not happen overnight. It requires a phased approach that enables standards and structure to steadily mature over time. Companies should begin by putting a foundation in place and following a roadmap with targeted milestones to evolve processes, capabilities and governance. As a COE matures, it gains scalability and can better focus on value-added services.



Three phases of maturity for a CRM CoE include foundational, transitional, and target end state. Timelines for each phase differ depending on the size and structure of an organization among other factors.

At the foundational stage, an organization's focus involves finding the right people, setting up processes, and establishing a governance framework to build out the initial CoE operating model. In these early days, organizations will prioritize needs, clarify key roles, define governance processes and determine critical metrics to establish a baseline to measure progress. For example, a newly established CoE may track the number of opportunities created in the system to measure any increases from the go-live date over a six-month period.

The transitional stage is a period of growth and adjustment, refining what works, changing what doesn't and making enhancements along the way. The roles of people, processes and governance continues to evolve and there's a further

build out of the operating model based on newly established core principles and hiring of additional resources. During this transitional period, there is greater awareness, support and promotion of CoE capabilities throughout the organization. Meanwhile, higher priority areas, more sophisticated reporting and greater insights provide additional value to the business.

The target end-state establishes a robust CoE that is developing and supporting advanced CRM features that enable the organization to hit specific revenue targets and drive value versus just acting like a data repository. During this phase, unifying the processes across the front and middle office garners more buy in from the CEO and other senior executives with greater realization of how the CRM operating model supports the full journey across the customer lifecycle.

# Overcoming obstacles

Too often, CRM implementations are regarded as a one-time project rather than an enduring strategic program for transformational success.

Technology alone will not produce the desired results needed to enhance customer experiences, improve customer satisfaction, and drive brand loyalty. Instead, meaningful implementations require looking beyond the software to also consider how current processes, strategies, roles and operations will change and evolve over time. Without doing so, missteps can derail CRM efforts.

Establishing a CRM CoE can help prevent some of the most common mistakes of CRM failures. Some of these include:

- **CRM on a shelf**  
Implementing CRM purely as a stand-alone software limits the usefulness and functionality provided, reducing its overall value to the organization. A CoE establishes a framework designed to manage the program as an engine for growth rather than acting solely as a support function.
- **Inconsistent strategy**  
Many times, CRM is implemented with a lack of clear and measurable goals aligned to business objectives. Without a consistent strategic plan, the ability to use CRM to build, grow, and nurture customer relationships will be ineffective. A COE defines the CRM strategy that is aligned to business objectives while tracking measurement and performance.
- **Operational silos**  
It is not uncommon for organizations to end up with multiple CRM platforms, built to meet specific needs of a single business unit. Without coordination, this can result in different views of the customer due to unclear or inconsistent data within departments, resulting in a negative impact to the customer experience or customer satisfaction. A CoE promotes





a centralized approach to managing CRM, promoting standardized approaches, clear communication and enterprise-wide collaboration.

- **Relies on assumptions not insights**  
Understanding what customers want and what their preferences are should not be a guessing game. CRM systems house large amounts of customer data. As such, data that is populated into the CRM system needs to be reliable and accurate to drive useful and timely reporting. A CoE focuses on ensuring quality data is connected and analyzed, so users can gain data-driven insights to better serve customers and, ultimately, win more business.
- **Inadequate quality control**  
Without a consistent approach to quality control, the subjective capturing and processing of requirements can derail a CRM program. A CoE removes functional silos and creates a governance framework that build standards and puts guardrails in place for upkeep of the system. It deploys a strategic process that incorporates design, investments, and technology decisions and avoids kneejerk reactions.
- **Inefficiencies**  
CRM that resides in pockets of an organization often leads to redundant functionality or features that cater to a small group of users. This unstructured approach to CRM management leads to wasted development efforts, inefficient processes, and a data model that does not represent best practices. A CoE provides a structured approach that centralizes strategies, processes and operations to drive consistency, efficiency, and best practice approaches.
- **Poor user adoption**  
Resistance to change is natural with the introduction of any new system or process. If users are unaware of how they will benefit from the CRM implementation, they will be less likely to embrace CRM technology. The first line of management is integral to driving user adoption as they have the most influence and contact with users and can make sure the program is aligned to business objectives. In addition, top management support is also necessary to drive user engagement. A CoE helps management and employees understand how CRM will benefit the organization to encourage adoption. It enables users to see how CRM will positively impact their roles by automating manual tasks, saving time and allowing them to focus on more strategic tasks.

# Conclusion

In today's rapidly changing digital marketplace, unifying CRM in the front and middle office to record a single view of the customer is invaluable to be able to move at the speed of the customer. The creation of a CoE provides the framework and governance needed to standardize processes and enable continuous improvements to provide a single customer record, which enables superior and seamless customer experiences.

It's important to remember that CRM transformation is an ongoing journey. Creating a CoE will help evolve and optimize CRM efforts, while helping to avoid common pitfalls of CRM implementations. The CoE will help guide the organization to review, revisit, and innovate its approach. It also serves to help drive adoption so that users follow best practices, improve processes, enhance skill sets, and perceive CRM tools as essential elements for job success, which allows them to better serve customers today—and tomorrow.

