

Public Sector CRM

Follow Your Process or Herd Cats



White Paper

The Intersection of Shared Interests

Government organizations exist at multiple levels for a wide range of purposes and with greatly varying missions. When public sector organizations work together effectively, they make government far more efficient because they do not duplicate efforts and can more readily marshal and share their resources.

Effective interagency and intra-agency collaboration is complicated, however, due to the sheer numbers of people and organizations involved. Moreover, the staff of any public sector organization is primarily concerned with meeting that organization's goals and serving its mission while optimizing all of the organization's assets.

It is difficult, as a result, for those consumed by daily operational challenges to step back and perceive when, where, and how the objectives of different public sector organizations intersect. Making the big picture even more challenging to discern is the fact that a city, a county, a state, or a regional council of government each has a very different purpose.

Yet all of these public sector organizations, however, share interests in aging, emergency management, the environment, law enforcement,

transportation, or workforce development (to name a few), which cross their jurisdictional boundaries and affect everyone therein.

In dealing with transportation-related issues, as just one example, it might be very useful for the public sector organizations involved to cooperate with rapid transit districts, airports, and private entities like airlines or bus companies. Public sector organizations also want and need to know where regional politicians and other community leaders and groups stand on

various transportation issues in order to choose the right people to brief and with whom to build useful coalitions. The same collaboration principles apply to aging, emergency management, the environment, law enforcement, workforce development, and so on.

All of the preceding is where customer relationship management (CRM) tools can be invaluable to public sector organizations. In the private sector, this technology focuses primarily on directing corporate interactions with revenue-yielding customers. For public sector purposes, this tool can aid in completing tasks more effectively to help the organization achieve the objective of the moment or the decade.

As just one example, relationship management technology can take a standard contact list, such as the names of all elected officials within a public sector organization's jurisdiction, and instantly turn it into an ad hoc list of only those elected officials who have transportation expertise and/or are aligned with the organization's views on transportation. All completed within a minute or two instead of in hours or not at all.

A CRM tool is also essential for managing and cultivating key relationships, since relationships are one of the most valuable resources readily available to help

public sector organizations fulfill their missions. Done correctly, a technology-enhanced relationship management tool provides fingertip access to all of the information that public sector organizations need to unearth existing helpful relationships and possible new connections that can contribute to their success.

This tool also enables public sector organizations to avoid the landmines that result from not knowing the entire history of the current or potential relationship or not knowing which players can impact their mission positively or otherwise.

Technology is No Cure-all

The certain road to failure is simply adding some CRM software and expecting its mere availability to solve the problems of effective inter- and intra-agency collaboration or other issues of managing relationships and information. The organization will still be left with whatever existed in the paper-based, by-hand system, except the underlying problems are now exacerbated by technology.

In the private sector, CRM technology is notorious for a 50 percent failure rate. Some studies peg the private sector failure rate at closer to 70 percent. This means that even after an organization

spends as much as \$1 million or more on this tool, it's as likely as not to fail.

In the words of Dr. W. Edwards Deming, the founder of what became Total Quality Management: Take an organization, throw in some computers, throw in some software, and throw in some training on how to use the software (which has nothing to do with the needs of the organization). What is the result? The organization is now herding cats because the way the technology has been deployed and is being used does nothing to solve its problems.

Herding cats? Any public sector organization in this situation will find itself constantly asking these kinds of questions:

- How can we quickly find private sector partners to contribute to this urgent workforce development project?
- How do we locate sources to help coordinate regional emergency preparedness?
- Where do we find high-profile advocates for a particular transportation issue to help us influence public opinion?
- Why did we not know that this elected official opposes our approach to housing the elderly?

- Who are the local reporters who focus on the environment and would be interested in our bio fuel power generation project?

Public sector organizations that are herding cats are consumed by the daily details and missing the big picture entirely. They face a never-ending series of communications and collaboration crises, and must devote lots of staff time and resources to putting out fires. These organizations are usually reacting after the fact (and possible damage or embarrassment) and much less able to plan ahead.

The cat-herding public sector organization may have a few smart staff members who have figured out ways to improve the situation a little, but that's still no a solution for a problem that spans the entire organization and decades.

The Secret to CRM Success

There are many theories about why costly CRM technology so often does not work as intended. It's not generally a question of technology. Instead, failure is an issue of management. The organization does not know and has not implemented the processes required to make the technology effective within the organization.

As Deming so convincingly and repeatedly demonstrated, it all boils down to process. Effective organizational management is, at essence, process. No technology can help public sector organizations if they do not know clearly what they want to achieve and how the tool in question can help them do that.

The secret to CRM success lies in asking and answering critical questions long before turning to the task of choosing a particular CRM product. These questions include:

- What organizations are important enough to our mission to keep track of our relationships with these organizations?
- What levels of people in our tracked organizations are relevant to our organization's work?
- For which issues should we make sure to log all significant activity within our organization and between our organization and other organizations?

These questions should make it clear that top-level managers should be involved with CRM technology. City managers, county executives, executive directors, program managers, public information officers, and other line managers understand

their organizations' needs and missions.

They should take part from the outset to make certain that the strategic plan for implementing the CRM technology and the processes established for using it are aligned with their organizations' responsibilities and goals. If the plan and process are right for the organization, the risk of CRM failure drops to near zero.

Granted, top-level executives and line managers are time constrained, and may find it initially challenging to make documenting relationship activities a regular part of their work routines. These are the people, however, who are the key sources of information on many of the organization's critical relationship interactions. If they (or their staff) do not log their daily relationship details into the system, there will be no record, and in the future, no one else in the organization will be able to benefit from this relationship information. At a minimum, these people should have a clear understanding of how the CRM tool can help them manage their critical relationships over time.

CRM adoption simply will not work if implementation and use is left solely to the technology and/or administrative staff. These people's job responsibilities do not involve the big-picture issue of managing key relationships to fulfill the organization's

mission. They are not in a position to take full advantage of the real value of technology-enhanced relationship management. They are most likely to use it incorrectly, with the potentially disastrous consequences of communications to the wrong person or the wrong agency about the wrong topic.

After the public sector organization answers the first questions, the next step is to review its contact lists, which might number in the dozens if not hundreds, depending on the organization's size. These lists are the means by which critical relationship information and collaboration activities are collected, organized, stored, and retrieved in an automated system. In such a system, these lists merge into one master list which, over time, becomes the repository of all information associated with the organization's relationships and collaboration activities.

How well this information is categorized in the master list directly determines how easy (or not) it is to get helpful names and other relationship information out of the list. Key decisions at this stage include:

- Which categories does the organization want to establish? For example:

1. Advocates for the aging
 2. Environmental researchers
 3. Law enforcement experts
 4. Transportation industry members
 5. Workforce development funding sources
- Who is responsible for managing each contact list category?
 - Who is responsible for making sure all names are put into the new master list accurately and in a timely manner?

Every public sector organization will come up with its own categories, based on its mission and needs. But it must develop categories relevant to its mission in order to organize all of its contact and relationship-collaboration information. It then becomes fast and simple to pull out of the system the intersection of shared interests and retrieve the contact information for those who truly can contribute to the objective of the moment.

Process also involves setting and enforcing policies for what type of information becomes part of the master list, and what type of information does not. There are trivial Web-based services for monitoring and collecting public information (news stories or announcements) about an organization's key

relationships. Due to confidentiality and security concerns, however, Web-based services cannot handle or maintain all of the nonpublic correspondence and interactions between the organization and its contacts.

Which System or CRM Software?

There are many choices of software available today. Some are off-the-shelf products with a relatively small price but totally inadequate features. Others are custom offerings that cost \$1 million and more.

In addition to cost and features, a crucial consideration for any public sector organization is the business that provides implementation support and assistance. Does this company truly understand the individual public sector organization's mission? Is this company capable of helping the public sector organization establish and implement the processes that ensure CRM success? What is the company's track record with installing this kind software at other public sector organizations? Does the software company possess the management expertise to guide the public sector organization through the process steps that will lead to CRM success? Ask questions, check references, and find out.

The preceding questions are just as important as features, functionality, or price. Most of the CRM packages available can do at least a part of the required job (and typically the simplest part), yet many are missing features that are valuable to public sector organizations. Some choices are far more suited to the unique needs of public sector organizations than others and, within this group, many software options are geared toward managing interactions with the general public.

While sorting through CRM options, keep in mind that ideally, the master list information will filter down to all of the lists that involve external and internal communications. This means the phone system, email, instant messaging (IM), Website and Web-based social media along with hardcopy mail and newsletters.

If the CRM system will not work with the phones or IM system, is the organization willing to set up and maintain multiple contact lists? Will there be separate lists for the phone system, the computer system, instant messaging, and for the groups with which the organization interacts? Or is the CRM software capable of tying together all of the contact lists from the various forms of communications?

Instant messaging can be a useful business tool, but too often becomes a

distraction for staff members to chat with friends or send photos to their family members while at work. A CRM system that works with IM audit software can eliminate this kind of behavior.

When reviewing product features and benefits, public sector organizations should expect their CRM software to help them:

- Document all significant interactions over time with each relationship.
- Bring to light relationship connections that might help contribute to a project or issue.
- Avoid embarrassing and potentially costly relationship mistakes based on not knowing the full history of the relationship.
- Access relationship information from anywhere.
- Keep all relationship information accurate and current.
- Prepare thoroughly for meetings, initiatives, and events via quick access to all of the positions and histories of the parties involved.

Final Considerations

Public sector organizations do a much better job of working with people by using CRM technology appropriately. Some

may argue that technology leads to less personal exchanges between an organization and all of its varying relationships. The reality: automating relationship management makes interactions far more personal, effective, and timely.

The real power of technology-enhanced relationship management, however, lies in its ability to document all of a public sector organization's relationships and interactions. Knowing what happened, when it happened, and the issues associated with each event or action helps determine what should happen next, and the next steps the organization should take.

Over time, CRM technology, provided there also exists a rigorous process for using it, establishes the public sector organization's institutional memory, retaining an ever expanding record of all the interactions between the organization and any official, other organization, or member of the public.

This record remains intact and does not depend on the recollections of staff who, when they leave or retire, take critical relationship and historical knowledge with them if it is not documented and retained.

Every public sector organization should act now to automate its relationship management. If the CRM system is implemented properly, the return on

investment is enormous. Most important, automated relationship management provides a basis for strategic organizational management that no one would have believed possible just a few short years ago.

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