The 2006 Information Management Awards

Received (in revised form): 8th May, 2007

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Journal of Database Marketing & Customer Strategy Management (2007) **14,** 186–194.
doi:10.1057/palgrave.dbm.3250055

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The Information Management Awards, now in their 11th year, are described by their organiser as 'the premier European recognition of excellence and innovation in the management of business information. They are a showcase for the success stories of organisations that have demonstrated the vision and business skills to implement highly successful projects utilising leading-edge IT and business technologies'.

They were originally managed by Elan Conferences. The baton has now been taken up by the British Computer Society, who are in the process of re-invigorating the categories and themes that underpin the awards system.

From very early on in their history, however they have been supported by our journals — especially the *Journal of Database Marketing* and *Journal of Targeting, Measurement and Analysis*. Members of our editorial boards have been involved in the judging. Occasionally, we help to hand out the awards themselves. This journal also publishes details of some of the key projects put forward for an award, and the key learnings that organisations may be able to glean from them.

AWARD CATEGORIES: CRM

In 2006, Awards were given in eight categories overall. These were:

Knowledge Management
B2B
B2C
Supply Chain
CRM
Intranet
Business Intelligence
Content Management
GIS

A ninth award was made for projects considered to be of overall Premier Quality.

Going forward, the awards' focus has changed, and in 2007, awards will be grouped into three overall categories:

Organisational excellence awards

These recognise the contributions made to an organisation's success by the IT Department and the systems they utilise. Two awards — for Consultancy and Technology Supplier — recognise the contributions made to the success of a client's business through the use of the supplier's products and/or services. This category is structured largely by industry sector (eg, Public

Sector, Financial Sector, Construction and Manufacturing).

Project excellence awards

These cover any project developed or implemented in the field of Information Technology in the UK or Europe. Their focus will be on business value, originality and practical applicability. This category is themed by the underlying technology (eg, Mobile Technology, Information Security and Data Management, Web-based Technology) but also has opportunities to examine projects for their Social Contribution or Green Impact.

Individual excellence awards

Finally, there will be awards for individuals who can demonstrate outstanding contributions to their employer and/or the industry as a whole.

For full details of this year's revised Awards programme, see: http://www.bcs.org/upload/pdf/awards2007.pdf

The category that the *Journal of Database Marketing* is concerned with is CRM. In 2006, there were 19 entries in this category — a significant reduction from the previous year, when there were 29. We can only guess at the reasons for this reduction: perhaps CRM is no longer quite the 'flavour of the month' that it once was; or it may simply be the natural result of a handover year.

The proportion of these from the public sector (two councils, one Police Authority) has fallen: three this year/six last. The remaining are from private enterprises of one form or another. Most were limited to the CRM category.

Individual projects provide specific learnings: they also provide a broad insight into what businesses are doing at present in the name of CRM. There is no guarantee that this is the same as the overall CRM field of activity right now. Indeed, as the descriptions of projects are based on the organisations' own view of how well they have done, readers should treat the narrative with caution: organisations as a whole prefer to promote good news about their activities rather than bad.

The general outline is likely to be correct: but the overview may be a little more rose-tinted than an independent auditor might sometimes conclude. Nonetheless, it is a good indicator of where a broad cross-section of organisations that feel they are deeply involved in 'doing CRM' believe it to be.

TYPE OF PROJECT

As in 2005, a striking feature of this area is just how broad a range of projects appear under the banner of 'CRM'. In effect, anything that might be considered to improve the customer relationship in any way seems to be included here. The fact that the same lack of clarity is repeated a year later might go some way toward explaining why organisations have been having difficulty with CRM. It means 'whatever they want it to mean'.

There has also been some shift year on year. A number of the areas that were scored highly last year scored far lower this year: and this year seems to have seen the emergence of the virtual office as something that is widely believed to enhance customer relationships.

In order to understand better what is going on in this field, the author looked at some of the features of projects put forward and analysed projects according to those features:

Project features	2005	2006
Better customer information:		
Single customer view	6	6
Better customer information:		
Profiling	8	3
Targeting of message	9	3
Lead management	3	8
Customer prompts	2	2

Other information		
Sales and sales support	10	9
Service support	4	16
Product	5	3
Customer dialogue	6	3
Process:		
Service support	6	14
Mobilisation	3	1
Call centring	2	4
Web basing	6	8
Operational efficiencies:	12	14
Virtual organisation	n/a	7

This analysis draws in part from the scope of projects set out by entrants, in part from the rationale behind these projects and the deliverables set out.

What is interesting are both the types of project that seem to feature in more than one incarnation, as well as those that have featured year on year.

First, there is what might best be described as the Local Authority centralising project. There were two instances of this type in 2006 — but they echo several similar projects in previous years. They consist of bringing customer information together in one place (and out of departmental silos): placing a call centre on the front end (in order to prevent customers opening up dialogue directly with staff responsible for particular services); and then standardising response as far as possible. There is a logic to this, with Councils reporting both favourable customer response and significant savings through reduced *ad hoc* use of resource, and the overall efficiencies of centralisation.

A second 'breed' — seen slightly less this year, but still popular — is the Sales Force automation type of project. In many ways this is a follow-on to projects put in place a decade or so earlier. The sales force were given laptops and a direct link to some Head Office system — and then asked to use this system to standardise and make more efficient their contact with clients.

Over the years, these systems have fallen into disuse — often because they were too slow — and sales personnel have learnt how to circumvent them. In one instance, by using the organisation's Helpline — and thereby becoming the major user of a facility intended to be there for customers.

What the current generation of projects aims to do is to return speed to the sales force, again use a standardised process to impose some degree of conformity on how the sales force interact with customers, and in several cases, link the system to back office functions, such as inventory or fulfilment, so that the sales force can query a customer's order before it is put through.

The third type of project to emerge seems to be around the web: companies are now starting to use the internet in what appears to be a far more mature way, and encouraging customers to interact with the entirety of their services through it. That, in turn, is leading to what is identified as a new category this year: the Virtual Organisation, as it is the linkages between services that are important, rather than the individual services. It might be early days: but perhaps the promise of the web, to radically transform the way in which business is conducted, is finally coming about.

A number of projects fall into a category that we would not frankly categorise as CRM. These are almost solely based around process or product efficiencies. The argument, perhaps, would be that anything that makes the customer's life easier will, eventually, impact on the relationship and the bottom line. For instance, document managing systems appeared this year: without doubt, they make both the supplier's and the customer's life easier, because they result in more efficient management of the underlying paperwork. But this is probably specious. If one accepts that line of reasoning, then one might as well accept that almost ANY improvement to a product is going to be part of CRM — which is surely wrong.

Below is a short overview of the main trends and how they have moved from the previous year.

Improved Customer Information

In 2005, there were significant projects across the board in the area of Customer Information. The adoption of the single customer view was clearly crucial — and even though it is many years since the database revolution got going, of organisations still do not appear to possess a single database that covers all customer information.

That is less surprising than at first sight. It has frequently been argued by this author that the first wave of database marketing succeeded in unifying a great number of operational databases. Subsequent revolutions in the way marketing is delivered — through call centres and the internet — have, however, led to the creation of extra databases which have tended to develop independently of the main marketing one.

Oddly — or interestingly — just one of the projects that focused on a single Customer View was explicit about the benefits of such an approach, talking about how 'a single, 360 degree view of the citizen …offer[s] a single point of access to all partner services, thereby offering a consistent customer experience.'

None of the traditional focuses of CRM (or indeed, before that, DM) were much to the fore. The use of Customer information for profiling was also very much a by-product of the process, as was targeting. In the latter category, for instance, was simply an organisation that wished to ensure that its highest value customers received tailored and appropriate (one-to-one) sales and service messages.

This is reflected in the figures, which show a sharp drop in projects focused on information, profiling and targeting.

By contrast, Lead Management is radically increased — though a cause of that may be that a high proportion of the projects coming forward this year seemed to be grounded in sales rather than marketing.

Customer Prompts may be under-estimated and/or rolled into the later analysis of web-based services. Certainly, the model that is increasingly favoured — of customers interacting with an organisation in their own way in their own time means that in the longer run, this is bound to be a more central part of what is viewed as CRM.

Turning Information into Asset

It was observed in 2005 that there are a number of other ways in which organisations are using information to differentiate themselves in their market. A major theme (in just over one-third of the CRM entries) was about making operational and/or customer information available to those working in Sales/Service.

The motivation was simple: by providing individuals who had direct customer contact with a fuller picture of what was happening to that customer — whether in terms of the sales or service process — the customer would be better served.

This trend appears to have continued and built in 2006, with the single largest category of information usage on behalf of the customer being in the area of Sales Support. A theme that was repeated in many projects, in one form or another, was 'customer retention through customer service' — and the sense that by making back office functions far more available (and in some cases influenceable) by front line sales staff had to be good for business.

Again, the logic is impeccable: one of the criticisms levelled at call centres is that they have become a buffer between the organisation and the customer. All forms of contact are hived off to the call centre — but call centre staff are very rarely empowered to handle more than the standard. That means that those problems that can be dealt with will be — while those that cannot (often the more serious and more likely to generate customer loss) will fall into a black hole and never actually link up with anyone sufficiently senior to take action.

This aspect of the projects is therefore very welcome as possibly the first evidence that organisations are taking criticism seriously. This goes hand in hand with another feature observed in 2005: the opening up of a Customer Dialogue.

It was mentioned less this year — but possibly because, as indicated below, it is just happening as part of other activities

Process Improvement: The Virtual Organisation

As one might expect, a degree of process improvement is taking place in parallel with the above. Streamlining of process and making better information available to the service departments is one way that it is being done. The other is through divorcing customers from direct interaction with the management in an organisation. The three routes identified above ('Mobilisation' — or allowing access to services through the mobile phone, call centring and Web Technology) are used in a variety of ways.

As already noted above, it is, however, the latter that is now beginning to come through as the clear winner.

Operational Efficiencies

Last but by no means least was the continuing strong focus on Operational Efficiency as the way to the customers' hearts. While we would agree that some such improvements are an essential ingredient of CRM, we would also question, as above, whether the degree to which such efficiencies are being touted as CRM is genuinely about CRM — or a misplaced belief in the idea that all one needs to do to improve customer relationships is to improve the product.

PROJECT RATIONALE

In terms of the rationale for carrying out CRM, four primary reasons were identified.

Rationale	2005	2006
Targeting of sales message	9	5
Service provision	16	17
Force majeure	2	9
Financial	4	17
Information	n/a	9
Supplier management	n/a	5

The picture that emerges has changed somewhat since 2005 in a number of respects. First, we have added a couple of categories. Organisations have talked explicitly about information creation, improvement or sharing as reasons for taking a project forward. Our suspicion is that that rationale was there in 2005 — but simply not so noticeable.

The other category added is supplier management. This is outwardly positive, since various models of CRM recognise that the process is much more than simply about managing customers: it requires that suppliers be managed (a) cost-effectively and (b) for the benefit of customers as well.

There is a little more of a tendency for the project objectives to cover all bases. In previous years, projects might be more focused on ONE objective: this year, it seemed to be more common for several to be cited. Almost every project is going to improve customer service AND reduce costs. Whether that is genuinely an increase in project scope or simple inflation of business case inside organisations, we cannot test.

Having said that, it may be cause for some future alarm. Improved service may sometimes come about through a process of rationalisation and therefore be achievable at a reduced cost: but it would be unhealthy for too many businesses to start to believe that there was always a double positive to be had here. Sometimes, provision of better service requires that an organisation spend more. There is no alternative.

The first two are arguments in the direction of efficiency. Organisations tended to argue either for greater efficiency and effectiveness in terms of how their sales channels dealt with customers, and/or greater efficiency in terms of how customers were provided with services.

The picture outlined above appears to be highly altruistic — but it should be remembered that those organisations focused on service provision include the public service bodies, which might be expected to focus on service rather than sales.

'Force Majeure' includes two organisations that cited either increasing regulation or market conditions as forcing them to move in the direction of CRM — while 'financial' was the rationale for organisations focused on major savings or revenue increases.

Again, this may not be a wholly true picture, as later in the write-up of their project, many organisations shifted the emphasis toward a financial target (though some omitted this altogether). Although 'targeting' does not appear much in the overview of projects (above) it appears here largely in the sense of targeting the efforts of sales staff.

Force majeure is a growing category. Companies cited a number of reasons why projects HAD to go ahead, including legislation — which is an increasing reason for changes to marketing systems (not only general compliance, but in one case, legally imposed service standards) — incompatible legacy systems, outdated systems and in two cases, the business need to create extensions to the service proposition.

OPERATIONAL ISSUES ASSOCIATED WITH PROJECTS

Estimated project cost	2005	2006
Under £50,000	3	4
£51,000–250,000	10	5
£251,000–£l million	2	3
Over £l million	10	6

Projects were budgeted in the bands outlined above. Although the two lead bands were again the middle and high range values (£51,000 to £250,000 and over £1 million) there were proportionately more in the other two bands than in the previous year. That said: the sample is small, and the pattern is similar (ie, fewest projects being signed off in the upper mid-range, which suggests possibly some effect of budget levels).

Did projects tend to go over budget? Last year, not one organisation owned up to doing so. This year, two did. In both cases, it was claimed, this was because of changes to the project spec during the project. A slightly refreshing change in respect of meeting the project deadline: last year, 28 out of the 29 organisations claimed to have done so, which felt like an extraordinarily optimistic claim. This year, four organisations conceded missing the deadline. One blamed unreasonable deadlines in the first place; while another came up with the rather philosophical view that as the project was about continuous improvement, it could never actually be finished (or meet its deadline).

On the whole, though, it is good to see a touch of realism creeping in — as false reporting in this area is a very poor business discipline.

The number of projects reporting goal change was down on last year (6 in 2006 vs 12 in 2005) — and most of these appeared to be relatively understandable changes arising from discovery of new issues as the project progressed. For instance, one organisation discovered a hitherto unknown incompatibility between the software being implemented and their own in-house platform.

This is perfectly standard and should not be seen as adverse in any way. That said, one of the organisations effectively built project 'creep' into their plan: they recognised early on that the project was going to be large and involve many conflicting interests — so a key element in their choice of supplier was to look for a supplier with experience of managing under conditions of change.

Almost all projects were described — as last year — as being part of a wider strategy. Again, there is some danger here that every project becomes, over time, an identikit project, being on time, on budget and 'part of a wider strategy'. Our assessment of the rationale supplied was that, ostensibly, this was true of about two-thirds of the projects (ie, they WERE part of truly broader strategic thinking — but there was a persistent small number that were only part of an ongoing strategy in the sense that there was a desire to purchase the next module of the package).

There is nothing wrong with that, so long as marketers understand that adding modules is not the same as strategic development.

A number of other operational areas were looked at in judging the CRM awards. These were:

— size and nature of project teams
— length of project
— external involvement
— software.

In the absence of clearly defined success parameters for each project, it is, however, not possible to relate any of the above to outcomes. This leaves a simple statement that all of the above varied widely (and in some cases, the author suspects that variation had as much to do with how organisations define terms).

For instance, the most common project team size appeared to be five, with a fair number being marginally larger — but two markedly so (90 and 140 individuals, respectively).

Projects also appear to be getting longer, with quite a few being delivered over 18 months to two years. Thirty months, 48 months and even 60 months are quoted as acceptable for individual projects — which may be an indicator of high risk. Received wisdom in IT is that the longer the project (especially around or over the two-year mark, the greater the risk of it failing to deliver, being out of date when delivered, or subject to serious project creep).

External involvement was also wide — but without further follow-up, it is difficult to assess how far this was about external management taking a significant role in a project, how far this was simply the day-to-day interplay between client and supplier.

The range of software employed was exceedingly wide, with almost no two projects using the same platform or combination of software.

BENEFITS TO THE ORGANISATION

The competition entries asked organisations to consider what general benefits had accrued to the organisation, as well as new product or service innovations that had followed.

Benefit	2005	2006
Customer needs met better	12	18
Commercial improvement	8	11
Better forecasts/demand management	8	3
Better information handling	5	15
Faster campaign development	4	2
Common working practice	8	11
Frees staff	11	13

The main headings under which benefits were listed are extracted as above. Given the focus on service improvement, it is hardly surprising that so many organisations felt that their project enabled them to meet customer needs better. A note of caution should, however, be entered above, in the sense that here, as elsewhere, organisations appear to be ticking every box in sight.

That is, the total number of benefits ascribed to CRM is far greater, proportionately, once actual numbers of companies within the study is taken into account. Almost every organisation believes it is improving customer service — and two-thirds feel that they are doing so while bringing about a commercial improvement (for which read cost saving).

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Forecasting is down — as, too, is Campaign development. The latter reflects the lack of classic marketing (especially direct marketing) on the roster for the 2006. Otherwise, many of the improvements appear to be promised in the operational areas: better information handling, more standard practice, and staff freed up to do their core jobs.

Quite a few organisations report a breakthrough in terms of how they view their business generally and these almost without exception felt that the impetus for change had come as a result of delivering CRM. That is, the CRM programme was intended, initially, as something pushed out to customers.

But once customers were involved in the workings of the organisation, they had begun to pull the organisation into new and unexpected directions. The lesson here is that CRM, if it is working well, can have unintended (and presumably beneficial) consequences for an organisation.

Two further areas of benefit need to be explored.

The entry form asks specifically what level of cost savings or other financial benefits the project brought about. Despite the high number of organisations claiming some financial benefit as a result of their project, the number providing any quantifiable evidence of this was disappointingly few. Six organisations gave no indication of financial benefit at all. Of the remainder, six have gone to some pains to quantify savings — in some instances in great detail. For instance, one of the six quotes:

— capital saving of £1.5 million on CRM procurement and implementation;
— annual revenue savings of £438,000 from joint maintenance;
— annual efficiency savings of between £750,000 and £1 million.

That is the level of financial justification that ought to be provided. The remaining seven organisations merely presume that as the project leads to more efficient ways of working, then cost savings will follow. Another very dangerous doctrine, since if savings are not realised explicitly within budgets, there is a real risk that they will simply be absorbed and spent elsewhere in the system.

The fact that some of these projects, lacking clear financial justification, consumed over £1 million of an organisation's resources is of serious concern.

The second area of benefit that is provided in some detail is that of improved customer service.

Given that the projects in question are CRM projects, one would expect a clear statement of what improvement in customer service was delivered and how that improvement was measured.

This is not the case. In fact, it is a long way from being the case. Just two organisations appear to have gone out subsequent to implementing their project and taken some measure of customer satisfaction before and after. Most of the other organisations publish impressive lists of presumed benefits.

Typical of this approach is one company that states 'There is no doubt that we have been able to offer faster, more reliable and a more cost effective service to our clients'. This may be true: but it may — or may not — be what clients wanted.

Another company observes that 'economies we have achieved are passed on to them [clients] in better service and maintaining low pricing'. This, too, is admirable — but in this case customers may not even be aware that it is so.

The bottom line, as with financial benefit, is that the ground rules need to be set before a project is implemented — and project owners need to be rigorous in testing those measures before and after.

The essence of CRM lies in the customer relationship: and so long as major organisations believe that they can deliver CRM without consulting customers as to how they feel about it, they are almost by definition failing to deliver it.

AND THE WINNER IS....

Full details of winning entries for the 2006 Business Information Awards, by category, can be found at http://www.bcs.org/server.php?show=nav.8716

The overall winner for CRM was GroundSure Ltd for its Lender Conveyancing Online project — an online ordering and fulfillment system of conveyancing reports for mortgage lenders. The reports are property search information and are as diverse as say an environmental report through to a local authority's planning report.

This system automates many parts of this complex process exploiting the electronic exchange of data between many suppliers. Essentially, by making the online ordering process simple for users, the end result was a step change increase in customer service and satisfaction — for a project that cost less than £50,000 overall.

Runner-up was inProperty from SMS Card Ltd, which is a form of online 'call popping' system: that is, it delivers to estate agents online details of the client and propoerty about which they are calling BEFORE they even pick up the phone to answer a call.

Highly commended were Sykes Global Services for their CRM Connection software, which streamlines the integration of a range of CRM packages and services and Deutsche Bank's Strategic bank-wide CRM system, combining incompatible legacy systems into one system.

Also highly commended was Nationwide Building Society's Marketing Analytics project. This is part of Nationwide's ongoing initiative to maximise its back-office and customer-facing analytical CRM systems. The main goal of the project was to bring Nationwide's marketing database and campaign management systems in-house to increase flexibility but also to speed response times to customer events.

In addition, Nationwide identified the following business objectives for the project:

- to deliver personalised and relevant services to customers across all communication channels;
- to provide timely responses to competitor activity;
- to ensure all outcomes to such targeted communications formed part of the single view of customer.

To meet these requirements, the new system uses Nationwide's CRM system to deploy personalised sales and service messages (or 'prompts') to employees at the point of customer contact — at the branch or in call centre today and also, shortly, online. These 'prompts' are based on events, rather than customer profiles and triggers (such as renewal dates), and have been successful in efficiently tailoring marketing efforts to customer needs.

Examples of these events include:

- follow-ups to recent sales conversations where quotations or other information, such as leaflets, may have been provided;
- follow-ups to direct mail;
- appropriate communications following a change of address;
- prompts to check that recently re-ordered cheque books or credit cards have arrived.

Runner up was Barclays Bank, with a project that in many respects echoed Nationwide's achievement. The Barclays project focused on Lead Management and sought to ensure appropriate information was delivered to staff, while a feedback loop would enable campaigns to be continually improved.

