Convergence of CRM, BPM, MDM and BI: The ‘Fantastic Four’ of Customer Centricity

To get increasingly closer to and work more proactively with customers, organizations need to look beyond traditional technology silos and apply synergies from related systems disciplines.

Executive Summary

In the name of improving the customer experience, organizations have spent millions of dollars in the past few years on the technologies surrounding customer relationship management (CRM), business process management (BPM) and master data management (MDM). However, many have not achieved the coveted ROI.

In the quest of understanding customer behavior and improving every customer interaction, a few basic questions remain unanswered:

- How have social media and virtualization transformed customer management?
- Why the sudden emphasis on “customer-centricity?”
- Why have investments in each of these technology stacks seldom resulted in expected returns?
- Why does the goal of truly satisfying customers remain a distant dream?

The answer to all these questions becomes more clear with the understanding of how CRM, BPM and MDM are converging. Social media and cloud solutions have moved the customer to the forefront, in a literal sense. Further, smartphones and tablet computers have redefined how employees interact with their organizations, customers and business partners. So, while each technology stack has its own individual merits, the more recent thinking is focused on convergence. This is encapsulated by Forrester Research, Inc.’s recognition of emerging and disruptive trends within this space: “process-centric CRM,” which is a convergence of CRM and BPM; “business data management,” which is a convergence of BPM and MDM; and the importance of utilizing a business activity monitoring (BAM) tool, which is part of BPM.

Although there is a clear sign of convergence within CRM, BPM and MDM, business intelligence (BI) is an important addition to this trio, as it helps to accurately predict customer behavior. When used in combination, these four technologies enable immense insight into customer patterns and behaviors, thereby assisting organizations in offering services to win customers’ hearts and pocketbooks. Further, recent evidence proves that predictive analytics and effective BI insights provide organizations with an edge over rivals when it comes to maintaining sustainable customer relationships.
These four technology stacks are very tightly coupled with every customer-related process, and they deliver the greatest benefit to organizations when implemented in tandem, in terms of a universal, complete and accurate view of customer relationships. Due to their inherent bonding, we refer to them as the "Fantastic Four of Customer Centricity" (FFCC). Individually, these technology stacks are at different levels of maturity in terms of managing customer relationships, but when coupled, they can help companies forge enduring relationships with customers (see Figure 1).

How Organizations Benefit from FFCC
When it comes to implementing CRM, BPM, MDM and BI initiatives, many companies have taken a fragmented approach. Sales, marketing and customer service departments cooperatively make investment decisions in CRM, but when it comes to MDM, IT organizations typically decide on the product that suits the business requirements. With the disparity in outlook, as well as the diversity of people involved in shaping the roadmap for each of these technology stacks, an important component is often missed: the customer. Inconsistent customer data shared across various systems within an organization can undermine customer satisfaction, no matter how strong the CRM system is. Similarly, without proper rules-based processes to power a CRM system, a great CRM strategy will not yield desired results.

Organizations will benefit if they combine initiatives around these technologies, create a common business case and approach the entire stack as a single program. Only then can they achieve manifold returns from each of the technology stacks by driving continuous improvements that result in happy and satisfied customers.

A good example of how these converged technology stacks can ensure a strong customer experience is in lead management. In traditional CRM scenarios, organizations pursue lead management as a sales initiative and involve the sales team in designing the future state of their CRM application. Therefore, the software is built in modules (Lead Generation, Lead Qualification, Maintain & Track Lead, Closure), with limited coordination or input from other departments. Moreover, this approach eliminates the possibility of incorporating updates or changes to the development process to adapt to changing business requirements.

However, with an FFCC initiative, the organization brings together the various teams (sales, marketing, IT, BI, etc.) under a single umbrella to deliver individual customer-centric processes wherein various departments provide inputs at different points in time. The result: drastically reduced times in which leads are generated, with improved visibility and consistent information across departments.
To further substantiate the point, we can look at a typical lead management process and how FFCC principles can be applied to improve response time, as well as infuse efficiencies into the process (compare Figures 2, 3 and 4).

With properly configured CRM systems, lead generation can seamlessly integrate with social media to gather additional information around the customer. Captured leads can be automatically routed to relevant sales/marketing team members for further processing, based on skill sets, territory (geographical coverage), availability or any other predefined criteria. In the case of nonavailability, the lead can be routed to either the next available member within the team or to the supervisor. These pre-set rules ensure continuous tracking of the lead through multiple stages and communication with the customer at each stage of the process. Predefined business rules can also assist sales reps with relevant contextual information and intelligence to make informed decisions in real-time (see Figure 3).

The final state of the lead management process is fully automated, with built-in intelligence, time-
sensitive updates, pre-set business rules and comprehensive information at every stage of qualification. The outcome and conversion rate improves drastically (see Figure 4).

Here are additional examples of how FFCC principles can be applied to add efficiency and effectiveness into existing processes:

- **Quote to order to cash**: Our FFCC principles can help define and drive organizational flexibility and agility at every level of the process. For example, say a customer prefers to have multiple orders delivered to various warehouse locations and use multiple payment methods to complete the order. The process under an FFCC approach can execute in real-time because the front end of CRM is built on top of a robust business process framework that coordinates with different departments (e.g., sales, manufacturing, customer service and finance) and fulfills the customer requirements. Further, based on past orders, customer service agents can provide real-time intelligence to cross-sell and upsell to customers during the quote process. Customer information is shared across the enterprise in real-time to enable informed and effective decisions.

- **Capacity planning and inventory management**: These principles can be extended beyond CRM processes. One example is in the improvement of capacity planning and inventory management, overseen by supply chain management (SCM) systems. Based on the probability of getting an order from a prospective customer, an integrated CRM/SCM system can generate prior estimates for capacity resource planning, and as soon as the customer places the order, it can trigger automatic inventory management processes. This dramatically improves the cycle time of the customer order and adds transparency to the system.

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### Lead Management Process Using FFCC Principles

**Lead Generation and Assignment: CRM + BPM**
- Automated lead capture and lead assignment process with multi-channel integration
- Pre-defined rule sets ensure continuity and ownership of lead
- Marketing and sales are in sync with complete visibility
- Improved and consistent communication

**Opportunity Conversion: CRM + BPM + BI**
- Pre-set business rules automate the qualification and approval process for the opportunity
- Business layer provides revenue potential and other financial metrics associated with opportunity
- BI provides comprehensive probability and scenario analysis to increase conversion rate

**Lead Qualification: CRM + BI**
- BI provides relevant, contextual and real-time intelligence
- Historical and competitive comparison offers a different perspective to better qualify leads and lead scoring process
- Any update in social circle of customer gets fed into qualification analysis

Create customer record

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Figure 4
FFCC Market Landscape

At one end of the market spectrum, CRM product vendors are building their capabilities across the CRM, BPM and MDM technology stacks through a series of mergers and acquisitions. However, they are still at a nascent stage of integrating these technology stacks onto a common platform to provide it as a platform-as-a-service (PaaS).

Pega recently launched its Sales Force Automation framework, in addition to its Customer Process Manager (CPM) framework on the One-BPM layer in order to provide a true customer-centric process. Similarly, SFDC has launched Virtual Process Manager (VPM) on a cloud infrastructure to enable use of business rule automation, workflows, etc. Oracle’s Fusion platform and SFDC’s Force.com are slowly delivering a common platform to integrate customer-centric technologies, but they are both far from realizing and delivering all the four forces under one platform and offer it as-a-service.

On the other end of the spectrum, many system integrators remain rigidly organized on each of the four technology stacks; in fact, to some SIs, each technology stack resembles a business unit. The result is a lack of coordination as they compete with each other in spaces where these technologies converge.

We have already realized the potential of combining the FFCC forces and established enterprise application services as one business unit that provides business solutions around CRM, BPM, MDM and BI. Through an established global collaboration platform that we call Cognizant 2.0, we are delivering FFCC principles to clients across all engagements.

Quick Take

U.S.-Based Railroad Transport Giant

In a recent engagement, we defined a customer-centric roadmap for a major railroad transportation company in an attempt to transform its redundant legacy applications into more agile, flexible, scalable and business-centric processes. Sales, service, operations and engineering were completely fragmented, resulting in a time-consuming, manual and ineffective customer management process. Sales and service teams used more than 40 applications to perform their day-to-day operations. There was no common platform for knowledge sharing, and BI and reporting across the enterprise and customer data resided in multiple disparate systems.

To provide the roadmap, we incorporated FFCC principles to streamline the disparate processes and technologies. The suggested business architecture integrates sales, marketing and service processes with the common business service layer (CRM and BPM), which is backed up by reference data and enterprise BI initiatives.

The proposed solution provides several client benefits:

• Disparate CRM modules are broken into broader processes that involve coordination across various functional areas.
• Common and uniform processes are defined across all business units and are processed through common business services. Business unit-specific processes and underlying business services are minimized to avoid customization.
• A common knowledge base across the enterprise provides increased visibility to customer information.
• A completely scalable and flexible process, data and BI solution can accommodate business changes.
• A customer hub will provide a single source of truth for accounts, contacts and addresses across the enterprise.
• Data governance and data quality initiatives ensure consistent, clean and accurate data is available across the enterprise.
• A centralized data warehouse and common reporting platform is available across the enterprise.
Quick Take

How CRM, MDM and Process Analysis Redefined Customer Service for a U.S.-Based Health Insurer

We were engaged by a major health insurer to improve the technology, processes and infrastructure of its current customer service environment. The client wanted us to define and implement its next-generation customer workstation for customer service and enable an integrated workflow for the tracking and resolution of customer queries, service delivery issues and service requests. Customer information resided in multiple systems across different source systems; hence, the client envisioned a “360-degree view” of its customers to support query resolution and proactively monitor customer satisfaction.

We performed a business process analysis and suggested improvements to increase efficiency. The process analysis was backed up with CSR workbench functional specifications and key contact center metrics. To improve data quality and establish data governance, we developed a data governance blueprint and data stewardship structure. The proposed solution took into account synergies between CRM, BPM and MDM to build a comprehensive contact center solution for the client.

The proposed solution provides several client benefits:

• Created a five-year roadmap, with total savings of $7.8 million.
• Recommended automated case creation and rules-based routing, leading to operational efficiency. Recommended workflow management improvements.
• Improved data insight through a centralized repository of accurate product, customer and consumer information and more accurate reporting.
• Improved response time for compliance-related queries.
• Generated a high level of data quality, accuracy and uniqueness, resulting in better reporting and customer targeting.
• Helped the client achieve economies of scale with a single global system rather than siloed systems across business units.

A Way Forward

The convergence among CRM, BPM, MDM and BI technologies is changing the way organizations need to strategize and invest in strengthening customer relationships. The key to establishing an enriching customer experience is to acknowledge the power of FFCC and implement these technology stacks as a single large initiative. Progressive organizations have already started putting serious thought and effort into achieving this unified architectural goal. Success will primarily depend on the extent to which companies synthesize the essence of the four forces of customer centricity to address their needs and those of their clients.

The earlier that companies assimilate the synergies of these four forces, the closer they will be in achieving their ultimate goal of building a customer-centric enterprise that “truly understands” the customer.

Although many industry leaders have acknowledged FFCC, they have still not evaluated product vendors on FFCC capabilities. Doing so would result in more effective analysis to help organizations make the right choice with a high probability of realizing ROI faster, as the benefits are magnified almost instantly. Further, such an analysis would also reveal the maturity and capability of product vendors, in terms of how seamlessly they align all four technology stacks to provide consistent, effective and meaningful customer interactions.

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Footnotes


About the Author

Partha Chatterjee is Consulting Manager within Cognizant Business Consulting’s Customer Solutions Practice. He has more than a decade of expertise in assisting global organizations with their CRM process improvements, CRM cloud initiatives, customer experience management and customer analytics. He can be reached at Partha.Chatterjee@cognizant.com.

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