What is this thing called CRM?

You've probably heard the term, but surprisingly few know what constituent relationship management really means and what it can do

By Kevin Campbell and Kevin Roberts

IF YOU WERE TO PUT 10 PEOPLE IN A ROOM AND ask them to define CRM (customer relationship management) you would likely get 12 different definitions. Like TQM, Workflow, and ERP, the term CRM has become a buzzword. Most people have only a vague idea of what it means. One reason for this is that CRM is as much a verb as it is a noun. It is as much a philosophy as it is a system. It is as much a part of an institution's culture as it is a set of business practices. It is no wonder that even though CRM systems have been prevalent in the business world for more than a decade, we are still struggling to define it.

In higher education, defining CRM is even more complicated. Let's start with the initials. We often substitute the word "constituent" for the word "customer." We do this partially because in academe we are sometimes hesitant to use the word "customer," but mostly because "constituent" better describes the multitude of relationships our organizations maintain. Sometimes these relationships are with people, students, parents, faculty, donors, recruits, or alumni. Sometimes they are with other organizations, high schools, other colleges and universities, accrediting agencies, or employers. Given the variety, nature, and length of the relationships we maintain, the idea of a "customer" really is too limiting in our context. "Constituent" is a much better fit.

Whatever the "C" word represents to you, it is important that your organization consider the impact that CRM can have. That brings us to the purpose of this article: We hope it will stir thoughts and start discussions about CRM on your campus. We want to introduce the fundamentals of CRM and share some of the insights Abilene Christian University has gained as a result of our endeavor to implement CRM at our campus.

Along with "What is it?" a fundamental question any institution should ask is "Why do we care?" First and foremost you should care about CRM because your "customers" do. They might not realize it or be able to articulate it in those terms, but make no mistake-they care about CRM. The affinity people have for colleges and universities is unparalleled by other organizations. They buy our shirts, they attend our events, some wear our names as tattoos. Finally, some even entrust us with their children. They feel a real connection with us, and when that connection is not reciprocated there is a disconnect. Realistically or unrealistically, our constituents expect us to know them, and they expect us to reflect the degree of their commitment.

Finally, CRM provides us a way to deliver personalized communications on a macro scale. It can help us gain insight into what our constituents want and what motivates them. We can then use this knowledge to communicate with them in meaningful ways. Our inability to do this is becoming more and more noticeable. For example, every time you log into Amazon.com you are presented with a personalized "Hello" and a list of recommendations based on your purchasing history. Once a week iTunes sends us a list of new releases that we may enjoy.

These companies and others like them are setting the standard for interacting with constituents. It is not the university down the street. Furthermore, our failure to recognize an alumnus who has sent two kids to our school is more pronounced. For that former grad, the subconscious question rightly becomes, "If iTunes knows me, why doesn't my beloved institution?"

We believe that our ability to deal with that question can provide a competitive advantage. It can make the difference between our university's being a first choice or a second choice for prospective students. We believe that if we don't deal with that question, there are others who will and will occupy that coveted spot of "my university" in the hearts of our constituents.

CRM is the compilation of three primary business practices: contact management, campaign management, and data-driven decision making. If your organization is considering or currently involved in the implementation of a CRM strategy, it is important to approach each of these practices in phases.

Each phase must be considered individually and must be undertaken in order, because each builds on data and understandings gained in the previous one.

Phase One: Contact Management

Contact management is a philosophy that is designed to enable an organization to electronically track activities and interactions that an individual has with it.

The heart of contact management is the discipline to consistently input each significant touch point you have with your constituents into a database so that information can later be referenced as a record of your interaction and to provide a way for your interaction to be shared with others within your organization.

There are two priorities for employees for successful contact management. The first priority is entering the notes and other information from meetings with constituents in text form that summarize your interaction. Sharing the knowledge in these summaries will be very beneficial to co-workers.

The second priority is to update your database with specific information you learned during your interaction with that constituent. Examples of this might be updating an address of someone who recently moved, or changing a student's major from accounting to marketing.

More specifically, contact management is a tool that your financial aid officers could use to see that a particular student-we'll call him Garrett-has visited the Financial Aid office regularly since enrolling at your institution. When your financial aid officers have an appointment with Garrett, they can read the notes from the previous interactions he has had with other financial aid officers to be better prepared to serve him. This example can be applied to many areas of your campus, such as the Registrar's office, academic advising, and advancement.

At its core, CRM is all about being a data-driven university.

Contact management will become even more valuable when multiple offices are committed to the concept. Most likely, if Garrett is struggling for a way to pay for college as a sophomore, he probably had those same concerns as a prospective student.

If both the Admissions and the Financial Aid offices consistently log the interactions they have with all their students, then the financial aid officer can read the notes the admissions counselor entered about Garrett's financing concerns and have a better understanding of his specific problems. It may have been resistance to take out a loan, or it may be that he is seeking additional scholarships.

Whatever it is, your financial aid officers are better prepared to meet Garrett's needs based on the additional knowledge they have because Admissions did a good job at contact management.

Phase Two: Campaign Management

Campaign management is the process of designing and automating your marketing strategies. Campaign management is a very powerful tool that enables your organization to build, schedule, and track marketing campaigns. Everything from how you respond to a prospective student when she inquires about your university, to the communication you send to a current student when you receive her FAFSA, to the gift receipts you provide to donors can all be automated through campaign management.

For campaign management to be viable you have to be able to trust that your data is accurate-and that's why campaign management comes after contact management. In many cases, it is the data that is captured during the contact management process that triggers a campaign to start. If you don't have accurate data, the likelihood for constituents to be left off a campaign, or worse yet, be included in a wrong campaign, increases.

Get all employees in the habit of entering useful information into the system so that it can be shared and analyzed.

Campaign management basically consists of two types of campaigns: reactive and proactive. Reactive campaigns are essential in communicating with constituents because they are based upon the behaviors of constituents. Behaviors such as attending an event, paying a student bill, and contacting the alumni office all merit a response from the university back to the constituent. Reactive campaigns are considered a necessity in the eyes of your constituents, and by using campaign management to deliver those specific communications, you can control the quality of the content as well as the timing of the communication.

Proactive campaigns are generally used to help a university achieve a particular goal that without marketing would not be attainable. An example of this might be a goal to increase the number of English majors attending the university. In order to help achieve that goal, marketers can design and schedule marketing campaigns that will deliver unique and personalized content that is intended specifically to increase the number of English majors on campus.

Phase Three: Data-Driven Decision Making

At its core, CRM is all about making smart decisions based on good data. Let's consider the three components of the data-driven university.

Commit to capturing data. This is the most important step, but it can also be the most difficult because it involves culture change. File folders, personal e-mail files, spreadsheets, sticky notes, and so on, are all ways many employees keep track of their information. The problems with each of these are that they are not easily shared, they are often temporary, and they cannot be analyzed.

One of the greatest problems facing decision makers at universities today is the inability to use data captured by the employees working directly with constituents to make decisions. This is the case because many ERP systems make it difficult for end users to enter data such as call notes into a database. And when simple tasks become difficult, employees stop doing them. Start today by making the database the center of your processes. Make your mantra, "If it isn't in the system, it never happened." Be very strict about this. Even if you aren't working on a system that makes it easy to enter and share collected data, it is important to get all employees in the habit of entering useful information into the system so it can be shared with other employees (both within your department and outside your department) and analyzed. This helps protect your department from employee turnover by ensuring that much of the knowledge an employee has about a constituent stays in the system as opposed to walking out the door with the employee.

Enhance your data. There are two primary ways to enhance your data. You can do this internally through marketing efforts to gather more information about your constituents, or you can purchase third-party data to enhance what you already have. Two areas at universities that rely heavily on third-party data are the recruiting and advancement areas. Each area starts with a base of information, but companies such as ACT, The College Board, NRCCUA, CBSS, and Blackbaud Analytics are great resources to add new prospects to your database and to enhance your current data by appending additional information about the constituents you already have in your system.

Analyze your data. Only when you have a culture that is committed to capturing data can you trust the data enough to analyze it and make strategic decisions based on your analysis. You can create reports that measure the performance of your marketing campaigns, the response to your advertising dollars, the differences between matriculants that retain versus those that do not retain, and so on. Get carried away with analyzing what you do. It is the best way to inform your institution on changes that need to be made, and it will provide the data you need to make those decisions.

One final thought about CRM in general: CRM is not a destination-it is a journey. If your institution makes the decision to undertake a CRM implementation, the process is not over when the system is installed. In fact, it is just beginning. Once you start, you cannot stop. Therefore, the decision to begin should not be taken lightly. However, based on what we have seen, we believe that once your institution commits to a CRM philosophy, it will forever change how you do business and how you view your "customers."

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