

6 The Importance of Data, and the Ability to Capitalize on It

6.1 IT in Sales and Marketing

The initial and slightly clumsy working name of this entire chapter was ‘Data is Important ... but even more important is the know-how in responding to it’. In other words, we agree that both Product Data Management (PDM) systems and customer databases are useful but having said that, we still see more efficient ways of *utilizing* all that corporate data. Readers would most probably agree that business value hardly comes out of simply ‘having’ data and ‘counting the terabytes’. Therefore in this chapter, we touch upon CRM, component configuration and functional configuration, hierarchical versus flat product structures, configurators and we proceed to our generic configurator-evaluation checklist.

The Chief Information Officer, his team and technology suppliers, are correct in viewing data and databases as an important asset. However, that asset's value would be close to zero without having the necessary business logic encapsulated in a software system which is capable of *interpreting and processing* the data. Most trend-setters within the Data Warehouse (DW) community didn't emphasize enough the fact that data is merely the raw material of the new economy, just as iron ore was the raw material of the old one. *Knowledge and information technologies* provide the value-adding machinery for doing business with all that data. Among the commercial applications of knowledge technology, advanced configurators are emphatically the right tools *to leverage both product- and market data*. Provided a clear business objective, process thinking (and know-how management) will make the interplay of data and business logic more effective. In Mass Customization, the critical business objective is to put *the “C”* – for Customer – at *the heart* of CRM. In reality, many CRM initiatives result only in homogenous treatment of customers in the name of operational efficiency. In our opinion, many obvious examples of this exist such as helpdesks or call centers being outsourced far away from the customer with agent performance being measured solely in terms of number of calls handled and call duration.

For instance, when a European PC user requesting assistance dials the support number in his own country, the call is often rerouted automatically to Ireland, India or Lapland; this is mainly because of generous terms (a tax relief, regional subsidies or low wages) for the enterprise but unfortunately at the expense of customer-specific knowledge. Sometimes, the support personnel may speak only a language of a neighboring country and not the language or dialect of the caller, thus making correct communication rather difficult regarding the details of a particular technical problem¹. That is no longer the customer-intimacy strategy as outlined in the beginning of this book (see chapter 1); remember that competing by operational efficiency is a different path.

In many ways, one of the basic premises of the CRM paradigm by Peppers & Rogers² (see also Peppers & Rogers, 1997) – “treat different customers *differently*” – is lost in many so called CRM initiatives. The lesson to be learned from this is that, instead of ‘mass de-customization’, we should use *computers and technology* to keep *customization costs low*; this applies to tangible products as well as to services or software. Mass Customization generates a constant push towards efficiently custom-tailoring the whole product and service package.

6.2 CRM in Brief: Ask for More

For CRM initiatives, we definitely recommend asking for more than just a database, a calendar and a phone directory.

With complex products, *modern* information technology has become crucial. Adopting the technology, however, requires corporate teamwork based on common objectives, knowledge of processes, markets, products, and IT. Hundreds of sales support systems and customer relationship management (CRM) systems emerged in the 90’s, but quality seldom kept up with volume and hype. For some, the core functionality was at the level of what a normal

¹ In most contexts, Scandinavians like to hear Norwegian; its melodious intonation makes you automatically think of Norway’s – literally outstanding – landscape and skiing slopes. As one of us has experienced however, struggling with a Windows crash on your Toshiba PC hardly makes a pleasant context for hearing a neighboring language. Interestingly, in trying to keep the cost of customized after-sales services low, Toshiba prioritized the web, thus pioneering case-base-reasoning technology (CBR) and natural language interpretation in web helpdesks, labeling it “Toshiba AskIris[®]”. However, this may also make it necessary for households to keep several PCs, because accessing AskIris help implies that you use another PC – an on-line and running one.

² Peppers & Rogers Group Consulting can be visited at www.1to1.com.