A New Approach to Managing Customer Relationships

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A New Chapter in Business Performance...
Every company recognizes the value of managing customer relationships properly. However, some question the value of "Customer Relationship Management" or CRM.

Every company believes in the importance of knowing the customer. Many also believe such knowledge is hard to come by—and acting on it even harder.

Many would like to transform the economics of managing customer relationships. But few want to accept the cost and risk associated with major change.

Skepticism, uncertainty, hesitation: these are typical attitudes toward CRM—typical and justified. Taught to view CRM as a utility rather than a competitive advantage, many organizations were led to focus on building capability rather than creating value—yet few were given financially sound options for acquiring that capability. As a result, many committed to the cost of CRM without securing the benefits.

Fortunately, the story doesn't end here.

Accenture has turned the page on CRM by inventing superior methods of developing customer insight and more powerful models for turning insight into profitable interactions. These advances are enabling organizations to revitalize their CRM capabilities and reach new levels of financial and operating performance—quickly, affordably and with minimal risk.

In these times of volatility and uncertainty, one might ask if transforming customer operations is the best decision. Our answer is that tomorrow’s leaders will be those companies that created visionary customer strategies today and executed them pragmatically, by following these key principles:

• Customer data is valuable only if translated into customer insight.
• Customer insight is valuable only when translated into profitable interactions.
• All customers (and interactions) are not created equal.
• Profitable growth is a science, not an instinct.
• All the capability you need may be more capability than you should own.

For many organizations, how well they master these essential principles for managing—and growing—customer relationships will define their future.

Let our approach be your approach too. Deliver dramatic business gains with prudent investments, replace skepticism with innovation and face the future with certainty rather than doubt.

Turn the page on CRM with us, and learn how Accenture can help you make a breakthrough in business performance.
Turn Customer Data into Profit

Customer knowledge can be hard to come by and even harder to use effectively. Accenture makes it easier, with an end-to-end infrastructure for developing and operationalizing deep customer insight, including unique capabilities and managed services for customer data management, customer analytics and campaign management.

Our proprietary assets and operating models dramatically improve the return on programs to build customer loyalty, acquire new customers and expand business with current customers—improvements of up to 200 percent for some clients. By also offering our customer insight solution as a managed service, Accenture helps companies acquire state-of-the-art capabilities quickly, within a predictable, flexible cost structure.
“Know the customer” is a common adage, but true customer insight is far from common. Technology makes it possible to amass large amounts of customer data, but much of this resource is untapped. Most organizations still lack an integrated view of the customer; while some are improving their ability to track customers’ past actions, only a few are able to predict future behavior accurately—an essential capability for driving profitable growth.

Customer data is the fuel that powers the CRM engine, but without the catalyst that converts information into insight, customer data remains a raw resource at best. Unfortunately, the elements required to inject customer insight into customer-facing operations do not comprise a simple formula:

- Rigorous data management that delivers a single, integrated view of the customer—consistent across the entire organization, and refreshed with dynamic updates as customer relationships evolve.
- Dynamic, behavioral and value segmentation—the foundation for targeted offerings and differentiated service.
- Powerful analytical tools that yield meaningful insights and accurate predictions of customer response—essential for improving conversion and retention rates and cross selling and up selling effectiveness.
- Adaptive campaign management processes—to speed the creation and execution of highly effective marketing campaigns that “learn” through the test and feedback of customer responses in real time.
- Insight-driven interactions—to link marketing campaigns with customers at the point of contact to enable intelligent, real-time offerings, and the provision of differentiated, value-based service.

For most, the current options for acquiring these capabilities are restrictive. Building them in-house can be costly and time-consuming. Acquiring them through an outsourcing supplier would be faster and involve less investment—if outsourcers provided such advanced capabilities.

Today, only Accenture offers a readily available and proven infrastructure for delivering state-of-the-art customer insight capability—quickly, economically and with immediate results.
Reach the Leading-Edge of CRM Performance—Today

Data warehouses, strategic segmentation, buyer value analysis, predictive models, dynamic offer generation—the prerequisites for accelerating business performance through customer data make up a long and, inevitably, costly list.

Fortunately, Accenture has packaged these and other sophisticated capabilities into a complete—and patented—platform for insight-driven customer interaction that companies can leverage immediately and cost-effectively.

By enabling sophisticated customer analysis and dynamic marketing campaigns, the Accenture Marketing Accelerator Platform helps you extract maximum value from customer and market data. Developed, tested and refined through numerous client projects, our Marketing Accelerator Platform:

- Integrates the best and latest technology for data management.
- Provides critical data integration tools for managing customer data resources.
- Uses our proprietary Customer Analytic Record and Customer Analytics Engine to enable extremely rapid data extraction and transformation.
- Performs fast, accurate business modeling.
- Uses the unique Accenture Adaptive Marketing Approach to deliver more effective campaigns and improved customer interaction.

This end-to-end process for insight-driven customer interaction can be embedded across your marketing, sales and service operations—today.

“The capability Accenture built and runs for us is the heart of our customer management framework, and has significantly enhanced average revenue per user and customer loyalty. The project was significant, but our investment was paid back in a matter of months.”

Bouygues Telecom
Reinvent the Economics of Customer Interaction

Companies are under extreme pressure to reduce operating costs while simultaneously expanding into new markets, creating new offers and broadening customer relationships. Many find that the traditional approaches to attracting and keeping customers are simply not capable of satisfying all these performance goals.

For these organizations, Accenture offers an integrated solution that combines its market-leading customer contact solutions with strategic operating models. By delivering these elements through a unique end-to-end framework for transformation, we are helping organizations reinvent their customer contact model—and realize significant performance gains.
In many organizations, customer relationship costs are growing faster than customer revenues. Not all customers are created equal, however, and most companies want to allocate resources accordingly. But today, few know enough about their customers to change how they interact with them with the results they want.

Even with vast data warehouses, some organizations cannot identify their most profitable customers—much less predict which will remain profitable. Some cannot correctly assess their costs-to-serve, and permit indirect costs, such as technical support or vendor management, to erode margins undetected. Others are unable to improve operating efficiency or sales effectiveness because they lack critical workforce skills.

Applying powerful resources for analyzing customer operations—rich customer data, sophisticated segmentation models, advanced analytical tools—Accenture helps companies build a complete picture of customer contact costs and revenue, and evaluate this information against business objectives and financial targets. These insights help generate an actionable blueprint for customer contact that delivers optimum satisfaction and maximum profitability.

To ensure these strategic innovations improve financial and operating performance, we also reengineer the operational aspects of customer contact for maximum efficiency, by consolidating contact centers, for example, and standardizing processes. A global network of strategic delivery resources, including outsourcing capabilities, trigger even more dramatic improvements in delivery costs, as well as in service quality and productivity.

Finally, we ensure the capacity—and confidence—for transformation exists by offering these solutions through flexible, value-based business arrangements.

Through this powerful combination of market-leading capability, strategic delivery and value-driven deal structures, Accenture creates measurable results from day one—and sustains these results over time.
“We are excited about what we are providing to our customers through our enhanced call center system. The successful collaboration with Accenture and Siebel delivered just what we needed: a robust, flexible, IT-enabled, easy way for our people to best serve our customers.”
*Marks & Spencer*

Extreme Innovation, without Extreme Risk

In some industries, companies face challenges that require more than a small dose of change, such as market erosion, over-capacity and vanishing margins. Accenture designed its Customer Contact Transformation solution with such companies in mind.

Accenture Customer Contact Solutions expand revenue and reduce cost-to-serve by making carefully targeted enhancements to customer contact operations. The end result: strategic transformation with immediate performance impact, but minimal risk.

The key is Accenture’s unique combination of enterprise-ready innovation and packaged experience: proven methods, tools, delivery facilities and other solution components that cannot be matched or quickly replicated by alternative solutions. For example:

• Our methodology for transforming customer contact, encapsulating preconfigured solution design and operating models.

• Our training and performance simulation tools, shown to improve cross-and-up sell effectiveness by five percent, and improve performance metrics such as handle time and first call resolution by ten percent.

• Our blueprint for successfully migrating customers to self-service channels by predicting customer needs based on past transactions, rather than guessing.

The cumulative effect of these and other innovations delivers measurable outcomes faster and sustains them longer, helping companies quickly reach the “tipping point” for investment returns. As a result, Accenture accelerates the benefits of transforming customer contact, and ensures benefits are sustained over time.
Practice Marketing as a Management Science

The incentives for improving marketing performance have never been greater. While marketing spend is greater than ever—projected to surpass $1 trillion globally—customer response is declining, customer churn is increasing and brand value is evaporating. Ironically, the typical marketing executive has never been more poorly equipped to address these challenges.

By helping companies redefine their marketing approach on more scientific principles, Accenture enables them to optimize the impact of marketing on earnings growth, customer loyalty and brand value. In effect, our patented methods and tools transform the "art" of marketing into scientific practices for forecasting future demand, showing how to allocate resources more strategically, optimizing spending strategies and measuring return on investment.
Many marketing executives will agree that today’s customers are more diverse and more demanding than ever before. Yet many marketing departments are still following the practices of a bygone era to reach and influence their audience. In fact, the typical marketing organization remains untouched by the technology-powered changes optimizing other business functions; streamlining manufacturing processes, for example, or making enterprise resource planning more impactful.

Contrary to general opinion, marketing is neither “guesswork” nor a purely creative exercise: it can be quantified and optimized—and should be soon. Otherwise, companies will continue to see their ability to reach customers and stimulate demand erode.

New methods and tools—such as econometrics, return on investment measurement and budget allocation software—now make a more scientific approach to marketing possible. Leading companies are already using these data-driven techniques to measure and subsequently improve the return on their marketing investment. And they are improving operating effectiveness by eliminating the historic shortcomings—poor integration, for example, or lack of meaningful data—in their marketing processes, systems and organizational structures.

Leading marketers are also expanding the traditional definition of “brand” to mean more than a sign or logo. They understand that brand equals the sum of everything a company says and does, and how it says and does it. And they understand that brand value derives from a distinctive promise to the customer, executed well, delivered consistently and measured for its quantifiable impact on the business.

Leading companies also link marketing to sales and service. Rather than leaving channel management to the sales force, for example, successful marketers help shape the business-to-business relationships that increasingly influence consumer choice. Or, brand managers help in designing the call center interactions that strengthen or destroy their brand’s value.

As a result of these innovations—basing marketing decisions on more sophisticated analysis, managing marketing programs and assets with more rigor and discipline, integrating marketing with sales and service—leading companies are now able to:

• Precisely determine which marketing activities are losing money, which are generating money and how much investment each merits.
• Forecast future demand in line with marketing programs.
• Effectively integrate processes across the marketing function.

Accenture is on the forefront of these changes, with skilled practitioners, proprietary models for data analysis and industry-specific solutions that make the experience of these pioneers available to every company, enabling them to transform marketing from an art to a science.
What Is Scientific about Marketing?

Accenture has a long history of helping clients improve the performance of their marketing investments. However, many executives are only now beginning to understand what it means to approach marketing as a science. These are a few of the ways Accenture Marketing Sciences can help your organization:

- By quantifying the effects of past marketing efforts.
- By developing better insight into competitive performance.
- By identifying under-performing initiatives before they become too costly.
- By establishing accountability for each marketing element.
- By identifying products and markets that offer significant growth potential.
- By reallocating marketing resources to capitalize on new growth opportunities, while eliminating investments in under-performing areas.
- By linking the art of branding and the science of branding.
- By integrating the brand into the customer experience.

“The quality of Accenture’s work was extremely high. Their contribution has given us a benchmark for effectively launching consumer financial offerings in new channels or markets.”

*Deutsche Bank maxblue UK*
Managing customer relationships in a fundamentally different way can be one of the riskiest—and most costly—forms of innovation. Accenture works with you from the beginning to clarify your customer strategy, to define clear objectives and financial targets and to plan intelligent investments.

We also help ensure that you achieve your goals by recommending and executing smart, practical strategies for sourcing and managing new capabilities. We offer business arrangements that can substantially reduce your initial investment and mitigate risk. We even help you measure how these solutions perform over time, so you can keep operating costs predictable and capacity flexible, according to your needs.
Realistically, not every company can easily make the investment required to extend or expand their current CRM capabilities. And who wants the risk involved in delivering new capabilities?

We have found that all the capability our clients need is sometimes more capability than they want to own. So we offer a range of delivery options to satisfy multiple needs, and flexible business arrangements that adapt when needs change.

Some may prefer to limit their capital investment. Others may prefer to acquire new capabilities through risk/value-sharing arrangements. Some companies already have valuable CRM assets, but now need to deploy them through an operating model that reflects new business realities. Accenture can be the catalyst for realizing all these goals and others, too.

By providing alternatives to traditional investment and operating models, Accenture helps you launch new customer strategies with less financial risk. We can help you manage the cost of strategic change—for example, by amortizing investment over a declining cost to serve. We can help you lower the fixed-to-variable cost ratio in your customer care operations, by relocating contact center technologies and operations to outside resources. And we can create a coordinated plan for managing performance and continuously recalibrating your level of investment as needs change.

No matter what approach you choose—including traditional consulting models—we will help you protect and manage your investment with an unmatched range of options.

Managing customer relationships well is one of the most intricate and important tasks your enterprise will ever undertake. Wouldn’t it be advantageous to have a partner like Accenture by your side, a company that understands not only how Customer Relationship Management should work, but also how to make it pay—from day one and every day?
“Accenture approached us with a very unique idea that we are very excited about. I think it is the precursor of the way that a lot of business will be done in the future.”

*AT&T Consumer*

**Superior Delivery: Superior Results**

Accenture’s global network of delivery centers offers clients high-quality solution development and delivery capabilities. We also offer expanded customer relationship management capabilities through business process outsourcing models as well through more traditional solution delivery methods.

Accenture’s Customer Analytics Factories, for example, are state-of-the-art facilities providing rapid access to market-leading customer insight capabilities: proprietary technologies, models and scalable infrastructures that help our clients stay ahead of the curve in customer data management and analytics—through our system design and delivery services and through our managed marketing services offering.

Accenture also manages customer contact operations at client facilities, through our own global network of operating facilities and by leveraging preferred vendors—a strategic portfolio of outsourcing resources that spans onshore, near-shore and offshore locations around the world.

This global sourcing capability provides clients with the optimal mix of quality, scalability and risk management, in addition to providing dramatic cost savings and revenue growth. On behalf of our clients, we manage thousands of customer contact agents, create marketing campaigns targeting millions of prospects and service manage millions of customer accounts through inbound calls and self-service channels.
Team with the Leader in Customer Relationship Management

From the earliest sales automation systems to today’s complex customer analytics and Web-centric applications, Accenture has led the customer relationship management market each step of the way.

Today, Accenture is widely acclaimed—by customers, business partners and analysts—as the leading provider of CRM solutions and services, helping companies around the world ascend to new heights in innovation and reach new standards of operating excellence.

Today

- CRM Magazine names Accenture “2003 CRM Market Leader.”
- Accenture and Siebel Systems sign 1000th joint client.
- Analyst cites Accenture CRM strategy and offering as a leader among CRM consultants. “Accenture out in front.”
- Accenture confirmed as the leading CRM practice in revenue and share.
- Accenture listed as the leader in Customer Relationship Management Services Market, according to top industry analyst firm.
- Accenture establishes operating hub for providing CRM outsourcing services to utility companies throughout North America. “Accenture’s latest initiative is a testament to this business model and is reflective of—what may be—the next generation of customer care BPO.”
- Accenture publishes *The Ultimate CRM Handbook.*
- Accenture drives aggressive expansion to offshore delivery centers.
- Accenture and AT&T Consumer join forces to transform AT&T Consumer sales and care capabilities for serving nearly 50 million consumers.
- Accenture client Canada Post Corporation wins the Gartner CRM Award of Excellence.
- Accenture client British Telecom honored for “Best Multimedia Contact Centre” at the European Call Centre of the Year Awards.
- Accenture wins annual Siebel Systems Alliance Partner Award of Excellence in both North America and Europe.
- Analyst cites Accenture as commanding the highest revenues and largest share of CRM services market.
- Accenture makes aggressive move into marketing services segment: “Accenture is well positioned to continue its role as a thought leader while seeking to provide clients with a unique blend of marketing and CRM capabilities.”
- Accenture and Siebel sign 100th joint client.
- Accenture is first to quantify the financial impact of CRM capabilities.
- Accenture opens CRM Centers of Excellence.
- Accenture forms an alliance with Siebel Systems.

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As the hype that first surrounded Customer Relationship Management gives way to knowledge and experience, CRM’s real value is emerging. No longer touted as the latest management fad or pitched as the newest must-have technology, CRM can finally be seen clearly, used effectively and managed wisely.

And not a moment too soon: today, even the most successful organizations are being forced by tough market conditions to study current value drivers closely, anticipate change and transform their operating models and business architectures accordingly.

Accenture believes that today’s innovative CRM capabilities have the power to transform business performance—by increasing the value of the customer franchise, by lowering operating costs, by building competitive barriers. And by marshalling the unrivaled experience, delivery resources and global reach of a market leader, Accenture ensures that its clients achieve their performance goals.

- Our pioneering client work continuously redefines the standard for value creation, and our global practice connects each client to the innovations emerging in other geographies and other industries.
- By refining and commercializing these innovations for quick deployment with predictable results, we help our clients revitalize their sales, service and marketing capabilities quickly and affordably.
- Through global sourcing, we bring together the right mix of people, skills and capabilities to provide our clients with price-competitive and cost-effective solutions and services, with consistently high quality, reduced risk and speed-to-market.
- By designing flexible business arrangements that further minimize investment risk and capital, we ensure clients have the capacity—and confidence—to transform their business performance through CRM.

For more about the Accenture perspective on CRM, read The Ultimate CRM Handbook, published by McGraw Hill, available through most retail channels, including amazon.com. For more information about Accenture’s CRM solutions and services, or to contact Accenture directly, go to: www.accenture.com/crm
About Accenture

Accenture is a global management consulting, technology services and outsourcing company. Committed to delivering innovation, Accenture collaborates with its clients to help them become high-performance businesses and governments. With deep industry and business process expertise, broad global resources and a proven track record, Accenture can mobilize the right people, skills, and technologies to help clients improve their performance. With more than 83,000 people in 48 countries, the company generated net revenues of US$11.8 billion for the fiscal year ended Aug. 31, 2003. Its home page is www.accenture.com.