KPMG

Unifying CRM

How a single view of the customer can enhance customer experience, help improve operations and enable seamless interactions

Embracing a unified system of record

Rapid digital acceleration. Shifting consumer behaviors. Extraordinary events caused by a pandemic. All have helped to intensify a prioritized focus on enhancing ways of working and customer experience. In fact, 79 percent of CEOs are accelerating the creation of a seamless digital customer experience putting them years in advance of where they expected to be.[1]

But, there is still much work to be done. As organizations create new business models to compete in an ever-changing environment, the need to deliver seamless customer experiences is transforming the front and middle office. Such change includes dismantling departmental siloes that house pockets of data to create one single unified, view of the customer. This singular view provides a record for customer engagement, interactions, preferences, and most importantly, insights on where and how to best serve the customer across every channel, platform, device and touchpoint.

Customer relationship management software (CRM) lies at the very heart of this matter. As often the system of record for your customer, CRM centralizes customer data within an organization and provides the critical insights needed to drive customer engagement and enhance customer experience. Such insights are made possible by unifying CRM systems throughout the front and middle office.

Herein lies the rub. In many cases, CRM is still seen as mostly a technology and pipeline management.

Too often, organizations invest in CRM, implement the software "out of the box", and expect transformational results. Instead, they experience ongoing adoption struggles, with most customer facing end users feeling an imbalance in value between colleagues and management. To help be successful, organizations should implement a CRM platform that incorporates strategy, people, process, and technology. Development does not stop at implementation. A CRM platform should continue to grow and evolve with the business, meeting your team as the demands of your customer base change. Taking this broad approach can streamline operations, enable better decisions, and can make it possible to deliver seamless experiences that recognize the customer as the place of business.

This paper will explore the growing urgency to unify the front and middle office by deploying CRM to help enhance customer experience, improve performance and fine-tune operations. It will explore how to operationalize modern CRM, recognize the challenges and potential benefits of doing so, and take a closer look at what good looks like as organizations move forward.

[1] KPMG's 2020 Global CEO Outlook.

Unifying CRM: Why now?

As more subscription and consumption-based models take hold in the digital economy, the ability to operationalize them is a top priority for businesses. A unified CRM can help.

A unified CRM serves as an anchor point of customer data, from which behaviors and triggers are analyzed, actionable insights are offered, and in, turn decisions are made to enable better experiences. Customer information from various departments in an organization is centrally stored, leveraged and updated in real time. It drives an understanding of your customers, determines objectives on long- and short-term horizons, and helps inform the operational decisions made to help meet customer expectations.

Since CRM can act as the system of record for each customer, it is at the heart of converging the front and middle office. If CRM is the "heart", it relies on other areas of the business to get information to accurately relay the true customer footprint, such as the pricing, billing, supply chain, production, operations, financial systems, and more. But at the end of the day, CRM remains the key system of record for the customer, providing critical insights to enhance and personalize customer experience. Such insights can help drive loyalty as research shows 63 percent[2] of consumers view personalization as very important when engaging with a brand.

Digital acceleration has emphasized the need to better connect the organization, embedding awareness of, and expected benefit to, the customer in many aspects of business. As such, leveraging a unified CRM can be a key enabler of a connected enterprise approach toward digital transformation. That means viewing the customer as a place of business.

Capturing the magic of the moment

How can you leverage unified CRM and align it to the moments that matter most to customers?

Moments that matter come as fast as they go. Often, the moments with the strongest emotional attachment and potential impact on relationships occur when something goes wrong. How a company seizes the moment of opportunity to handle a customer issue or complaint can create tremendous customer value and trust or it can destroy a relationship. That's why it's important to focus the content of the interaction on the intent of the specific moment to really make an impact.

A unified CRM offers a broader view of the customer journey, providing better and faster insights on how to respond. When companies recognize these moments, and make the right moves, they can create strong, lasting relationships with their customers because they are supporting them in emotional situations.

Using CRM to enhance the focus on these moments not only aims to benefit customers but also helps companies prioritize capabilities that enable key interactions and potential opportunities.


Connected enterprises are customer-centric and seek to move with agility and seize opportunities as they arise. The alignment of the front, middle and back office creates better connections to customers, employees and business partners.

Essentially, a connected enterprise strategy links all processes, functions and relationships while keeping a dedicated focus on meeting customer expectations, creating business value and driving sustainable growth.

That means viewing the customer as a place of business, meeting them wherever they happen to be. Succeeding at doing so is heavily-weighted on unifying your CRM platform throughout the front and middle office.

Making the right connections faster

Unified CRM supports a Connected Enterprise approach to digital transformation, which increased as a result of the impact COVID-19 had on businesses.

60%
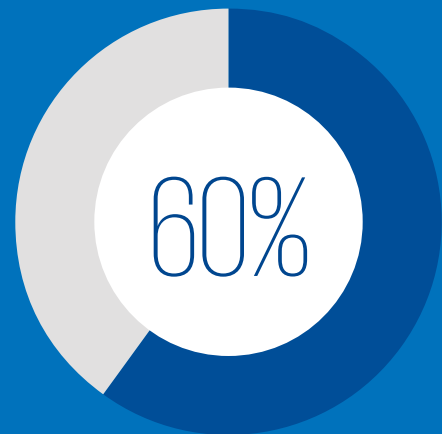
of DT leaders accelerated initiatives around connecting front, middle, and back offices.

39%
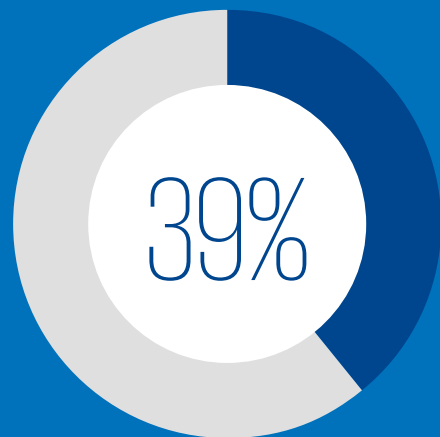
of DT leaders accelerated the integration of data for a single source of truth across front, middle, and back offices.

Source: A commissioned study conducted by Forrester Consulting on behalf of KPMG, July 2020.

Base: 780 professionals involved with digital transformation strategy decisions

Operationalizing unified CRM

A unified CRM platform integrates data across the front and middle offices, enabling improved data and analytics for greater insights and more informed decision making to help improve customer engagement and enhance customer experience.

Technology helps operationalize the connected enterprise approach by creating a seamless experience for the customer, enabling data to flow effortlessly through the front and middle office experiences. As business leaders move into growth mode, they're acutely aware that customer-centricity is the key source of competitive advantage, with 79 percent of businesses prioritizing a customer-centric strategy for the next 6 to 12 months.[3]

Yet, companies should be more disciplined and thoughtful on how they engage with their customers. As they do so, CRM can play a critical role in the converging disciplines around marketing, sales, and service, as functional priorities shift with changing marketplace demands. Consider how unified CRM links lead generation and other marketing functions with the sales cycle through to conversion and then connects to service for support, enabling an organization to manage the front office experience through the entire customer lifecycle.

CRM can also help improve an organization's revenue growth and customer retention rates. Harvard Business Review shows that if an organization's customer attrition rate decreases by 5 percent it could lead to a 25 percent to 85 percent profit increase.[4]

Where so many organizations go wrong is viewing CRM as purely a technology and pipeline management exercise. Instead, start by having a true understanding of the customer and what they want to achieve. While technology plays a key role, keep your focus on delivering intentional experiences, determining the value proposition, and aligning the business to be able to execute it.

Then and now: systems of records, insights, and engagement

Let's take a closer look at the CRM evolution relative to a company's system of record, insights, and engagement.

Traditional CRM created a system of customer records with disparate data sets held in silos throughout front office departments. Now, the front office is converging with middle office data to create one unified system of record. The traditional system of insights applied to different places.

For example, using analytics on supply chain operations, the focus might have been performance of a manufacturer or supplier. Today, that system of insights should help the organization make more informed, data-driven decisions.

Lastly, there is the system of engagement which has moved from a basic linear fashion of engagement to an explosion of options, including mobile phone, web site, voice app, partner or third party, and so on. Putting it all together, today's system of record, insights, and engagement are converging in an expedient way, assisting businesses and the customer with an outside-in perspective.

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[3] A commissioned study conducted by Forrester Consulting on behalf of KPMG, April 2021.
[4] Hamilton, E. "Six CRM Software Benefits You Can't Ignore in 2020", Tech Times, February 2020.

To help gain an advantage, begin with an outside in perspective to set the operational vision informed by the business objectives. Too many businesses embrace customer experience and the customer journey, but they fail to articulate the "why" of doing so (i.e., to sell more, to optimize costs, etc.) So, it's vital to take an "outside in" view balanced with "inside out" perspective.

To begin, answer two key questions:

1 What is it that you want to deliver for the customer?

2 What is it that you want to achieve by delivering that to the customer?

For example, is the company looking to drive growth, achieve competitive advantage, sell more of a product, or service, etc.? The point is that it's necessary to make it crystal clear what the objectives are to build a solid business case and thoughtful strategy for deploying unified CRM. Doing so can help align the organization by objectives and assign accountability for CRM roles and responsibilities.

Aligning the front and middle office

It's no surprise that CRM unification of front and middle office is gaining traction quickly. The technology enabled by CRM helps organizations meet the customer where they are (i.e., the customer as a place of business). It takes the ability to capture, harness, examine, and draw insights from the unified data to be able to engage the customer on their terms.

Unfortunately, research data shows that 35 percent[5] of companies struggle to transform insights into relevant business actions due to internal people and process challenges.

Unified CRM can help. Think of typical situations like trying to build awareness with a marketing campaign, converting a sale into a purchase in a commerce engine, or providing post-purchase support. Each situation requires deep insights about the customer interaction, customer value, customer wants and needs, etc. Furthermore, the result of each situation delivers another data point on that customer that can benefit the rest of the account and support team, through to middle-office functions. A unified CRM helps tie all this information together in one view to enable the organization to meet the customer where they are, whether that's at home, work, mobile, etc.

While front office CRM drives your understanding of the customer, the decisions made across the middle office operating model, such as pricing, billing, supply chain, and operations, are also needed to meet customer expectations. Customer buying patterns and customer value should influence how an organization structures its supply chain. Without front office linkage to the middle office, a divide exists on how to build the right structure to meet customer expectations and deliver quality experiences.

Supply chain executives spend a lot of time focusing on the traditional importance of 'knowing your supplier' to understand supply base, inventory positions, risk management, financial health, etc.

While still important, more time and energy should be focused on "knowing your customer," which now has tremendous influences on supply chain and delivery management. In the new demand-driven reality, it is equally as important to know your customer when structuring your supply chain and delivery processes than it is to know your supplier.

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5 Purcell, B. "Illuminate the Customer Experience with Customer Insights" Forrester Research, May 6, 2021.

For instance, three specific areas anchored around better knowing your customer can dramatically impact middle office functions. These include:

1   Segmentation. Understanding customer behavior and buying patterns impacts how to implement specific processes for customer segments with different needs or preferences to build intentional experiences. Organizations can serve distinct customers segments based on the value they provide.

2   Cost-to-serve. Understanding the costs associated with satisfying a customer order is another expected benefit. With unified CRM data, better and more precise data can be used in a cost-to-serve analysis to help inform decision making that may enhace both profit and customer experience.

3   Value versus variety. Using CRM customer data helps ensure that the product-related choices (e.g. SKU breadth and depth) provided to customers meet expectations and has tested value rather than assuming customers value the added cost and complexity.

Being able to connect the data through unified CRM creates strong demand signals to align the supply chain and execute with greater transparency and efficiency. Moreover, the collaboration between the business and operations enables defining what service levels to execute as supply chain and service are interwoven in terms of speed, of delivery, speed of returns, fulfilment rates, and more. The tighter the linkages, the better the experience for the customer. The objective is to use technology to value engineer from the customer back into the business to be able to execute on that customer promise, which is why unified CRM is so important.

Prioritizing data quality

While unifying CRM brings front and middle office data together, it does not consider the vast amount of customer data captured across the enterprise. To help reach its full potential, a unified CRM should have a data strategy to help ensure data quality, accuracy, and effectiveness. In many cases, especially in larger organizations with more complex structures, the CRM data strategy is usually fueled by master data management (MDM).

Like CRM, MDM is much more than technology. It's a strategic concept, enabled by technology, which facilitates sharing and leveraging quality data across the entire organization. MDM is used to safeguard the integrity of an organization's core data by continually confirming data validity, quality, and consistency. It includes a wide variety of data (not just customer data) that moves throughout an organization and has business value. The objective is to create a master record of data accuracy, reliability, and consistency of business data across the enterprise.

Consider the sheer complexity of achieving a master record of organizational data across different functions, geographies, and range of systems. Rampant data duplications, variations, inconsistencies, lack of transparency and inadequacies should be resolved. MDM helps eliminate such issues to develop a "golden record" of a customer across the data systems and files within an organization.

Why is this important to unified CRM? The golden record enables the creation of a real-time, accurate, and trusted single customer view, which enhances the value of unified CRM and can enhance customer experience. For larger organizations, master data management can be quite complex and requires a greater amount of ongoing collaboration and organizational commitment. However, when a MDM strategy is properly implemented, its value to the business and to the customer experience is undeniable.

What can bad data cost your organization?

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Wasted hours
Hundreds of hours wasted in rework, manual intervention, or data reconciliation in a wide-ranging process.

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Risk
Significant fines and reputational impacts because clients are unable to see non-compliance or trace at-risk materials.

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Lost opportunities
Tens of millions in unseen opportunities for revenue uplift, procurement, working capital, human capital (and so on).

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Accountability
No one knows who is accountable or "owns" the data and colleagues struggle to embed a culture of "data awareness".

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Customer experience
Poor data hinders the customer experience through embarrassing customer-facing errors online and in-store.

Evaluating CRM maturity

It's necessary to understand the maturity of an organization to unify the entire customer lifecycle and customer experience through the capabilities of CRM and other peripheral technologies.

Frequently, an organization may be aligned on strategic goals within the front and middle office while still operating with data silos that prohibit sharing of information to create a cohesive customer experience. When organizations commit to making the journey by being more disciplined with their customer engagement, unification of the front and middle office can have greater chances for success.

There are typically three stages of CRM maturity, according to Forrester Research. They range from basic departmental CRM consisting of siloed data and processes; integrated CRM that connects the disparate systems across departments; and ultimately, unified CRM, which provides a unified data across departments to create one single, consistent view of the customer.

By enabling a single view of the customer with accurate, consistent, and up-to-date information, front office operations can provide relevant, empathetic, and responsive customer interactions. Unified CRM can help improve the potential to meet personalized customer expectations with more enjoyable engagements and real-time transactions or issue resolution. It also simplifies multi-channel engagement, supporting frictionless experiences and seamless movement across channels. Moreover, the seamless link between front-office experience and CRM operations is essential for not only a great customer experience, but also, to help increase the effectiveness of the support teams to do their jobs without needing to swivel-chair between systems and technologies or worry about out-of-sync data.

As organizations move on to the next level of maturity, organizational structures, mindsets, and roles should evolve along with technology. As technology advances so should leadership strategies, processes, and governance to enable new ways of working and ongoing improvements in customer strategy.

Three stages of CRM maturity

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Departmental CRM
These deployments are enhanced to support business processes confined to a single department, such as lead management or inquiry management. The core CRM deployment is often complemented by apps from the vendor's application exchange that extend and enhance capabilities, such as e-signature capture, data capture, dialers, and schedulers.

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Integrated CRM
These deployments enhance interconnected business processes that cross departments, such as lead to order or order to cash. They deeply integrate departmental CRMs; yet business and system administration is separate for each application, and data should be rationalized.

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Unified CRM
These deployments offer tailored, role-based experiences from a unified CRM that spans all front-office departments and are tightly coupled to back-office applications. The CRM has singular business and system administration and offers a unified, consistent way to manage content and data across the application. These deployments typically use platform services to build custom extensions to differentiate their offering.

Source: Evolve Your CRM From Departmental CRM To Unified CRM, Forrester, September 2020

Overcoming the adoption challenge

The ability to leverage data effectively increasingly becomes table stakes, particularly as customers expect more personalized experiences. To be successful, CRM should be fed with quality data to enhance the ability to understand, engage, and serve customers. It should also show some return on investment.

While support from the C-suite is key, the first line of management is vital to driving user adoption. They have the most influence and contact with users and can make sure the program is aligned to business objectives. Even with the best strategy and process in place, if an organization does not put in the effort to drive adoption, failure is a real possibility. Many companies will focus on training and communications, which are important, but many times it's not enough to move the needle.

Consider this hypothetical example. Meet Mary. Mary is a sales rep in ABC company. Due to dissatisfaction over their existing CRM application, Mary and her colleagues are excited to welcome a new CRM application.

Day 1 of training:
Mary arrives early. She is thrilled with the brilliant new system. "What a great new tool!"

Day 2 of training:
Mary's excitement begins to wane when she sees the extensive table of contents involved in learning the new system.

Day 3 of training:
Mary wonders, "What's the minimal amount of work I need to do to satisfy the company requirements in using this application?"

This simplified, condensed scenario is illustrative of a common adoption problem faced by many organizations. Initial adoption excitement turns into disillusionment. But what if Mary was introduced to the new CRM system not as a tool to store data but rather to make her more successful at her job?

Helping people see how CRM can help them "win" in their roles has been shown to increase adoption. Furthermore, showing people the value of maintaining a customer record across the lifecycle will likely impact everyone's success. Whether it's to help improve SLAs, sell more, or enhance customer service, once an employee can personalize the use of CRM and see how it can improve their job, they'll likely be more engaged and willing to use it.

How a Center of Excellence can help

The creation of a CRM Center of Excellence (CoE) can help drive success before, during, and after CRM implementation. A CoE forms the body of people, processes, technology, and governance that operationally support CRM deployment.

In support of a unified CRM, a CoE can promote a centralized approach to managing CRM. It provides the framework and governance needed to standardize processes, facilitate clear and frequent communication, and encourage enterprise-wide collaboration.

For instance, a CoE helps management and employees understand how CRM can help the organization to encourage adoption. By helping users follow best practices, improve processes, enhance skillsets, and perceive CRM tools as essential elements for job success, the CoE can showcase how job roles and processes can improve, resulting in higher adoption rates.

Beyond adoption, a CoE can also help an organization avoid other common pitfalls related to aligning strategy and measurable goals with business objectives; understanding how CRM is much more than a technology tool; striving to ensure quality data and using it to drive insights and decision-making; eliminating operational silos and disparate data sets; enforcing quality controls and proper governance; and increasing the efficiencies and effectiveness of operations.

Moreover, a CoE reminds the organization that CRM is an ongoing journey by continuously seeking to evolve and enhance CRM efforts. A CoE can help guide the organization to review, revisit, and innovate its approach.
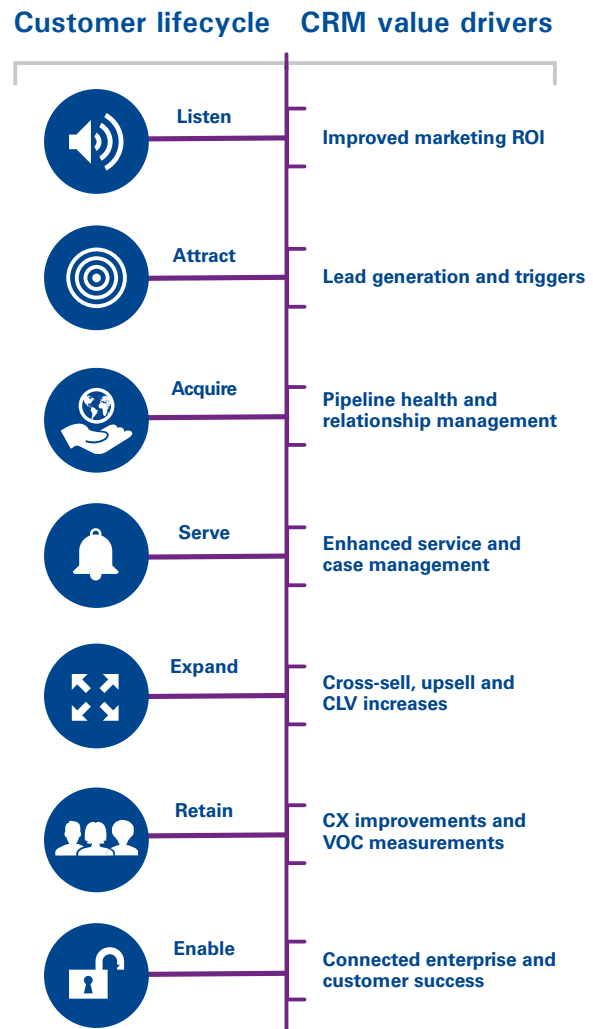
Gaining ground by driving value

Change is constant. Therefore, organizations investing in unified CRM should think about how things are operating today, but also, how they may operate tomorrow.

Making sure front and middle office teams work together to understand their connective tissue around providing better experiences can provide a better understanding of the potential benefits in deploying a unified CRM.

Being able to engage across a customer journey lifecycle that is led by the customer can be integral to success. Making this continually happen involves more than converging the front-office but also extending into supply chain, into operations, into the financials, etc. The wide-ranging experience underpinned by unified CRM can help differentiate an organization's go-to-market strategy with a better and more holistic engagement model.

To be sure, next gen CRM focuses on value. This can become increasingly evident when unified CRM data starts being used as a decision science tool to provide guided interactions, generate more intelligent demand, and highlight key trends and patterns to help realize greater value across the organization. In the end, a key objective is to value engineer from the customer back into the business to be able to execute on the customer promise and deliver a better experience. And, that's enabled by unified CRM.

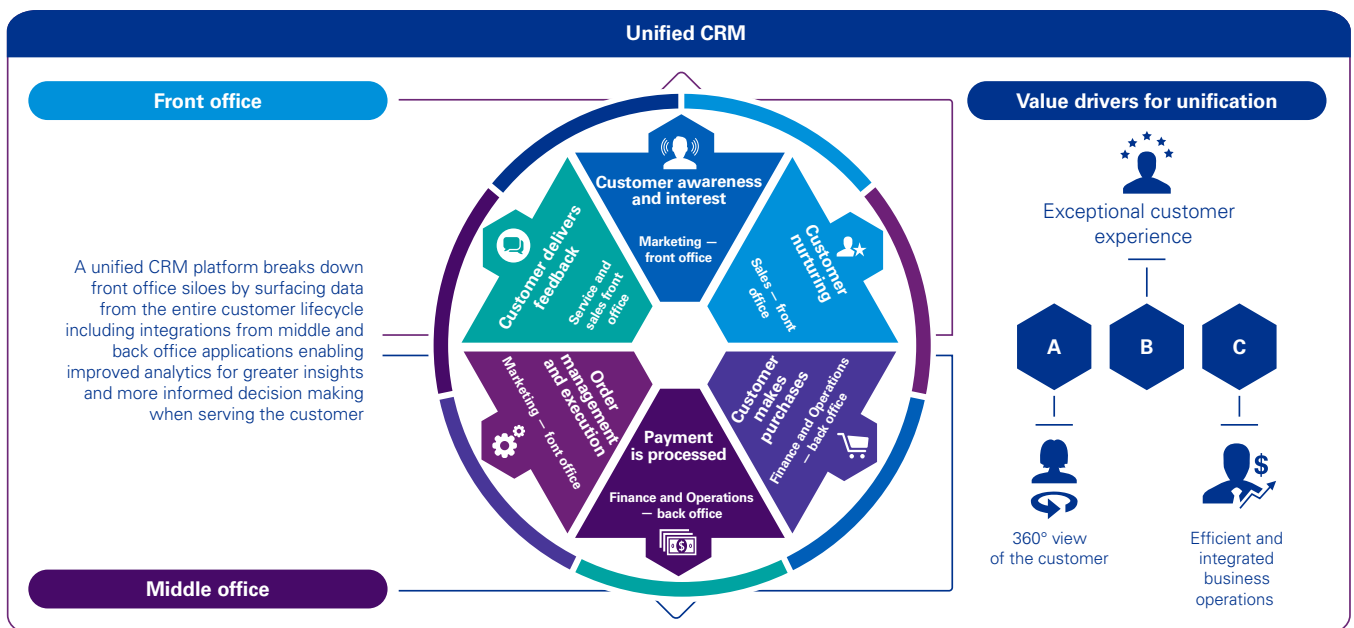| Customer lifecycle	CRM value drivers
Listen	Improved marketing ROI
Attract	Lead generation and triggers
Acquire	Pipeline health and relationship management
Serve	Enhanced service and case management
Expand	Cross-sell, upsell and CLV increases
Retain	CX improvements and VOC measurements
Enable	Connected enterprise and customer success

Getting from here to there: What does good look like?

When it comes to a unified CRM, what does good look like? The answer to that question is totally dependent on the business. A good CRM unification story begins and ends with the customer journey. Front office silos will likely begin to fall first, with marketing, sales, and service creating a single or integrated platform that shares data seamlessly and operates according to unified and standardized processes. Moving to the next level of maturity can include integrating middle office data, which may include supply chain and operational functions, depending on the business model.

Unification across front and middle office doesn't mean everyone in the organization is using the exact same application to do their work. It means that they all see a single customer view in a manner and context that matters to their role. For example, what data does a supply chain manager want to know about customers? Maybe the management team needs opportunity data for forecasting or perhaps they want customer service inquiries to troubleshoot delivery problems before they happen.

Unification of CRM means the customer record is unified throughout the customer lifecycle in a way that matters to the people serving the customer in order to enable seamless and enhanced experiences.

The customer lifecycle

Unified CRM

Front office

A unified CRM platform breaks down front office siloes by surfacing data from the entire customer lifecycle including integrations from middle and back office applications enabling improved analytics for greater insights and more informed decision making when serving the customer

Middle office

Customer awareness and interest — Marketing — front office
Customer nurturing — Sales — front office
Customer delivers feedback — Service and sales front office
Order management and execution — Marketing — font office
Payment is processed — Finance and Operations — back office
Customer makes purchases — Finance and Operations — back office

Value drivers for unification

Exceptional customer experience

A — B — C

360° view of the customer

Efficient and integrated business operations

How KPMG firms can help

KPMG professionals work with clients to assess, recommend, define, and deliver CRM solutions that can enable businesses to evolve and thrive within the ever-changing customer environment. KPMG firms support long-term business goals by focusing on creating a unified view of the customer through progressive technology, cohesive data strategy, and refined processes to support your organization. With years of industry experience, tools, and strategies to support digital transformation, KPMG professionals provide practical recommendations to align front, middle, and back office functions and embed customer-centricity as a core capability.

Every business has different needs and KPMG professionals are here to help guide the way. They work closely with companies to assess current technologies and redefine their processes to enhance efficiencies, achieve profitable growth, and deliver superior customer experiences. The goal of unifying CRM is aligned to business objectives designed to better serve customers throughout the customer lifecycle. KPMG professionals listen and work together to create a custom, unified approach to help your organization reach enhanced CRM results and seek competitive advantage.

Powered Enterprise | Marketing, Sales and Service

With customers empowered to easily switch providers or substitute products, more than ever it is critical to provide the right service through the right channel at the right time. Not only that, but you need to continually improve the customer experience and keep managing costs.

Having a connected front office is the right strategy to meet these demands — giving you the ability to leverage almost every company-wide resource available to fulfil their needs.

Powered Marketing, Sales and Service provides immediate access to leading practices and processes to help you put consumers at the heart of your decision making. It uses pre-configured cloud technology to help you transform your front office to meet challenges such as:

— How can your organization engage customers across traditional and digital channels seamlessly and effectively?

— How are you leveraging data to inform strategy and the customer experience?

— Does your business have the right operating model to meet the new customer expectations?

— How to break down traditional silos between marketing, sales and service to create a connected front office

With Powered Enterprise | Marketing, Sales and Service your organization can:

— transform the way you run your business

— build agile functions that evolve as you grow

— help your people to adopt and embrace change

— exploit new technologies for value and performance

— drive future success with the latest leading practice

— optimize service delivery and use.

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