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Staying Connected to Your Customers: Strategies and Tactics to Grow Enterprise IT Services

As a state CIO, you may have received a directive to consolidate IT services or promote a shared services model. You may have also been successful in establishing early buy-in from the agencies by consolidating some of the state's larger IT functions. Now though, you are faced with a bigger question – How do you maintain the relationships and deliver on the promises you made? This is where customer relationships matter most. Proven customer relationship service strategies and tactics are essential in maintaining and growing enterprise IT services. Customer-focused enterprises mobilize the entire state technology office to better serve agency customers, locking in long-term relationships that benefit both the agencies and the technology office. This issue brief examines the different techniques and best practices states are currently using to keep their customers satisfied and the lines of communication open.

The Challenge of Maintaining Enterprise Service Relationships

Maintaining enterprise service relationships is a strategy – not an application, although off-the-shelf tools that can aid the CIO in such activities as tracking and billing will be discussed later in this brief. Customer choice is the fundamental driver behind the need for customer relationship services. A customer-centric strategy used in today's competitive environment should combine policies, processes, and employee participation. This is a people-process-technology approach that engages customers through direct communications using:

- People: creating account representative positions
- Process: utilizing service level management (SLM) processes
- Technology: employing tracking tools, Web presence and other channels of interaction

CIOs are running multi-million dollar (receipts only) IT organizations and must examine and adopt the best customer relationship practices of their peers and leading private sector businesses to maintain competitiveness. Customer relationship strategies align business processes, refine customer interface channels and optimize internal resources.

Customer Benefits of Relationship Service Strategies

The benefits of customer relationship strategies include:

- Improved knowledge of CIO services and practices – informed customers make better decisions
- Problems resolved quicker – rationalized process for resolution
- Improved communications to customers
- Enable customer self-service – informed customers
- Influence IT service offerings – feedback
- Earlier awareness/notification of issues – no surprises

- Improved risk management with fact-based decision-making. Data driven strategies are better than anecdotes

CIOs should engage a "CUSTOMER of ONE" concept – when a customer has a problem, they expect to be your only customer.

Why Give Good Service?

"Why give good service if the customer has no choice but to deal with you? Customer displeasure with service quickly becomes customer animosity. As customers come to expect that they're going to be treated poorly, they in fact will begin to treat employees poorly (in "self-defense.") The attacked employee fights back and the stress on both parties mounts. Very few people can put up with the day-to-day barrage of unhappy patrons who expect to be treated poorly. This results in absenteeism, higher turnover, lower sense of pride and a negative view of the organization as a whole. Giving poor service is a way of beating up on yourself. There is a flip side to the coin though. People who provide good customer service - regardless of the nature of their business - earn psychological benefits in addition to any rewards offered by their organizations. In many cases, your job satisfaction mirrors the satisfaction people feel when doing business with you. Remember that organizational success often affects your individual success as well. People may not remember exactly what you did, or what you said, but they will always remember how you made them feel."

Source: "*50 Powerful Ideas You Can Use To Keep Your Customers*," by Paul R. Timm

I. Keys to Successful Implementation of Proven Customer Service Strategies and Tactics

Knowledge is power and knowing your customers' needs is the greatest piece of knowledge a CIO can possess. CIOs should develop an intimate understanding of their customers' line of business activities and their IT needs to successfully implement and maintain those activities. This customer insight can be used to drive a life-cycle management approach that anticipates individual customer needs and adjusts the marketing strategy and service delivery process accordingly.

Education (Spread the Knowledge)

The customer service process starts with people. Educating the CIO's staff members is the first step. CIOs must make sure that their own internal IT staff understands the customer relationship policy and what is expected of them at every level of interaction with the customer. Educating external agency customers is next. State agencies must also understand the CIO's relationship strategy:

- What can the CIO's office provide?
- What are the benefits of those offerings?
- How are customer agreements executed?

This can be accomplished with regularly-scheduled IT customer briefings, meetings with management and staff, and awareness-raising efforts such as publishing newsletters and holding technology days.

Business Drivers (Know Your Agencies' Operational Needs)

What are your customers' lines-of-business? What are the unique operational needs that each one requires? Learn their external environments, such as special programmatic requirements that may necessitate treating individual customers differently. Many reasons agencies cite for not participating in statewide enterprise consolidation efforts include special requirements that they feel cannot be fulfilled by the larger state initiative. A little intelligence on each agency's unique business requirements at the front end will save a lot of trouble during the contracting and execution phases.

Financial Drivers (Know Your Agencies' Spend)

Know the source of each agency's IT dollars and how much each agency is spending. In prioritizing customer outreach efforts, a CIO should know which customers represent the largest part of the state IT agency's revenue. Also be aware of strings that may be attached to certain pools of funds, especially those generated from federal mandates that may include special requirements involving separate accounting procedures or reporting.

Below are chargeback rates and pricing schedules from Delaware and Iowa:

Delaware's Department of Technology & Information (DTI's) Chargeback Methodology and Rates – Effective March 1, 2006
<http://www.nascio.org/nascioCommittees/enterpriseInfrastructure/documents/DEL Billing Rates.pdf>

Iowa's Information Technology Enterprise (ITE's) Pricing Schedule. This is also available on eDAS (*See section IV. CRM Solutions for State IT Services*) but requires that the customer logon for access.
<http://das.ite.iowa.gov/rates/index.html>

Performance Measures and Metrics (Track How You're Doing)

A CIO may consider getting feedback from customers by capturing performance metrics on a regular basis. Metrics are data-driven, and the corresponding data analytics can provide the targets of risk and service level needed to establish realistic measures. Capturing realistic measures and metrics can promote ongoing conversations, dialogue and engagement with customers. The data on which the CIO office chooses to focus depends on the areas that serve as good indicators of performance. These indicators provide an excellent opportunity to discuss with customers how they view satisfaction with state technology product offerings. Web-based surveys are an excellent tool to gauge customer satisfaction and compare the results to the CIO office's perception of its performance. Use a structured research process to analyze the data before the results are published. To ensure a transparent customer relationship, performance metrics should be reported and made available to all parties and could simply be in the form of dash board readings.

Effective Use of Service Level Agreements (The Details are in the Fine Print)

Sign Service Level Agreements (SLAs) with every customer and request monthly reports. Picking the top revenue-producing agencies for reviews provides a reason to engage with those customers. Reporting on new service offerings is a good tool to maintain regular contact. Effective use of SLAs can clarify common miscommunications between the CIO's office and the customer. Note, though, that a common problem with public sector SLAs is customer perception of a lack of a grievance process for SLA terms that are not met. Ensuring accountability can remedy this.

Examples of Delaware's SLA and IT service catalogue are below:

Delaware SLA – FY 2006
<http://www.nascio.org/nascioCommittees/enterpriseInfrastructure/documents/DEL SLA sample.pdf>

Delaware's IT Service Catalogue – Updated July 2006
<http://www.nascio.org/nascioCommittees/enterpriseInfrastructure/documents/DEL Service Catalog.pdf>

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II. Business Models

Having an organizational structure that allows customers to meet and provide feedback on a regular basis is essential to keeping the CIO organization engaged with agency customers. Utilizing customer service representatives and establishing customer care teams are potential avenues for customer engagement. Many states are utilizing these models to stay connected to their customers' business needs and to react to changes in those needs.

Engage Customer Service Representatives

A critical strategy in managing customer relationships is having a customer point of contact or customer service sub-unit utilizing liaisons that function like account managers or customer representatives. Customer service representatives should have access to and knowledge of a customer's previous interactions and buying history, conduct periodic reviews to create a list of priorities and areas that need improvement, and leverage assets to assist with problem areas.

Michigan's Client Relationship Model

Facing the challenges of staff retirements and leadership transitions, Michigan's Department of Information Technology (DIT) has continued to run without major interruption. However, based upon the feedback of clients, directors, managers, and employees, the Client Relationship Model was instituted to address the confusion created by DIT's former organizational structure. The primary goals were to rebuild client trust, take care of agency IT employees, fix operational issues, build a strong IT team, empower DIT employees, and deliver value.

The Client Relationship Model provides a single point of contact for client concerns, facilitating communication between DIT and its clients. It has also helped DIT break "silos," fostering trust and simplified interactions between infrastructure services and agency services. Finally, in creating the Client Relationship Model, processes were defined and refined as necessary to ensure efficient, valuable service delivery.

The model standardizes and streamlines the flow of information (such as requests for new services or projects, client feedback, inquiries, etc.) from the various agencies into DIT. It spans all functions of the various service groups within DIT so that, when requests come in from the agencies, DIT is able to respond with a holistic approach to the request. The Service Delivery Teams were created to support the work of each DIT Information Officer (IO) in responding to the needs of the agencies. The Service Delivery Teams are at the operational level of DIT's governing model. The members of each team represent all the organizational departments within DIT. This team is designed to work together in resolving operational issues, keeping decision-making at the appropriate level to satisfy the needs of the customer, increasing cross-organizational communications and creating a forum for more effective and accurate project planning. The Client Relationship Model contains team member position descriptions and flowcharts:
<http://www.nascio.org/nascioCommittees/enterpriseInfrastructure/documents/Appendix_I_91638_7_MI_CRM.pdf>

Another State Example

Delaware:

"***Marketing IT and Sustaining Customer Relationships***" contains components of marketing and customer care:

<http://www.nascio.org/nascioCommittees/enterpriseInfrastructure/documents/NASCIO Draft - Marketing IT and Sustaining Customer Relationships v2.pdf>

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Delaware: Delaware's Department of Technology and Information (DTI) customer care team assignments and job descriptions are below:

Customer Care Center Team – Customer Assignments
<http://www.nascio.org/nascioCommittees/enterpriseInfrastructure/documents/DEL CCC Assignments.pdf>

Customer Relationship Specialist (CRS) – Position Summary
<http://www.nascio.org/nascioCommittees/enterpriseInfrastructure/documents/DEL CCC job desc.pdf>

Mission of the Customer Relationship Specialist (CRS)
<http://www.nascio.org/nascioCommittees/enterpriseInfrastructure/documents/DEL CCC mission.pdf>

Customer Relationship Specialist (CRS) and Information Resource Manager (IRM) Roles and Responsibilities
<http://www.nascio.org/nascioCommittees/enterpriseInfrastructure/documents/Roles and Responsibilities 01-13-06 v2a.pdf>

Create a Customer Advisory Group

Customer Advisory Groups (CAGs) can be established to increase the level of interaction between the CIO's office and the agency IT managers. CAGs provide a mechanism to express the collective needs and concerns of each agency IT manager, assisting in identifying and setting systems enhancement and development priorities, and enabling the IT managers to provide more frequent and detailed updates on major IT issues, plans, and projects. CAGs also enable CIO staff members to more efficiently seek feedback on system designs from agency customers and provide greater opportunities for member participation by agency IT teams and related focus groups.

Washington State: The state's Customer Advisory Board (CAB) is legislatively constituted to provide the Washington State Department of Information Services (DIS) with advice concerning the type, quality, and cost of the department's IT services to other public entities. For additional information, please see: <http://www.dis.wa.gov/enterprise/cab/>

III. Customer Communications & Multi-Channel Interaction

Keys to Effective Customer Communications

Different communication methods help to serve different customers in different situations. However, the ultimate goal should be to create a customer experience that appears seamless at all points of engagement. The state's technology office may consider re-tooling and reorganizing customer service outreach to utilize all contact methods in a customer-driven manner to support not only the initial face-to-face interactions with agencies, but also other traditional points of engagement, such as dedicated Web pages, e-mail and traditional mail and phone. Ways to ensure first-class customer interaction may include:

- Asking customers how they're doing
- Providing multiple communication outlets
- Integrating cross-channel marketing
- Using an auto-attendant with IT updates and news on new offerings while customers are on hold
- Having an effective and responsive help desk (which can be one of the most important aspects of a multi-channel communication strategy), and

- Keeping the lines of communication open to limit the customer-to-customer anecdotes that could impede progress with CRM improvements.

South Carolina: An applied example is the South Carolina CIO's Customer Care Center, a section of South Carolina's CIO Website devoted to agency customers to provide alerts of both scheduled and unscheduled maintenance, contact information, and general information about how to request services and report problems. View the Customer care Center at:
<http://www.cio.sc.gov/cioContent.asp?pageID=425&menuID=91>

The Customer Conversation

Creating a forum for regular customer feedback and discussion is one way to keep customers engaged. Scheduling regular customer meetings to foster continued dialogue at all levels of engagement and providing educational opportunities for customers to learn about new offerings and business direction are ways to establish enduring customer communication channels. To ensure customer conversations are as productive as possible, the CIO's staff should learn about each agency customer's needs and core business services.

Three Simple Steps to Foster Better Relationships

(1) Step **One** begins with the first day that someone becomes your customer. At the end of that day, sending them a Thank You note or e-mail lets them know that you are happy that they chose your product, and offers them contact information as it relates to their new product.

(2) Step **Two** begins at the end of the first week that the customer has the product – call them. This is a great opportunity because the customer may have questions about the product. It also lets them know that they are a valued customer.

(3) Step **Three** begins at the end of the first 30 days after purchase of the product. By then, the customer should have received the first bill. This stage holds potential for the customer to lose faith in the product – they've had a chance to try it out. While at the sale stage it may be easy to close the transaction, there could be diminished customer effort when billing questions arise. It may be easy to say "Call so and so, he/she handles billing." Although you may not know the answer to billing questions, you may try to obtain answers for the customer. This also establishes a great relationship with the customer by simply taking ownership of the situation.

Source: Adapted from an unknown source

Service Level Management

Multi-channel interactions can be optimized utilizing Service Level Management (SLM). SLM is a strategic discipline that integrates the people-process-technology approach with customer service. SLM can include metrics-related initiatives that include meetings, surveys, analysis and reporting. Possible ways of implementing SLM include:

- Conducting customer satisfaction surveys to establish a baseline and point-of-service reference
- Comparing the baseline with the results of a perception survey completed by the state IT office staff members to determine how the customers' experience and staff members' perception of the customers' experience match-up
- Establishing performance measurements to create a roadmap for multi-channel customer interactions that facilitate service offerings such as e-mail and data centers
- Holding SLM customer meetings on several organizational levels such as with state executives, business leaders, and focus groups. Utilize SLAs to manage the enterprise, projects, points of engagement and master business agreements. Seek to promote improvement efforts in the areas of people and practices; service quality and delivery; processes and responsiveness; and from the technical side, improve your Web presence and internal systems.

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North Carolina's Operational Excellence Program

North Carolina's Office of Information Technology Services (OIT) Training Program, in addition to training its IT staff on the Information Technology Infrastructure Library (ITIL) as part of their Operational Excellence program, OIT also offers the training to any interested customers. The state has launched a new service catalog that will become the SLA for its services through a process of meeting with customers, reviewing their services, reviewing and signing SLAs, and then initiating an ongoing service review process.

The state CIO, recognizing the need for IT alignment with the business of state government, created a new Business Relationship Management (BRM) group. This group is responsible for the Service Level Management process and for ensuring that the state's IT organization works with agencies to figure out how to meet their needs and to drive efficiency and effectiveness in state government. The group is also responsible for ensuring the state IT organization understands the business of state government and is appropriately responsive in terms of new services and the management of existing services.

Currently, North Carolina is in the process of an IT consolidation effort and is redefining its Information Technology Services (ITS) Customer Support Center as an ITIL-based Service Desk to increase its already strong commitment to excellent customer service.

North Carolina's OIT Operational Excellence Program is committed to implementing all ten ITIL processes to a maturity level of three within three years. OIT also has implemented incident and change and will implement SLM and problem this fall and then will undertake release and configuration management.

IV. CRM Solutions for State IT Services

Think Technology Last

In developing a customer-based software solution to provide targeted line-of-business functions, start with people and process and then purchase, configure and modify the software as a service. Efficient IT organizations deliver information that helps agencies and suppliers accelerate, automate and optimize their decision-making processes. Data becomes the rallying point with each decision, impacting other decisions throughout multiple organizations. Customer relationship management tools can assist the CIO's office in managing this flow of important information.

Many of these CRM tools are developed from off-the-shelf software that has been customized for a particular line-of-business activity. Few states use comprehensive CRM software suites, but instead tend to focus on targeted activities such as tracking its organization's performance, searching for usage and maintenance patterns, and coordinating such functions as billing. Most importantly for states, such billing tools allow for budget projections that can be invaluable during the legislative budgeting process. Trouble-ticketing functions can run reports on the number of support visits conducted as well as search for patterns that can help forecast and mitigate common problems. Inventory tools are effective in clarifying such irregularities as under-billing.

Iowa: This state's Department of Administrative Services (DAS), for example, utilizes a Web-based customer service intake and reporting system called **eDAS** – a custom-developed billing and ticketing process customized from an off-the-shelf product and designed to provide the customer with an accurate, timely and cohesive on-line DAS customer service experience. The electronic methodology consolidates invoices and integrates pay-back and service tickets. Ticketing and billing are stand-alone systems. Telecom is handled separately as well. Iowa's billing tool allows for the compilation of substantial amounts of information on the customers, outstanding orders, and itemized billing.

To access Iowa's eDAS Website, click on Advanced Search on the left side of the Web-page, choose Information Technology in the Enterprise drop down and click on Search to see Iowa's eDAS service catalog. <https://edas.iowa.gov/intake/Process.do>

What CIOs Need to Know

Know your customers:
- Know your customers business drivers
- Know your customers financial drivers
- Track progress using performance measures and metrics

Key considerations:
- Create a governance model to drive the process
- Communication is key
- Conduct continuous customer service training and awareness for the IT organization

Where Can I Find Additional Resources?

Websites that Provide General and Industry CRM information:

CRM Advocate <http://www.crmadvocate.com/>

CRM Daily <http://www.crm-daily.com/>

CRM Guru <http://crmguru.com/>

CRM Industry <http://www.crmindustry.com/>

CRM IT Toolbox <http://crm.ittoolbox.com/>

CRM Today <http://www.crm2day.com/>

Destination CRM <http://www.destinationcrm.com/>

eCRM Guide <http://www.ecrmguide.com/>

eCustomer Service World <http://www.ecustomerserviceworld.com/index.asp>

Gantthead.com <http://www.gantthead.com/departments/departmentPage.cfm?ID=2>

CMC – The Customer Management Community <http://www.insightexec.com/>

Intelligent Enterprise Magazine – Customer Intelligence
<http://www.intelligententerprise.com/channels/customer/>

JoAnna Brandi & Company – Customer Retention & Loyalty
<http://www.customer-retention.com/default.asp>

Montgomery Research Inc. – Defying the Limits <http://www.crmproject.com/welcome.asp>

Peppers & Rogers Group – 1to1 Media <http://www.1to1.com/

Search CRM.com <http://searchcrm.techtarget.com/>

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