

The CRM Maturity Profile Model

Most enterprises do not know their state of readiness for CRM. In this *Research Note*, Gartner presents a CRM maturity profiling model that enables a firm to quickly assess its level of preparedness for the demands of CRM.

Core Topic

Business Applications: CRM Business Strategy

Key Issue

How will organizations develop and implement a business vision for CRM?

Note 1

Benefits of This Approach

1. Identifies and prioritizes customer-centric capabilities
2. Enables assessment of an enterprise's customer-centric maturity
3. Enables envisioning of an enterprise's desired customer-centric capabilities
4. Articulates the capability gaps between the current and future states
5. Provides a reusable tool for consistent monitoring and measurement of progress

When considering customer relationship management (CRM), many enterprises fall into the trap of believing that technology will solve all their problems. They fail to realize that technology is only an enabler, supporting the strategies, tactics and processes that are the result of CRM. As such, enterprises need to assess how ready they are to bring in CRM technology. This approach allows an enterprise to understand the complex interplay of factors necessary to be successful in CRM (see Note 1). Leading-edge CRM practitioners realize that CRM is an iterative process, and as such, enterprises grow and mature in their understanding of the area.

Gartner recommends that enterprises evaluate themselves according to the CRM Maturity Profile — a process comprising three steps. Doing so should help enterprises evaluate where they are, and where they need to be, in order to be successful.

Step 1: *Evaluate the enterprise's business practices:* Note 2 identifies a number of typical practices that we recommend enterprises evaluate themselves on. We believe these six areas give enterprises a good idea of the broad spectrum of processes that need to be examined.

Step 2: *Evaluate the enterprise's business practices based on the scale contained in Note 3.* This requires close examination and honest answers. For example, an enterprise may tend to say its marketing strategy alignment to customer expectations is leading (based on Note 3 definitions). However, is this conclusion based on comparisons with best-of-class CRM practitioners — or is the comparison only with other enterprises in its industry? What would be the most realistic assessment?

Step 3: Determine what level the enterprise must reach to be successful. In the example above, an enterprise might believe it

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Note 2

Business Practices

Align Marketing Strategy with Customer Value and Expectations: Do your strategies capitalize on your customer-centric capabilities? Without an effective action plan, your customer-centric capabilities will go unrewarded.

Manage Customer Information as a Strategic Asset: Who knows your customer better than you? Your ability to capture and leverage this information is critical to making it a competitive advantage.

Identify Customer Expectations: Are you consistently meeting or exceeding customer expectations? Understanding and managing customer expectations provides the foundation for designing and delivering leading products and services.

Measure Customer Ongoing Value: Do you know who your most valuable customers are? Do you know how to grow the value of your other customers? A valuation model applying the correct predictive indicators to information gathered from across the enterprise can help you increase profits.

Integrate Across Business Units: How well do you maximize your efforts and competitive advantages across functions and business units? For an enterprise to truly realize the full benefits of being customer-centric, its individual parts must move in harmony.

Manage the Customer Experience: How do you coordinate and manage product and service delivery? The customer touchpoints should be the focus of any customer-centric enterprise.

Note 3

Maturity Levels

Leading: Describes an organization that has differentiated itself based on customer-centric capabilities and simultaneously redefined those capabilities

Optimizing: Describes an organization that has not only developed customer-centric capabilities but also actively integrates them into its daily operations

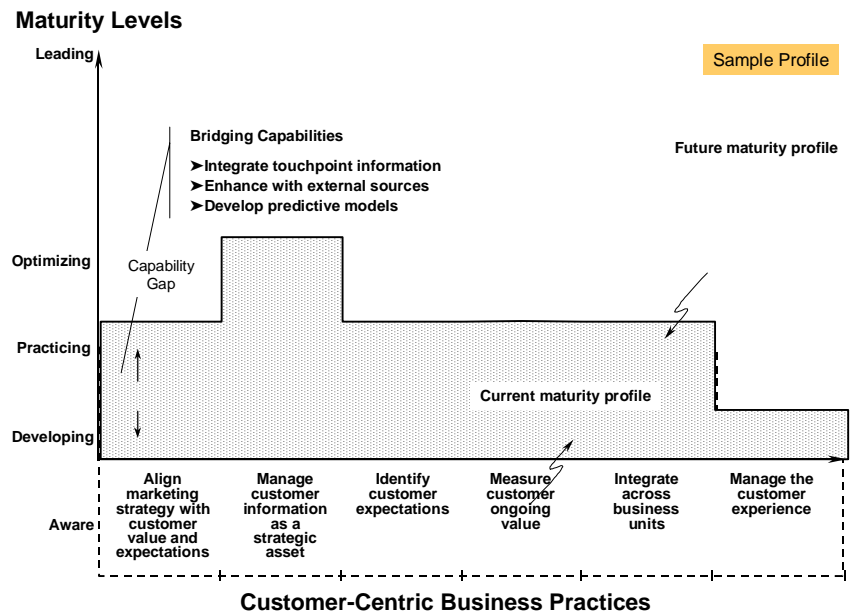
Practicing: Describes an organization that has implemented basic customer-centric capabilities

Developing: Describes an organization that has a rudimentary, loosely woven set of customer-centric capabilities in place

Aware: Describes an organization that exhibits few customer-centric capabilities

is developing, but that enterprises it is most concerned about are optimizing. As such, the enterprise must identify the gap between these two states, start to develop a plan, determine the resources needed, and begin to estimate the impact on the enterprise in terms of people and resources. Figure 1 shows a sample matrix that an enterprise might develop, based on this analysis. The enterprise may discover that it is fine in some key processes, but has a large capability gap in others. This self-evaluation will provide valuable information for assessing how mature it is as an organization with regard to CRM.

Figure 1
The CRM Maturity Profile



Source: Gartner

Once an enterprise has used this simple tool, it can begin to do the following: 1) prioritize investments to shore up its weakest areas; 2) better understand the types of technology and vendor solutions that will give it the most value; 3) be able to examine and improve processes that are interfering with its CRM initiatives; and 4) develop strategies and tactics that can best exploit the strengths.

Bottom Line: Enterprises that fall into the trap of thinking they can accomplish CRM based only on technology will fail. Enterprises that succeed in CRM will be those that evaluate their processes in light of customer expectations, honestly assessing their strengths and weaknesses, and then rebuild them based on what the customer wants. Gartner's CRM Maturity Profile is designed to help enterprises succeed in this area.

