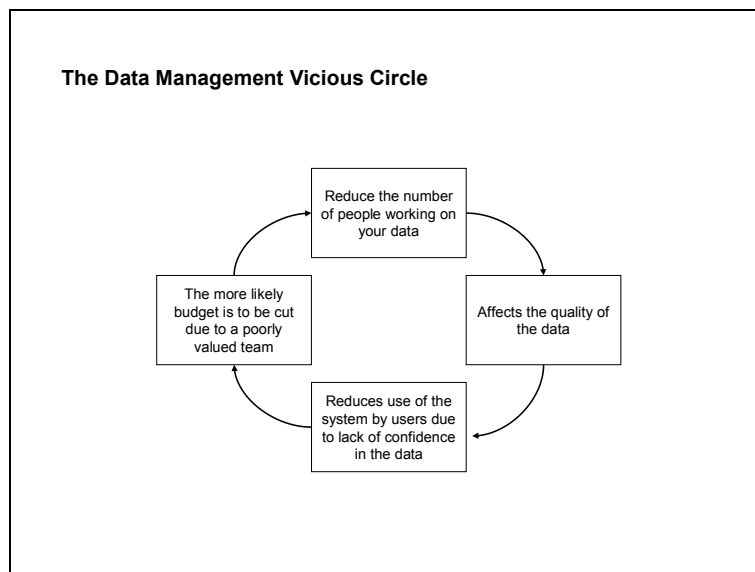


## Outsourcing your data management resource, is it the key to making CRM successful?

Achieving return on investment from a Client Relationship Management system has by and large been extremely difficult for most professional services firm.

Success is often heavily influenced by how users use the system, what it looks like and what reports are needed. My experience in working on CRM projects leads me to conclude that most firms greatly underestimate the on-going investment that they need to make in managing their data. In hard times, cutting headcount in the CRM team is often an early target. However this often only starts a vicious circle:



The starting point to managing your data effectively is to be clear about the information you will need and what data you currently have. This audit of your information should drive your data strategy, we have explored this in previous articles. Whether you decide to outsource, offshore or increase the team in-house you should always start with this audit. Most firms are not sufficiently clear about what data they need and how to manage it.

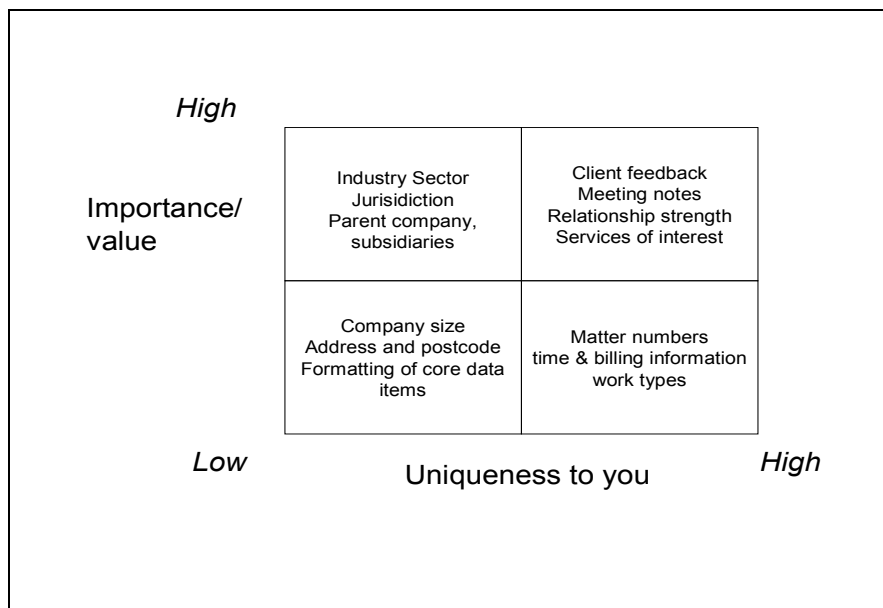
This is not as hard as you might think. The starting point is to be clear about what “value” or “importance” means. This might be any of the following (although this list is not exhaustive):

- Number and value of instructions
- Growth potential
- Share of spend
- Strength of relationships
- Attendance at marketing events
- Alignment with service line or industry business plans

## Is off shoring the solution?

One of the solutions that many firms are considering is to determine whether “offshoring” some of the lower level tactical data management tasks might provide them with 2 immediate benefits:

- Reducing the pressure on budget so that they cease to be the focus of cost saving conversations
- Enabling the remaining team to focus on more valuable tasks such as delivering reports and proactively cleaning up data for important audience groups



One way to look at what data tasks you might choose to outsource, is to analyse two key factors, on the one hand the importance of a particular piece of information to you in terms of how it assists in winning business or developing relationships. The second is the uniqueness of that piece of information to you i.e. can you only generate this information from within your firm, or is it available from some other source.

As a general rule information that is unique to you and important should be managed by your own staff, that which is lower value or not unique are prime candidates for getting other people, often from outside the firm, to manage.

The key things to consider about offshoring:

- **Do you have the right people in place in-house to establish and manage the relationship effectively?** Ideally you need a manager who thoroughly understands the system and the current processes. Bear in mind that if you're going to achieve good results you will need to document the processes thoroughly so that your offshore provider can quickly follow the workflow without making mistakes or wasting time.
- **Consider the cultural, language and time zone challenges.** These are not the things that might spring to mind from negative press in the UK, but I would insist that your chosen supplier can provide face to face resource during the set up and for the first few months post go-live, to mitigate these. Not being able to meet with someone in person makes building a trusted relationship that much harder and you want this to be a long-term relationship so be prepared to invest time to get to know your team at the outset.
- **Understand that not all data management tasks are well suited to off shoring.** Typically those that are tactical in nature, that are process driven and can be easily standardised are best. Due to the time zone challenges it is also best to consider those tasks that require minimal interaction with your users as the team you hire may be working when your users are asleep! Outsourcing tasks which vary dramatically and require lots of judgement calls, are probably better to bring on-stream later when your team has a better understanding of the culture and dynamics of your firm.
- **Consider the legal implications.** You must enter into a written agreement with your provider that specifically states that your provider will only process the data in accordance with the subject's wishes and that sufficient physical, data and IT security measures are in place. That's a huge oversimplification of the requirements but you will need to have legal assistance to walk you through this process. Of course you must also have your own processes in place to ensure that you comply with the relevant data protection and EU privacy guidelines and that your chosen provider will process your data in accordance with those.

In relation to this latter point, which is often the most concerning for firms, there is an approved methodology in place, which has been ratified by the UK's Information Commissioner and the EU and that is to insert standard "model" clauses into the contract that states that the provider complies with specific data management and data protection requirements. This is not something you need to worry about, as outsource providers, are often more than capable of walking you through this process, having done it many times before.

In summary offshoring, providing you take note of these key issues, can be an extremely successful way of addressing the data management challenges whilst also managing costs.

In the next issue we will look specifically at how you can go about setting out your annual data management plan, how to ensure that your plan achieves your and your team's objectives and how you go about creating a budget to deliver the plan.