

Solutions

Change for the better

Adherence to change management principles can ensure CRM initiative success



Sudhir H. Kale, Ph.D., is on the Faculty of Business at Bond University in Australia. He is widely published in the areas of customer service and CRM, and consults and trains with casinos on these topics. You can reach him at skale@gameplanconsultants.net.

■ *The future is not a result of choices among alternative paths offered by the present, but a place that is created—created first in the mind and will, created next in activity. The future is not some place we are going to, but one we are creating. The paths are not to be found, but made, and the activity of making them, changes both the maker and the destination.*

—John Schaar

Customer Relationship Management has become the latest management craze to hit casinos. Wherever you look, you see multimillion dollar initiatives with fancy acronyms such as CKRM (Customer Knowledge Relationship Management), CVM (Customer Value Management), CAM (Customer Asset Management), and PRM (Partner Relationship Management), all designed with the hope of managing customer relationships more effectively.

The implementation process for such projects is pretty much the same. The casino sends out its requests for proposal, big-name consulting firms such as Accenture, Baring Point, PwC, and others respond to these proposals, a consultant is chosen, the consultant comes up with the right hardware and software, and the solution is successfully implemented. Or is it?

No doubt, many casinos *think* that the process works this way. And there will be plenty of nattily attired consultants than will offer you a technology solution off the bat. But will this result in effective customer relationship management? If past statistics are anything to go by, the chances of your CRM venture succeeding are below 25 percent.

Why such dismal failure rates? Clearly, CRM is not as simple as it sounds. CRM is not about improving profits through technology; it is about

TECH SOLUTIONS

Sudhir H. Kale

inculcating the right mind- and skill-set in your employees and providing them with the right information so that your targeted customers consistently receive outstanding service and due recognition. This is never accomplished by simply choosing the right hardware and software so that you can endlessly mine customer data; it requires a long and often tedious program of change management.

The human element

In my consulting and training experience, I have found that outstanding employees can produce outstanding results even with mediocre technology. Mediocre people, regardless of the caliber of technology provided, invariably produce mediocre results or thereabouts. So, if you want to reap the financial windfall that CRM promises, the place to start is people, not technology.

Readying the human elements of an organization for CRM requires a well-thought out and carefully orchestrated program of change management. While it is impossible to get into all the issues on this weighty topic in one article, the following seven takeaways should be useful if you are contemplating CRM.

Take care of change management and you will be well on your way to the project accomplishing its intended objectives.

1) Create a customer-centric culture

While every casino executive makes public pronouncements about how important the customers are and the need to provide an outstanding customer experience, I have found most casinos woefully lacking in customer orientation.

A good place to start is to have every employee in the casino, regardless of level or department, go through a standardized marketing induction

program emphasizing the value of customer satisfaction. Many executives and front-end employees feel that if customers visit a casino, they must be stupid. This perception is subconsciously conveyed to the customer through indifferent service.

A mandatory marketing program emphasizing customer orientation will help mitigate the negative perception of the customer among employees. Also, senior executives need to demonstrate by their actions that serving the customer is the most important item on their list of priorities.

2) Sell change internally

If you do not experience massive change, you are not going about CRM the right way. In a 2001 ODR white paper, Darryl Conner writes, "When CRM is introduced in a work environment, it causes shock waves of disruption to emanate from the initial points of impact. These points of impact are the physical and political locations where the system is actually introduced and has its effects on the people it touches."

Top management needs to appreciate the fact that change is not just anxiety-provoking for many people, it is downright terrifying! Senior executives need to assume the mantle and become missionaries for promoting change. Many accomplish this by alluding to some crisis, real or imaginary, which would make the troops more receptive to change.

In selling change, it is important for everyone in the organization to realize what the new initiative means for them and for those around them.

3) Identify key people to drive change.

It is necessary to put in place an infrastructure that identifies key individuals to drive the change and define their roles in the process.

Typical roles to be played by various individuals include: the change agent (advises on the methodology of the change effort and trains decision makers and performers on this methodology);

See *TECH SOLUTIONS*, page 41

TECH SOLUTIONS

Continued from page 28

the team leader (makes sure project activities are assigned and completed at team level); the content experts (advise on specific topics such as work procedures, software and compensation policies); the steering team (provides oversight, garners stakeholder support and clears roadblocks to various elements of the change management initiative; and project managers (ensure that project activities are assigned and completed, coordinate the work of several teams, and serve as liaison between the project teams and the steering team.

4) Communicate with transparency and regularity

From conceptualization through implementation, a CRM initiative can take up to three years. It involves endless meetings, status reports, survey research, and number crunching. Given the scope of the project, it is impossible to keep it a secret from your employees. Doing so only makes them skeptical, or worse, suspicious.

At the first opportunity, let people across the organization know what you are trying to accomplish and why. Keep your employees informed of developments through newsletters, the Intranet, and face-to-face meetings. Let every person know that CRM is a great idea and that the success of the project rests on buy-in from every single employee. Most importantly, let each employee be aware of how his/her job is likely to change as a result of the initiative.

5) Train for CRM

CRM will yield optimal results only

if every person within the company is customer-oriented. This transformation of mind-set is best accomplished through training.

Harrah's provided tip-wages to its frontline employees when it embarked on its CRM program. Let employees know you are serious about customer service through training programs that stress customer satisfaction. Training will also be needed to equip people with the skills needed to use the CRM system.

When it comes to training, it is seldom a one-off deal. Periodic training is essential to maintain the customer-centric mindset and to provide the required skill competencies.

6) Change employee reward systems

CRM is based on the tenet that loyal customers constitute the most important asset a company can have. The way to nurture this asset is to reward your customers with a "wow" experience every time they visit your property.

Frontline employees need to be motivated enough to deliver such an experience. What better way to keep their enthusiasm than to tie their incentives to customer satisfaction? By orchestrating rewards and incentives around the customer experience, you are conveying to all employees the seriousness with which you view customer satisfaction. It is amazing how people's attitudes toward customer service can change when their paycheck becomes linked to service satisfaction.

7) Bring down departmental silos

CRM can never succeed in an organization populated by departmental fiefdoms. Executives in many

large casinos spend a disproportionate amount of time trying to protect their turf and thinking about what's in the interest of their department.

Consequently, there is seldom a unified attempt to enhance the customer experience.

A slot customer's experience is determined not by the service provided by slot attendants alone; F&B, the coin department, the cage, and even security contribute to the experience. Instead of thinking of what's right for people within my department, the executive should ask, "how do I best cooperate with other departments so that the customer can consistently be delighted?" Such enterprise-wide thinking and practice is a top-down exercise that should permeate the entire organization.

Cost-effective thinking

The seven directives discussed above will create a work environment that is conducive to the practice of CRM. Whenever casino clients initiate CRM discussion with me, I say, "First think of all the things you can do to improve customer satisfaction without having to spend a cent of technology."

Those who heed this advice realize, to their utter amazement, that they can come up with as many as 50 change initiatives that would boost customer satisfaction and do not involve investments in technology. If the client can successfully implement ten such initiatives, it would recover all of its CRM investments, including the money spent on training and technology. **CJ**

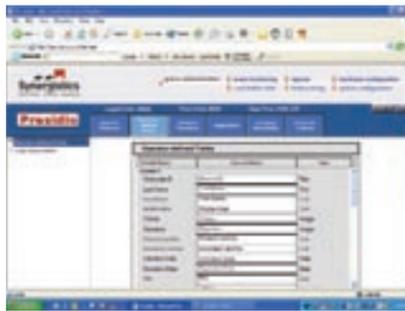
WHAT'S NEW

Continued from page 36

ipConfigure software, the user is able to control access events while viewing live footage over IP cameras.

The Presidio and ipConfigure partnership is the first browser-based CCTV and access control system of its kind and is based on the Microsoft SQL database. This system allows the user to manage all access events and event images from any location. The user can select an event to view details and event footage.

The ipConfigure system attaches to a network that allows the user to search all cameras and monitor multiple buildings in a campus setting as well as those that are located in completely different sites. The ipConfigure system is based on IP camera technology, in which all surveillance cameras have Web access and are



logged into a central database. The software, with a pre-buffered memory, is programmed to record on motion activation or continuously.

Fully scalable to meet any configuration, Presidio can be completely integrated with various industry-leading access control system hardware controllers. Through the use of 128SSL encryption, alarms and events can be securely monitored in real-time via the

Internet/Intranet with alarm event information routed automatically to cell phones, pagers and e-mail. Other standard features include: alarm prioritization, scheduled reports via e-mail, anti-passback capability and online help screens.

For more information about Synergistics' complete line of access control systems: contact Synergistics, Inc. Nine Tech Circle, Natick, MA 01760; call 508-655-1340; or visit www.synergisticsinc.com. **CJ**

Have a new gaming industry-related product you'd like featured in What's New? Send a brief description of your product and an accompanying photo to Ascend Media, c/o Andy Holtmann, Managing Editor: 1771 E. Flamingo Road, Suite 208A, Las Vegas, NV 89119 or e-mail Andy at aholtmann@ascendmedia.com. Note: products with photos will receive first consideration.