

May 7, 2008

Case Study: High 5 Sportswear Scores Big With A Smart SaaS CRM Implementation

by **Pete Marston and William Band**

with Sharyn Leaver and Mary Ann Rogan

EXECUTIVE SUMMARY

What happens when your customer service reps have to blindly make decisions without having the right customer and sales data to guide them? High 5 Sportswear, an athletic apparel distributor based in the Pacific Northwest, faced precisely this challenge within its customer service center. To address this problem, it implemented a customer relationship management (CRM) software-as-a-service (SaaS) solution that offered a platform for consolidating customer data and improving efficiency. The company followed a systematic implementation approach to ramp up the solution quickly. The key steps were: 1) define and target the specific “pain points” and business processes that require support upfront; 2) establish the budget early and stand by it; and 3) roll out the solution in small, manageable sizes, and let adoption grow internally. High 5 service reps now have the visibility they need to make more sound decisions and to offer better service to their customers. In addition, management has increased its visibility into the services operation and the metrics required to wring more productivity out of the firm’s call center operations. Most important, improved customer service is strengthening customer loyalty.

SITUATION: HOW TO FIND THE TRUTH THROUGH DISTRIBUTED DATA AND RESOURCES

Lacking a centralized customer data repository that connects sales and service resources and tracks key customer interaction history can lead to costly resource inefficiencies and undermine corporate goals and objectives. These issues are exactly what plagued High 5 Sportswear, an athletic apparel distributor based in Seattle, Wash. While High 5 had a strong reliance on partners to generate sales, it also needed its service organization to process orders, and customer service reps (CSRs) struggled to find key customer sales data to properly complete and efficiently route service tickets and track orders. At times, the service organization became a bottleneck for processing customer orders.

Tom Mercer, VP of sales and marketing at High 5, told Forrester, “We traditionally have scored well in customer service, but we didn’t have any official system to track customer interactions.” The lack of centralized data made servicing customer tickets extremely painful. When orders came in through the service organization, CSRs were required to validate order information, such as discounts claimed by the customer, before processing. For larger orders customer service tickets could remain open for several days while reps validated sales info with High 5’s indirect channel and manually tracked down information from multiple information sources. What was particularly painful was that on occasion, open tickets got lost and remained unprocessed because there were no centralized tools to link and organize orders and track customer information. The result: disgruntled customers, customer attrition, and undermined revenue growth.



Headquarters

Forrester Research, Inc., 400 Technology Square, Cambridge, MA 02139 USA
Tel: +1 617.613.6000 • Fax: +1 617.613.5000 • www.forrester.com

BEST PRACTICE: DILIGENT PLANNING AND PILOTING LEAD TO SUCCESS

High 5 decided to implement Microsoft Dynamics CRM Online using a systematic implementation approach that led to a successful ramp up of the solution. The following best practices helped the company wring immediate value out of its SaaS solution:

- **Define and target the specific pain points and business processes that need support upfront.** Before implementation, High 5 Sportswear examined its customer service processes and found that service tickets took significant resources to close. The firm discovered that if service reps were empowered with sales data, customer service fulfillment time and resources required to complete tickets could be significantly reduced. The key for High 5 was having its customer interaction history documented so that it could fact-check and validate history easily while the customer was on the phone — not by having to tracking down information and then calling customers back.
- **Establish the budget early and stand by it.** Before shopping around for solutions, High 5 outlined and built consensus on its willingness to pay for a CRM solution. With IT resource constraints and uncertainty surrounding the ROI for solutions that required hefty capital outlays, High 5 trimmed down the vendor solution field and streamlined its selection process. Solution selection was heavily dictated by how much money it could spend and how involved it could get IT to support the initiative. With limited IT resource bandwidth, High 5 realized a CRM SaaS solution was the optimal direction for them. To corral costs, High 5 required that vendors define their capabilities to deliver a solution under a defined budget and within a week.
- **Roll out the solution in small, manageable sizes, and let adoption grow internally.** The big bang theory for CRM application rollout has fallen out of favor — mainly because of the high risk and lackluster results that large deployments have generated in the past. Now successful CRM rollouts are more often taking the form of pilots that begin with small initial capital investments and crack resource teams. This method of deployment is a fertile testing ground to prove a solution's value. High 5 followed a phased approach that began with rolling out the SaaS solution to department heads and then penetrated lower ranks of the organization. Through the pilots, High 5 was able to tune and adjust its app to better support changes in business process and workflow and better position the tool for further rollout within the organization.

Next Steps: High 5 Intends to Expand Application Exposure And Usage

High 5 Sportswear has revitalized its customer service capabilities. The Microsoft Dynamics CRM Online solution has morphed into an official system of record to track customer interactions and has become so embedded as a critical information source within the company that management is looking to extend its usage to other areas of the organization. In the near and longer terms, High 5 intends to:

- **Continue rolling out the solution within the customer service organization.** Initial pilots have garnered great success. More than 30 users are actively using the app now, and High 5

has no plans to slow down. It intends to bring onboard remaining customer service personnel that reside in various departments to use the tool and centralize customer interaction data management and roll out to other business units within the firm.

- **Broaden usage of the solution to build marketing competencies.** As Tom Mercer put it, “We were traditionally an organization that had been a collector of leads but that typically didn’t do much with the leads we accumulated.” CRM SaaS has created opportunities to do marketing activities that were previously too laborious to develop and execute. Additionally, management and other key decision-makers can use the tool to trend customer data, segment it, better evaluate opportunities, and explore the boundaries of what the company can do with its marketing campaigns.
- **Bring sales fully onboard.** High 5 generates the vast majority of sales indirectly through its partners. Aligning key sales data with other customer-facing data sources promises further efficiency gains. Combining customer information between sales and services resources has High 5 extremely excited about the opportunities to expand and grow its business. Arming sales resources with customer service data empowers them to make better pitches, while providing customer service resources with up-to-date sales data helps them execute their jobs easier and be more proficient in their work.
- **Migrate away from a standalone solution.** Ultimately, High 5 intends to bring together other customer data sources, like enterprise resource planning (ERP), financials, and order management with its Microsoft Dynamics CRM Online solution. The company wants to streamline the customer-facing processes and interconnect multiple systems to get a fuller, more robust customer view that it is sure will enable its resources to make better, more informed decisions.

BEST PRACTICE RESULTS: HIGH 5 MOVES AHEAD WITH CONFIDENCE

High 5 feels great about the future because:

- **It now has metrics to better manage the business.** Prior to the solution rollout, metrics to measure customer service request turnaround were burdensome to manually calculate. With its SaaS CRM solution, High 5 has a centralized repository that automatically collects baseline metric information — like the date and time a request was opened, who works on it within the organization, and how long the request take to be resolved. Through these baseline metrics, management has gained improved visibility into its operations. It now can use the data to benchmark various types of requests and control service center costs.
- **Customer tickets are processed in minutes rather than days.** The CRM solution has enabled High 5 CSRs and management to get time back in their day to be more productive. No longer do CSRs have to spend up to 48 hours tracking down customer interaction history and piece

together customer claims and validate discounts. Customer tickets are now processed within minutes. This has allowed reps to provide higher-quality customer interactions, process more customer service requests, and turn orders over faster to contribute to the top line quicker.

- **Customers and CSRs have higher confidence in their customer interactions.** Streamlining the customer service operations has renewed High 5's vigor. CSR's are more intelligent about their customers and customer needs, and by being more intelligent about their customers, they are able to better deliver stronger customer experiences. Previously, customers tended to contact their favorite rep because of familiarity, previous relationship, and track record for pushing requests through the queue. Now customers don't need to access a favorite rep to push orders through; the new CRM platform empowers each rep with the backdrop of customer interaction history and customer needs.
- **There is now capacity to support business expansion.** Increased productivity and faster customer order resolution have enhanced High 5 Sportswear's operational effectiveness. Previously, multiple High 5 service reps tended to work on the same customer issue. With an average of three resources working on the same customer problem and issues taking between two and three days to get resolved, High 5 gained nearly 360 hours back for its workers per week. This operational efficiency has equipped the organization with a stronger foundation to scale its service organization, increase capacity to handle customer service requests, and speed up service ticket throughput.

RECOMMENDATIONS

HOW TO APPLY HIGH 5 SPORTSWEAR'S IMPLEMENTATION BEST PRACTICES

- **Don't skip your due diligence.** Although High 5 selected Microsoft Dynamics CRM Online in the end, it also evaluated other SaaS solutions and matched those solutions against the company's needs. Comparisons give you alternatives and also give you leverage when it's time to negotiate contracts with vendors. Additionally, comparisons help you evaluate your resource investment costs. Many organizations that choose a CRM SaaS solution do so because of IT resource capacity issues. Evaluate your internal IT capabilities, your willingness to support the solution, and your budget before going too far down the solution selection path.
- **Take your time.** Successful rollout of a SaaS CRM solution requires careful planning, scope management, and resource commitment. Try not to do too much too quickly. Projects that attempt to address multiple problems simultaneously face a steep adoption curve and high probability of failure because resources are stretched too far, and there's too much change to absorb. In situations where there's significant pain across multiple business lines, prioritize your pain points and attack them in phases rather than all at once.