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The Importance of Information

Customer Relationship Management is Key

Obtaining and keeping customers is crucial to long term business viability and profitability of lubricant companies. Because of this, every effort should be made to not only meet customer expectations but to exceed them. Your lubricant company should constantly and consistently anticipate what your customers want and provide it to them — when needed at a good price.

Finding new customers is a big part of your business but it is much easier to keep customers than to find new ones. Your goal should be to provide quality customer service so that your customers return again and again. How do you achieve this? The secret of superior customer service is forming relationships with your customers — the kind of interaction that promotes trust. Information is what makes this happen. In other words, when it comes to good customer service, information is the single most important factor in creating a trusting relationship. With the right information at your fingertips, your lubricant company will know what a customer expects, what your competition is delivering and what you can promise to deliver when and at what price. Using information to improve customer service is called “Customer Relationship Management” or CRM.

Unfortunately, lubricant companies do not always have this information readily available. Many lubricant businesses use technology that creates islands of information with the accounting system as the dominant system. In today's competitive arena, non-centralized systems with gaps in information are old school and hinder your sales efforts. These islands of information are major impediments to delivering world-class customer service and result in unsatisfied customers and lost sales.

What is customer relationship management and how is it used in your organization? CRM is much more than filling customer orders. Superior CRM should be the mission of your lubricant business and should involve everyone in your organization from the sales force, customer service representatives, accounting and inventory management to production workers, shipping and receiving, and quality control. A world-class CRM orientation should be present in your day-to-day corporate culture.

Two major parts within your lubricant business that use CRM are customer service and sales. The information on the customer service side that helps deliver superior CRM includes:

Intimate Knowledge of Customer. Customer data such as document requirements including COA, MSDS, order acknowledgement and packing list.

Shipping Instructions. Special shipping instructions so that so that products are delivered as per the customer's specifications such as “All bulk shipments are delivered to west side of building and bring extension hose.”

Packaging Requirements. Of importance is being able to see the products that the customer buys and the specific packaging. Since most lubricant manufacturers sell hundreds of products but a given customer buys only a subset of these products, you want to be able to see what they buy. Many lubricant manufacturers customize their products with different labels or different containers. Since so many of your products have similar names and packaging sizes, you want to make sure that the correct products are on the work order and

avoid shipping the wrong product or the right product in the wrong package size to the customer.

Customer Specific Pricing. A single list price would make it easy but the industry does not operate this way. Your customer service agent must have the ability to see customer product-specific pricing. Charging a customer the wrong price is never good. If the price is too low, you lose money because the customer is not going to pay the extra amount after you realize that it was wrong. If the price is too high, the customer may become upset and think you are dishonest.

Inventory Levels. Delivery promises create expectations and if you violate the customer's expectations you lose credibility and eventually you will lose the customer. The customer service representative needs to see what is in inventory, what has been promised out of inventory and the replenishment schedule. This way, he can accurately communicate to the customer the delivery date.

Top notch CRM also involves providing necessary information to your sales representatives who are on the front line, day in and day out. The sales force represents the face of your organization. They must be responsive, timely and accurate in everything they do for the customer. In order to accomplish this, they need immediate access to information. Many CRM packages on the market today are very good at managing notes, scheduling events and integrating email to provide a complete view of all the contact that a sales representative has with a customer. This is only part of what sales representatives need. They also require real-time access to pricing, buying history, inventory positions, sales history and, in some cases, profitability by customer. Sales reps need information in order to discuss and analyze their business relationship with every customer. The ability to enter data in the field and have the system automatically update the database so that everyone in your company has access to the data is a tremendous time saver. The thought of having the sales force update data probably scares some people. However, with the proper controls and checks and balance, the process works very well.

In selecting CRM software, be sure to choose a package that is written specifically to integrate with an industry-specific ERP application. This will provide a greater integration with the ERP data and more complete views of the customer. General CRM packages tend to isolate information and behave as stand-alone applications. Some of the CRM packages have tools to provide integration into ERP applications, but they tend to require a lot of work and are cumbersome to use or are one dimensional. The more integrated the system, the more completely all the relevant staff with your lubricant business will be able to access and utilize the data to provide excellent CRM.

Quality customer service is the lifeblood of any lubricants company. Building world-class CRM through information technology will yield the desired results. The competitive economy in 2009 requires that lubricant companies use quality CRM as a critical strategic imperative in creating customer loyalty. If you demonstrate to your customers that you know and service them better than your competitors, you will build a relationship that will endure in today's competitive landscape. ■