

Case: Can CRM Help a New Start-Up Business?

Things were finally starting to fall into place for Cindy Gonzales. Cindy had graduated from the local university with a degree in marketing during a time when many companies were reducing their employee count to save costs during a recent recession. Consequently, she struggled to find a full-time position with a large company in its marketing function. Because Cindy had majored in marketing, she thought that she would have a long career as a marketing or customer service representative for a well-established company. After searching diligently for more than two years and taking short-term internships to gain experience, Cindy thought that perhaps now was the time to start her own business. With some start-up money borrowed from her family, she devoted herself full-time to her own company: selling and delivering assorted baby products to customers.

Although her business started slowly at first, word of her product offerings began to spread, and within a few months Cindy's products and services were being demanded by individuals and day-care center directors who appreciated her product line and dependable delivery service. Although it was a great problem to have, she was becoming overwhelmed by all the activities she had to coordinate to make her business operate. Cindy excelled at the marketing, but she was finding that there was more to operating her business than just selling the products. There were issues with scheduling product deliveries, meeting potential and existing customers, identifying new product offerings, and dealing with issues such as accounting and paying bills. Cindy realized that she could no longer run her business with simply a personal calendar and a notebook. Even the marketing responsibility was growing too fast for her to manage. She was struggling just to respond to customer e-mails, and she was no longer sure how to announce the availability of a new product or service in a way that reached the right target market. She also needed to develop a better delivery schedule for her customers. As her service area began to expand beyond her immediate neighborhood, she realized that she needed to control delivery costs while still maintaining dependable delivery times. She had just opened her e-mail when she realized she could spend the rest of the day and most of tomorrow answering the messages she currently had in her inbox. In addition, she had meetings with suppliers and larger customers (primarily day-care centers) that she could not miss or be late for. She was also beginning to understand that not every customer contributed the same profitability to her

business, but she had not yet determined which customers were making her money and which ones might be costing her. Cindy clearly needed help.

Questions

1. You are Cindy's friend, and you have recently studied customer relationship management, so she has asked you if there is anything that CRM could do to help her small business. Specifically, are there systems that could better manage her e-mail, appointment scheduling, accounting, and even general customer relationships (e.g., corresponding with customers, getting new product announcements out to the correct customers)? She even wondered if something like Facebook or Twitter could help her business.
2. You plan to meet Cindy this coming weekend for pizza and a movie, and she hopes that you will have some recommendations for her. She also knows that there is no perfect customer relationship management system, so she will probably ask you about any downside to the recommendations you make. What advice will you give her?