



Four Groups White Paper

Using Social Relationships to Optimise CRM

Synopsis

A new tool, 4G, has been developed for the purpose of systematically managing and optimising Social Relationships within Call Centres and CRM functions. This white paper shows how Social Relationships can be used as part of an ongoing business process to provide superior answers to the following questions;

- How can I raise the productivity and performance of my department or team?
- How can I increase employee motivation, engagement and loyalty at the same time?
- How can I spend less time managing relationships and more time managing the business?
- How can I change the culture and attitudes of people within the business?



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Introduction

Why Social Relationships?

“It is an unwritten rule in many call centres that, if you can think of something that can happen, it should be measured and reported upon”¹. The setting and monitoring of benchmarks are an indispensable tool to the CRM and Call Centre manager. While this mantra is well recognised amongst CRM professionals, until now, it has been impossible to measure and act on the quality of either your own, or your workforce’s Social Relationships.

This document seeks to demonstrate that the measurement and management of Social Relationships gives superior answers to the following questions;

- How can I raise the productivity and performance of my department or team?
- How can I increase employee motivation, engagement and loyalty at the same time?
- How can I spend less time managing relationships and more time managing the business?
- How can I change the culture and attitudes of people within the business?

What improvements will I obtain if I can measure and manage Social Relationships? Apart from the fact that what gets measured gets managed, there are two key reasons;

Firstly, Social Relationships directly impact the bottom line;

- In terms of making money, Gallup notes that 9 out of 10 people are more productive when they are around positive people². This is further compounded when considering that highly satisfied employees often display above average levels of Customer Loyalty – 56%, Productivity – 50%, Employee Retention – 50% and Profitability – 33%³.
- From the point of view of saving money, the average cost of recruiting a call centre agent is £2,500 whilst annual retention rates run at an average of 19%⁴. Given that 35% of people have considered leaving their company due to poor relationships with colleagues⁵, it is not hard to see the corresponding savings that can be made as retention rates fall and people begin to increase their tenure of employment.

Secondly, Social Relationships have a significant impact on strategy execution and operational effectiveness;

- Jennifer Kirkby, Director of CRM at Gartner wrote in 2001 that “People can make or break a strategy for improving performance through customer relationships, and that CRM initiatives must motivate people to want to deliver value to customers. For many enterprises, that means staff behaviour and attitudes have to be changed.”⁶
- Angela Hunter, a Contact Centre Manager at Barclays highlighted the impact of relationships when she said “you spend half your time managing relationships and

¹ Author Unknown “Take Your Call Centre Back to Basics”, Call Centre Manager’s Association, February 2002 <http://www.ccma.org.uk/Articles/basics.htm> (accessed 15th August 2004)

² Tom Rath & Donald Clifton, “How Full Is Your Bucket?”, Gallup Press, August 2004. Also see <http://gmi.gallup.com/content/default.asp?ci=12289> for press release (accessed 15th August 2004)

³ Author Unknown “Creating A Highly Engaged and Productive Workplace Culture,” The Gallup Organisation. Also see http://www.keepem.com/doc_files/clc_articl_on_productivity.pdf (accessed 15th August 2004)

⁴ <http://www.cca.org.uk/research/FAQs.asp> (accessed 15th August 2004)

⁵ Office Angels, July 2003

⁶ Jennifer Kirkby, “CRM: The Workers Own the Means of Production”, Gartner Research Note, July 2001

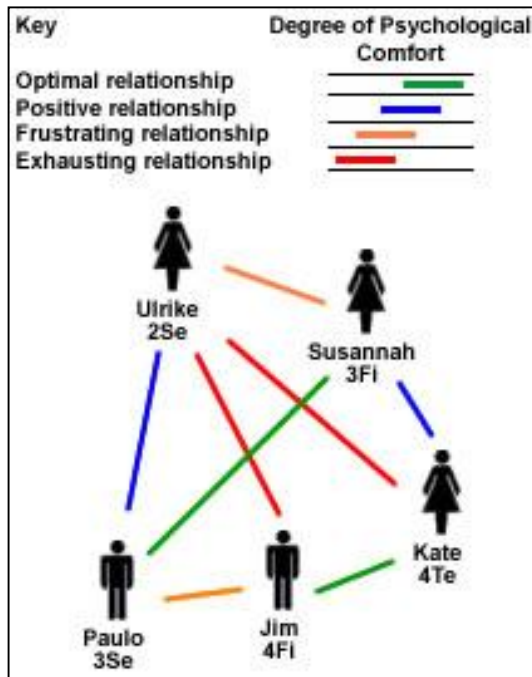


expectations around the wider business”⁷. This was further compounded when looking at organisational culture and the position of CRM within it. The question this time being “how long have you battled against the old inter-departmental blame culture?”⁸

If one considers the idea of management and its impact on our hearts, minds and wallets, there is no doubting the level of control and influence exerted over people’s minds (skills, training and experience) and their wallets (salaries, incentives and bonuses). However, what is far harder to influence in a positive and direct manner, but has a far greater impact, is that of people’s hearts (motivation, engagement and trust). By their very nature intangible, Four Groups believes that by introducing a systematic method to measure, manage and act on people’s relationships, it is possible to optimise CRM and business performance accordingly.

What are Social Relationships?

Figure 1



Four Groups has developed a new tool for the purposes of articulating and predicting the nature of relationships between people. Called 4G, the tool can be thought of as one that describes a specific dynamic or lowest common denominator in a relationship that takes place between two people.

The following diagram represents 4G in its simplest form, looking at people and the quality of their working relationships. 4G contains 16 Social Profiles⁹, 14 Social Relationships¹⁰ and 4 Social Groups¹¹. Social Profile A + Social Profile B = Social Relationship C. Four Groups is the only company that provides this approach to understanding relationships between people.

As you can see in figure 1, you have some good relationships and some bad. By both describing and predicting relationships between people, it is possible to introduce a

methodical and systematic framework by which to introduce a number of key interventions. These interventions become clear once the series of Social Relationships have been identified. The benefits that then accrue from this approach allow managers to begin to systematically influence and optimise the ‘heart’ and people aspects of their organisation. The

⁷ Angela Hunter, “Agent Manager to Change Agent – The Repositioning of the Call Centre Manager in Today’s Organisation”, 17th May 2002 <http://www.ccma.org.uk/Articles/agent.htm> (accessed 15th August 2004)

⁸ ibid

⁹ Social Profiles offer an insight and explanation of people’s behaviour and thinking style.

¹⁰ Once two people’s Social Profiles are known, the relevant Social Relationship can then be examined. Given the ability to articulate and analyse relationships in this manner, it is possible to both offer clear and affective insights into existing work place dynamics, but also to introduce an element of foresight and predictability.

¹¹ The Social Group component of 4G enables cultures, group behaviours and collective values to be articulated and managed in a clear and concise manner.



'how do I do it' question has been answered and through the methodical approach facilitated by 4G, tackling issues such as performance, motivation and commitment is, for the first time, pragmatic, easily implemented and can be directly manipulated to suit business conditions.

What benefits can I expect from using 4G?

4G has been put to use in a number of different organisations. The key message is that when applying 4G, it is now possible for managers to know, in advance, how to influence and manage their people such that factors like performance, retention and morale are boosted. Additionally, 4G can be incorporated into existing organisational processes such as recruitment, team selection, organisational change and so on. Thus;

- Implement ideal teams using 4G such that performance, motivation and cohesion are maximised. Using 4G as a reference point, it is possible to optimise teams and team composition around the most advantageous relationships available.
- Reduce staff retention levels through the use of ideal teams. When people are happy with their immediate colleagues and enjoy good, productive relationships, retention levels improve and people are much more likely to remain in their current role.
- 4G provides an ongoing process in order to tackle change management, communications, reporting structures and any situation in which people lay at the heart of the success of a particular project or function.
- 4G currently occupies a unique position within the realm of business. Four Groups knows of no other company, tool or process that can either articulate the exact nature of relationships between people, or predict their outcome in advance. The remainder of this document highlights three examples that illustrate how interpersonal relationships can be used to measure, manage and optimise CRM and Call Centre operations.



The CRM Status Quo

The current state of CRM & Call Centres

CRM has a number of key themes running through it at present. These include the need to implement significant cultural¹² and systems change programs, the fact that many CRM implementations have either been only a partial success, or failed to deliver at all¹³ and the ongoing need to deliver against organisational or client requirements.

What is equally clear is that the management style within CRM and Call Centres is often one driven by metrics, systems and a culture of extreme operational accountability.

Any new approach, model or innovation needs to be measurable and procedural in order to exist within the realms of CRM. When looking at the people within the business, particularly agents and people in the field, accountability is equally high but the tools to manage people, such as training and incentives are often perceived as being less sophisticated, fuzzy and lacking a measurable return on investment (ROI).

Current approaches

There can little doubting the fact that approaches to people management tend to be perceived in one of two ways. The first view is one of an autocratic, top down, command and control approach. The second view is that people management is soft, intangible and adds little to the bottom line. Of course, neither of these two views are entirely accurate, but are a symptom of the fact that the current approach to people management in CRM is less 'scientific' than the techniques applied to systems and processes.

Contrast this with the fact that salaries and wage costs are often the largest cost in the equation. The need to deliver performance and value from people is therefore caught between a high cost base and the fact that the accepted status quo often contains high staff turnover levels, low levels of motivation and engagement and an ongoing fight for performance from your people.

- What if you could strike a balance between performance, control and freedoms?
- What if you could reduce your levels of staff turnover?
- What if you could methodically improve the performance of your people?
- What if you could improve results on an ongoing basis?

The following section outlines three scenarios that when applying 4G and Social Relationships, distinct benefits can be brought to bear on the existing CRM and Call Centre operations.

¹² Jennifer Kirkby, "CRM: The Workers Own the Means of Production", Gartner Research Note, July 2001

¹³ Anupam Agarwal, David P. Harding and Jeffrey R. Schumacher, "Organising for CRM", The McKinsey Quarterly, 2004, Number 3



Applying 4G

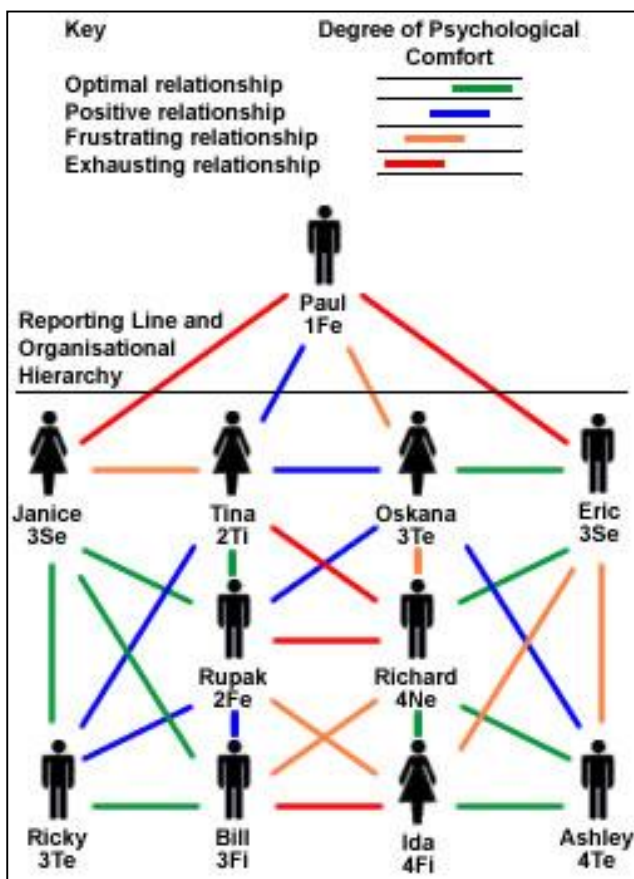
4G in Practice

4G has been designed to be as minimally invasive as possible. This ensures that 4G can be applied to a situation either as a single intervention, or integrated into existing processes such as recruitment, workflow organisation or creating new teams.

At its simplest, implementing 4G usually takes between one and two hours for each individual. This involves the use of an online questionnaire and a second, follow up feedback session. Once both of these actions are complete, it is then possible to factor the results from 4G into the decision making process. Via the use of software and reporting, 4G can then be made available as a management tool. The following section details three examples of how 4G can be implemented in a methodical fashion. The examples have been chosen for their relevance to CRM and Call Centres.

Example 1 – 4G and Call Centre Teams

Figure 2



This first example illustrates a typical operational team of 10 people, either from a call centre, or a similar function. The 1Fe, 3Se annotation refers to the individual's Social Profile. This is a description of their thinking and behavioural styles.

As you can see, the Social Relationships break down in a rather ad-hoc fashion. Of course, there are some people who are quite happy in this position. Ashley (bottom right) and Ricky (bottom left) all have a good collection of relationships with their immediate colleagues. However, consider the situation that Paul, the team leader finds himself in. Of the people he works closely with, two have exhausting relationships and there is one frustrating relationship and a single positive relationship. The question therefore is how can this situation be improved? Will Paul's management style affect the performance of the team? Will he resort to command and control through frustration and exhaustion?

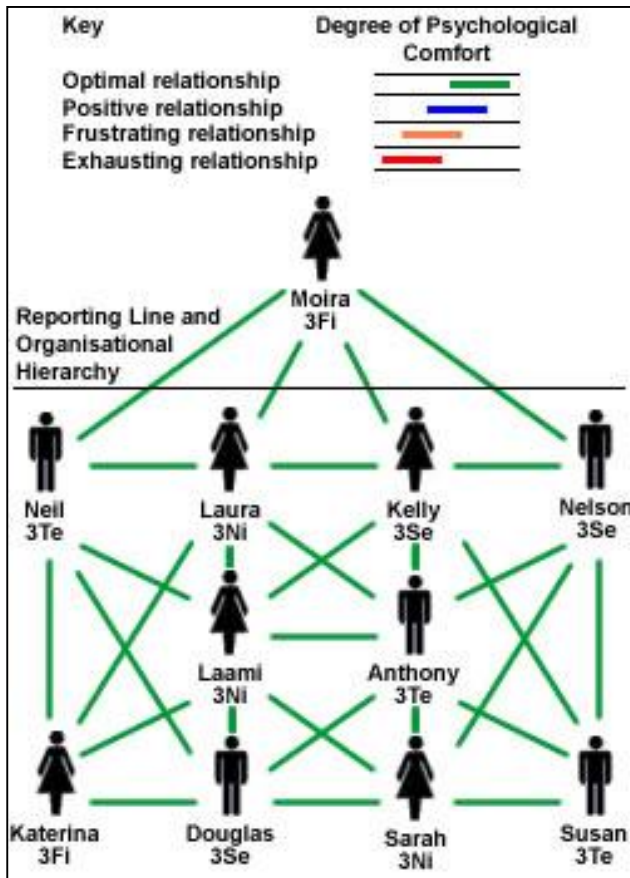
This diagram is typical of the situations that Four Groups encounters. There is a general mix of Social Relationships and as a result, performance is mixed and people constantly seek



new means of motivating their people and increasing performance. However, is it of any surprise to learn that these tactics often fail to have the desired impact when you learn how people's relationships are working and how their hearts are really beating?

Take a look at figure 3 below. The contrast is immediate. Note that everyone in the team benefits from an optimal relationship. Notice how this has been achieved via the predictive and methodical nature of 4G (everyone has a 3 in their profile). Consider how easy this would be to implement given the number of seats in your call centre and the distribution of similar skill sets. This is also equally true across other business teams. Finally, note the benefits that all team members enjoy, especially Moira as the team leader. There is no need for Moira to force her agenda, style or goals onto her team and in fact, the reverse is true, communications are two-way and effective and targets are always hit.

Figure 3



Given that the value of relationships is acknowledged as being of important to both the bottom line and the people within the business, this simple example of 4G should go some way to illustrating the ideas, benefits and means of implementation.

What is equally important however is the fact that from a management perspective, 4G can be used as an ongoing tool or form part of a business process and this is a critical point when considering its use. For the first time, managers are able to exercise a direct influence over relationships such that they can form part of a framework, process or procedure.

Once you know someone's 4G profile (3Fi, 3Se etc.) you are then able to immediately predict the exact manifestations of a particular Social Relationship. As a result of this, the scenario as shown in figure 3 can therefore be implemented in a timely and methodical manner just as any

other business process would be executed.

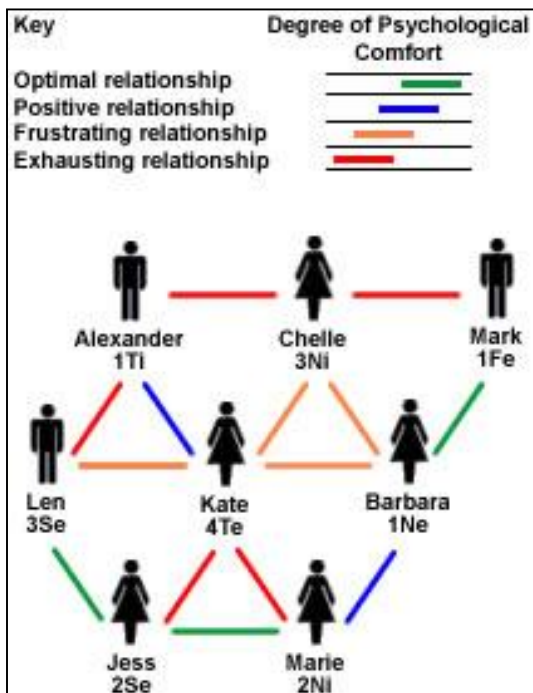
By implementing 4G, businesses now have access to an ongoing process that offers answers and solutions to questions such as;

- How can I raise the productivity and performance of my department or team?
- How can I increase employee motivation, engagement and loyalty at the same time?
- How can I spend less time managing relationships and more time managing the business?
- How can I change the culture and attitudes of people within the business?



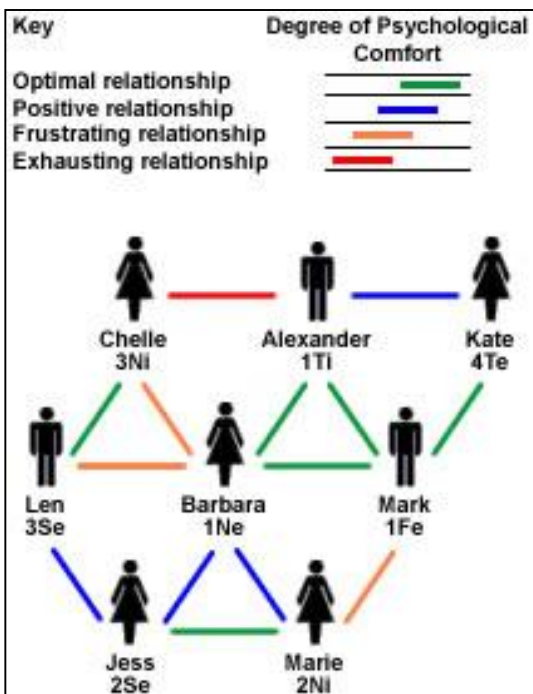
Example 2 – 4G and Staff Retention

Figure 4



The next example focuses on the fact that poor working relationships are often a cause of high levels of staff turnover. When people aren't happy with their colleagues, or spend more time managing relationships than they do actually working on the business, significant problems and wastage emerge. The following diagram illustrates how two people in a particular team of 8 fare.

Note the positions of Chelle (top line, in the middle) and Kate (middle line, in the middle). The majority of their Social Relationships are either 'frustrating' or 'exhausting'. Situations like this often lead to further difficulties in terms of performance and productivity. It is often the case that one or two 'bad eggs' can also have an equally detrimental affect on the whole team. Often in situations like this, managers are often quick to recognise the problem but the solutions and means of resolving it are, in their eyes far from simple. Such scenarios often go by the wayside with people resorting to clichés and a blame culture; 'Chelle's a real trouble maker', 'Kate is often upsetting other members of the team' or 'people are just playing politics'.



However, such a situation is often the cause of people leaving their jobs. As we have already seen, not only do 35% of people consider leaving a company due to poor relationships but 26% of people would sacrifice £1,000 for improved relationships and 53% would choose good working relationships over a holiday¹⁴. Is it any wonder that difficult Social Relationships have such an impact on the bottom line? Fortunately, help is at hand.

Figure 5

Given the insights obtained from 4G, it is possible to reconfigure the team such that the number of frustrating and exhausting relationships is not only reduced, but the

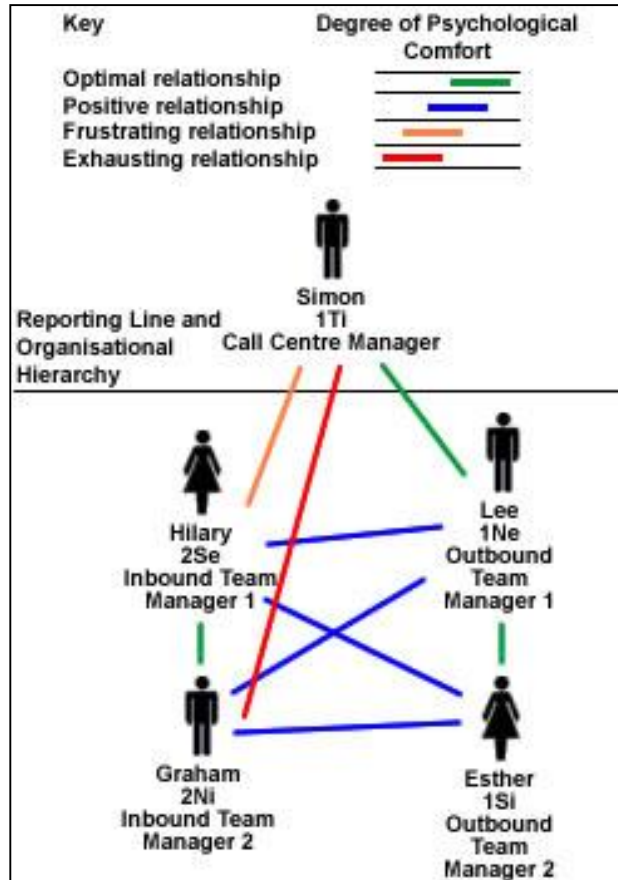
¹⁴ Office Angels, July 2003



positions of Chelle (top left) and Kate (top right) are far superior than they were in figure 4. The key to making this happen is to realise that the insights available from 4G go much further than those obtained via simple 'observation' and 'experience'. The ability to methodically alter the composition and configuration of teams ensures that managing people's hearts, along with their minds and wallets is not only possible, but fits ideally into the status quo of 'what gets measured gets managed'.

Example 3 – Reporting Structures

Figure 6



The third example in figure 6 details how the use of Social Relationships within 4G can be applied to situations which involve different departments and reporting structures. Simon is the call centre manager and both Hilary and Lee report directly to him. Hilary is the Inbound Team Leader, whilst Lee is the Outbound Team Leader.

However, it is clear that the Inbound Team is not performing well. Simon and Hilary try to work on this and reach a means of resolving the problem. It is particularly puzzling to Simon because all of his ideas not only work very well with the Outbound Team, but when Simon and Lee work together, there are very few problems and the business consistently hits its targets.

Simon becomes increasingly frustrated with the Inbound Team. All of his ideas have either not been implemented properly, or he has found that persuading Hilary has been an impossible task. To add insult to injury, Hilary and Graham happen to work very successfully

together but Simon doesn't know why this is the case, despite his greater levels of experience and seniority. Simon also struggles to influence Graham.

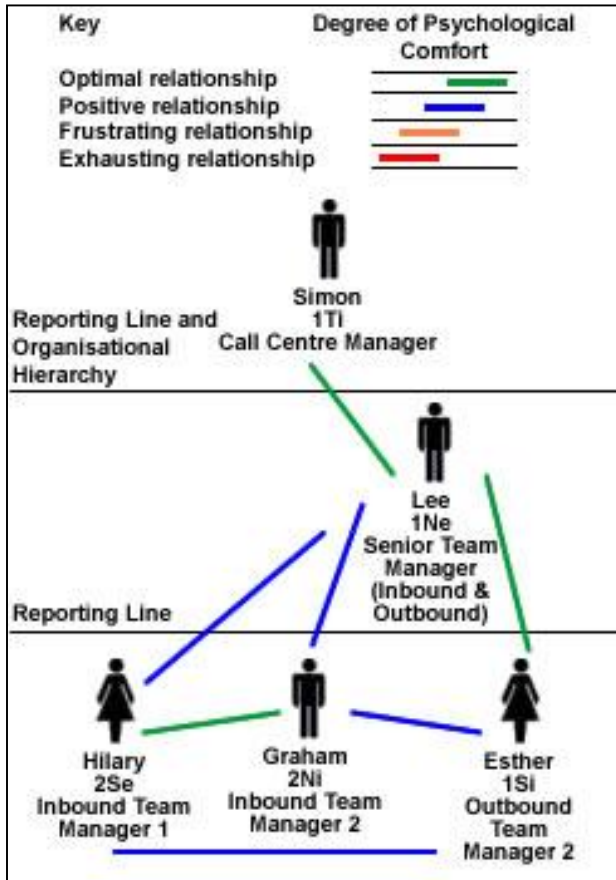
The situation as described in this example and in figure 5 probably comes as no surprise given the various complaints and frustrations people can have when working in complex and fast moving environments. It is also the case that such scenarios often give rise to cross departmental conflicts, breakdowns in communication and added problems and inefficiencies when managing. Historically, people have tended to either ignore such situations, or try and find alternatives, but this is usually easier said than done. What is more likely is that as a result of one key but increasingly frustrating Social Relationship, the performance, motivation and results delivered by Simon, Hilary and Lee are hampered, whilst communications suffer in equal measure.



However, Four Groups believes that there is a simple means of resolving this problem. Given the breakdown of Social Relationships in figure 6 and given the understanding of the situation and its commercial limitations, figure 7 seeks to illustrate a neat and pragmatic alternative.

For the purpose of the diagram, the solution can be introduced either on a formal or informal basis. As a result of having Lee report directly to Simon and Hilary reporting to Lee, a number of key improvements have been made;

Figure 7



- The key problem of communications between Simon and Hilary has been solved.
- Lee can now oversee both Inbound and Outbound operations and act as a superior 'middleman' in terms of communications and management between himself and Simon.
- Hilary's performance and that of the Inbound Team has now improved dramatically. Along with seeing her performance improve, Hilary and Lee are able to share ideas and information on a regular basis, increasing performance and efficiency of both the Inbound and Outbound departments.
- Simon's reporting structure is simplified, giving him more time for other things.
- Graham and Esther's position is largely unchanged, but the knock-on effects only serve to improve their situation.

A solution such as the one outlined above can be implemented via different means and can be done on a formal or informal basis. Obviously, whichever option is chosen, the mechanics and benefits of the implementation essentially remain the same. What is equally important is the fact that not only has the problem of the Inbound Team and Simon and Hilary's contrasting management styles been resolved but the solution has gone some way to optimising the position of all of the people within the scenario. Essentially, this has turned the problem on its head and all parties can now see clear and tangible improvements going forward.

What should be clear however is the fact that 4G offers managers a concise and methodical framework for tackling problems that historically have been regarded as intractable, hard to articulate or seen as symptoms of a more complex problem.



Outcomes

4G offers managers a clear means of tackling existing problems within CRM and Call Centre management. The new information that 4G brings to light enables managers to introduce new solutions and processes in order to tackle problems that are seen widely across the industry and can be regarded as symptoms of a larger problem – that of how to get the best out of the people within a business.

4G gives managers access to a methodical tool and process that allows them to manage their people in order to get the best out of them. By tackling people issues in a systematic manner, it is not only possible to increase the efficiencies and productivity of people within a business, but it is possible to directly influence people's own greatest source of motivation and performance – that of the heart.

Social Relationships allow managers to optimise CRM in ways that are not possible without the insights of 4G.



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Published September 7, 2004.