

Skills and Employer Responsiveness programme

CRM systems: a guide for providers



1. Introduction

Customer relationship management (CRM) systems are a vital element in the management of the key relationships with employers that all work-based learning providers need to deliver high-quality programmes.

A variety of systems are available depending on the size, complexity and range of relationships a provider has. A small provider with limited employer links might develop a fairly manual system, while a large provider delivering across multiple sectors might need a sophisticated IT-based system. Whatever the system, it must be appropriate and integrated with existing manual and IT-based systems. In fact, every provider already has some sort of CRM system as employer details already have to be tracked, so the question is not whether to adopt a CRM but what system to adopt and how to manage it.

2. Why focus on a CRM?

CRM systems are vital for several aspects of the relationship with employers including:

- employer responsiveness – providing a joined-up approach to employer engagement;
- structuring contact with customers;
- enabling targeted marketing;
- measurement of key strategic targets, eg growth, conversions, sales pipeline process and supporting evidence base;
- demonstrating formal customer management, eg supporting Ofsted and other quality assurance processes
- providing critical management information throughout the organisation;
- establishing and developing employer networks;
- supporting external funding bids and delivery;
- reducing operational costs;

- improving business performance.

3. Developing a business case to improve CRM systems

Developing CRM systems requires investment in time and money. Some IT-based systems can be expensive and require detailed implementation. The highest cost, and certainly the most difficult aspect to deliver, is the need to change business processes and the way people manage employer contacts. These are some important steps to take in any review of a CRM system.

- List all the options; always include 'do-nothing' as an option.
- Include high-level business and system requirements.
- Review existing systems and strengths and weaknesses.
- Review benefits and impact.
- Include hard and soft benefits.
- Include systems and quality criteria.
- Include capital and revenue costs.
- Review risk profile of all the options.
- Include a realistic timetable.

4. CRM in the future

An effective CRM system is a prerequisite for all training providers in the current highly competitive environment. The future business model for a provider is likely to include:

- clear, comprehensive and communicated strategy for employer responsiveness;
- first-class market intelligence to inform key business decisions;
- a business-to-business approach;
- a larger, more diverse workforce;
- a wide range of delivery mechanisms including virtual delivery;
- sector skills councils as key partners to inspire, inform and support providers;
- greater sector specialisation;
- first class 'employer standard' facilities and equipment;
- different departments within the overall organisation reflecting the diversity of the markets that they serve;
- diverse models of partnership working to improve the competitive advantage.

5. Benefits that CRM can deliver

An effective CRM system can deliver several benefits including:

- improving customer retention – it is cheaper to keep existing customers than find new ones;
- generating more enquiries and better, more focused enquiries;
- improving the conversion rates of enquiries to business – this reduces your costs and improves the service that employers experience;
- monitoring and improving the profitability of each customer;
- improving positive referrals and employer links.

6. Resources and links

The Excellence Gateway includes several useful resources on adopting a CRM, including a template for making the business case for a CRM system:

www.excellencegateway.org.uk/page.aspx?o=299695

And high-level CRM implementation planning guidance can be found at:

http://www.excellencegateway.org.uk/media/Skills%20and%20Employer%20Responsiveness/CRM_implementation_planning_guidance.pdf

The Skills and Employer Responsiveness (SER) Programme is funded by LSIS. It is a sector-led programme tasked with increasing the capacity of all providers in the learning and skills sector to work with employers and help address the current and future skills needs of their business and workforce.

The SER programme is managed in the **East of England, East Midlands and West Midlands** by ALP, the 157 Group, NIACE and AoC. It offers support in three key strands:

- Employer responsiveness
- Apprenticeship provision
- Pre-employment provision and transition into work.

The Programme offers a variety of support including workshops, webinars, coaching and tailored support. This briefing is current at March 2011.

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