



## Integrated Customer Management

### Getting the most out of CRM in mainframe-intensive environments

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# Integrated Customer Management

## Getting the most out of CRM in mainframe-intensive environments

To ensure customer satisfaction and loyalty, businesses must consistently deliver efficient, real-time, and high-quality customer service. CRM, or customer relationship management, is an important part of this strategy. But can a standalone CRM application deliver the 360-degree view of the customer that's needed for excellent customer service?

A CRM application, whether it supports a contact center, web self-service, or a comprehensive suite of activities, has limitations when standing on its own. Unless it is tightly integrated with every other enterprise system that affects customers, it can't perform the way you need it to. It's not just new software, therefore, but integrated customer management that drives a successful CRM initiative.

This paper highlights the drivers behind integrated customer management and presents some practical solutions for achieving it. The special considerations of legacy mainframe applications are also addressed, with some new methods to make integration easier and safer. The goal of this paper is to show the fastest route to effective CRM and early ROI. It's a route that lets you reuse the assets you already have, and buy new software only for what your existing systems cannot do.

### The Art of Keeping Customers Happy

Any time there are fewer customers with fewer dollars, companies need to re-examine the way they've been doing business, and adjust accordingly. Businesses are therefore optimizing the value of their CRM initiatives by targeting them to specific customer segments.

It costs five times more to acquire a new customer than it does to retain current customers. Consequently, companies are not putting as much effort into pursuing new customers as they are in uncovering new opportunities with their established customers.

While ROI is the basic impetus for this trend, another business imperative—competitive advantage—helps drive it. Tight competition raises the stakes for getting ever-bigger shares of customers' overall spending, which in turn dictates the need for stronger and longer customer relationships. So it shouldn't be surprising that companies are still investing in CRM applications, while their investments in other technologies decline.

### Business Demands vs. Technical Obstacles

It's no accident that the most successful companies focus on two key aspects of customer satisfaction: effectiveness and responsiveness. To compete with these companies, your customer-focused applications must provide comprehensive, real-time information that facilitates a customers-first attitude. Unfortunately, technical obstacles work against this objective. At the same time that customer needs are escalating, information systems are getting harder to tie together.

Chances are that your business is like many others, with your customer data and business processes locked up in separate, incompatible systems across the enterprise. Rebuilding these systems would be too expensive and time-consuming. A more practical solution is to extend them.

But as businesses implement CRM applications, they often try to replicate time-tested business functions in the new system. Then they're faced with synchronizing the CRM application with the back-end systems that run the business. This approach is not only too complex, but too error-prone. And that's why about half of the CRM projects fail at the implementation stage.

### CRM: Only a Single Piece of the Puzzle

At one time, businesses could wait until the weekend to decide what to offer customers in the following week. That doesn't work anymore. Recommendations need to change in real time because the customer experience happens in real time: on the phone, on line, and in the store. Customers expect contact centers, direct mail, and online marketing to tell a unified story, and to continually improve in quality.

But that's not easily accomplished. Most of today's established enterprises use databases and software programs that were not made to work together. Yet what customers and contact center agents need most is an integrated view of all relevant information.

Attempts to address this need with packaged CRM applications have been largely unsuccessful. This is evidenced by the fact that many high-level executives

in service and support see no measurable return on investment from their CRM systems.

CRM software suites often need to have the data in other systems translated and copied into their own database. Duplicating this data for modern systems is costly, and usually winds up representing only a small amount of the customer information needed.

The result? A majority of enterprises using CRM cannot link a comprehensive view of the customer to actionable, customized instructions for customer service agents.

### **Reusing Instead of Replacing: The Fast Track to ROI**

Implementing the most advanced technology is usually more expensive and complicated than using alternatives that have already been tested in the marketplace. While no one would intentionally choose expensive-and-complicated over tried-and-tested, it's easy to overlook the most important element of this strategy: reuse what you already have.

By reusing—rather than replacing—the customer-related business functions already running on your current back-end systems, you have the ability to start small, achieve rapid results, and lay critical groundwork for the future. Instead of rebuilding long-term infrastructure, consider a more flexible framework, where individual elements can be added on a project-by-project basis.

CRM can be successfully employed as an incremental, project-based initiative where each step generates measurable ROI, and each new project adds to the overall infrastructure. To use a highway analogy, you don't have to build all the roads before cars can move. Everything just needs to hook together in a predictable way, and the infrastructure can grow naturally.

### **Adding Complexity to the Challenge: Legacy applications**

Mainframe applications contain too much valuable data and programming to re-engineer or discard them. The widespread regard for mainframe systems means that they are no longer considered legacy in the technology sense (half-dead, unsupported back-office systems); now they are legacy in the hereditary-wealth sense (highly valuable assets of the past, handed down to the next generation).

In addition to legacy applications, businesses today can have dozens of other information systems specifically focused on the customer. In the meantime, the number of IT systems continues to increase, as does the number of communication channels between the company and the customer. The proliferation of technology is set against a backdrop of market consolidation, with companies increasingly being merged, purchased, and taken over. All this expansion and contraction makes the need for legacy-intensive integration of customer information even more acute.

While some companies appreciate the theoretical benefits of legacy mainframe integration, they are actually reluctant to interfere with the work of their mainframe systems. That reluctance is firmly grounded in the daunting complexity of these systems, which contain up to 80 percent of enterprise data and essential business processes. Most mainframe-based legacy applications are one big, complex lump of code, and changing one part of a program can introduce serious errors in another part of a program. The good news is that legacy integration is evolving.

Mainframe systems—despite their imposing nature—can play a key role in your strategy to reuse existing assets and gain faster return on CRM investments. With advanced legacy integration technology, legacy logic can be encapsulated for new uses—without changing it. Instead of trying to rewrite legacy mainframe applications, you can “service enable” their business functions to support your new applications. It's a significant breakthrough, because bridging the technical gaps between your systems can produce business benefits in months, rather than years.

### **One Company's Success with Legacy Integration**

This concept of reusable business functions was put to work by communications giant AT&T, when they adapted their legacy mainframe systems to support an ambitious customer-service initiative. Their goal was to expedite billing, inquiry, and service calls from the hundreds of thousands of AT&T customers who have toll-free numbers.

Before the right legacy-integration software was found, AT&T contact center agents could take more than a quarter-hour to retrieve the right information for a given customer. That's because AT&T had more than a million customer records stored in three different mainframe-based legacy applications.

The cost of training the contact center agents on the three systems, the time it was taking to respond, and the less-than optimal customer service all begged for a more effective way to do business.

For AT&T, the ideal solution would be a non-invasive process that would unite access to billing records, carrier profiles, customer histories, and administrative information systems—without altering mainframe system structure or operations. The heart of the solution would be a simple web interface that would enable agents to retrieve records based on the caller's phone number, but use existing mainframe-based legacy business functions to do most of the work.

### **How did AT&T do it?**

AT&T had in-house ability to rewrite the legacy applications, but the process would have taken too long, and it would have incurred unacceptable risk to mission-critical operations. Instead, they were able to create reusable services that serve as shortcuts to individual business functions. When a function such as “update customer address” is required by the new contact center application, it simply requests the appropriate service and supplies the new address. The update occurs in real time, using the original legacy application code and databases.

The flexible services give AT&T the ability to make selected business functions operate as one composite contact center application, even though the functions originated on different systems. Because the services can be easily integrated, disconnected, and supplemented, they can be continually reused for new purposes—without disrupting critical operations.

### **The bottom line for AT&T**

The legacy-integration software let AT&T change its business processes without code changes or application re-engineering. With the new solution in place, AT&T agents no longer have to deal with three different legacy applications. They now get an intuitive web-based view of all the customer information that has been consolidated from various sources. This reduces the typical information-gathering and response cycle to less than 30 seconds—a significant improvement over the seven to 15 minutes it used to take.

The easier-to-use composite web application furthermore cut about one week out of the 12-week contact-center-agent training time, saving at least \$250,000 per year in training costs and another \$500,000 per year in the overall cost of serving customers. The new composite application uses clear,

plain-English descriptions and a user-friendly interface has replaced cryptic mainframe-system codes.

Companies like AT&T are well-positioned to respond to market needs once their service-enablement process is in place. Each new initiative can be completed more quickly than the last because there is an ever-expanding library of services to choose from. For example, the “update customer address” service could be reused in a new customer self-service web application, providing exactly the same function as before, but in a different context.

### **Making Sense of the Integration Options**

AT&T's success with integrated customer management is undisputed. However, it's not always easy for organizations to know the best approach for their individual integration needs. If you want to get integrated customer management out of your CRM investment, you have to adapt your information systems to do things they weren't originally intended to do, like communicate with each other.

There are four possible ways to overcome this communication barrier. Starting with the most expensive, they are:

1. Rewrite the old applications so they can talk to the new software. This approach, if executed correctly, allows you to use your legacy applications fully. However, the process is enormously time-consuming and error-prone. Furthermore, the success of this approach calls for a thorough understanding of the mainframe applications and the way they work. So, unless you can make accurate assumptions about the intentions of the original programmers, the project may never truly end.
2. Replace the old applications with new (packaged) business application software. At first glance, this might seem like the most straightforward approach, but a closer look reveals significant problems. Migrating to a new platform is very costly and involves recreating all the programming that has been built into the old applications. In many cases, legacy applications provide functions that are not apparent until they're gone. With this process, data gathered over the years is often lost or unusable. And, while replacing old applications with new packaged applications might seem a logical choice, it might be hard to find packaged applications that can actually replace your tailor-made systems.

3. Divide all the old mainframe-based applications into smaller pieces that will be easier to alter and connect to new places. If you have the programming skills at hand, this can be a way to “spring clean” your programs. But it’s risky to reverse-engineer code; splitting applications that were written as one piece is very likely to break them before you get a chance to alter them with any degree of success. This can be devastating for operations that literally run the business.
4. Reuse the business applications and databases you already have, including legacy applications. This is best accomplished by creating services that represent existing business functions and data. Because services are reusable, they pave the way for each subsequent project to be completed faster, more accurately, and more economically than the ones before it. Mission-critical legacy applications are left undisturbed, so you protect your investment in these assets.

AT&T benefited from the fourth approach. If you decide to follow a similar path, you’ll want to find integration technology that is rapidly deployed and is suited to mainframe-intensive environments. The solution you choose should also give you the following:

- Streamlined procedures that result in fewer errors.
- Reduced training costs for contact center agents.
- Improved customer satisfaction and employee retention.

### Achieving Integrated Customer Management In Mainframe-Intensive Environments

Now all your IT resources—including your legacy mainframe systems—can play a key role in your integrated customer management initiative. When you use the right tools to make legacy applications available as reusable services, you know where to plug into any business function. Instead of making permanent

changes to the legacy application code, you can service-enable without constraint, reusing functions from one system today and another tomorrow.

This approach allows companies to be more agile. They can service-enable and reuse all their customer information quickly, while keeping their options open for future initiatives—competition-driven projects, for example. Some industries (financial services, telecommunications, energy, and utilities, in particular) must respond to competitor activity with a clear sense of urgency. But legacy applications often impede their ability to move swiftly. With the mainframe service-enablement approach described in this paper, legacy logic and data are put at a peer level with the rest of your enterprise resources.

Arriving at integrated customer management isn’t as difficult as it might seem. The first step is accepting the fact that a CRM application alone cannot get you there. Unless your CRM applications integrate tightly with your back-end systems, CRM can become an expensive exercise in frustration. Simplify the process by reusing your existing mainframe assets wherever possible, and explore the use of reusable services to represent your business functions and data. The services will let you rapidly deploy new customer-focused applications that are integrated by design. And there’s no better way to achieve integrated customer management.

### About Attachmate

Attachmate helps businesses extend, manage, and secure their IT investments. We offer a broad range of solutions—from terminal emulation, legacy integration, and PC lifecycle management products to innovative systems and security management tools. With our technology, more than 65,000 businesses worldwide are putting their IT assets to work in new and meaningful ways. Learn more at [www.attachmate.com](http://www.attachmate.com).



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