



Members: 145,000 | **Staff:** 40 in Saint John (100 Company Wide)

Services Offered:

- Auto Club
- Travel Agency
- Insurance
- Membership Services
- Member Savings

CAA Maritimes

- Steve McCall, President
- Kevin Daley, VP Finance & Administration
- Gary Howard, VP Marketing & Communications
- Bob Brown, Network Administrator
- Patricia Vieanneau, Domestic Travel Counselor
- Samantha Belyea, Personal Travel Planner
- Melodie Leach, Marketing Business Analyst
- Shelley Fowlie, President, Skill Dimensions Inc.
- Joe McLaughlin, VP Consulting Operations, ISM
- Dave Debacker, AXIS Project Manager, Campana

April 2009

Case Study: CAA Maritimes – Focus on MRM

“It’s almost like the stars are lining up now. We’re getting a good handle on the technology; we have started the process of changing the culture; and, we’re putting the business disciplines and processes in place to have an MRM strategy that actually has some meaning. So we’re doing all the right things.”

Gary Howard | VP Marketing & Communications



Integrated Solutions. Integrated Minds.



Background

A little over a year ago, CAA Maritimes implemented the AXIS Navigator “Discovery Package” as part of their continuing commitment to MRM. As Steve McCall, President, recognized, “MRM is a multi-year project and it’s really a change in the way of doing business...the people and the process issues cannot be considered secondary, or of lesser importance next to the technology.”

While CAA Maritimes views the implementation of their MRM strategy as far from complete, they have managed to make significant progress. Read about their journey as they share their progress, process, lessons learned and future vision.

The Challenges

CAA Maritimes may be a small club, but they have the fastest growing membership in North America. With so many new members, the club recognized the importance of creating value and loyalty to new and old members alike.

While the club recognized the importance of MRM, it was challenged by having limited financial and staff resources to launch a major initiative like an operational MRM implementation. They also recognized that many enterprise-wide software implementations in the industry have failed to meet expectations. Nevertheless, they understood the value of embarking on an MRM strategy and set about achieving their key goals.

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— **Steve McCall** | President



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– **Steve McCall** | President

What is MRM?

MRM, or CRM (“Customer Relationship Management” as it is known outside the AAA/CAA family), combines policies, processes, and strategies with a goal of providing a singular 360° view of the customer and a mechanism for tracking/analyzing customer information/interactions. It is a customer-centric approach to an organization’s philosophy of how they deal with their customers.

As Gary Howard, VP Marketing & Communications noted, for years he has been attending meetings with other clubs and people would ask quietly, “Are you ‘doing’ MRM?” In hindsight, he now laughs, “What does that mean? ‘Doing’ MRM?” Joe McLaughlin, VP Consulting Operations of ISM concurs, “Actually, I’m not sure people understand completely what MRM means. I think that almost all the clubs have got to at least be able to say: “We’re doing something. I’m not sure what it is, but we need to do some more.” I think many of them [the clubs] have figured it out that it’s not just a check on the page and you’re done.”

MRM is really a pervasive business model, but often organizations approach it simply as a technology solution. It’s well documented that many CRM initiatives fail because implementation was limited to a software installation without providing the appropriate incentives, training or feedback mechanisms for staff. For Gary now, embarking on MRM wasn’t really a decision that one day we needed to “do MRM,” but rather MRM was a strategy. “And that’s really what’s coming in now—having it ingrained in how we do business.”

Gary’s position is supported by others at CAA Maritimes. As Steve McCall states, “Doesn’t it make sense to understand the individual needs and wants of our members? If we can do that, we can offer up products and services that are, in effect, customized at the individual level and meet their specific needs.”

Why MRM?

Apart from the AAA 2010 MRM Vision, President Steve McCall identified, on a macro level, that the “prevailing theme or concern in the association is that we need to demonstrate ongoing and increased relevancy to our members.” This view was backed by Kevin Daley, VP Finance & Administration, who emphasizes, “We needed to understand how to form a deeper relationship with members in terms of depth and breadth, so that we could offer them relevant services.”

For Gary Howard, VP Marketing & Communications, MRM also allows them the opportunity to put some “technical structure and business discipline around it.” He laments that they had a lot of marketing intelligence, but that “we weren’t getting it to the front line—the people who could also make it useful to customer engagement and customer experiences.”



The CAA Maritimes' Process

Conducting Research

Beginning five years ago, CAA Maritimes embarked on the process of learning more about MRM. Championed by President Steve McCall, the organization began attending seminars both inside and outside the club, talking to other clubs, reading and asking a lot of questions of head office. They also began their AXIS Database Marketing (DBM) practice.

Planning

Steve McCall describes their process as more of a “notional roadmap” or a “confluence of ideas” as opposed to something you might find on a Gantt chart. They knew if they could address the people question first, then the technology would be their priority. “We came to the realization that we didn’t have to wait for the perfect technological answer before embarking on the strategy. We knew the cultural and training hurdles weren’t going to be achieved overnight. It was more or less adopting a new way of thinking about ourselves, and we didn’t really see any benefit to waiting, so we sort of jumped in...”

Steve also recognizes in hindsight that they may have skipped some of the formal steps and missed some things. Going forward, they are now retrofitting some tasks that weren’t done or weren’t done thoroughly. “But I don’t regret having taken those first steps because it really does give us a leg up.”

Assessing Needs and Gaps

Taking initial stock of their club’s health, they recognized their strengths as being efficient, productive and responsive. “Members were essentially happy, but that left all sorts of potentially unsatisfied needs,” analyzes Steve McCall.

In response to this gap, they created an internal program they called “Sales is Service” as the strategic response to that need. At the time, they considered that to be principally a cultural and training project consisting of activities they labeled: Cultural Change Initiatives, Management Training, Staff Training, Compensation and Incentive, Target Setting and Ongoing Measurement and lastly, Technology.

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— **Steve McCall** | President



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— **Kevin Daley** | VP Finance & Administration

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— **Shelley Fowlie** | President, Skill Dimensions Inc.

Cultural Change Initiatives - Kevin Daley quite rightly explained what the early cultural change initiatives were so that staff could “understand what we are trying to do.” Rather than just spring on a number of changes all at once, they attacked the changes intuitively, using a phased in approach.

Management and Staff Training - A huge part of the training occurred at a philosophical level and involved transforming both peoples’ attitudes and approaches to their jobs. “Because if you’ve gone from an order-taker mentality to an ‘ask for the business mentality’, it’s a big change,” asserts Kevin Daley. So CAA Maritimes brought in Shelley Fowlie, President of Skill Dimensions Inc., to help tailor and deliver a series of training modules around sales and service leadership, and customer service delivery.

The first program began in 2006 for the front line and branch managers in recognition that these “individuals would need skills from a training perspective, but also that these skills would need to be reinforced in a number of different ways, including coaching.” Shelley acknowledges that CAA Maritimes “was looking more for a long term partner that was going to work with them, recognizing that this wasn’t something that they were going to get done in two to three months.”

Once the cultural training was underway and the technology implemented, additional training was supplied on the software. While it took some getting used to, Kevin observes, “They love the shortcuts. For a transaction they just go in, click on the drop down box, and they’re there. They love that.”



Compensation and Incentive - CAA Maritimes' earlier commitment to setting targets allowed staff to become comfortable with the concept and this foresight has paid off. CAA Maritimes implemented the AXIS Incentive application so that setting targets, tracking results, and tying that data into payroll was easy. Kevin shares, "Not only are we setting the targets and measuring against it, but we are holding [staff] accountable and then compensating them for meeting their targets."

Staff are on board with this approach. Patricia Vieanneau, Domestic Travel Counselor, eagerly reveals, "I work on incentive - I love it! I'm the person who checks what I have for the month and then tries to beat it. It's great. I have no problem selling CAA. It's nice to make money for something I enjoy doing anyway."

Target Setting and Ongoing Measurement - According to Kevin Daley, the club initially started their target setting and measurement with a member automatic renewal program back in 2005. "It's good for members because they don't lapse and it's good for us because they don't lapse." As a start, they set targets for everybody monthly and posted the results on their internal site. "Originally we didn't hold anyone to it because it was new. But over the years, as staff became accustomed to being accountable for targets, they introduced new targets and rewarded changed behavior with incentive programs. Right now we have 75% of our households on automatic renewal and probably five years ago we had 50-55%. So to move that up 20% from a large base is a significant improvement."

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– **Steve McCall** | President

Technology - The last but critical piece of the puzzle was technology. Running a number of other AXIS applications, the CAA Maritimes team chose AXIS Navigator and the Navigator Client Workspace as their operational MRM solution for a number of reasons:

- *Navigator integrates seamlessly with existing Membership data:* “We think the AXIS technology, particularly the Membership-related core of that system, is very strong. It doesn’t matter how you slice it, the core of that information is going to feed into MRM... so integration of an outside or non-core MRM front-end represents an expensive, longer term project rather than sticking with a technology that’s in the family. We had an immediate bias to proceed with an AXIS provided solution.” - Steve McCall
- *Campana recognizes Navigator as only part of the MRM solution:* “I’ve always liked the attitude that the Campana team has had around MRM. They’ve never tried to sell it as a complete solution. It’s evolving. Club businesses can sometimes blow their brains out in this and they go overboard because they think that having something more complex makes it better somehow. I don’t necessarily buy into that.” - Gary Howard
- *Navigator simplifies information* - “As an IT person, I’m quite happy with it because it does simplify how we have to design screens and make it available to staff. All these pieces of information were buried in other places. This [the Navigator Client Workspace] puts it all together on a single screen.” - Bob Brown, Network Administrator
- *Navigator Discovery has all the right tools:* “Instead of starting off cold and building your own rules, it starts out with some built-in rules.” - Bob Brown

“Some of the things that are showing up in Navigator we had already asked front line staff to do, but we didn’t give them the tools to see it.” - Kevin Daley



Winning User Adoption

From a management perspective, user adoption is always a challenge. Some users readily adapt to new technology, others can't, and still others relapse into old ways over time. At this point, from the user perspective, AXIS Navigator is gaining big wins among the users.

- Domestic travel counselor Patricia Vieanneau is pleased about the time-saving screen design: "It's a time saver – a complete time-saver. With shortcuts for everything that you're doing, you don't have to go through multiple steps. You just have to click and away you go into everything. It's very user-friendly. It probably saves me 15 – 20 minutes a day for average things that I do. The client's happy. I'm happy."
- And cultural training has paid off too. CAA Maritimes staff not only understand the Navigator product, but they see it as a vehicle to carrying out the club's MRM initiatives. As Patricia notes, "I think it's opened people's minds to viewing themselves as valuable to the members. We're valuable, they're valuable. We're worth the business."
- It's not only the club executives who "get" MRM. Looking beyond their own experience, staff are starting to live and breathe MRM. Samantha Belyea, Personal Travel Planner adds that for Members, "it just basically speeds up the process for them – you're not taking time waiting for the computer to do what it has to do. And you're not having to do so many keystrokes to get to the information. It's really convenient and it makes life a lot simpler. I like that it has the reminders. If they're a new member [it prompts you] to remember to greet them, or you can see whether they have an unused travel certificate if they've joined. It presents a little better the stuff that I need to offer to people – it's a good reminder to do those things."
- Melodie Leach, Marketing Business Analyst also raved about the support and available online help. "If I had a question, he [AXIS Project Manager] would get back to me in an hour. Their online manuals were very user friendly too."
- For Melodie, the ability to generate reports quickly and easily is also a benefit. "I love the reporting feature. The Dialog Topics are linked to the cubes. They are even linked in DBM, so I can pull up information easily. In the past, if someone said, can you print me a report on how the Dialog Topics are doing so far... that would mean 18 different reports. It would probably take me a few hours to do...Now it would take a minute and you know it's accurate."

"It probably saves me 15 – 20 minutes a day for average things that I do. The client's happy, I'm happy."

– **Patricia Vieanneau** |
Domestic Travel Counselor



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— **Kevin Daley** | VP Finance & Administration

“Without the Navigator would we have gotten those members? Maybe but probably not. Right now it’s in the front line counter’s view. They know that these people qualify, so now it’s easy to ask them.”

— **Melodie Leach** | Marketing Business Analyst

Analyzing the Results

Kevin Daley points out some noticeable improvements, while recognizing that they are still in the early stages. “Our hotel and car rentals have been going up over the years because we’ve been asking the questions. Our out-of-province insurance has also gone up.” Melodie Leach, a Marketing Business Analyst, is thrilled that in less than a year they have many more new auto renew members, thanks to an on-screen prompt. “We now have more [members] who now say they want to renew every year. And our Auto Renew members have a 95% renewal rate. Without the Navigator would we have gotten those members? Maybe but probably not. Right now it’s in the front line counter’s view. They know that these people qualify, so now it’s easy for them to ask them.”

Joe McLaughlin contends that it is premature to quantify hard and tangible financial benefits, however the club may want to measure increased membership, retained members, and deeper penetration of products with new members. He cautions, “I think there’s a lot of room for a more standard approach within the federation. The unique thing about AAA and CAA is that it’s all one federation, and they do actually pay attention to those things and take them seriously. It’s hard to quantify it, but it can be done. I think it’s a darn good start especially for a club like these guys who don’t have a lot of money and don’t want to get too complicated with their systems. We applaud them for doing it!”



Lessons Learned

While CAA Maritimes did experience many positive accomplishments (getting a senior management champion in President Steve McCall, taking the long-term view, addressing the cultural changes required in staff, introducing new processes over time and rolling out an MRM technology solution), each of the managers involved acknowledges some areas could have been managed better.

- *Exercise patience with a staged software rollout:* President Steve McCall reflects, “With AXIS’ Navigator’s ‘Discovery Package’ the implementation went very quickly. While things did go quickly for a number of reasons, they were not without hiccups. We were sufficiently impatient to take some initial steps in technology to support the rest of our strategy so we said, let’s grab this as a first step and run with it. We’ll expand or add to it as we can, as the business need is addressed.”

Responsible for information technology at the club, Bob Brown, Network Administrator, admits that the club’s lack of time and resources prevented them from testing and tweaking as much as they would have liked. “Maybe a rollout like this needs to be a little more staged rather than OK, tomorrow, let’s do it. I guess if you are big enough you can test usability in a lab. We didn’t have the time or resources to set up a full laboratory, but some of the clubs that we learned from that’s where they were... We got ourselves out there on the bleeding edge – more than we wanted to be.”

Kevin Daley reflects, “If anything, I would say we should have spent a little more time getting [staff] up to speed, and then they would have used it more from day one. More of them use it now that we’ve trained them again. You can’t just stick a screen in front of someone and think you have MRM. That’s a big change.”

- *User adoption is an ongoing effort:* President Steve McCall discloses, “I think the adoption was pretty good. But you don’t just do it once. You have various launch and training events, internal marketing events and so on in order to get the project going and you have to keep going back to it. Progress slowly, or in a phased way through the technology to build faith in the technology. You have to really be patient with people..., you have to have training programs, support mechanisms and performance evaluations, incentive plans, target-setting, that bring people along. Reward them for altering their business practices and their thinking to support the ‘Sales as Service’ MRM strategy.” He suggests “certainly using the technology to the fullest at a rate that the organization can absorb. But to get really good at the core stuff and add on the optional extras later.”

“You can’t just stick a screen in front of someone and think you have MRM. That’s a big change.”

— **Kevin Daley** | VP Finance & Administration



- *Understand and define the MRM strategy:* Gary Howard offers this advice, “Step back and understand why you are doing this. I think a lot of clubs say, ‘I know I need to do this so that’s why I’m doing it’. Initially our MRM strategy wasn’t flushed out well enough. As we continue to move forward we have begun to build more rigor around our process, and understand exactly what we’re doing and why.”
- *Establish a simple, consistent theme and brand:* Joe McLaughlin of ISM was brought in after the technology implementation to help the club assess how well they did, what they missed and what they needed to do moving forward. Joe’s response to the club’s concern about handling 45 different initiatives was to package everything together and brand it “Member First.”

Gary Howard supports this branding and emphasizes that the evolving strategic positioning of Member First impacts all facets of the club business (product development, technology, people and process, strategic plans, business plans). “Everything will speak back to Member First. And that includes what products we have, what people we have, how we answer the phones and how the computer turns on – everything will come back to Member First. And that’s why this theme is so important to us.”

Future Vision

MRM is a journey, not a destination. While Steve McCall is satisfied they’re on their way with MRM, he warns that there is much success still to be realized from MRM. Gary Howard supports this, “There’s no lack of ideas around here, sometimes just lack of money, time and resources.” But despite being a smaller club, Gary believes CAA Maritimes can do more and doesn’t subscribe to the belief that only larger clubs can accomplish big feats. A few of the club’s more immediate goals include:

- *Conduct a Business Process review:* Gary Howard shares that this large undertaking is in the club’s 2009 plans. They will “figure out what makes sense, what doesn’t change, what has to be changed”, so that they can apply a “consistent application across all our channels.”
- *Focus more on analytics:* Predictive modeling is important, but they want to bring a lot of that data to a front line counselor in a way that’s much more easily digestible to them. Instead of sixty-six consumer clusters, CAA Maritimes plans to put them into five master groups that are much more easily identifiable and recognizable.



- *Make the 360° view accessible to all staff:* Gary judged that the 360° view is really critical to any successful MRM strategy, and it has to always present a consistent view of the member. Currently, only the front line agents and counselors are using Navigator and that needs to change.
- *Expand Navigator features:* Bob Brown plans to gradually use (and train) more Navigator features that are waiting for them. He is learning more about Product Index, which he thinks will help measure a member's level of engagement. Gary Howard sees an opportunity with Product Index. "With our Member First philosophy, one of our tenets is aggressive listening. MRM is a great tool that enables us to listen to our people and our members in a proactive way."
- *Watch for new opportunities:* Steve McCall wants to improve the access to key insurance data and loyalty program information in the next year. He also expects the user interface to evolve and possibly even become "optimized to the workstation level."
- *Keep the MRM vision alive:* Steve McCall believes "the whole process-view needs to be from the eyes of the member and not what's convenient or organizationally easy, but what we can do to make our objectives come true for that particular member." Gary Howard foresees, "A lot more of the focus will come back to helping the users not only adopt the technology, but the philosophy and the practice."

President Steve McCall is well aware of the burning MRM question: what is MRM's ROI? But he isn't discouraged by not knowing the answer (yet). "How do you measure success? That's an issue for all of MRM. What's the ROI for MRM? We don't know that yet." For future plans, he expects the club will be doing "more of what we've already done at this stage." He is cautiously optimistic about his club's future plans. "We do have to step back and regroup a little bit and come back at some things. We need to get more data, and consider organizational changes that might come from process review. And certainly use the technology to the fullest at a rate that the organization can absorb, get really good at the core stuff, and add on the optional extras later. Full speed ahead. We're committed to the philosophy of MRM."

*"Full speed ahead.
We're committed
to the philosophy
of MRM."*

— **Steve McCall** | President



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AXIS, a division of Campana Systems, applies its in-depth industry knowledge and experience to maintain leadership in providing an evolving suite of integrated software and service solutions for AAA/CAA auto clubs. AXIS is the only complete and integrated suite of auto club information management products developed by users for users. The AXIS suite of products now serves over 15 million members via 23 auto clubs in North America and provides intelligent functionality with unparalleled support.



Campana Systems Inc. is an international leader in information solutions for the auto club and health care industries. Since 1988, Campana has been enabling our clients to achieve their ongoing business objectives using our in-depth industry and trusted technology solutions.



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