Is customer relationship management (CRM) shortsighted? For example, I missed a connecting flight with a major airline and proceeded to customer service. While waiting an hour in the customer service line (there were four people in front of me), I heard the customer service representative have a commiserating chat with her co-worker about how she resented working mandatory overtime. By the time I reached the counter, following my long wait in line, there were no more flights available that evening; therefore, the CSR booked me on a flight the next morning and sent me to the hotel shuttle bus without ever looking up from her reservation system. Sharing the bus ride to the hotel, the other customers and I were amazed at the lack of customer care, poor service and ineffectiveness of the customer service representative.

Ironically, I participated as a consultant in a large CRM initiative for this airline; and their goal was to treat each customer with great care, dignity and service. However, throughout the organization, there was much less emphasis on relationships with their employees, partners and suppliers. How is it possible that perhaps I did not receive good customer service because she was not treated well as an employee.

If all relationships are important, wouldn’t it be wiser to focus on relationship management (RM) instead of just CRM?

Are customer relationships more important than employee relationships, supplier relationships and/or partner relationships? After all, “the customer is always right.” Additionally, in tough economic times, if you don’t have enough customers, you could go out of business. Therefore, how can you not focus on getting customers?

While I believe that any viable business focuses on its customers, I contend that all relationships are important. To have too much emphasis on customer relationships without also focusing on employee, partner, supplier and other relationships is narrow-minded. If there is a reason for the relationship in the business chain, you must honor it. If you don’t have motivated employees (including yourself, if you are a sole proprietor), you will eventually be out of business. Your suppliers and/or partners, who contribute to your service or product offering, will ultimately affect the quality of your offering as well as customer satisfaction. Perhaps we should broaden our focus and practice RM instead of CRM.

**Relationship Management or Relationship Development?**

To further expand the term CRM, let’s consider the meaning of the word management. According to Webster’s dictionary, manage means: 1) To control the movement or behavior of; 2) To have charge of; direct. Using the same dictionary, develop means: To make fuller, bigger, better, etc.

Therefore, customer relationship management means controlling the movement or behavior of your customers. Anyone experienced in customer relations realizes that while one can perhaps influence customer behavior, controlling customer behavior is a flawed strategy (as it may be with other relationships as well).

Relationship development means making your relationships fuller, bigger and better. Depending on your intent, you may want to re-evaluate what it is that you are attempting to do and then call it by a name that conveys its meaning. My goal is to develop rich relationships. Therefore, I prefer to think about (and act upon) relationship development.

**A Universal Data Model for Relationship Development**

By Len Silverston

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A Universal Data Model for Relationship Development

There are universal principles that govern relationship development. For example: What goes around, comes around. Similarly, there are “universal” truths regarding the nature of data within relationship development. For example, people and organizations may play many roles over time or at the same time, and they may play them within multiple relationships.

Universal data models exist for relationship development. If we can first understand the true nature of data within relationships, we can build much more flexible, maintainable and effective databases that track information to help enhance relationships.

Figure 1 provides a universal data model for relationship development. The most significant entities in relationship development and in this model are PARTY, PARTY ROLE, PARTY RELATIONSHIP and EVENT.

The PARTY entity maintains information about the PERSON or ORGANIZATION such as name, Social Security number and demographics independent of the role(s) that the person plays.

The PARTY ROLE entity maintains information associated with each role that a PERSON or ORGANIZATION plays, thus providing a more complete profile of each party by identifying all the roles played by each party. Thus, if a person is both an END-USER CUSTOMER and a CONTRACTOR (as I was in the airline example), then it is possible to see a more complete profile of the involved party. In many enterprises, employees purchase products from the enterprise and are not recognized with any special consideration, which could be frustrating. (For example, people can play the role of EMPLOYEE and BILL-TO CUSTOMER at the same time.) Similarly, when evaluating vendor proposals, it may be important to know if one of the organizations that is a SUPPLIER also plays a role as a CUSTOMER, even if it is in another division of the enterprise.

While the PARTY and PARTY ROLE entities maintain information about a single person or organization, the PARTY RELATIONSHIP entity maintains information about two parties within the context of their relationship. This data structure provides the capability to view an integrated profile of all the relationships in which a party is involved. For example, knowing that an organization has a PARTNERSHIP relationship with a part of the enterprise may be important to know when forming an ORG-CUSTOMER RELATIONSHIP (customer relationship between organizations) with another part of the enterprise. Other information related to PARTY RELATIONSHIP is the RELATIONSHIP STATUS (active, inactive, dead, etc.) and the PRIORITY TYPE (high, medium or low).

The EVENT maintains information about any activities, which may occur within the context of relationships. Events may be COMMUNICATION EVENTS such as phone calls, meetings and other contact events, as well as TRANSACTION EVENTS such as orders, shipments, payments and other business transactions. The EVENT ROLE maintains the type of role that each party plays in the event.

Distinguishing Between Party, Party Role and Party Relationship

In order to provide meaningful relationship information, it is essential to distinguish which information should be stored with the PARTY, which information is associated with the PARTY ROLE and which information is associated with the PARTY RELATIONSHIP.

For example, many CRM packages do not distinguish between these entities and simply maintain a CONTACT table with fields such as the first name, last name, title, address, status and priority, and a NOTES table to maintain narrative comments about conversations and/or meetings that took place. This seems adequate until data issues arise. For example, a sales representative may record the priority of his contact (John Smith) as “high” because John buys a great deal of products from him. Another salesperson may sell training to John Smith and override the priority field with a “low” priority because it is unlikely John will purchase much training in the future.

The problem with only having CONTACT and NOTES tables is that the priority field does not belong in the CONTACT table. It is information that is associated with the relationship. In the previous example, each salesperson has a unique relationship and should be able to update the priority of his/her own relationship with John Smith.

It is amazing that many CRM systems are missing the most important entity (or table) for maintaining information about relationships – the RELATIONSHIP table! Many CRM vendors will just say that each person can enter his/her own contacts. The problem with this is that then John Smith’s name, address, phone number and other information are redundantly entered. Thus, it is important to appropriately associate personal and organizational information with one of the following:

PARTY: Information about the person or organization independent of role. For example, the information about a PERSON may include current first name “John,” current last name “Smith” and Social Security number 111-22-3333. This information is independent of any role that “John Smith” plays; and regardless of whether John Smith is a customer, a contact or an employee, the information will be the same. The point is to maintain this information only once at the PARTY level and then associate the party to various roles.

PARTY ROLE: Information about the party that is associated with a role. For example, the data model shows an attribute of “current credit limit amt.” This attribute is not about the party (John Smith); it is about John Smith in his role as a BILL-TO CUSTOMER.

PARTY RELATIONSHIP: Information about two parties and their relationship. For example, the PRIORITY TYPE is related to the PARTY RELATIONSHIP, allowing each relationship to establish its own priority. John Smith may have two customer relationships, each with a different priority: one for the relationship that John Smith has with the product salesperson and another for
Figure 1: A Universal Data Model for Relationship Development

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PARTY ROLES

because this
aspects of relationship development is
tinctive types of entities, we can make
The point is that with these three dis-
TUS TYPE, PARTY ROLE STATUS
could be subtypes of STATUS TYPE
directly related to the PARTY . If all
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ent of any roles or relationships (i.e.,
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should be related to PARTY ROLE. If
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between John Smith and the product
meant by the status. If the status refers
John Smith? It depends on what is
where would one put the status of

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one or more PARTY ROLES
(entity names are shown in caps in this article).

The dotted line indicates optionality (as opposed to mandatory) for
each side of the relationship. Each ROLE TYPE may be (because this
is a dotted part of the line) used to identify one or more
PARTY ROLES. Read the other way, each PARTY ROLE must be of one
and only one ROLE TYPE.

A ‘#’ in front of an attribute indicates that this attribute is a key.
A ‘*’ indicates that the attribute is a mandatory attribute.
A ‘o’ before an attribute indicates that the attribute is optional.

Boxes within boxes indicates subtypes or subentities.

The ‘~’ on the relationship line represents foreign-key inheritance.
This means that the primary key of the entity closest to the tilde
includes, as part of its key, the primary key of the entity without the
crow’s foot.

The relationship that John Smith has
with the training salesperson.

With these distinctions in mind, where would one put the status of
John Smith? It depends on what is meant by the status. If the status refers
to the status of the relationship between John Smith and the product
salesperson (i.e., thriving relationship, extremely active, not engaged, inac-
tive, etc.), then it should be associated with the PARTY RELATIONSHIP. If
it refers to his status as a BILL-TO CUSTOMER (i.e., preferred, active,
delinquent, etc.) then this status should be related to PARTY ROLE. If
the status relates to the personal condition of John Smith and is independ-
ent of any roles or relationships (i.e.,
dead, alive, ill, etc.), then it should be
directly related to the PARTY. If all
these statuses are needed, then there
could be subtypes of STATUS TYPE
for PARTY RELATIONSHIP STA-
TUS TYPE, PARTY ROLE STATUS
TYPE and PARTY STATUS TYPE.
The point is that with these three dis-
tinctive types of entities, we can make
much more intelligent choices about
how and where to maintain person and
organization information.

Events

One of the most important aspects of relationship development is
tracking the communication and
transaction events that occur within
the context of each relationship. If
these are favorable for both parties, the
relationship will flourish. A relation-
ship development database can assist
by maintaining the details of these
communications and transactions so
that important events (past and
future) are easily accessible.

The data model shows that each
PARTY RELATIONSHIP may be the
context for any number of EVENTS.
EVENTS may be either COMMUNI-
CATION EVENTS that represent
interactions within the relationship or
TRANSACTION EVENTS that rep-
resent recordings of business exchanges
that took place. TRANSACTION
EVENTS include commitments (COMMITMENT TRANSACTIONS)
and fulfillment of those commitments
(FULFILLMENT TRANSACTIONS)
and OTHER TRANSACTION
EVENTS. A good deal of the activity
within a relationship involves com-
munications between people as they make
commitments (in business this may
represent setting up deals) and fulfill (or
don’t fulfill) those commitments.

COMMUNICATION EVENTS
maintain mail and paperwork that has
been exchanged (CORRESPON-
DENCE); phone, fax, teleconferencing
or other TELECOMMUNICATIONS;
e-mail, chat, FTP or other INTERNET
COMMUNICATIONS; meetings, per-
sonnel reviews, lunches or other IN-
PERSON COMMUNICATIONS; and
any other type of interactions where
communications take place (OTHER
COMMUNICATION EVENTS).

By tracking key communication
events along with their start dates/times
(“from datetime”), completion dates/ times (“end datetime”) and accompan-
ying narratives (notes), a complete picture
of the relationship communications can
be maintained and accessed.

TRANSACTION EVENTS main-
tain COMMITMENT TRANSACTIONS
including reservations, sales
orders, work orders, service orders,
statements of work, agreements, con-
tracts, invoices and any other transaction
recording an obligation from one party
to another; FULFILLMENT TRANSACTIONS
including shipments, work
effort fulfillment, payments and any
other transaction recording fulfilling
obligations; and OTHER TRANSAC-
TION EVENTS such as proactive
projects, market research, infrastruc-
ture setup and other transactions not
involving commitments or fulfillment
of those commitments.

Each EVENT may have many
EVENT ROLES that maintain the
various PARTIES involved and ROLE
TYPES that each party plays in the
event. For example, in a COMMUNI-
CATION EVENT of a phone call,
"John Smith" may have played the
ROLE TYPE of "caller," "Mack
Deals" may have played the role of
"caller" and "Jerry Rite" could have
played the role of "data entry person."
Thus, the data model is very flexible
and accommodates for any number of
people that may be involved in any
capacity within any event of the enter-
prise. EVENTS may have an EVENT
STATUS TYPE maintaining the sta-
tus of the event (i.e., scheduled, pend-
ing, in progress or completed).

While the heart of relationship
development centers around some of
the entities covered in this article,
there are many more universal data
model constructs associated with rela-
tionship development that have not
been covered specifically in this article.
For example, a relationship develop-
ment model could also include entities to maintain party contact mechanisms (the actual phone numbers, fax numbers, e-mails and other ways of contacting parties), party classifications, geographical information, communication event follow-up, call center management and case management. Also keep in mind that these universal data models offer reusable constructs to be applied and customized as appropriate, and they are not a substitute for proper information requirement analysis. For more details about additional universal data models for relationship development and other common subject data areas, please refer to my book *The Data Model Resource Book, Volume 1* (Wiley, 2001).

While tracking customer relationships is critical, why not expand the vision of CRM to include the tracking of all relationships? Customers will only be appropriately served if the people taking care of them are also well treated. If we are concerned with CRM, be careful to also consider employee relationship management, partner relationship management, supplier relationship management and, ultimately, management of all types of relationships. Furthermore, it seems that focusing on relationship development (RD) would be more effective than relationship management.

The data structures for maintaining information on these various types of relationships are very similar; they each involve tracking the people, organizations, roles, effective dates, statuses, priorities and events associated with the relationship. The universal data model can consistently and effectively handle capturing the information needs for all relationship development while providing a broader, more complete view of the people and organizations and their associated roles, relationships and events.

*Len Silverston is a data management consultant with more than 20 years of experience helping enterprises integrate data. He is the author of the best-selling *The Data Model Resource Book* series (Wiley, 2001). His company, Universal Data Models, provides consulting, training and software to jump-start data modeling and data warehouse design efforts while increasing design quality and facilitating data integration. Silverston can be reached at lsilverston@univdata.com.*