Rules of the road for **CRM**

Contact and Customer Relationship Management

POWER TO RUN YOUR BUSINESS

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17 Rules of the Road for Contact and Customer Relationship Management

When it comes to choosing the right Customer Relationship Management (CRM) system for your business, it's important to understand all the benefits of a CRM system before beginning your selection process. When you launch a CRM implementation, your choices can impact nearly everyone in your company. That's why this booklet has been created.

These 17 "Rules of the Road" for CRM were collected from executives, managers, employees and consultants who shared their experiences with Sage. The goal is to provide you with useful information as you choose a new CRM system. We're confident that forewarned is forearmed and that the educated choice will be a Sage product.

1. CRM is more than a product, it's a project

When your company chooses to implement a Customer Relationship Management system (CRM), it is taking a dramatic step forward in it's customer commitment. And, since customers drive your business, you're leaping ahead in your ability to generate and manage revenue, too. The benefits of CRM come not only from the product you purchase, but also from the implementation plan you follow. The more thoroughly you embrace a company-wide CRM project, the more your company will benefit from the features your CRM software offers.

Choosing a CRM system is often the simple part: the implementation can be hard. That's why we always recommend working with a recognised expert in the area and learn from their experience in delivering a successful project. Through the course of a widely scoped project it is common to uncover areas and functions that can be automated that were not considered before. In principle give the CRM project time; it will repay you many times in what it delivers to your organisation.

2. Customers are everywhere: clients, vendors, employees, mentors

It used to be easy to define the word "customer." But companies are becoming more diverse, with multiple locations, employees who telecommute and vendors who function as partners. The idea of "customer" has broadened to include a wide range of end-users of different kinds of corporate information.

For example, employees are customers when they need self-service information on pension plans or other benefits. Shareholders are customers when they're looking for financial information. Vendors are customers when they need detailed specifications before they can proceed with a project. A colleague is a customer when you need to deliver time critical data. And, of course, the buyer is always a customer whose experience is critical to your bottom line. With a CRM system, you can serve all of the groups who rely on your company for important, timely information.

3. Bigger is not always better

CRM is a broad discipline. Solutions are built to deliver and match different levels of functionality, complexity, structures, methods of working and robustness. Just as you are unlikely to buy a tractor to mow your lawn you should avoid looking to buy enterprise-focused systems it your company's requirements are simple or modest.

The reverse is also true. One of the key areas of dissatisfaction in CRM is a mis-sold solution. Our advice is simple - take a proper look at what the current and potential needs for organising customer interactions are in your company. Are your relationships long lasting or brief, do you re-sell or look to cross-sell? Do you need to link other departments and people together on a shared system? All of these requirements have tools that suit them, and very often contact management, for example, is enough. Sometimes more of an investment is needed. Work with an expert to assess this, it need not be expensive and it could save you much money and hassle in the long term.

4. CRM solutions are different for mid-size companies

Some software companies selling CRM would have you believe that you need to buy what they call an enterprise solution that includes all the bells and whistles required for the largest of global enterprises. But for small to mid-size companies this may mean paying for more capacity than is required. In fact, the price of these systems is often so high that any company smaller than a FTSE 500 firm cannot reasonably afford one.

But other vendors have created CRM solutions with the mid-sized company in mind, offering applications that include virtually all of the features common in enterprise solutions, but at a cost that is reasonable for smaller scale users. Even better, many of these solutions can be scaled from as little as a single user to as many as you are likely to need in the future. With a CRM solution designed for mid-sized companies, you can start small and grow big without ever wasting your valuable resources on capacity you don't need. You buy what you need, when you need it.

Another benefit of CRM solutions designed from the ground up for mid-sized companies is that they are easier to implement and are fully functional right out of the box. Maybe larger enterprises have the time and resources to spend tailoring a solution and integrating it into their enterprise. But mid-sized companies want a CRM solution that they can get up and running easily, quickly and at minimal cost. And they want one that can be seamlessly integrated with back office systems such as accounting - without the need for custom programming.

5. Planning Pays

To ensure a successful CRM project, planning is essential. Begin by defining the need for a CRM solution. Arm yourself with the background information to justify the investment costs and to demonstrate where the benefits, savings and Return on Investment will come from.

Next, define the stakeholders in the project and use the needs analysis and benefits projections as a foundation for establishing a common, company-wide goal for CRM. With this groundwork completed, you can now establish a budget, planning for the costs associated with identifying vendors, testing solutions, implementation, integration, training and support. A team should then be assembled to begin the drive towards completion of the project - a drive that begins with a clear description of your company's CRM objectives and any processes that will have to be modified to make the project successful. Make sure the head of this team is a CRM champion - someone who completely believes that CRM will make a difference.

Good planning will involve discussions with internal and external customers. What are the best practices for your sales force, for your marketing team, for customer service? Also consider the various types of data that are important to track for each group involved. Data required by different groups of system users, such as field sales representatives, may be different from those of customer service agents. Plan for the needs of each group by confirming that your data requirements list is complete.

Remember: any person who requires information available through the CRM solution should be considered a system user, whether he or she is an internal staff member, an external partner, or a customer.

6. Prepare for product demonstrations

Once possible products and vendors are identified, a demo will be a critical factor in determining which solution is best for your company. But before inviting vendors' representatives to perform their demos be sure you have told them exactly what you are looking for. Why waste time evaluating a product that may be very functional but just will not work in your environment?

Also be sure to find out from the vendor what platform is required to run the demo. Again, don't waste time scheduling a demo only to find out you don't have the right hardware or the right operating system to support the product.

When comparing several products it is advisable to establish a scoring system that makes it easy to track the various benefits and shortcoming of each product being evaluated. By tabulating these scores, the decision process is often simplified. But be sure to include qualitative information in these lists, such as a vendor's history of innovation, customer satisfaction, financial stability and so on.

And finally, make sure the CRM implementation team attends the demo, and encourage them to share their concerns and feedback. If the vendor or reseller cannot immediately address any issues raised, make sure they do so in a reasonable time frame. Responsiveness is often a key differentiator in the vendor selection process, so some planned tough questions may be critical to making a selection you can live with long into the future.

7. Implement relevant technology

When you choose a CRM system, make sure it's based on current technology. Don't let a salesperson talk you into product vaporware based on future promises. Insist on seeing a current version of the product as it can be deployed today. Equally important, don't accept old technology that's past its peak performance curve. You don't want to have to replace the system in the near future.

Look at what is in the product roadmap, planned enhancements and other features that reassure you that this is a product being invested in by the vendor for the long term.

Take a view on its integration capabilities and plans and the relevance to your back office systems. Decide whether the interface and usability is suited to your user type - i.e. for a power user keyboard short cuts might be better, for ease of use a web-based interface might be more appropriate. A good business consultancy will be able to help you make the right decision.

8. CRM is not a single department solution

CRM solutions should provide company-wide benefits. But many products that claim to be CRM applications only address a single functional area such as marketing, sales force automation or customer support. True, these role-specific solutions may be adequate for their specific intended purpose.

But what happens when your requirements broaden?

If you implement a dedicated sales force automation solution, for instance, and down the road realise that you also need to automate your marketing efforts, you have to start from scratch, looking for vendors,trying products - and wasting time. Plus, you'll be faced with two separate products, two separate vendors and no single point of contact for support and problem resolution.

Even worse, with multiple point solutions, how will you share information across your company?

Will information captured by the sales force automation solution be leveraged in new marketing campaigns?

Will marketing campaign data find its way to the customer support centre where cross-selling opportunities could be made, or lost?

While it is true that custom code can be written to integrate products, a true CRM solution provides the functionality of any single function solution, as well as a cost-free, seamless way to add features and capabilities whenever you need them.

So, if your needs require it, don't settle for anything less than a comprehensive solution that delivers on the true promise of CRM:

- Marketing campaign management
- Sales force automation
- Customer care
- Contact management
- Task management/scheduling

9. Integration with back-office systems can speed Return On Investment

One area many companies overlook when evaluating CRM solutions is the fact that accounts payable and accounts receivable data can form an integral part of CRM. If a customer calls to order a product, for example, wouldn't it be beneficial to instantly know whether that customer's accounts are up to date?

Although some CRM solutions offer patches to link back to an accounting system, others offer this seamless integration out of the box. The cost benefits of this approach are so great that some companies report an immediate ROI because they were able to get their application up and running without incurring the high costs of custom integration.

10. Multi-channel access is the only way to go

To be truly effective, a CRM solution needs to support customers on their own terms. This means delivering the information into the hands of agents who respond to customer inquiries over the telephone, fax, e-mail or written letters. And, of course, in this Internet age, the CRM solution should also support interactive Web chat with customers and make a wide range of information available to them over robust Web sites.

For internal staff, such as field service employees and sales staff, the solution should also support all standard wireless devices; solutions that are restricted to a single device or operating system will become too limiting as this technology evolves. With support for PDAs, for example, sales reps can get real time updates about the prospects or customers they are about to visit - before they walk through the door.

11. Delivery Method that is right for your company

An item of increasing relevance to many companies is whether they want to actually bring their CRM solution “in house”; the alternative being that they give their data to a provider to host and the company itself only accesses information through a browser.

Companies need to decide for themselves how comfortable they are with the data stored outside the company. It is difficult to provide guidance except to say that it is vital to check out the security and recovery arrangements of anyone that is hosting the data. Another consideration for smaller companies is telco connection charges as well as looking at total cost of ownership over a 2 or 3 year period for a renting model over an ownership model.

For larger companies one must consider whether the compromises inherent in the system in terms of its ability to be integrated and customised are something that can be lived with. That all considered a rental model (or ASP, i.e. from an Application Service Provider) has terrific advantages in terms of maintenance, cost of hardware and ease of upgrades (albeit compulsory) and for smaller businesses in particular needs to be considered.

12. Experience in the wrong sector is very often the wrong experience

A recent trend in CRM is the movement of enterprise vendors into the middle market space as the larger sites are saturated or locked in with one CRM vendor or another. The solutions and experience of these vendors can often seem impressive, but the question needs to be asked as to how relevant working with a Top 5 consultancy on a multi-million pound project with almost complete soup to nuts customisation is to your company. The realities of the middle market are very different. Budgets are tight, projects are tightly aligned to ROI, products must deliver a large proportion out of the box and the project cycles are short. In essence they are in many ways the opposite of the project and product types we see at the enterprise level. By all means, particularly for larger projects, take time to assess enterprise products in their “mid-market” apparitions but take time to ask:

What has been delivered in the middle market by this company?

What does a mid-market product mean; enterprise with features removed?

Experience of their middle market partners of delivering on time and to budget.

What works out of the box in these products and what needs to be “customised”?

Look at the overall cost of sale in particular with a likely extended project cycle.

13. CRM is not for any single department, it’s for the whole company

Often, the sales department will be motivated to implement CRM long before other groups get on board. And it can be a great strategy to implement the new software one department at a time. But don’t lose sight of your overall goal, which should be to implement CRM throughout the company.

You’ll get immediate results by putting CRM into Sales, Customer Service or Support departments. But when you have everyone in the company connected to CRM - when everyone has instant access to the critical information they need to keep driving business forward - that’s when you’ll see the most exciting benefits of CRM.

It’s great to start your implementation with a departmental focus, but keep your larger goals in mind.

14. Implementation method is as important as product choice

Just as a chain is only as good as its weakest link, a CRM solution is only as good as its implementation. The best product in the world will not meet expectations unless it is implemented in a way that matches your requirements.

Once you've chosen a product, make sure it will work for your environment by creating a blueprint describing your goals and expectations for the implementation before the implementation process begins. Any questions regarding these expectations should be directed to an implementation team member who is designated as the liaison between the vendor and/or the consultant or reseller handling the implementation.

Beyond loading software on to a server and tailoring it to specific needs, a CRM implementation requires the involvement of all employees who will be using the system. Fail to obtain this support and you can safely assume that the system will not be fully utilised. Instead, reassure staff that they will receive all training required and that the system will make them more productive while making their jobs easier. Make the system even more alluring by letting all stakeholders and end users know how the implementation process is progressing. The result: they will become eager for the process to be completed and to get up and running on the new system.

15. Training can't be "on the job". Employee buy-in is the key to a successful CRM implementation

Good training, tailored to the different skill levels of employees, is essential. Don't bore a technically adept sales manager with a beginner's level dissertation on using a computer-based scheduler. And don't intimidate a customer service agent with techno-speak about the ins and outs of back-end integration. Just as you tailor the product for your environment, tailor the training to the end-user.

These training programs should begin before rollout to ensure end-users are ready to use the system when it is ready for them. In addition, this early training will add to the enthusiasm for the rollout and lay the groundwork for widespread acceptance.

16. Test, or crash and burn

Don't overlook the importance of testing the software implementation before rolling it out. A test that involves mock customer data can be invaluable in determining how well the system receives and processes information. Better to find a glitch pre-roll-out than to get stuck on one when talking to a customer.

As part of this testing process be sure that all back-office integration is working properly. Make a list of typical operations that end-users will engage in, and test each and every one. Try to access data from the accounting system, for example, before a customer service agent needs to actually do so. Try to update customer data in the centralised database and make sure those updates are available throughout the system.

17. Focus on CRM goals: improve customer satisfaction, shorten sales cycles and increase revenue

Never lose sight of the fact that the customer is the reason for your CRM implementation. Get feedback from customers to see if their satisfaction levels are really increasing, or if there are improvements they would like to see. If you chose your CRM solution carefully, it should be flexible enough to adapt to evolving customer needs. And don't overlook your end-user groups.

Could the sales staff benefit from an updated synchronisation system with their Laptops that lets them access contact information directly from their Laptop without always signing onto the CRM system?

Would the marketing department like to see a new kind of analytical report that links post-sale collections data to campaign type?

Keep the communication channels open after rollout and keep your CRM solution rolling along.

Equally important, never overlook the power of CRM to self-monitor. Set up metrics that the system can track and always be sure that you are, in fact, increasing customer satisfaction, shortening sales cycles, improving efficiency, winning customers from the competition, increasing profitability per customer and boosting bottom-line sales.

About Sage (UK) CRM Solutions

Sage provides CRM solutions to mid sized enterprises. With 16 years experience in the development of products that provide businesses with the ability to manage and report on all customer centred activity. There are over four million users of our CRM solutions, which can either stand alone or be fully integrated into existing systems, to give a single view of all customer and contact activity.

ACT! for Workgroups

Sage ACT! Professional for Workgroups is part of the best-selling global ACT! brand, and provides powerful contact and customer management solutions for small/medium sized businesses. Easy to set up and use it has all the features needed to get your sales and marketing in order - organising you, your contacts and your business.

Sage CRM MME

Sage CRM MME is an easy to use, fast to deploy, feature rich low cost of ownership CRM solution designed to introduce the real benefits of CRM to middle sized companies.

Sage CRM MME aggregates individual and group efforts across sales, marketing and support teams making people and companies more efficient at their roles. Sage CRM MME delivers the tools entirely through a browser to take advantage of the huge efficiencies that the Internet offers in delivering business applications.

SalesLogix

SalesLogix is the Customer Relationship Management solution that enables small to medium-sized businesses to cultivate profitable customer relationships by increasing sales and marketing performance and maximising customer satisfaction and loyalty.

Designed to meet the distinct needs of small to medium-sized businesses, SalesLogix delivers integrated Sales, Marketing, Customer Service and Support automation solutions that adapt to your unique customer acquisition, retention and development processes.

SalesLogix provides a complete CRM solution with low cost of ownership, rapid time to productivity and high return on investment. Flexible and easy to use, SalesLogix readily accommodates growth and changing business requirements. SalesLogix, the SMB CRM leader with more than 7000 customers worldwide, is part of the Sage family of integrated business management solutions.

To talk to us about how Sage CRM Solutions might help your company, call us on the dedicated CRM number

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