17 Rules of the Road for CRM

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Linking people + information
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17 Rules of the Road for 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 an integrated 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 we've created this booklet. These 17 "rules of the road" for CRM were collected from executives, managers, employees, and consultants who shared their experiences with us. Our goal is to provide you with useful information as you choose your own CRM system.

You may be wondering why a software company like Sage Software would distribute a booklet that doesn't promote its own products. We're confident that the more you know about selecting and implementing a CRM system, the more likely you are to seriously consider—and ultimately choose—products from Sage Software. That's why we have a vested interest in sharing this information with you.

We look forward to helping you succeed in choosing the best CRM solution for your organization.

17 Rules of the Road for Customer Relationship Management

Before You Start

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

When your company chooses to implement a customer relationship management (CRM) system it's taking a dramatic step forward in 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 philosophy, the more your company will benefit from the features your CRM software offers.

CRM philosophy is simple: put the customer first. This is a modern development of the old "the customer is always right" adage on which so many successful businesses have been built. When your business looks at every transaction through the eyes of the customer, you can't help but deliver a better experience to your customers—which in turn increases loyalty to your company. And, through customer-focused business practices, you often find new ways to streamline old methods and jettison administrative overhead that no longer benefits you or your customers.

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 401(k) 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. Don't confuse CRM with contact management.

Many midsized corporations have used some form of contact management software successfully for years and, at first, CRM may not seem much different.

However, if you take a closer look at CRM, you'll see that its capabilities go far beyond contact management. CRM systems contain more information about your customers. With CRM, your support and service agents have immediate access to all the information they need to completely resolve customer inquiries. Your field sales reps can look up more than just customer contact information before they make a call—they can also evaluate past sales history, credit information, and other financial data. They can even look at information for the company's other offices and run reports to find out what's been ordered and what special prices or terms the customer receives. Open tech support calls or other issues are also visible. And, with some solutions, copies of invoices, e-mails, and past proposals can all be reviewed—on screen and on the spot.

In sum, if your sales reps and customer service agents need a complete picture of your business's customers to succeed at their jobs, choose CRM. On the other hand, if your business needs a system that provides a snapshot of its customers, but comes with a low total cost of ownership, then a contact management system may be a better fit.

4. CRM solutions are different for midsized 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 midsized 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 Fortune 500 firm cannot reasonably afford one.

But other vendors have created CRM solutions with the midsized 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 few as five users to as many as you are likely to need in the future. With a CRM solution designed for midsized 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 midsized 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 midsized companies want a CRM solution that they can get up and running easily, quickly, and at minimal cost.

Your First Steps

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 ROI 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 evangelist—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 or an external partner.

Comparing Options

6. Prepare for product demos.

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 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 current 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.

Modern CRM systems are:

- Web-based, so you get 24/7 access from virtually any location, any time.
- Fully integrated with back-office systems at your company.
- Easily customizable to meet your company's evolving needs.
- Able to be implemented quickly with minimal expense.
- Easy to use and intuitive, with little or no training required.

8. CRM is not a point solution.

CRM solutions should provide company-wide benefits. But many products that claim to be CRM applications address a single functional area such as marketing, sales force automation, or customer support. True, these vanilla 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 realize 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 center where cross-selling opportunities could be made or lost?

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

So 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. Speed ROI through back-office integration.

One area many companies overlook when evaluating CRM solutions is the fact that accounts payable and accounts receivable data are 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.

Look for a CRM solution that provides standards-based integration with your other business management applications. Insist on being able to deploy on different technologies (databases and operating systems) as your needs change, support for Web Services, strong Application Programming Interfaces (APIs) for integration, and the ability to integrate out of the box with other technologies—such as your phone system (Computer Telephony Interface) and your Web site (Web self-service).

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 updates about the prospects or customers they are about to visit—before they walk through the door.

11. Look for true platform flexibility.

Look for a CRM solution that provides the capability to seamlessly move to or from an on-site system—one that provides true platform flexibility.

Perhaps you're not prepared to take on the technical aspects of implementing and supporting an on-site CRM solution. Your organization may favor the predictable pricing of an on-demand model. Or perhaps you want complete control and ownership of your CRM application so you can make your own configurations and customizations: an on-site deployment might be your best choice.

Finally, you may want the option to choose an on-demand model today and migrate to an in-house system tomorrow. Most growing businesses eventually do migrate to an in-house CRM system to satisfy the need for sophisticated, end-to-end process integration.

To ensure you have freedom of choice, invest in a CRM vendor with solutions that provide different methods of deployment. A good CRM solution should be flexible enough to accommodate what's best for your business in the present as well as in the future.

12. High cost does not necessarily mean high value.

Some vendors work very hard to propagate the myth that if a software package costs more, it offers more features. Savvy companies need to evaluate this statement with healthy skepticism. Are the features being sold features you really need—or do they come as part of a so-called enterprise solution that was built for very large global companies?

Pricing can also be completely unrelated to feature set and more a function of market presence. Many CRM vendors often get away with charging higher prices for solutions that are no more functional than those from lesser-known or smaller vendors. The bottom line on pricing is that if you find a solution that provides the feature set you're looking for and can grow with your business over time, you're likely making a wise investment.

A Smooth Implementation Ensures Success

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 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 utilized. 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. So 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 beginning 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-rollout 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 centralized 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 synchronization system with their PDAs that lets them access contact information directly from PDA software 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 Software

Sage Software has been responding to the needs, challenges, and dreams of small and midsized businesses like yours for over 25 years. With a complete range of business management solutions and services, Sage Software helps companies improve customer relationships, reduce costs, and automate and integrate a variety of operational activities. Look to Sage Software for fully integrated business management applications that deliver high performance, advanced functionality, cross-product integration, and unmatched freedom of choice.

Sage Software solutions support the specialty needs of a broad scope of industry segments, including manufacturing, distribution, construction, real estate, nonprofit, and professional services. Today, over 2.4 million North American customers run Sage Software solutions. Its parent company, The Sage Group plc (London: SGE.L), supports 4.5 million customers worldwide and has revenues exceeding $1 billion. Together, with its network of business partners, Sage Software provides the ongoing support and service small and midsized businesses need to achieve tangible business results.

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