

A director's guide: Selecting powerful CRM software

An information guide from Access



Overview

Why CRM, and why now? Perhaps you've been thinking about investing for a while, but you've been waiting for the economic storm to subside. And you're not alone - latest research suggests that 62% of companies think that having an effective customer management strategy is now much more important than three years ago.¹

On the other hand, perhaps you've been put off by horror stories of companies who spent heavily in CRM systems and have yet to see the benefits. These high profile failures have hit the headlines in recent years – and let's face it, you'd rather sit it out than be one of them.

What this paper does is outline quite simply, what CRM is, the benefits you can expect and some of the technologies available. We also talk you through the broad range of functionality on offer. By the time you finish reading this, we want you to feel confident in choosing both the software and vendor that's right for you and your business.

Firstly then – what is CRM?

CRM (Customer Relationship Management) packages enable organisations to create a client-focused business, which can better understand and manage the needs and expectations of its customers. CRM systems do this by bringing together all data sources within the company to give a single, real-time view of each customer. It then provides the tools (functions) that enable customer-facing employees across the organisation to provide informed decisions in these different areas. For example, it would provide customer services advisors with the tools to resolve queries and disputes, marketers with the information needed to better execute and monitor campaigns, and for sales teams to identify cross and up-selling opportunities.

Why CRM systems are good

Of course, these are just examples of what a CRM system can do. Correctly implemented, CRM systems can do all of the above and much more. When based on business best

practices (more of that later) and built around your specific needs, you can expect to see an increase in customer retention and greater value per customer. And when you consider an increase in retention of just 5% can increase profits by 25-75%, it's easy to see the attraction.

Why CRM implementations fail

Typically, CRM systems fail not because of the product itself, but because the company has not thought carefully enough about its business needs. Yes, you've probably heard this advice a thousand times over, but without the right strategic vision behind the project, you'll end up with a system that's unused, unloved and unproductive. Experts cite a lack of real-world knowledge (that's an appreciation of how the technology fits in day-to-day with your staff) and lack of resource (the right support) as two common reasons for this. What we, Access, bring to the table is a ten-year history of successful CRM implementations which we've condensed into a series of steps for you to follow.

1. Choose your support team

Getting the right people on board is key to the success of your implementation. You want a mix of people – stakeholders with bottom-line interest, project managers responsible for on time, on budget delivery and a cross-section of willing software users from all your customer-facing departments. Ensure you get a representative from sales, customer services, marketing and account management, as there is a good chance all of these people will utilise the functionality of the new CRM system. These will become your advocates, shaping the development of the system and instigating the belief that CRM is 'a good thing.'

2. Define your business objectives

Selecting a vendor based on the functionality listed on their website may seem an obvious place to start your search. But putting functionality first is a big no-no – that is, until you've established your business needs. We've come up with a list of

questions to kick things off (you may want to start the process with one team, then ask the same questions of all your customer facing departments.) Draw out your business processes if it helps, working out how information flows around your organisation and how it could be improved. At the end of this step, you should have a good idea about how you interact with customers now, and what you would like to achieve to service them better.

Discussion groups: Questions

- What are the characteristics of our typical sales/marketing/support cycle?
- How do we share information with other customer-facing departments? What areas would we like to improve?
- How do our prospects/customers interact with us? E.g. by phone, email or the web?
- Is web self-service something that would be of interest to our customers?
- Is remote access to our information of use? E.g. do we have many salespeople who could make better decisions if they could access customer data while on the road?
- Which other departments would benefit from having centralised customer data? E.g., does our finance department spend significant time re-keying data into sales orders?

Of course, there will also be a number of high-level issues that you need to address – these could include:

- Is there a goal to bring all of our systems onto a central platform?
- How does implementing a CRM system fit with our five-year plan?
- Do we see CRM as a long-term investment or a shorter term fix?

3. Choose the technology

With your business goals in mind, you can start to fit the technology to your end objectives. There are two main technologies fighting it out in the CRM arena – hosted vs. non-hosted. Both have their pros and cons. Hosted ("Cloud") CRM solutions give

you access to CRM functionality via the internet, whereas non-hosted solutions are typically installed on your in-house server. The following questions should get you thinking about the technology that's right for you:

- How reliant is our business on the internet? Would we need to increase bandwidth? How would we cope if our CRM solution went down?
- Can we dedicate internal resource to maintaining our CRM system?
- Is the deployment of our CRM system part of a wider strategy to integrate our front/back office applications – e.g. finance with sales/marketing/support?
- Do we need to deploy CRM to our remote divisions?
- Do we have industry- or process-specific CRM requirements?
- How quickly do we need to implement our CRM system?

4. Weigh up the costs

By now, you should start to have an idea as to what you want to achieve and the kind of technology that will help get you there. You should also think about the affordability of various options and how each sits within your overall business strategy. For example, hosted solutions are by monthly subscription offering a convenient “pay as you go” model, whereas non-hosted solutions typically require a larger upfront cost. Over time, a hosted solution will start to pay for itself (typically within two years) while the subscription model requires constant regular payments (which may go up). Some vendors offer finance options to make the initial outlay easier to swallow – think about whether this something your company should consider.

An important point about costs

Whatever CRM solution you choose, there will always be a number of extra costs that make up ‘total ownership.’ Broadly speaking, these encompass customisation, integration, deployment, training and upgrades. When selecting a CRM system, ensure you've a method for accounting for these areas in advance. That way, you

don't run the risk of unearthing those hidden extras that give CRM implementations their (largely undeserved) bad press.

5. Choose functionality

So you're ready to start searching out different vendors – now it's time to become knowledgeable about the functions that each can offer. We've broken down this information by looking at tools for specific departments – while we don't expect you to require them all, you should get a good idea about what would be useful in your business.

Marketing functions

Marketing is becoming increasingly important as businesses work to acquire and retain customers. To gain maximum revenue from your marketing budget, good CRM systems allow you to track marketing activities, costs and ownership for each campaign and even better, to create test campaigns before launching full-scale ones. Easy-to-use tools to qualify, maintain and analyse leads will ensure the campaign never loses momentum.

Access to real-time information

Constant pressure for key business decisions rely on a central, up-to-date point of information. Good CRM systems offer real-time viewing and reporting from easy to use ‘dashboards’, which can be made easily available to everyone in the marketing team.

Campaign management

By aligning your marketing efforts with business goals, you can drive home more effective marketing themes while providing the best return on investment. Whichever system you choose, it should enable you to easily segment data for groups and lists, send test campaigns, and once deployed, easily monitor the response from your specific audience and tweak your message accordingly.

Lead management

This functionality ensures that leads are quickly and efficiently gathered and handled so that not a single opportunity gets missed. A good system will integrate with any

applications where enquires are generated e.g. websites, importing information seamlessly and without re-keying. Systems that allow you to set your own rules for lead distribution will save time sifting through enquiries, and will ensure that salespeople receive accurate and relevant lead updates in real-time.

Interaction management

If you have call centre capacity then this function will help you take campaign effectiveness up a gear. Integration with the CRM system enables you to automate outbound calls or establish campaign-based call routing for incoming calls.

Analysis & reporting

If you are serious about CRM then it makes sense to invest in solid analytical tools that allow for detailed ‘closed loop’ reporting and analysis, so that you can concentrate on continually improving your marketing efforts and concentrate on the campaigns that are the most effective.

What to look for: Marketing functions

- Campaign creation tools
- Segment data by filters of your choice
- Carry out test campaigns
- Define and track tasks per campaign
- Clone campaigns
- Perform mail merge activities
- Centralised information of marketing activities – configurable by user
- Ability to view campaign results by type and lead counts
- Import lead mechanisms that support many file types
- Source code assignments for each campaign
- Assign ownership of each lead
- Automate common lead business processes
- Schedule follow up lead activities
- Create filters and groups for easy lead access

Sales functions

Today's salespeople can no longer rely on traditional methods for securing deals. They are too costly, too cumbersome and allow vital opportunities to be missed. Good CRM systems provide the tools to manage the entire sales process. They should provide you with a view into your open, closed, won and lost opportunities, enabling each sales person to maintain their pipeline in real-time.

Opportunity management

This function enables sales users to follow a consistent selling practice to help improve chances of closing the deal. Once opportunities reach a certain stage, users have the ability to create projects converted from opportunity information. Projects can be created and tracked from any opportunity, won or open. Projects enable organisations to better maintain their clients' business for increased revenue and improved customer satisfaction.

Dashboards

All good CRM systems provide centralised information of pipeline activity in a practical, easy to use format. Dashboards are ideal for this, since they enable salespeople to view their own pipeline information in a series of clickable charts and graphs.

Lifecycle management

This function enables managers to automatically assign opportunities via regions, products or pre-defined business rules. This way, salespeople can actively work on their pipeline, view the activities of their team (enabling them to actively ask for help if required) and monitor competitor activity. Good CRM systems make this information easy to grasp, for example, showing 'opportunities by stage' (negotiation, qualified, proposal) in a graphical format.

Sales forecasting

This helps managers establish the health of their business in real-time in order to increase revenue and decrease costs. Look for a CRM system that enables you to run forecasts based on your specific business rules, as well as those supplied as standard, out of the box.

Quote management

The aim of this function is to ensure customers to receive the right orders on time. The latest CRM systems utilise information already present within opportunities to deliver quotes based on consistent customer, product and pricing information. When considering this function, ensure quotes can be generated automatically (as well as manually) and that you can embed configurable approval process. CRM systems that can integrate fully with your central financial software will also help create further efficiencies. For example, quotes only have to be entered once and can be updated to an order in a single click, reducing re-keying and ensuring data accuracy throughout the sales cycle.

What to look for: Sales functions

- Opportunity and project creation wizards
- Ability to create and clone new deals via opportunity templates
- Quote creation and approval workflow
- Assign status, stage and win probability for every opportunity
- Attach products, services and pricing information details to each opportunity
- Track activities needed to help close each deal
- Role assignment and competitor analysis
- Create projects directly from opportunities
- Associated contacts, influencers, and internal team members to help manage all projects
- Attach item and document details to each project
- Real time analysis of all opportunities
- Compare forecast information over time
- View forecasted sales amounts by win probability and potential sales

Account management functions

Understanding your most important customer relationships, the amount of time spent with clients and the

lifecycle of each customer are some of the most important aspects of your business. After all, repeat customers can help produce consistent revenue streams for your company, essential, during and following an economic downturn.

Good CRM systems capture customer, contact and prospect data, all in one convenient central location. A central customer data master enables your sales, marketing and service teams to view the same real-time data across all facets of your organisation.

Customer history

Make sure that users can view the entire history of each customer, including notes, actions, and any posted transactions. This will help your sales staff visually distinguish each contact's relationship and their place within its structure.

Customer views

This function provides your sales team with a complete view of all things customer-related; a centralised CRM system ensures that members of other departments, such as sales, service, and marketing, are all fully aware of each customer interaction, regardless of where the contact was made.

Activity management

Today's CRM systems are designed to minimise administrative headaches and help staff focus on communicating with customers and maintaining their daily business activities.

Look for a system that enables you to schedule all types of contact interactions such as calls, meetings, appointments and follow ups, and view those activities through various calendar views for more focused communication process. Daily, weekly and monthly filters allow each user to view their activities as they see fit.

Calendar views

This function enables managers to view their team's activities via a group calendar, displaying information such as outstanding calls and customer follow-up visits. The aim is to provide complete visibility and to ensure staff are interacting with customers in the most productive manner.

What to look for: Sales management functions

- Contact lists with personalised displays
- Customer relationship hierarchy views
- Configurable tab displays
- Consistent 'search contact' methods
- Ability to group contacts by city, county, etc
- Activity lists showing e.g. open vs. closed activities
- Schedule client activities such as calls, appointments, events and to-do's
- Daily, weekly, and monthly calendar views and group calendar views for managers
- Activity analysis, such as call reports and activity history reports

Support functions

Applying the same principles of CRM to your customer service and support teams can considerably improve customer retention. With accurate, centralised information and the right tools, they can maintain consistent and clear communication when customers typically need it most.

Case management

These tools allow you to assign, escalate and resolve customer service requests the quickest way possible. Some providers do this via a 'service centre', which enables you to quickly access the problem, route the issue to the staff member who can best solve the problem, and communicate to the customer so they stay informed as their request progresses.

This functionality allows all users to accept incoming customer service requests from multiple sources, be alerted with upcoming and urgent cases, and drill into the details of any service requests. Individual agents and customer service managers can further filter their daily case activities in order to improve work efficiency and provide the best customer care.

What to look for: Support functions

- Captures any type of customer service request via multiple channels
- Assign case ownership to service staff with the most qualified skills in solving a particular case
- Reassign, escalate and resolve cases with ease
- Enable staff to filter cases by priority, status and date and to group cases by team members, escalation status, priority and client attributes
- Capture and display case specific details such as case history, service team information, attachments and resolution facts
- Analyse and report case information in real time

6. Choose a CRM partner

As mentioned in our intro, one of the key reasons behind CRM system failure is the lack of real world understanding of how the system will fit into your business. We've covered functionality and that's essential - but now you need to ensure that the vendor you choose has the expertise to implement, integrate, tailor and train people on your system so that it becomes an indispensable part of your business.

Your business is unique and pre-sales consultancy enables the vendor to determine where changes need to be made and which solution will have the greatest impact. From the off, you should be convinced that the vendor shares your enthusiasm for the project, can work in harmony with your staff and takes your research seriously. To help you out, we've put together a list of questions to ask yourself:

Choosing a vendor: Checklist

Needs analysis – are our business objectives clearly addressed? Are the benefits of choosing this specific CRM system clearly stated?

Demonstration – does the vendor use our own data? Can we visualise the CRM system working across a range of departments, scenarios and users?

Quotation – do I have a detailed breakdown of all associated costs (including those mentioned in step 4)? Do I know what will happen if extra work is required outside the scope of the project and what the process is for this?

Sales handover – Do I have a detailed document covering the scope of the project and its commercial terms? Will our people meet the relevant members of the vendor's project team?

Definition document – Has the vendor given us clarity over the project objectives, the full specification and success criteria? Will our people know which tasks are specifically theirs?

Workshops – How will the vendor make sure our staff feel at home with the software? Are we convinced the vendor will listen to feedback and take it on board?

Configuration – Am I absolutely happy with the level of customisation proposed? Do I know how long it will take and how much on-site involvement the vendor will need?

Integration – does the vendor provide middleware tools to consolidate all our customer-related information into a single database? E.g. can information generated on our website or EPOS system flow into the CRM system without re-keying?

Security – does the vendor's proposed solution include the in-built checks needed to ensure security over our sensitive information e.g. when signing NDAs?

User acceptance – Are we in agreement that the vendor allows long enough for this? Is the testing carried out against any pre-defined criteria?

Education – Am I confident that the vendor will provide training methods to meet the different user requirements of each of our staff?

Go live – How can I be sure all possible circumstances are considered and addressed? Will the vendor be on-site to answer our questions throughout this time?

Support – Has the vendor reassured me that our staff will know who to contact in case of any queries and that their technical staff will know how to handle their calls?

If you have answered 'Yes' to all of these then congratulations – you have found your ideal CRM software partner! If not, don't stop asking questions and make sure you get the answers you want before signing that contract.

And finally...

Last but certainly not least, here's some key factors well worth considering before taking that final step. Choosing a system that ticks all these boxes will save considerable time and effort in the long run.

Flexible upgrade path

The safest way to protect your CRM investment is by ensuring that the solution is flexible and able to grow as your business changes. Many vendors will claim this – get them to prove it! Here are just some of the questions that may help you when speaking with potential vendors:

- What happens when we choose to upgrade?
- Can you show me a roadmap of how you would accommodate growth in our business?
- What's the typical process for adding new users?

Ease of deployment

The average deployment of an in-house

solution is around 2-6 months (whereas a hosted solution could take just weeks).

Whichever solution you choose, a good vendor will minimise the downtime and reassure you exactly what will happen as you switch between systems.

Ease of use

Getting people to use the system consistently is your number one priority and absolutely key to its success. If the vendor says their product is easy to use, don't just take their word for it! Get your internal users to test-drive the system and give you their honest feedback.

Fit with existing architecture

Choose a system that can pull data from existing systems – this will enable the potential of the CRM system to shine through. For example, integration tools between front/back end systems will enable information flow through all your business process without re-keying. This increases accuracy, so: orders get taken correctly first time, telesales operators ask information only once, marketers target customers with the right combination of products and services... which overall, adds up to a much better customer experience.

Vendor reputation

There are some big players out there, and plenty of smaller ones. If you're still weighing up which system to go with, get a second (or third) opinion. See if the vendor has won any

awards for their implementation expertise and even better – ask for a reference site so you can hear the customer experience first-hand.

About us

Access is a business-focused consultancy and a specialist software developer expert in the implementation of CRM solutions.

Over the last ten years, we have grown to become the largest Goldmine® Reseller in the UK. GoldMine® from FrontRange Solutions® is a world leader in the development of powerful, business and customer relationship management software.

With our unrivalled support and broad cross-sector implementation experience, you can rely on us to deliver the right GoldMine CRM solution for you.

For more information about GoldMine, please visit www.theaccessgroup.com/products/goldmine-crm.aspx

To talk to a GoldMine consultant, call us on **01582 465 100** or email info@theaccessgroup.com

Source

1. Software is just the start: Cliff Mills (Evaluation Centre publisher NCC).

If you are interested in this study, please contact Cliff on +44 (0)870 908 8767. Email cliff.mills@ncc.co.uk.