CRM Buyer’s Guide

Volume III: How Can I Get the Most from My Chosen CRM Solution?

GoldMine®

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Steps to CRM Success

Evaluation—check. Implementation—underway. Know how you can guarantee that your chosen CRM solution is providing all the benefits your business desires? The steps below will help you better understand a few key items regarding people, processes and technologies when implementing CRM applications and customer strategies.

Step 1: It's all About the Customer

The goal of any CRM system is not only keeping track of customer information, but also enabling ease of doing business for your customers. Enabling customers to work with you more easily and develop a powerful, reliable relationship with your company will have them coming back to you for future business.

Who Are Your Customers?

In order to achieve this open, forthcoming relationship with your customers, you must capture data that helps you better target their needs, allowing your marketing teams to personalize business messages and enabling your customer service divisions to provide offerings that set you apart from your competitors. Understanding client requirements goes beyond capturing basic business card information, such as location information, or contact point information. In today's business landscape of complex business relationships, you must capture more in-depth company information, including purchasing history, lifetime revenue streams and profit information. In most cases, this accounting or ordering information is not driven by a CRM system, but by a back-office accounting or order fulfillment system such as ERP. A CRM system must be able to integrate these systems for you to combine CRM and ERP information together into one easy-to-access, easy-to-view system.

Define Customer Attributes

In order to sell to and service your clients properly, your CRM system must capture all types of company information—everything from address, phone, and email information, to organization hierarchies, past sales, lifetime values, and client issues. Your business should define the information required specifically for the CRM system, as well as key information captured in other systems within your company, enabling customer-facing teams be more successful. Companies with successful CRM initiatives use these client profiles as a corporate memory of every client and prospect. In order for a CRM initiative to be successful, you should leverage this corporate memory to personalize your marketing messages, improve sales relationships and enable your customer service teams to improve service offerings.

Step 2: Build a Business Case

Building a business case for any CRM implementation is necessary to understand how effective and successful it can be. The business case commonly involves a few attributes like project costs, business requirements and key performance indicators and typically has been created during the CRM purchase cycle. Here's a refresher:

Before you can truly obtain a cost analysis, you need to understand what business requirements you are attempting to implement in your CRM system. In order to create a business requirements document, you need to capture and prioritize all the processes for your sales, marketing and customer service teams. It can be as easy as identifying what processes you have today, what you need, and what your priorities are. Structuring these business requirements is a necessity. After the requirements are understood, you must then understand the data required to analyze the performance of your process. This analysis is commonly referred to as key performance indicators (KPIs). Analyzing and reporting customer sales, marketing and service efforts will enable you to understand if your business is on the correct course to achieve revenue goals and high customer satisfaction levels, or if you need to adjust your approach to improve the business. CRM systems can perform many powerful and complex business processes, but don't forget that people are involved in aiding these processes throughout the customer lifecycle.

Technology, People and Process

Implementing a CRM system is not only about building a business case, but also about understanding your business process, the people involved in this process, and the technology used to drive the process. You may often hear the term 'technology' when choosing an IT system. But CRM technology is only a portion of the puzzle. Business requirements and the people driving these processes are just as important as the technology itself, if not more so.

Soft vs. Hard Metrics

There are distinct differences in KPIs. Some metrics involve hard data like a customer's lifetime revenue or actual marketing costs, while others are soft metrics such as client satisfaction levels or sales force productivity. Both measurements should be quantifiable and captured in the CRM application so you can get a clear understanding of how effective your CRM implementation is. A successful implementation should lead to a better understanding of business pains, the ability to leverage technology to automatically alleviate those issues, thorough analysis of the business as a whole, and results that will help employees be more successful.

Step 3: End Users

A common mistake made by many CRM purchasers is a failure to obtain end user buyoff or feedback upfront. Since users are key to creating and capturing customer information while running business processes within the CRM system, it makes sense to understand what they need and why they need it from the start. The implementation team should consist of users or advocates from each division, including management, and should focus on their business process, not just the features of a CRM system. The individual needs of specific business units must be considered. For example, management generally requires higher-level analysis, while end users typically need help managing day-to-day business. Considering roles and balancing the business requirements when working through your CRM initiative will help you achieve greater success.

Different Usage for Different Users

A successful CRM implementation must take into consideration how different users will use the system. End users can come in many forms, such as executives, customer service agents, marketing managers, or sales vice presidents. Each group of users will leverage the CRM system in different ways. Your CRM implementation should consider this so each set of users is provided the most appropriate data, business processes and reports for them to do their jobs more effectively.

Step 4: Client Communication Channels

After you get a clear understanding of your customer's purchases, locations, and CRM activities, it is then best to understand how those customers interact with you. This will help your CRM implementation in two ways. First, it will build customer loyalty since your customers can do business with you when, where and how they feel comfortable doing it. Second, it will enable you to put your customer-facing agents at the best, most cost effective place for you to do business with them. Implementing cost effective client communication channels is vital to the success of any CRM initiative.

Email, Phone, Web or Self-Service

The key to high customer satisfaction levels and keeping customer interaction costs down is to be open and accessible to all types of customer communication channels. These client interaction channels can include the phone, email, or the web and self-service. Interacting through these various channels enables smarter marketing, more cost effective marketing, better customer service interactions and improved sales revenues. Why? Because your team interacts with their clients—how, when and where they wish to be engaged. By capturing customer source information, you can target your marketing communication efforts further. Capturing customer communication preferences can reduce cost of service and enhance quality and time to client resolution. In addition, by keeping the sales force focused on the right client communication mechanism, you will help increase sales and close rates as the sales department can maximize their time with qualified prospects and reduce their time spent with unqualified leads.

Voice-Enabled CRM

An important part in any CRM initiative is client communication through various client touch points. One of the most important touch points is the phone. Even with the increase in email, web and self-service usage, voice communication is still the most commonly used communication tool. Integrating your CRM system with your voice systems helps lower costs and improves client relations and satisfaction. With available Voice over IP (VoIP) technology, you can drastically cut costs since calls are made over your existing internet / communication infrastructure and you may no longer be required to pay per minute. You can also boost employee productivity with voice-enabled CRM features such as screen pops that immediately display customer and call information, or skills-based routing which enables the call to be sent to the right employee the first time. Both inbound and outbound features allow marketing, sales and customer service teams to perform their client communications quickly. Not only can you achieve greater productivity internally, externally your clients will be satisfied since they can leverage voice-enabled CRM features like interactive voice response systems, or automatic information updates to obtain or submit information directly to your company quickly and easily. Improve customer loyalty by anticipating customer's needs with voice integration, and analyze client interactions to match client needs, where required and when desired.

Step 5: Drive Sales Effectiveness

Sales Force Automation (SFA) tools can improve efficiency and effectiveness of your sales team by helping sales track client activities, manage customer communications, or maintain a consistent selling approach. Other organization benefits of SFA tools include sales management's ability to understand the pipeline and forecast their business properly. CRM business functions can help increase meeting effectiveness, improve close ratios, and cut sales cycle times.

The Marriage of Marketing and Sales

The key to easy, successful sales can often reside in the hands of the marketing team. Better sales starts with well-qualified leads and those can be created by defining opportunities with high closing percentages. The only way to capture this definition is for your sales and marketing teams to sit together in a room and for your sales representatives to discuss what a high percentage opportunity is, and is not. This definition can then be used by your marketing team to create campaigns with the right target audience, via the right channel and with the right messaging. If implemented correctly, a CRM system can help sales managers easily recognize a good opportunity. Then marketing managers can leverage this definition to create campaigns that are more effective.

Sales Coaching: Guided Selling Tool

Your CRM system can be used as a sales coach. Sales methodologies and systematic processes can improve selling capabilities and can be implemented directly into your CRM application. Any relevant task, meeting or sales activity within each selling stage can be automatically exposed to the end user so they retain key steps, ultimately allowing for better management of the entire selling process. Companies that leverage a sales methodology are proven to increase sales revenues. Major successes of your CRM initiative can be tied directly to closed deal performance and the increased revenue gained by implementing a proven sales coaching mechanism.

Step 6: Marketing Costs vs. Revenue / Profit

CRM systems can enable marketing managers to understand the measureable benefits of any marketing campaign. CRM systems can tell marketers what leads were generated from a campaign, the source of those leads, how many leads were converted to opportunities, and how much revenue was generated due to that activity.

Marketing Campaigns and Analysis

CRM initiatives can benefit marketing teams by enabling marketing managers to initiate and automate the campaign process within a CRM system. CRM systems should provide features to maintain marketing activities, associate costs and expected returns on the campaign, process the lead flow through various client channels such as the web, email or phone, as well as build the lead and opportunity pipeline. A CRM application can help automate the marketing launch with features such as email / word-merge, lead distribution and capture from all channels, and the automatic routing and ranking of leads. Moreover, in order for you to understand the revenue stream generated from a campaign, the CRM system can be integrated into your revenue booking systems so the revenue orders linked to the campaign can be calculated.

Marketing analysis within a CRM system should enable marketing managers to work closely with sales and customer service teams to determine how their expenditures and efforts are resulting in improved sales revenue, increased customer loyalty, profitability and lifetime value. Your marketing success can be determined by trustworthy lead to revenue information, win / loss ratios, as well as lead source and interaction analysis.

Step 7: Leveraging the Loyalty Effect

Studies show it can be 7 to 10 times more expensive to secure new clients when compared to keeping your existing customers. Customer service features of your CRM system can help your business manage tasks such as issue tracking, service activities, call-volume and time-per-call for customer-service representative. “Soft” metrics can be achieved as well through improved customer loyalty and client satisfaction, achieved through improved service efforts from the CRM system process and control.

Customer Service for Your Other Teams

Nothing can ruin a sales meeting like lingering client issues that have not been addressed by your company. CRM systems help your customer service teams manage not only the service process and costs, but also the customer service information can be shared across other customer-facing teams within the organization. By allowing your sales team to view open client service requests and issues, the sales agent can address any customer issue upfront—before proceeding to offer the client additional goods and services. Not only can customer service features help you sell better via the sales team, your CRM system can help improve your wallet share by enabling the customer service agent to create quick, easy-to-sell and easy-to-close opportunities from their normal service job responsibilities.

The sales of additional or extended warranties or small add-on services to a client's existing portfolio can go a long way in adding new profit streams to your bottom line. These selling opportunities can be quick and painless, and can help turn your service cost center into a profit center. In addition, marketing managers can use the information stored in your customer service process to help create up-sell and cross-sell goods or service promotions. In order for CRM initiatives to be successful, all business functions across sales, marketing, and customer service teams need to come together to measure the success from the entire customer relationship lifecycle.

Step 8: The Right Tool and the Right Approach

One of the more important factors driving CRM success is having your CRM strategy led by the business executives who manage customer interactions, more specifically Marketing, Sales and Customer Service. But don't forget about IT. The IT team should treat CRM as they would any other technology purchase, like security and infrastructure management, evaluating its features and benefits, how it works with the overall IT infrastructure and the key technical requirements to fully implement.

Choosing the right approach to CRM and defining appropriate business drivers and requirements provide much of the criteria for your ideal CRM solution. CRM manufacturers provide multiple methods of accessing CRM business functions over the web, while mobile or in the office, and choosing the right access method plays another part in the success of your overall CRM initiative.

For many businesses, flexibility, adaptability, integration and economies of scale play important roles when choosing a CRM solution, with each option requiring a bottom line investment. There will be benefits obtained from your CRM initiative, and there will be costs. The cost/benefit analysis must be another important attribute for your implementation as it not only aides in the overall structure, but a cost/benefit analysis can also help prioritize business needs during your implementation phase.

Phased Approach

CRM implementations are proven to have a higher rate of success when the implementation is done via a phased approach. Do not boil the ocean and try to accomplish all your sales, marketing and customer service needs during one, big bang CRM implementation. During your requirements-gathering stage you may have prioritized each requirement. This prioritization will help you understand which aspects of a CRM initiative can immediately help your organization, and which requirements may be better delivered at a later point in the implementation. CRM is a journey involving people, processes and technology; it is not just a single event undertaken by the IT department.

Key Initiative Attributes

Key attributes to your CRM implementation should include an easy-to-use user interface, a secure, real-time analysis platform, and a configurable (both simple and complex) application ranging anywhere from the screens and labels to third party system integrations. Multiple access options are essential to the process since users need ways of getting to their data in different environments.

Step 9: Build the Team

Gaining buyoff from top to bottom within your organization is important. Even though not all of your teams sign the check for a CRM initiative, securing stakeholder engagement from each division can be vital. You should assemble a CRM evaluation team and discuss desires and requirements with team members before you purchase the technology, not after. Unfortunately, some companies do just the opposite; purchase the technology first, meeting their immediate requirements, and then assemble the team. This could wind up costing more in the long run if you don't ensure you capture everyone's needs in the up front requirements spec.

Where to Start? Management Buyoff

It is important to start with leadership when preparing a CRM initiative. The project will have a much higher rate of success if you obtain management buyoff, and more importantly a CRM champion from management to help drive the process. This person can play an important role as the overall owner and internal advocate of the project.

The Team

Other members in your organization to round out your CRM project team should include Sales, Marketing, Customer Service, and IT. Even if your CRM initiative is heavily weighted towards a sales force automation implementation, your marketing and customer service teams should also be involved as you may find these divisions can benefit from other aspects of CRM such as a centralized customer database or activity management. They can also prepare for future integrations to their systems, or potential process automation for that division into the CRM system directly. Financial, executive and legal teams should also be involved to help insure that the investment is sound and the client – vendor / manufacturer relationship is constructive.

Step 10: The Experts

After you get your local input, gain the global view too. In today's climate, most companies operate on a global basis and the input and the perspective of teams outside of your own can add immeasurable value. Companies who succeed with their CRM initiative enlist outside expertise to help in decision making, requirements gathering, process understanding and advice. Expertise, knowledge and learned lessons from prior CRM initiatives can be invaluable. This advice can also be obtained from the vendor / software manufacturer, industry reviews, industry associations, and peer-to-peer relationships. Honest input can be found in these areas listed, but the clearest inputs can be found internally. Leveraging both internal and external resources will help your CRM initiative be successful.

Conclusion

Your business can establish a successful CRM initiative and customer strategy with a few easy-to-leverage steps. CRM systems play a vital role in marketing, sales and customer service business functions. They can help manage processes across teams, accelerate client interactions through all communication methods, and capture all customer sales, marketing and customer service transactions. CRM applications will help you analyze and report on every component of your customer process so you can make well-informed business decisions and improve your entire customer-facing business. To execute a successful CRM initiative, you must leverage knowledge gained from people, establish a clearly defined process, and implement the right technology.

About GoldMine

GoldMine is a leading provider of mobile relationship management solutions designed for small businesses. With over 1 million users managing over 1 billion relationships, the GoldMine CRM application is one of the most widely used relationship management technologies in the world.

The GoldMine solution enables organizations to build enduring relationships which enhances business performance through the improvement of employee productivity, customer and partner loyalty and better management of the entire business ecosystem. GoldMine is a division of FrontRange Solutions and is headquartered in Pleasanton, Calif.

To learn more about GoldMine CRM small business software for contact management and customer management, visit us at www.goldmine.com or call:

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