Incarni Partners

Does CRM Really Work?

C O N S U L T — C O N N E C T - C H A N G E

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DOES CRM REALLY WORK?

Customer Relationship Management (CRM) can bring enormous benefits to corporations, but only if your implementation is a success with the users. It is critical for every CRM initiative to win over users and obtain buy-in at all levels. Front-line salespeople have asked the question, "What's in it for me?" the answer has been, "Not much."

All too often, companies that adopt CRM strategies do not realize their full potential. One of the reasons they fail to be completely successful is because they are not seasoned in how best to implement a front office system

This paper presents a brief overview of best practices as they relate to CRM implementations for use as a guidepost to help you identify:

- The resistance to a CRM solution,

- How to sell your organization on a CRM solution, and

- Steps you can take to help secure a favorable outcome.

WHY THE RESISTANCE TO CRM?

Your users don't want to use your CRM implementation, I wonder why? Most rank-and-file salespeople on the front lines perceive CRM implementations as a tool that exclusively benefits management. You're essentially admitting upfront that you're attempting to automate what they do. The sales person only views it as way for management to track performance more easily, create forecasts for upper management to hold them accountable to meeting, while for salesperson there is little incentive.

One issue that has repeated itself is the sales force's reluctance to put "their" contacts and opportunities into the system, and I can understand this mentality, is that they own the sales efforts that they develop. Management tends to think that sales people don't use a CRM system out of laziness or because of problems with the technology and sales people feel that if they develop a contact and/or an opportunity that it belongs to them. The sales person feels that every time they enter their sale into the system that they are giving the corporation one more opportunity to replace them and take the business that they've developed away from them and give it to someone else. I would venture to believe that your sales force thinks one to all of the following:

- Management wants to spy on or micromanage my deals

- Management is only looking for this information so they can do better reporting and why should I help them at my own expense – I make money selling not entering data.

- The system or data will be used as a justification to replace me

- Management wants to make it harder for me to take "my business" with me should I leave the company

- Management is just trying to make my life harder. I already keep all of the data I need in my Iphone/Excel Spreadsheet/MS Outlook.

HOW DO YOU SELL CRM?

What can you do to see that your CRM project succeeds and get strong user adoption? The truth of the matter is that your organization just needs to be sold on the idea of CRM. CRM is about more than just Customers! It has the potential to solve challenges outside of traditional Sales, Marketing, and Service. The core idea behind CRM is better customer-to-company relationships, and the core functionality of CRM software is designed to help you better acquire, manage, and retain these relationships. The definition of "Customer", however may be broadened to external stakeholders of any type such as Partners, Suppliers, Investors, Members, Regulators, Citizens, Constituents and more. Take advantage of the customization capabilities of your CRM software and better manage your company's unique interactions with these stakeholders. In addition, utilize CRM workflow to automate key business processes and to build logic for your business rules. Realign your strategies and processes to a relationship centric focus, and you can employ many of the key principles of CRM as you strive to better manage these important relationships. Remember that CRM's promise of a "360 Degree view" is only truly possible when you bring all relevant customer information into a single view.

Based on our extensive background and experience with CRM implementations, Incarni Partners has compiled this helpful guide for business decision makers that contains concise powerful lessons. Some lessons are specific to CRM and some are common project considerations. All of them, however, will help ensure that your CRM project starts off right and stays on track for success

CRM IS NOT JUST ABOUT TECHNOLOGY

To turn your company's CRM goals into true results, your CRM strategy must be considered within the context of your company's long term objectives. A CRM implementation benefits your entire company - its strategy, people, process and technology. The CRM software is only a tool for your employees, partners and customers, and while it can offer many benefits, it is not a silver bullet. Developing key stakeholders for the project is crucial and equally

important is documenting their requirements is critical to the design of your CRM solution. Executive sponsorship must play a role in driving the CRM initiative, with IT playing an important advisory and support role. A successful, long-term CRM strategy must look beyond the technical considerations of the software installation, and focus on how CRM will meet your current and evolving business challenges.

BUILD A MEASUREABLE BUSINESS CASE

To build an effective business case, you must first determine the business challenges that have led you to select a CRM solution and gain consensus from key stakeholders regarding those issues. Conduct a high level assessment of your people, processes, and technology to establish your company's objectives for CRM. Set well defined project goals and realistic expectations that are measurable. Define metrics that will be used to evaluate your return on investment (ROI) from your implementation. Consider both hard metrics that are quantifiable such as cost of sale, and soft metrics that are more difficult to quantify such as customer satisfaction. Work closely with your CRM consultant to determine the project scope and set a realistic implementation approach that considers your budget, resources, timeline, and project goals. Present a compelling business case that validates the alignment of CRM with your company strategy, goals and objectives

EXECUTIVE SPONSORSHIP

Change is driven from the top of an organization. Management must have a strong consensus and firm support for this initiative. Establish a senior level sponsor who can champion the implementation to oversee and guide the project from start to finish. The sponsor's focus is to promote the CRM solution and a Customer-Centric vision across the entire company. It is critical that the business side of your company take a leadership role. Effective project sponsors come from the departments most impacted by a CRM solution, which are typically Sales, Marketing, and Customer Service. These executives stand to gain the most from CRM and are in the best position to sell the initiative to their front office departments.

DEVELOP A REALISTIC BUDGET

CRM is not solely about technology, it cannot simply be installed like standard office desktop applications. CRM requires a structured implementation. Consider the Total Cost of Ownership (TCO) for your CRM solution, which includes not only software and consulting services, but any required infrastructure, training, support and maintenance.

EXPERIENCE COUNTS

CRM is not simply a software installation for your IT department. CRM is both an enterprise-wide management strategy and a solution that impacts all the key stakeholders, systems, and processes that touch your customers. A solid CRM implementation partner will have experience across numerous industries and with various business models. From this experience they bring an invaluable knowledge base of industry best practices and proven implementation techniques. Qualified CRM consultants understand your CRM stakeholders. They can help you effectively capture and translate your stakeholders' requirements to deliver creative solutions to your unique business challenges. The experience of the CRM consultants you select will have a direct impact on your success.

CONTROL SCOPE - A PHASED APPROACH

Determining project scope requires careful consideration and planning. Create a balanced plan that addresses both your targets for change and improvement with the constraints of your company. A phased approach in small increments is a very effective approach to a CRM implementation. At the start of a phase develop a list of functionality that is important both to management and the business users and work to meld together the requirements and benefits for both groups while controlling scope. For many of your users this will be a limiting the initial scope and functionality can actually increase user adoption. Set realistic expectations and clearly communicate the CRM project objectives.

THE CARROT & THE STICK

Whether there is reluctance to a CRM solution or not, user buy-in and adoption are critical. Anticipate resistance and plan for it, particularly with users who are traditionally independent-minded and misperceive CRM as a "control" tool for management. Create an effective training and deployment plan along with a two to three month post deployment review and touch point. Consider using a "carrot & stick" approach to motivate employees in the first months after deployment and ensure that you share and promote CRM success stories internally.

COMMUNICATION

Regular and effective communication between the project team and internal stakeholders is essential. In addition it's important to keep your end users briefed on the high level status of the project– continuing to keep them informed will help to reduce user adoption issues as well as remind them that a CRM application is coming soon. This can include progress reports and key milestone announcements.

CUSTOMER SATISFACTION

Any sales executive will tell you that acquiring new customers is more expensive than keeping existing ones. It is important to remember that customer loyalty and satisfaction leads to greater profitability and it companies need to constantly improve the way they services their customers. You need to view your company from your customer's perspective and ask yourself (and your customers) "How do they want to be served?", "How can we better meet their needs?" and "What are our competitors doing that they like and dislike?" Measure the customer experience you are currently providing. The quality of the relationships you have with your customers is a direct reflection of how well you listen to them and understand their needs. Utilize CRM to create detailed customer profiles, track preferences, and measure customer experience and trace their history from a sales, service and marketing viewpoint. Realign your people and processes to a customer focus using CRM strategies and drive a "customer first" philosophy throughout your organization

DATA QUALITY

If you know the expression "Garbage in - Garbage out", then you understand the importance of data quality. Implementing the technology properly is only half the challenge – the other half is with regard to your data. Data quality begins with ensuring that clean data is migrated into your new CRM system. Data cleansing is always a major task that is too often underestimated. Identify the common areas of concern within your existing customer databases and determine which records are actually needed for migration. Establish data entry standards that will be incorporated and enforced in the design of the new CRM system and ensure that you communicate these standards to end users during training. Implement and enforce a data maintenance plan to ensure that your data remains clean. Consider integration or validation with a master data source, such as your ERP system, to ensure ongoing data accuracy.

KNOWLEDGE IS POWER

For your company as a whole to truly benefit from your CRM solution, your employees need to understand both its capabilities and its purpose. This ownership process includes the transfer of knowledge from your CRM consultants to the project team. Proper training, documentation and post rollout support are crucial for knowledge transfer to the employees, who will ultimately drive and support your CRM solution. Plan and budget for refresher training in the months following your deployment to ensure that your CRM system is being utilized effectively and will allow your team to gain valuable feedback for future phases of your CRM implementation .

CONTINUOUS IMPROVEMENT

Once your CRM system is deployed, you need to continually w and act on user and stakeholder feedback, measure performance, and manage and promote continuous improvement. Establish new CRM related goals and develop action plans to achieve them. Create a team of employees who regularly examine your CRM-related business processes and implement improvements. Put in practice a well defined program for managing changes to your CRM system. Keep vigilant to ensure user adoption and to maintain data quality. Continue to promote CRM and a Customer-Centric focus across your organization. Look to extend the power of your CRM system in future phases through the addition of new modules, integration to other applications, and the rollout to additional stakeholders.

CONCLUSION

Companies embarking on, or in the midst of, CRM implementations can benefit dramatically from the enormous benefits of a successful implementation. CRM is about more than just Customers and users entering data. It has the potential to solve challenges outside of traditional Sales, Marketing, and Service. The core idea behind CRM is better customer-to-company relationships, and the core functionality of CRM software is designed to help you better acquire, manage, and retain these relationships.

The relationship you develop and maintain with your customers is the single most meaningful way to create sustainable competitive advantage.

ABOUT INCARNI PARTNERS

Incarni Partners was founded by former Siebel Systems veterans, with over 20 years experience working with mid-market and enterprise customers who were looking to deploy CRM solutions. Incarni Partners understands there are many factors that determine the success or failure of a CRM project and too many consulting firms believe CRM is a technology only solution and fail to address the other important aspects of the projects. At Incarni Partners, we clearly understand all the key issues that need to be addressed in order to have a successful CRM project.

Our team is more than a number of expert business and technology professionals. We are a network of skilled professionals recognized for their ability to easily work with and integrate into a company's culture as they lead, implement and manage complex projects. Our skills and experience add significant business value and drive innovative solutions that facilitate change and growth.