

# MAKING CRM SIMPLE

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This advice is sound enough of course, and there's nothing wrong with a little trumpet blowing, but it can take a bit of time to wade through the jargon and get to the meat of it. As usual, it all boils down to a few principles which, when well applied, will give the desired results. CRM is not a minefield, it's a process.

We thought we'd help you out by condensing all those weighty tomes into a few brief paragraphs of essential tips for CRM success. These are born from our direct experience and the patient downloading and sifting of numerous CRM vendor's white-papers for their collected wisdom. I'm sure the good fellows at Microsoft, Pivotal, Siebel, Sage et al won't mind the name check or the dissemination of our collected wisdom.

## Tip #1

### **Get the Strategy right first**

To ensure your CRM solution meets all your expectations, you need to establish its role in supporting the overall business strategy. Map out the ultimate customer relationships that need to be managed and consider the effect on the various parts of your business and end-users from the outset. This exercise could be a series of workshops or a quick management meeting depending on the organization size and complexity. But the principle is the same no matter the corporation.

### **Key questions to ask:**

- How will CRM support your goals and objectives, now and three years from now?
- What users need to be involved in system design and who will use it?
- What processes will be impacted? What processes will change?
- Have customers been asked for feedback about the level and quality of service they expect?
- Is there a plan for involving employees and customers in the selection?
- What are the training requirements needed so that users feel comfortable and buy in to use the system?
- Are you ahead, abreast of or behind your direct competition in adoption of CRM?

## Tip #2

### **Business changes – will your solution cope?**

It's important to choose a flexible CRM solution. Flexibility in terms of function, platform and database structure marks the difference between adaptable and competitive CRM solutions and inflexible and process bound ones. External regulatory pressures such as permission-only marketing have already caused some companies to struggle and cobble together solutions to get round shortfalls in their systems. Forward-thinking and agile

businesses will select flexible CRM solutions to move them forward, and can therefore view regulatory requirements as an opportunity, rather than a threat.

**Key questions to ask:**

- Are your market conditions stable or ever changing?
  - Will you need to change the way you do business to keep up with or outpace your competition?
  - What is your plan to keep up with outside change (such as regulatory change) in your industry?
  - What technology infrastructure do you have now and is that the best available to support change?
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- Can all the important and relevant customer information be collected and combined within this technology infrastructure?

Tip #3

**Measuring Return on Investment (ROI)**

Thinking about the ROI of your CRM project needs to start during the selection process. By defining what a successful implementation looks like and identifying corresponding measures, companies will be much closer to determining real ROI in their own terms i.e. steer clear of metrics suggested by vendors and develop your own!

Management, users, IT staff and your CRM partner must work together to set the right indicators and tie your CRM technology to appropriate business processes and data requirements. This approach will yield indicators that justify your CRM investment in terms of business value and, more importantly, determine the point where it ceases to be a cost and becomes a profit center.

**Key questions to ask:**

- Are your ROI metrics derived from your supplier or your own analysis?
- How will you report on these metrics?
- If you choose not to adopt CRM, what might the long-term cost be to your business, particularly with respect to competitor adoption rates?

Tip #4

**Determining (the TRUE!) Total Cost of Ownership**

The complexity of CRM software solutions can range widely. As a result, TCO is often difficult to measure for a single enterprise software system. In larger roll-outs, up to 90 percent of total CRM costs are associated with customizing, integrating, deploying, supporting, and maintaining a CRM system. This is greatly reduced in [web based](#) models

where the software is delivered as a service. The costs of a CRM system may also change as the years go on – in the second and third year of ownership, the lion's share of on-premise CRM costs shift to support and maintenance fees; services and software costs on average remain minimal unless, of course, the organization decides to extend their CRM implementation. Again, of course, the [web based](#) model of delivery gives a much more stable cost prediction over the lifecycle as costs are known about and largely fixed at the outset over the period of use.