The Insider's Guide to CRM Selection: Get Control of Your Business

Sales & Marketing Effectiveness White Paper

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Executive Summary

Selecting the right customer relationship management (CRM) solution for your business can be a challenge. However, there is good news. The market is fairly mature, with a number of viable choices. You just need to be able to discern the differences among the various solutions. At first glance, all CRM solutions appear similar when comparing them against each other. But the devil is in the details. Fortunately, the differences quickly emerge if you know where to look.

CRM is not just a technology; it's a holistic tool to serve your customer philosophy. The CRM solution you choose has broad implications for your business, because it affects so many people, internally and externally.

This white paper is designed to help you understand four critical areas of CRM differentiation (configuration, automation, integration, and interaction) and their potential business impacts, so you can better identify and weight your selection criteria. The tips included in the paper are to help you take the guesswork out of your CRM selection and are based on the experiences shared by industry analysts, consultants, and customers, including employees, managers, and executives.

Chapter I: Ensuring High Adoption Rates With Cost-Effective Configuration

How dynamic is your business? Do you have new competitors entering your market? Do you plan to introduce new products or services to beat the competition? What about market expansion? Do your growth plans include new market segments? New geographies? New sales channels?

If you are like most companies considering a CRM solution, your answers to these questions are "Yes!" Growing, evolving, and even reinventing your business is a never-ending journey. In all industries, the one constant is change. Today, the rate of change seems to be the speed of light, with no sign of slowdown any time soon. Obviously, you want a CRM solution designed to harness this rate of change.

Configuration Versus Customization

Whatever CRM solution you choose, some effort will be required to custom-tailor it to your specific business. The advice we have for you is to determine how easily and how deeply you can modify the CRM implementation to reflect the nuances of your business without coding. These types of changes typically fall under the category of configuration. Once coding is required, you're getting into customization, which is where CRM implementation costs can dramatically increase.

Time Is Money

With configuration, a user without a professional IT background can quickly implement and modify changes based on user feedback, through various built-in wizards, tools, and configuration options. If a sales process workflow needs reconfiguration, for example, a business person can usually do it.

Customization, with the difficult coding involved, calls for a skilled programmer. The coding alone is time consuming, and the process becomes even longer, because before the changes can be rolled out to users, the new code must be tested. If your IT staff is overburdened by other projects, you'll have to wait in line for your changes. By the time the coded changes are ready, your business requirements or market conditions may have changed, rendering the coded modification obsolete.

Below are four insider tips on how to differentiate among the configuration capabilities of CRM solutions.

One Size Does Not Fit All

At the most rudimentary level, the CRM solution should allow you to add or edit fields with a point-and-click, drag-and-drop interface, so they reflect your specific business model. This facilitates CRM system adoption and improves productivity across marketing, sales, and service.

As your business evolves, this simple click-to-configure interface will ensure that the CRM system remains relevant to your business, because the people nearest to the business processes are empowered to make the modifications. Choose a CRM solution that allows anyone without IT experience to make these changes.

Getting Personal

More specifically, the CRM solution should enable users to create a personally relevant system. The solution should be intelligent enough to present only information relevant to the role or function the user is currently performing, rather than forcing the user to wade through irrelevant fields or screens.

For example, when a sales user and a sales manager access the account screen, they will see information tailored to their specific roles. The sales user may have quick actions such as "create a contact," or "create an opportunity" pinned to his personalized navigation bar. The sales manager is probably not interested in individual contacts within an account but needs an understanding of the account's overall revenue potential, so he/she can have "export forecast," or "export opportunities over a certain revenue value" as quick actions in the personalized navigation bar.

Additionally, the configuration capabilities of the system should be extremely easy to use, with an intuitive click-to-configure interface, so that any user can create a personalized visual dashboard. Solutions that give users control over the way they view information have a much higher success rate than those that lock users into the CRM vendor's limitations.

Data Rich, Knowledge Poor

Many CRM solutions promise a 360º view of your customer. If the applications comprising the CRM solution – marketing automation, sales management, and service and support – are integrated, you are closer to realizing that promise. Centralizing customer data is the first step. The trick is transforming data into information, and more importantly, action-oriented knowledge.

The degree to which your CRM solution can provide the promised 360º customer view is directly related to the power and flexibility of its reporting and analytics, which require more advanced configuration capabilities than are available in many CRM solutions. Most solutions offer canned reports or simple report-building wizards, a good starting point to understanding your customers. But when you want to identify business trends, for example, you'll need something more sophisticated – though still intuitive to use. More advanced CRM solutions allow you to visually drag-and-drop report fields to create dynamic views of information. Even more helpful is if information can be represented in drill-down dashboard formats.

For example, if a sales manager wants to expand his foothold in the Northeast and plans to host a seminar for a vertical market in Boston action-oriented analytic capabilities can allow him to quickly generate a dashboard view of all the accounts in Boston, by industry, to determine which vertical market has the deepest penetration of existing customers and which new vertical may be ripe.

The ability to transform data into action-oriented knowledge is one of the most powerful potentials of CRM, but is often the most overlooked criteria in CRM selection. Some extra effort in scrutinizing CRM capabilities during your selection process will yield valuable benefits.

Beyond Accounts and Contacts

At the most advanced end of the configuration spectrum is the ability to create and define unique business relationships beyond accounts and contacts. As we've discussed, most solutions offer traditional account-centric or contact-centric relationships and allow you to add or edit fields to reflect your business model.

But if you are like most businesses, you are selling a product or service with unique features and may find it beneficial to create a product-centric relationship model, linking to your account and contact relationships. You can then, for example, track customer purchases and mine that information to identify product trends, such as repair issues, or up-sell and cross-sell opportunities, across a financial services portfolio.

Most CRM solutions will require coding to customize this new product-centric relationship. If your business is dynamic, this is where implementation costs can skyrocket. Look for a solution that allows you to create unique business relationships, usually through a simple wizard, with a click-to-configure interface. This advanced level of configuration ensures that your CRM implementation remains relevant to your changing business requirements, without breaking the bank.

Chapter II: Ensuring That Process Automation is a Business Accelerator, Not a Roadblock

Business process automation is a primary driver of many CRM implementations. Large or small, your business can benefit dramatically through process automation, increasing performance and predictability and reducing costs.

How many processes should your business examine with an eye to automation? According to Gartner, most organizations have between 600 and 1,000 processes in need of examination. Usually these processes cross departmental boundaries, which can hamper your journey on the road to automation.

Business Accelerator?

For most companies, the first reasons for looking at a packaged CRM solution are to ease the burden of process automation. Industry analysts agree that CRM software can give you a head start on automation, because the solutions are designed with an understanding of CRM strategy and include pre-built processes that reflect industry best practices.

However, one size does not fit all. A CRM solution can give you a beneficial starting point for process automation, but if you have to call in a programmer to make modifications, what appeared to be an accelerator for your business will soon become a roadblock.

While most CRM solutions offer automation of basic repetitive tasks, others take process automation to the next level through workflow designers. The right level for you will depend on the complexity of your business. Our general guidance is to select a solution flexible enough to accommodate your processes. The CRM solution needs to provide software the way you want it, rather than forcing you into what the vendor thinks you want.

Below are four insider tips to help you differentiate among the business process automation capabilities of CRM solutions.

Quick Actions

Your CRM solution should allow any user to automate a series of steps in a repetitive task. These quick action automations should be as simple to create as spreadsheet applications, but are much more powerful, able to streamline the mundane, daily tasks of system usage.

Quick action automations are especially powerful for sales users, because the less time they spend updating the CRM system, they more time they can spend selling. A sales user, for example, can create a quick action to automatically schedule a follow up phone call two days after leaving a voicemail. Instead of opening up an activity reminder, selecting the appropriate type of activity, selecting the appropriate date on the calendar, and saving the activity, the sales user only has to save the activity on a personalized side bar for one-click access.

Streamlining Sequential Processes

Your CRM solution should also provide an interface to access business rules, so you can modify existing process automations or create your own. Look for solutions that offer a point-and-click wizard to guide you through the editing or creation of business rules. This is important since the dynamics of your business will change, and you will want the ability to tune your processes quickly and affordably.

For example, you may want to create a business rule that initiates a series of automated tasks when a customer has not been contacted within 60 days. Before customer contact, the salesperson is assigned a pre-activity task to research the customer's portfolio performance. The sales administrator is assigned a task to schedule a call with the customer, and that appointment appears on the salesperson's calendar. After the scheduled appointment date, the salesperson is sent a post-activity task to follow up with the customer, leveraging an out-of-the box communication template.

The ability to define and tune your own business rules for process automation is critical. Make sure your CRM solution can clear this hurdle with easy-to-use tools. If you need to rely on a programmer to code customized business rules, your CRM implementation costs will increase.

Designing Complex Workflows

Depending on the complexity of your business, your process automation requirements may be more than a business rule wizard can handle, requiring a workflow designer.

For example, a lead comes in from the company’s Web site, triggering a business process to score the lead based on the prospect's survey responses. If the responses meet certain criteria, a Web service calls out to a data agent to get more detail from Dunn & Bradstreet. The lead is augmented with the new information and is now tagged with a higher rating and assigned to the appropriate salesperson for follow up. The CRM system guides the salesperson through the sales methodology of the opportunity stages, allowing advancement only when certain activities have been completed, thus ensuring greater predictability through the sales cycle. Criteria in the opportunity could then trigger the need for additional resources to either close or service the account. In this scenario, a business rule is triggered to investigate the human resources system to identify the skill set and availability of the required resource. This information is appended to the opportunity record, and the opportunity closes with a positive outcome. Then, a configurable time period after the opportunity has closed, a follow up activity is triggered, reminding the sales person to check on the progress of the account. If the situation warrants, the salesperson is now prompted to promote upsell services.

This type of advanced business process automation capability is rarely found in midmarket solutions. A handful of vendors, however, are realizing that midmarket company business models can be as complex as those of large enterprises and are including advanced automation capabilities in their medium enterprise solutions. Be sure your CRM's business process automation capabilities can scale with you as your business grows.

Crossing Enterprise Boundaries

At the most advanced end of the process automation spectrum is the ability to automate processes that cross the boundaries of your enterprise and touch your partners or supply chain vendors. For example, a life insurance company may require a blood test for policy holders to qualify for certain rates. Your CRM solution should be able to trigger a Web services call to an outside vendor to initiate the action of getting the blood work completed, and then automatically send back the results to be captured in the appropriate record within the CRM system.

Again, this type of advanced business process automation capability is rarely found in midmarket solutions. But if you want to future-proof your CRM investment, look for solutions that offer these capabilities today. In today's global economy, the requirement to automate processes with partners and suppliers could be coming very soon.

Chapter III: Gaining an Integrated Customer View without Breaking the Bank

The more easily your customers can do business with you, the greater your competitive advantage. How do you get there? An important step is connecting customer and sales data with other enterprise systems for a complete view of your customer, helping you deliver a smooth, consistent, and positive customer experience.

Front Office

If you are like most companies looking for a CRM solution, you want to integrate your front office – sales, marketing, and customer service – for more complete customer view. Don't assume, that because a vendor is offering all of these applications, they are actually integrated. You'll need to investigate this further.

Back Office

Because customer data resides in other business systems, you will need to look beyond the front office and focus some attention on whether the solution can integrate with external data sources. Companies in manufacturing, for instance, may require tight integration with the back office, so they should focus on integrating enterprise resource planning (ERP) and supply chain management (SCM) systems. For others, integrating with accounting systems will be necessary to complete the customer view.

Below are four insider tips to help you differentiate among the integration capabilities of CRM solutions.

Latest Technology

First, look for a CRM solution with a service-oriented architecture (SOA). The goal of SOA is to make integration cheaper and easier by leveraging a modular set of standards-based services offering more flexibility than previous architectures. It will be much easier to modify your CRM solution incrementally to meet changing business requirements or market conditions.

SOA, part of the enterprise software market for about two decades, has recently become a hot topic for CRM vendors because traditional solutions were brittle and difficult to integrate. If your vendor is not leveraging this latest technology advancement, you may not have the flexibility you need for a true competitive advantage. The CRM solution needs to provide software the way you want it.

Out-of-the-Box Integration

Next, look for a CRM solution that integrates out-of-the-box with the applications within its suite as well as with other technologies, such as your Web site and your phone system.

Front Office Integration: According to AMR Research, integration to the back office isn't the biggest challenge. Integrating sales, marketing, and customer service is still the biggest dilemma. Front office integration problems should be addressed within the CRM footprint, but take the time to examine what is actually integrated. While the applications may appear integrated at the user interface level, they could be using a separate database for marketing campaigns and leads that is not integrated with sales contacts and opportunities, making it almost impossible to get a true campaign-to-cash view of your customer.

Web Site Integration: Look for a CRM solution that will allow you to design Web forms with embedded CRM field names, so customer data captured on your Web site can be automatically integrated with the CRM system. For example, your Web site may require visitors to register before accessing site materials such as white papers, webinars, or product information. Web form integration is a simple, powerful capability that automatically integrates sales lead data from the registration into your CRM system; automatically alerting your sales team to contact prospects while they still have interest.

Phone System Integration: Whether your company has a traditional private branch exchange (PBX) or the latest Voice over Internet Protocol (VoIP) phone system, you want a CRM solution capable of out-of-the-box integration. An example is screen pops. Customer information can be stored in the CRM application which can automatically pop onto the user's screen when a customer service call comes in. This improvement in agent efficiency and dramatic reduction in call handling time yields a higher quality experience for your customer and diminished service costs for you. In the past, companies wanting this type of integration had to rely on a system integrator that created its own software to tie the CRM and phone systems together – a lengthy and expensive process.

The final tips are on getting information out of your CRM system, so you can share it with other business systems and extract more value from your customer, while getting information from other business systems into your CRM system to create a more complete customer view.

If your company is venturing into CRM for the first time, you need to decide what data you want to access and which systems that data will have to flow between. To make this decision, you must understand your company's business processes and most common customer touch points.

The trick is finding a CRM solution that allows you to easily identify the fields of information you want to share and provides a robust set of application programming interfaces (APIs) that supports Web services, ensuring quick, cost-effective integrations.

Getting Data Out

You don’t need another silo of customer data. Take the time to determine the level of effort required to get customer data out of your CRM system to share with other business systems.

For example, if you want to alleviate a backlog of bookings-to-billings, you may want to integrate opportunity data from your CRM system into your accounting system. This could be accomplished manually by exporting data from your CRM system to an export file, then importing the file into your accounting system. Look instead for a CRM solution supporting a more automated approach to integration, including automatic batch file uploads, real-time Web services, or API calls.

Getting Data In

To realize the promise of a 360º customer view, your CRM solution must allow easy integration of customer data from external sources.

An integration example at the front end of the customer life cycle is a lead has come in from your Web site and been scored by the CRM system, based on the prospect's survey responses, as "hot." A Web service call has been automatically triggered to pull information from Dunn & Bradstreet to augment the lead. When your sales team accesses the lead, they have a much better understanding of the customer, enabling a higher quality interaction in the first contact.

Many business executives have learned the hard way that the purchase price of a CRM application is only the tip of the spending iceberg. Integration can cost far more than the license. Determining the effort required to integrate the CRM solution with your other business systems and external data sources will be a critical component of your CRM selection.

Chapter IV: Creating Customer Interactions That Set You Apart

No business is immune to the impact of commoditization that is sweeping across various verticals. Cultivating and sustaining relationships through satisfaction and loyalty is critical.

Loyalty experts agree that retaining customers is more cost effective than acquiring customers. According to Forrester Research, the cost of attracting new customers is four to six times that of keeping customers. Retaining customers is also more profitable. A recent study by Bain & Company found that a five percent increase in customer retention improves profitability by 25 to 100 percent.

What does it take to improve customer satisfaction and loyalty? The first step is to improve the way your company interacts with customers.

Today's sophisticated consumers expect a smooth communication experience, by phone, Internet, or email. Most CRM solutions provide some level of email communication and Web self-service. The biggest customer retention payoff, however, is delivered through the one-two punch of combining CRM with your phone system, a capability often referred to in the CRM world as "interaction management." Only a handful of solutions offer this capability. Look for a CRM solution that provides software the way you want it.

Below are four insider tips to help you differentiate among the interaction management capabilities of CRM solutions.

All Software Solution

In the past, businesses had to buy a private branch exchange (PBX) from a proprietary vendor, run phone lines to all desk phones, contract with outside sources for telephone lines, and buy specialized hardware to connect them. Additional needs included an Interactive Voice Response (IVR), an Automatic Call Distributor (ACD), a recording solution, and a specialized service provider to perform the necessary integration.

It is important to choose a CRM solution with IP telephony capabilities developed entirely in software and that has already integrated its sales and customer service applications, so all you will need to begin calling is a PC, a broadband voice provider, and an Internet connection. This enormously simplifies the install-and-call process and now you are able to support your office phones and call centers without the complicated setup previously required.

Beyond simplifying setup, an all-software solution should guarantee greater flexibility in routing calls, enabling you to have remote customer service agents either at home or at different office locations. Changing routing rules means you no longer require a phone expert to make modifications.

Let Callers Self Serve

Customer experience research continues to show that customers highly value the ability to self-manage and self-serve. A CRM solution that provides interactive voice response (IVR) capabilities can both improve customer satisfaction and save you money. According to Forrester Research, the average cost of a live customer service agent phone call ranges from $5 to $15, compared to self-service interactions that typically cost less than a dollar per transaction.

Finding a CRM solution that allows you to create IVR call flows with a point-and-click graphical interface is useful, so non-programmers can continually tune the IVR flow to improve the customer experience. This ensures that your cost cutting efforts don't come at the expense of customer satisfaction.

Also, look for a solution that allows you to blend self-service with responsive human assistance, so your customers can speak to a live agent when necessary. While IVR is well suited to callers seeking simple information, such as order status or tracking, account balances, check clearance, stock quotes, flight status, or prescription ordering, the caller may have a problem that requires the assistance of an agent. A blended approach offers your customer more control over the way she/he interacts with your company, improving her satisfaction.

If the CRM solution allows you to conduct automated surveys with the caller, this even better. For example, once the agent disconnects, callers can be directed to an automated survey, where they are asked a series of questions and can leave recorded comments, which are automatically emailed to you. If the ratings are negative, you can quickly provide some extra customer attention to get the relationship back on track.

Increase Effectiveness, Reduce Aggravation

Logically, good customer service will encourage customers to extend their relationship with you. That's why it's critical to ensure that front-line representatives are well trained and equipped with access to a comprehensive knowledge base and to customer history. Choose a CRM solution that can identify the customer calling by his/her phone number and pull the appropriate customer record automatically, so the agent can quickly review the customer history and speak intelligently with the customer. Instead of wasting valuable call time wading through screens searching for customer data, your agent can focus immediately on resolving the customer's issue.

Perhaps even more important is directing the caller to the agent that has the right skill set to address his/her need. Customer frustration levels heighten in direct proportion to the number of times they are transferred between agents. Look for a CRM solution that can direct callers to the most appropriate agent, regardless of location, with an intelligent Automatic Call Distributor (ACD) already integrated with the IVR. A solution able to use agent skill set routing logic to distribute calls to multiple geographically dispersed call centers helps increase your first call resolution rates, which improves agent effectiveness and customer satisfaction.

In cases where a call needs to be escalated to another agent for resolution, the CRM solution you select should be able to offer an intelligent hand-off between agents, so when the call is transferred the customer information automatically pops up on the next agent's screen. Automatic transfer of the customer information with the call reduces the time spent retrieving customer records and eliminates the need for the customer to repeat the problem. This not only improves agent efficiency, but also reduces customer aggravation, creating a higher quality interaction for everyone concerned and resulting in higher customer retention rates.

Shift From Policing To Coaching

If you are like most companies, you are under pressure to handle more calls more quickly. You’re expected to reduce call hold time and abandon rates without sacrificing customer satisfaction. Rather than policing your agents to ensure they are meeting the numbers, find a CRM solution that can help you coach your agents. Getting agents up to speed quickly helps you with call volume and customer satisfaction.

Your CRM solution should enable you to record agent calls and to score the recordings, which helps agents pinpoint where they are doing well and where they need to improve. You can also play back effective calls to help coach the whole team and improve their customer interactions.

Beyond recording, the CRM solution should allow you to listen in on calls, enabling you to monitor and coach agents in real time as they are interacting with the customer. This provides the double benefit of improving agent performance and increasing customer satisfaction.

About the Author

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As the head of the GoldMine Business Unit worldwide, Greg Anderson has responsibility for market and product strategy, sales, channel, and support for the GoldMine product family. With over 20 years of experience defining, developing and marketing solutions that help companies and their staff more effectively acquire, service and retain their customers Greg joined FrontRange in early 2003. Prior to FrontRange, Greg was the Vice President of Product with Comprehensive Software Systems defining solutions for the financial services industry to more effectively manage customer relationships including their financial portfolio. Before that, he was the Vice President of Systems for Bank of America for five years where he was responsible for developing a solution that enabled over 500 sales people to more effectively manage their customers. Greg and the GoldMine team's top priority is to continue to drive the development and implementation of marketing-leading CRM solutions focused on the small to middle market.

About FrontRange Solutions

FrontRange Solutions USA Inc. provides CRM solutions used by more than 130,000 companies and over 1.7 million users to automate and manage customer-facing initiatives. GoldMine is designed for businesses that want a complete and customizable solution that manages every aspect of the customer lifecycle with a quick time to benefit and low total cost of ownership.

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