

Topic:
CRM

The CRM Challenge

How far are you along the CRM evolutionary path? 30/30 Vision's Neil Robertson asks some awkward questions.

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Find a current article on CRM (Customer Relationship Management) and as likely as not the words 'hype' or 'fad' will appear. As with other 'new' solutions the early revenue forecasts were wildly optimistic - but the underlying concept is surely one that will last the pace, whatever the solutions end up being called. Even at a basic level, the benefits of being able to gather, integrate and use data from sales, marketing and customer service functions are hard to argue against.

There are no figures available on the percentage of CAD/CAM suppliers who have invested in CRM solutions. We contacted ten CAD/CAM VARs and distributors to seek views on CRM, but all were reluctant to feature in this article for varying reasons. Some could see the potential gains in implementing a CRM solution but hadn't got round to evaluating it properly, while others didn't really understand the term. A couple were honest enough to admit that any discussion on this topic would simply highlight how poorly coordinated their key business functions are.

*So what is CRM really about, and why should IT suppliers invest in it? The article below was written by **Neil Robertson, CEO of 30/30 Vision** to provoke a few thoughts...*

CRM is just one of the many "Three Letter Acronyms" that have been dreamt up by the IT industry as a generic term for what is actually a very diverse range of application software products and services.

A simple description of CRM is the automation and integration of the business processes that enable an organisation to find, win, keep and grow more customers. The full scope of CRM covers functions such as:

- the overall marketing process
- sales force management
- the selling and revenue forecasting processes
- Help Desk provision/customer query management
- customer service management
- the structured management of business intelligence and documentation via intranet and extranet.



Neil Robertson

This may seem a simple description, but integrating these functions represents a huge challenge for many businesses.

The approach to considering CRM also changes significantly based on the current level of IT infrastructure and skills already in place. How many staff in your organisation have immediate access to a PC, use email and have web access? If your answer is very few, then the challenge and cost of adopting any CRM strategy is going to be very significant. If your answer is most, then CRM is the natural progression.

The attitude of senior company executives is also key in determining what is realistically possible. It is quite staggering the number of senior managers who state that their staff are incapable of utilising PC based technologies, or perhaps worse, their customers are, to quote just one MD of a well known company, "all monkeys". Such organisations are doomed to extinction.

Four Thoughts

To help you understand where your organisation stands in the progression towards CRM, here are a few simple questions to consider. To evaluate your position, consider whether the information required to complete the action specified in the four questions below would be:

- immediately available with little or no additional work
- available, but with the need to reproduce it every time the question is asked
- not available/extremely difficult to obtain.

1. Could you broadcast an email to your customers announcing an important piece of information that:

- Targets the key contact in each organisation?
- Targets departmental heads in your customer database with a tailored message reflecting the impact of the announcement to them?
- Changes in content to reflect the banding of your customer base from most important (A category) through to least important (D category)?

To achieve this simple task, you would require a centralised database of all customers, with up to date records on all the key contacts, and a structured analysis of customer categories based on turnover through integration with your accounting software.

CRM does not get any more basic than this; the use of a centralised, up to date record of who your customers are and their respective value to you, and a structured approach to how each band of customers is proactively managed.

30/30 Vision
(www.3030Vision.com) offer services to enable organisations to understand and evaluate the relevance, potential benefits, costs and returns of deploying a CRM solution. They are also a reseller of Onyx eCRM solutions. Neil's book "[29 Most Common Mistakes in Selecting and Implementing eCRM](#)" is available free via their website.

2. Can you analyse the source of sales leads by marketing activity, including:

- Those qualified out immediately as 'of no use'?
- The value of those opportunities lost?
- The value of those opportunities won?

How can the marketing department improve its efficiency and effectiveness without this basic information? The only alternative is to keep throwing money at the wall.

3. When your sales staff attend an account meeting with a customer, how easily can they access the detailed information required to understand the current state of the relationship, including:

- How much has the customer spent with you, on what?
- How many queries/problems have taken place and what is their current status?
- What is the status of the outstanding account?
- What other products/services might be relevant to their needs?
- What actions need to take place?

Is all this information available without any reference to other members of staff? Or does the sales person need to do a "round robin" with each department, each time? Or do they just walk in cold and hope for the best?

In the majority of cases, over 70% of an account meeting is spent with the customer informing the sales staff of the problems and issues in their relationship. More and more customers are asking the question why they should foot the bill in organising and managing their relationship with their suppliers.

4. Is key business information regularly documented and published electronically to both the intranet and extranet, utilising a structured security methodology that provides selective access to the information? Is this information published and held centrally in a Word/Excel file on a central server available to all for reference?

Business knowledge has historically resided with the employees of a company. It is in their head, on their PC, in their notebook, on Post It notes etc. If they are absent, or leave the company, that knowledge has no value. Too often, information is also seen as power, on the basis that one person/department has it and another doesn't.

Web-based self service applications recognise that information should be immediately available to all, 24x7, 365 days a year. It is an extension, not a replacement of the current services offered and an enabler to allow every employee and every customer to get the information if they need it, when they need it. This is going to become mandatory, either because one of your competitors offers the service to differentiate their business from yours, or because one of your largest customers demand it.

Where Do You Stand?

CRM is about business evolution. What becomes immediately apparent is that CRM represents a fundamental change in the way organisations work, which means a significant change in the way your employees work. Where do you stand in this transition?

No organisation could undertake to deliver even the basic aspects referred to above in a single project, and have any real hope of successfully pulling it off. CRM is a journey that needs to be approached on a step-by-step basis over time. Recognise that CRM is evolution, not revolution. The only way to succeed is to treat the process as a journey and depending on your starting point, take the next most logical step down the path. Most important of all, invest in CRM based on your understanding of the long-term strategy of your destination.

iCAD will look at practical issues around the implementation of CRM in a future issue. If you have researched and/or implemented a CRM solution and would like to contribute to this feature, please contact The Editor at david.eaton@business-advantage.com

Many thanks to Neil Robertson for contributing this article. The views expressed do not necessarily reflect those of iCAD.

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