



Guidelines For A Successful CRM

A White Paper

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1. Introduction

The purpose of this paper is to explore some of the driving forces that motivate organizations to consider Customer Relationship Management (CRM) software solutions and to point to some of the best-practices in implementing them.

2. Overview

Many organizations look to CRM software solutions to address sales or maybe customer service deficiencies or to respond to pressures from outside sources in activities such as partnering, or inventory management, or pressures to demonstrate compliance to regulations and so forth. The point is that it is often not a pro-active move, but rather a reactive one.

The marketplace and the customer base are changing for everyone, and as a result, many organizations are looking towards CRM Software to extract best value from the marketing and sales processes. Prior to acquiring a CRM system, it is important to consider some fundamental rules for a successful CRM implementation, and to talk about the marketplace that CRM will service in the years to come. This paper will help teams responsible for CRM planning to focus on key strategies and future market trends. It is meant as a support for making good CRM choices based on pro-active planning.

3. Two Fold Issue with CRM

The issue with CRM Solutions is two fold. CRM systems seem to promise a fairly instant solution to marketing and sales activities, while the truth is that the solutions are sound but may take a while to percolate down to the bottom line. On-demand CRM Solutions, however, are changing this by offering RIO in months, not years, for successful CRM roll-outs.

Many organizations look at CRM from very limited perspectives, and often don't consider CRM solutions in the broader context of Knowledge Management. CRM is in fact a Knowledge Management tool that supports specifically marketing, sales and customer service activities, but it draws from the whole organization in order to support all business lines and present a living picture of the organization.

The challenge is how to marry the two problems to provide a stable, and nurturing atmosphere for the many stakeholders, users, customers and partners, that propose to invest in a CRM solution.

4. Guidelines and Solutions

4.1. *Background to a Successful CRM Solution*

Consider delivery approach and methods. Your choice of a CRM solution must enable a range of options for enhancements, customization, tailoring for users and flexible integration options. Please distinguish between integration as meaning an integration of many different solutions and platforms (System Integration) and integration meaning integration of many different Business Processes Integration (BPI), and address both.

On-demand CRM does not require the purchase of hardware or software in order to operate. Instead, the CRM services are delivered over the Internet and you pay for seats on the system. This eliminates capitol costs and systems maintenance expenses, leaving a couple of integration issues with regard to legacy systems and/or partner systems.

These solutions build upon a Service Oriented Architecture (SOA) which means the platform is not tied to a specific technology and may be implemented and/or integrated using a wide range of interoperability standards. Access any legacy or partner application to build cost efficient and meaningful networks and to build on information holdings to enhance business intelligence.

You also have the choice, with online CRM software solutions, to customize the interface and the database, to eliminate a series of network and system integrations, and bring front and back end processes into one entity.

The flexibility of on-demand CRM is impressive and offers very efficient and creative solutions for streamlining or building systems integrations. And from here we can examine the possibilities that open up for integration of business processes within the CRM application.

On-demand services are valued because of the flexibility and accessibility of the web. Today it is fairly de rigueur to establish a web presence, no matter what the business. The variety of services offered online expand daily, and the customer uptake is impressive and enthusiastic.

Online CRM Services can consolidate business processes through the web interface and collect, collate and analyze information from your business and/or partner sites to present meaningful, contextual and timely information. It is possible to bring both front and back office activities together in an online CRM system to enhance sales, marketing, customer service, inventory, and human resources activities. It is also possible to change business processes and adapt the CRM as markets or business activities change, without losing data or having to integrate another legacy holding.

One of the key aspects in a CRM implementation is a solid understanding of customer and market. Additionally, it is also important to understand that the marketplace is changing rapidly, due to the Internet as a medium for commerce, marketing, social networking, etc. As a result many of today's

business models will no longer be relevant when it comes to the customer model for interaction, service and retention. The criterion for managing business is changing and the CRM Solution must be flexible enough to adopt the changes.

As a prelude to examining the guidelines and rules for CRM integration, it is important to discuss, briefly, the changing marketplace and put some emphasis on the how of the change, so that CRM has a real relevance to the coming market trends for all organizations be they small, medium or large.

The biggest impact to businesses is the change in the customer expectation and demand. Customers now are Internet savvy, in a hurry, and have no tolerance for rhetoric, unfiltered information or fumbling customer service. They are a group of people who form communities online, share experiences, demand instant and excellent sales, service and performance. Additionally, this customer base wants tailored solutions when it comes to service and or product selection. They are very demanding and they are the 'demand' in the 'Demand Chain'.

Some of the guidelines for this process are fairly general and point to best practices for any software or system implementation. They are discussed in this document from a CRM perspective and will not detail them as they pertain to good project management principles as you can find those details elsewhere. The focus here is to build reference guidelines for CRM activities.

4.2. Five Rules for Successful CRM Implementation

a) Define Vision and Strategy

Understand the market, business goals and the place customer relations has in the order of importance as a business line. If it is going to be the driving force, and it should, then understand that business processes at every line may well need to be revamped. This means that the vision must be clear for *everyone* and that strategy includes *strong change management* activities to support the vision and the uptake of a new CRM system. This is the biggest commitment and the best investment that can be made in moving toward a successful CRM Solution.

b) Get and Maintain Executive Support

Ensure alignment and integration of all departments within the organization. Each department will have subjective goals and constraints, and some will likely need to be persuaded to be part of the bigger picture. They will need encouragement and support to embrace business changes and alignment activities, including the adoption of a new CRM solution. It is important to ensure strong and consistent Executive support to deliver a strong and consistent message that comes 'from the top'.

c) Let Business Function Drive Application Acquisition

Define the requirements for business functions, and implement CRM Solutions based on this and not on technology constraints. Any solution must be built around your business lines and not the other way around. Ensure a strong message from the Executive on this point also to avoid unnecessary IT expense and delivery of strangled processes that do not support front facing users of the CRM system.

Make sure the CRM vendor offers Professional Services and use them. The vendor will be able to translate the business processes into an automated network that reflects the company vision. But each company must articulate its needs, there is no one size fits all application. You must dedicate time and resources to guarantee a quick, and cost efficient roll-out.

Look for a solution with a Web Services API, and offers standard tools such as, workflow, dashboard and analytics, rules based profiling and access control, and real-time alerts so you don't have to build or purchase the tools separately.

d) Consider Delivery Approach and Metrics

Distinguish between solutions and platforms integration and integration of business processes. Both integrations are important and have mutual dependencies, but different delivery approaches in terms of audience, timing, training and change management strategies.

Consider a solution that can be rolled out incrementally, based on a change management plan that is co-ordinated with training and the Integration Teams. A solution that can flex and change with your roll-out plans demonstrates a flexibility that easily translates in the enterprise.

Be sure to capture metrics at each stage of your implementation that reflect real costs, real successes and real problems. Use these metrics as decision aids for future enhancements, customizations and process changes as you align business lines in the future to market demands.

e) Rally Your Troops!

Actively involve end-users in the solution design and testing, offer access to visioning and planning activities and prepare good training initiatives. Employees will experience work disruption, changes to familiar work routines, and face a learning curve with the CRM roll out. Help them understand the changes, the goals, the benefits and to adopt the solution as a benefit to everyone. If your employees and partners have been active participants in the

automation process, you will have flattened the learning curve and gone a long way to smooth uptake and user adoption.

Visioning and Management leadership must undertake an internal Marketing Campaign. Understand the target 'market' and establish appropriate product in the form of training, info sessions, hands on demos, and backgrounders. Identify and smooth areas of resistance, invite communications and input on process improvements, etc., etc. This 'campaign' is essential to and complimentary to ensuring a good business fit between the solution and the users.

5. On-line CRM Solutions

Look to on-line or on-demand solutions for your CRM system. This platform is open and easy to integrate with other systems, and the interface is familiar to any user who has ever used the Internet. It is a good place to start in that it lends itself to a more cost efficient technical uptake and it also lends itself to an easier user uptake because of the familiar visual and navigation functionality.

Platform and Tools

Step back from stand alone solutions that require a large capital investment and significant ongoing support in the form of IT staff, software and hardware purchases, upgrades; all a standard operational requirement until recently. Take advantage of mature on-line solutions that can offer an alternative to solutions that often take years to roll out.

Be sure that the on-demand CRM vendor has an SOA platform and offers tools built on AJAX functionality so that you are not constrained by proprietary software issues, and it runs fast.

Consider vendors that have a strategic vision, and have proven successes in creative problem solving in tailoring and customizing the CRM. Identify vendors that are interested in more than just CRM, and are working towards building an application that can manage confederated business transactions. These things in combination point to good vision and leadership in application development and business/market understanding.

Security

Online CRM Solutions are flexible and cost-efficient, and adaptations can be made to address organizational requirements for stringent system backup, security and data integrity. Ask some hard questions, think out of the box and then decide.

Avoid fear mongering regarding backup and security and undertake due diligence in researching the on-line options.

Knowledge Management

Online CRM Solutions can deliver Knowledge Management functionality in the form of integrated business processes in a single application. Online vendors with vision can offer a business suite incorporating the functions of the Demand Chain *and* Supply Chain, and can capture underlying business drivers, to synthesize the end-to-end knowledge and insights of the business.

This type of a CRM can save costs and reduce the information and channel overload experienced by many front line workers. It also offers a chance for organizations to capture and reuse important information that often gets lost in transient communications. If you have followed the guidelines for successful CRM, rule (d) recommends establishing metrics. By examining and maintaining ongoing metrics, it is possible to confirm a positive Return on Investment and the time frame to accomplish this. You will also be able to make accurate projections for future enhancements for partnering or delivering new services.

6. A Word on Enterprise Resource Planning (ERP)

On-line CRM Solutions are a suitable platform for Enterprise Resource Planning (ERP) activities. On-demand CRM applications have the capacity to integrate all data and processes of an organization into a single unified system. It is in this context that *Systems and Business Processes are brought together* and true savings and process values are possible with the introduction of integrated CRM services.

Because of the flexibility of most on-line CRM applications, it is possible to consider a best of breed scenario, or a single-source CRM/ERP integration, or any range of customization you can think of. Additionally, it is easier to approach ERP from within the CRM and do it incrementally with on-line solutions, particularly useful for partnership resourcing.

Online, integrated CRM solutions standardize and lower maintenance (one system instead of two or more) and deliver easier and greater reporting capabilities.

Managing the supply chain is a mature process with technological enhancements coming on-line with regularity. Any on-demand CRM solution worth its salt can harmonize supply chain processes as a back end support to enterprise sales and customer service activities. Most ERP projects are now looking to include cost-efficient ways to achieve integration of distribution, inventory and labor in their CRM acquisitions. Organizations looking at CRM solutions today realize that it is imperative to have insight and planning capacity to manage procurement activities, including conversion and logistics. On-line CRM solutions have evolved to the point that they are a viable alternative to stand alone systems.

7. Future Direction – The Demand Chain

As mentioned earlier, the market is changing but...the customers have already changed. Demand chain refers to customer-facing information systems that provide direct input to the supply chain in order to optimize sales channel performance. Traditionally the activities here were defined by outbound logistics, marketing and sales and service activities. Today's customers are driving demand like never before looking for exacting customer service experiences. They are not interested in loyalty, loyalty programs, or heavy marketing. These customers *are* the demand chain, and they will drive the experience from creating demand, to defining marketing, sales and customer service expectations, to product and service specifics. They are not interested in waiting for you to get organized or to put together a plan, they want the service, product, information, now! If not, they know where else to go it is only a "Google" away.

If you have done your homework and prioritized the guidelines above, you will be well positioned to understand and address challenges in the new marketplace. You will be armed with the power of an online CRM Solution and will have the ability to anticipate customer changes and rise to the occasion. Furthermore you will be able to do some pro-active planning from the safe position of CRM Knowledge Based Organization.

8. On-Demand Recommendation

Undertake on-line solutions over stand-alone solutions for a number of reasons. Cost and Return on Investment (ROI) being among the top reasons. And this followed closely by the ability of online solutions to flex where and when an organization needs to in response to a changing marketplace populated by an educated and demanding customer.

Because the trend for the next generation is toward SOA and open source APIs, and Internet business solutions, online CRM is a proper and responsible option. CRM systems have the capacity to incorporate ERP functions, and this is truly exciting for the future of business.