Entrepreneur Purchasing Recommendations: CRM

A White Paper

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1. Business Founder

Most business owners would tend to agree that they don't necessarily think of themselves as entrepreneurs, they are just people running a business, making things go, getting past challenges, keeping their eye on the prize. They know the business, the markets, the processes and anticipate steady growth based on these understandings.

These companies tend to meet their business targets in terms of sales, and will often surpass targets because the owners have the vision and dedication to grow the business to a particular state. But it is at this point companies differentiate their ongoing success from moderate success to near miss.

Customer Relationship Management (CRM) is an option for businesses at the crossroads of growth, plateau, change and status quo. It is an option when looking for ways to move a business forward, and to position for future markets and technology.

2. Growth

Many businesses grow predictably and enjoy success in a range of ways, over varying periods of time. Often a business will start with one or more owners, a clear vision of the market and product, and dedication that is typical of entrepreneurial spirit. With hard work and perseverance the business is a success and everyone carries along until the markets plateau, and may actually begin to fall off. This may happen because the market saturates, or changes, or the product(s) need refreshing, or because of a need to change the marketing/sales process.

One of the hardest things about running a business or organization, is making things happen, quickly. Customers and clients are changing, the market conditions are changing, and so must the approach to service and retention.

Oftentimes the problem is that the company has outgrown its owners, and if it is to survive, it must undertake to begin new processes and alignments that may seem foreign to the owners who have faithfully shepherded the company through the perils and pains of growth.
This is often the time to consider the possibilities of integrated CRM/ERP solutions.

The introduction of CRM software requires a dedication and commitment to a new way of doing business, with the customer as the key business driver. But the customer has always been a priority you say.

Wonderful, and with CRM it is possible to make the customer 'the' business driver, and to automate processes in order to capture customer information as an asset in servicing and retention and sales activities.

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In this way it is possible to extract and manipulate information to influence marketing and sales activities in a very positive way. The result is in capturing information that presents micro and macro customer purchasing activities, customer preferences, spending patterns and service preferences; which leads to improved sales for the company.

3. Doldrums

As an entrepreneur, the best part of running a business is the feeling you get as you watch it grow. Each success and every breakthrough is a triumph. Unfortunately though, it is not always possible to remain in this positive state, particularly if you happen to sail into the doldrums.

There are many recognized buying patterns, and it is acknowledged that there are periods where markets are very soft and most organizations have planned ways to manage this. There are also times when an organization has enjoyed steady growth, and then seems to founder, for no apparent reason. There are a myriad of possible reasons that this could be happening but short of total catastrophe, there are also many ways to work out of the situation. It seldom involves sitting and waiting for 'better weather'.

It might mean initiating new partner relationships based on financial, product and/or service agreements. It is possible to re-align business processes to improve efficiencies. It may mean elimination of old processes all together, and introduction to new ones. Any combination of these things are possibilities to improving sales and services activities to move business forward out of the doldrums. It is all change however, and it means work and requires dedication to follow through.

4. Why CRM?

Computerization has changed the way companies are approaching their CRM strategies because it has also changed consumer buying behavior. With each new advance in technology more of the relationship is being managed electronically.

Customer relationship management (CRM) marries and delivers, methodologies, and technologies that support businesses to manage customer relationships. The general purpose of CRM is to enable organizations to better manage customers with quality systems, processes and procedures.

The bid to automate processes led many to think of CRM as a software, but this is not appropriate as it is a truly a service with three key components.

- people
- process
- technology

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As discussed earlier, there are times when a business may need to look at process improvements. This is almost always done as a result of poor performance in the market, and is undertaken as a remedy to the situation.

No matter the reason, it has become clear that CRM services are an option to remedy inefficiencies.

a. On-demand CRM – Software As A Service (SaaS)

SaaS is a distribution model with applications hosted by a vendor or a service provider typically through the Internet. This service has become the favored delivery model because the underlying architecture for web services has evolved and can accommodate new programming protocols such as AJAX that can process commands right in the browser.
The traditional model of software distribution, in which software is purchased for and installed on personal computers, is sometimes referred to as *software as a product*.

On-demand CRM gives customers network-based access to a single copy of an application created specifically for SaaS distribution. This translates into savings in the form of:

- Easier administration
- Software compatibility for all users leading to easier collaboration
- Automatic software updates
- Global accessibility

b. Identify the Need

Many companies feel frustrated with business-as-usual management processes. The over emphasis on painfully detailed budgets, meaningless forecasts, reports, ad hoc system integrations, and uncertain and/or limited metrics for accurate measurements on successes, failures, ROI and warning flags.

There had not been much movement in deploying solutions for this situation in the past, because it was difficult to imagine what the solution might be. With the advent of SaaS and on-demand CRM, it is now possible to envision a solution with a tools set that can address and remediate deficiencies.

Traditional medium and practices are no longer able to address the demands accelerated by Internet transactions. Internet in and of itself cannot be the sole resolution, so it becomes clear that both mediums must work together to be successful.

If an organization finds itself at this crossroads, and is willing to undergo the efforts required to align business lines and implement system and process changes, then there is opportunity for successful CRM deployment.

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c. CRM Purchasing Checklist

Keys		Check
CRM	Do you know the industry definition of CRM?	
	Do you agree?	
	Can you define the role CRM will have in your company?	
	Can you articulate a CRM process for your company?	
PRM	Do you know the industry definition of PRM?	
	Is there a role for PRM in your company?	
	Can you define the PRM processes for your company?	
ERP	Do you know the industry definition of ERP?	
	Is ERP appropriate to your current situation?	
	Can you articulate ERP processes for your company?	
	Can you define the effect and benefit ERP activities will have in your company?	
SFA	Do you know the industry definition of SFA?	
	Can you define your Sales Process for your company?	
	Can you identify efficiencies for the existing processes?	
	Do you see benefits to automating sales activities?	
On-Demand Services	Do you know the industry definition of On-Demand CRM?	
	Do you understand what integration means in this context?	
	Do you understand what customization means in this context?	
	Do you understand what tailoring is in this context?	
	Do you understand and differentiate between "best of breed" software for SaaS CRM Solutions?	

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Keys		Check
Business	Does the company have a developed, customer-focused strategy that is independent of a technology solution?	
	What is it?	
Mission	Can you visualize and articulate the reasons for undertaking a CRM/ERP project?	
	Where does customer service fit in your company as a business line?	
	Can you visualize and articulate the state of your business once the project is completed?	
Objectives	Can you list the objectives of a CRM/ERP project for each business line you mean to capture?	
Deliverables	Can you articulate the deliverables for the company, at a high level?	
	Can you articulate the deliverables for each business line in terms of functionality?	
	Can you articulate the deliverables for each business line in terms of process?	
Principles	Do the company principles understand CRM?	
	Are they committed to change processes?	
Stakeholders	Can you identify the stakeholders at a high level?	
	Can you identify the stakeholders at the business lines?	
	Do you know if they understand or want CRM/ERP?	
	Do you anticipate the need for a Change Management Program?	
Roles and	Can you identify roles and responsibilities at	

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Keys		**Check**
	a) the executive level?	
	b) the stakeholder level?	
	b) the business line?	
Structure and Work Assignment	Having identified roles and responsibilities, can you realistically build teams and assign project work with existing resources?	
Assumptions	What are the assumptions for: a) Vendor	
	b) Costing	
	c) Leadership	
	d) IT	
	e) Legacy	
	f) Data	
	g) Security/Data Management & Ownership	
	h) Change Management	
	i) Training	
	j) Pilot	
	k) Roll-out	
	l) Future positioning	
Communications	What is your communications plan for the stakeholder community?	
	The vendor?	

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Keys		**Check**
	The teams?	
	Change Management?	
Risks	Are there risks to deploying a CRM/ERP Software Solution?	
	What are the risks?	
	Where are they?	
	Can you mitigate the risks? Is the project worth the risk?	
Documentation	How will the project be documented?	
	What will be documented?	
	Can you capture metrics?	
	Will this be useful for future enhancements/upgrades?	
Boundaries	If the roles and communications expectations are defined, what other boundaries might need to be addressed? (Stakeholder, Vendor, Partners)	
Decision Making Process	Is there a clear chain of command in terms of sign off for activities, decisions, change requests, scoping, costing, etc.	
	Need help watching overall trends	
	Need to watch for internal competition and/or needless duplication	
	Need to expand and manage ways to	
	Need to enhance communicate with customers	
	Need help to elevate cross-selling opportunities	

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Keys		**Check**
	Need help to elevate closing times on sales	
Interpreting Results	Do you have an interest in developing usable metrics?	
	What information do you wish to capture for measurement?	

5. Markets and Growth Possibilities with CRM

Generally speaking, CRM is a philosophy that a business should focus on the customer to deliver personalized, service-driven sales and support. No matter what type of company you run, the acquisition of customers is the real business. Many CRM projects are undertaken to help marketing and sales activities with efforts at improving customer satisfaction and/or retention.

Marketing and sales is a science not an art. It is precise and measurable. Online CRM Services, with the right mix of tools, scalability and customer support can improve marketing initiatives and grow sales revenue.

Many companies will discover, with a little digging, that the top 20% of their customers not only deliver 80% of their revenues they account for 100% of company profits. Many companies lose money on 80% of their customers because of the cost of acquisition for new customers. Using a CRM Solution would help in increasing revenues by identifying and differentiating profitable and unprofitable customers and to defray the costs of serving them.

CRM can improve customer profitability with services that:

• Reduce costs associated with acquiring new customers • Identify customers with the greatest potential for spending	• Reduce the costs associated with serving existing customers • Improve customer retention

6. Implementation Considerations

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Hard implementation of CRM	**Soft implementation of CRM**
Focus on ? analytics ? centralization ? campaign management	Focus on: ? decentralized customer experienced ? management at touch point level ? customer centric business process
This approach has a tendency to prioritize standard IT processes to derive strategic CRM guidelines which is not a successful business model for CRM implementations.	This approach takes a less technical approach and focuses on the business process and asks that the technology build around the business line and not vice-versa.

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