

Small Business Software CRM Vendor Selection Process

Introduction

Need help in selecting a CRM solution for your Small-Medium sized Business (SMB)? You're not alone. Millions of small business owners across the world are struggling with selecting and deploying a CRM software solution for their organization and are running into obstacles in gaining access to this now critical small business software solution. A true CRM software system is critical to small businesses in today's market place. Access to critical data from contact management, sales management, order history and other business tools is needed instantaneously with up to date, accurate results. Customers expect you to know who they are as soon as they speak with you, either in person, on the phone, by e-mail, via the internet, or any other number of ways a customer interaction is processed in your organization. And with so many options to choose from, these small business owners are being bombarded from every direction with sales proposals, marketing material that promises the riches of a Fortune 500 company, and much, much more. So how do you select a proper vendor for your small business software CRM solution? What are the things to look for to make sure you purchase the right solution not only for today, but for tomorrow as well? And most importantly, is CRM really the right solution for you? All these questions will be answered in the following white paper, published by Salesboom.com; a small business software On-Demand CRM, SFA and ERP solution provider.

Pre-Qualify Vendors

The first thing you need to know is that, unless you have extremely straight-forward needs, your CRM vendor selection process could be quite lengthy. You must start by having a meeting with as many members of your organization as necessary to get a holistic view of the CRM / SFA / ERP needs within your company. This will require everyone who is responsible for marketing, sales, service and support, development, administration and accounting to have some sort of input into what they are looking for in terms of business process automation. Gather these requirements and sort them in terms of absolute necessities, and perks that would simply be nice to have as well. Once this process is satisfactorily completed, you can begin the process of pre-qualifying vendors based on your specific criteria. To complete this step, you'll first need a list of vendors. Depending on the size of your organization, it may be best to simply run a search on various portals to collect the e-mail addresses of as many CRM providers that, at face value, meet your criteria and send them a template RFP (Request for Proposals) which lay out very clearly the requirements you have for your CRM implementation (including budgetary constraints, etc). Alternatively, you may wish to do the pre-qualifying yourself, in which case you will handle the burden of contacting, testing and trying all the CRM solutions you can find. For the best results, you should sample as many vendors which seemingly meet your requirements as possible. There are many types of CRM vendors to choose from – On-Demand or Web-Based CRM software providers, traditional or on-premise CRM software providers, industry specific CRM software providers (such as Automotive CRM, Insurance CRM, etc). Your best bet is to look into all the types of

CRM software providers which meet any implementation requirements you have set out, and ones that are more in-line with your budget. As a small business owner/operator, you likely don't have the capital necessary to invest in enterprise based CRM software initiatives, such as those offered by Siebel Systems, Oracle or Peoplesoft, so it's recommended that you concentrate your research into web-based or hosted CRM alternatives, as well as mid-market CRM software solutions such as Goldmine, Act and Maximizer, amongst many others.

Some general questions to make sure get answered as well as the vendor meeting your functional requirements are:

- Will this CRM solution provide sufficient scalability for my 1 year, 3 year and 5 year growth estimates?
- If needed, how easy is it to export my data out of this CRM solution and into another?
- How well does this CRM solution integrate into other offerings that I may need in the future, such as ERP or SFA solutions?
- What is the real cost to my business, both upfront and ongoing, for the deployment and continual maintenance of this CRM solution?
- Is the data silo secure and impervious to malicious attacks?
- Does the CRM solution include a Service Level Agreement (SLA)?
- Do I retain ownership of ALL my data, including tasks, notes, and logged calls?
- Is there sufficient training available or provided to get all my staff on board quickly and effectively?
- What is the real expected time to deployment after I choose a particular vendor?

Make sure you have the answers to all these questions, sufficiently explained and in writing if necessary, before you continue to narrow down your possible CRM providers. After you have pre-qualified all the vendors which meet your data, it's on to the next phase – trial and testing.

Put Your Potential CRM Provider through Its Paces

The next phase requires even more time and focus than the last – rigorous and thorough testing. Any vendor that has a serious solution available should allow you to 'try before you buy' its CRM product, so you know exactly what to expect before you get involved. If a CRM solution provider doesn't allow you to see their product before you buy it – be very wary of the solution as well as the company. In today's CRM market, any CRM provider should offer a 'free trial' of some sort, regardless of if it is hosted CRM or installed software CRM. For this phase you may also require the close assistance of one of the CRM solution provider's sales representatives in order to demonstrate how to achieve the particular functionality that you're looking for in the CRM solution. No two CRM solutions are the same, so you may not automatically be directed to where you think the functionality is located at. Make sure you take extensive notes on the CRM system's capabilities, short comings, ease of use, logic used in its layout, and any system problems you encountered. Each CRM system provider should take no less than a week of rigorous testing (the more stringent your needs, the more time is required to adequately

test the CRM system) before you move on to the next one. Expect to learn more about CRM than you ever thought possible during this time period. Thorough evaluation of each product should involve rigorous testing of each main function you're seeking. If you're primarily looking for contact management software, then make sure you've input all sorts of data from many different angles of the contact management feature in the system. Try accounting for user error (such as data in incorrect fields), any global characters you may require support for (Spanish, Japanese, Arabic character sets, etc) and make sure that any mistakes that are made in data entry are easily identifiable and correctable. Make sure that the contact management tab contains data fields for all the specific types of data you're looking to store, and if it doesn't, it has a sufficient customization ability to store that data for you. Lastly, make sure your contact management feature ties into all other features and links back contact history from tasks, events, logged phone calls, e-mails, and any other type of correspondence you're trying to keep track of. Use that sort of practice to make sure all the important features work from top to bottom for your organization until you're comfortable not only using it yourself, but also would be comfortable explaining how and why it needs to be used to the various types of employees in your organization who will be utilizing that particular feature. Part of the difficulty in CRM implementations is understanding and explaining *why* CRM is important, not only getting it installed and used. Make sure that you walk away from each CRM vendor with a clear understanding of why each particular feature functions as it does and you'll likely find that the learning curve for finding out the *how* in each feature is quite fast.

Once you complete the evaluation of each vendor's CRM system, compare your notes. If anything wasn't answered sufficiently, get clarification from your representative at each company. Make sure everything has been explored and if it is still not clear which provider best suits your company now and into the future, narrow down your choices into the top two or three, and have other representatives in your company use them as well and give you feedback. This should finally give you the top CRM provider in terms of functionality and usability.

But What About the Price Tag?

Price and budget is a big concern. If all businesses had millions of dollars of free capital, then they would be evaluating enterprise based CRM solutions instead of small business ones. Since this is not the case, a budget constrain can become a huge speed bump in getting the right CRM solution into place for your small business software needs. If there is a particular solution you have your heart set on that is a bit more pricy than you had originally anticipated, you can do various things to try and get the price lowered some directly from the vendor. For starters, perhaps signing a multi-year contract can knock some percentage points off the price. Since CRM is a B2B (Business to Business) small business software solution, you may have products or services that your potential CRM provider may be interested in receiving in exchange for their CRM software. Or, they may be able to lower their price some if you agree to provide them with a positive testimonial or some other type of co-branded advertising that they can leverage to increase their image and marketing material.

However, often times the solution is simply too expensive, and there is no way to get it to an adequate price range. At this point you have two options: You can either redefine your budgeting for your small business software CRM solution, or you can go back to your pre-qualified vendor list and find one which isn't as pricy. Remember, you already have a list of requirements as opposed to simple desires in your CRM software solution – try dropping some of the 'extras' from your list and find a vendor that still possesses the core functionalities that you defined as "requirements." However, in some cases, the requirements of a CRM solution for a small business are more expensive than originally anticipated, and there is simply no getting around spending the extra capital to receive the type of small business software solution you require. It is not recommended to cut off pre-defined 'requirements,' however it is sometimes possible to 'cut out' particular departments that may not need immediate access to the system. For example, your marketing, sales and support teams may require a CRM solution direly, but you may be able to omit your accounting, billing and invoicing departments from direct access to the CRM solution for some time. You may then purchase a module that integrates with the chosen CRM solution at a later time, either directly from the vendor or from a partner of the vendors. This allows you to still maintain budgetary restraints, and eventually roll out a company-wide CRM implementation when the capital is available. This method also allows the CRM vendor to 'prove' itself in terms of positive Return on Investment (ROI) before committing all of your resources to deployment.

Final Conclusions and Things to Remember

Hopefully after following the above procedure, you have more or less adapted a policy which suits your specific organization and allows you the freedom and flexibility to choose a proper small business software CRM provider. Whether you've decided to deploy an in-house or on premises CRM software solution or a web-based, hosted CRM solution depends on the criteria that you've laid out for your organization. What works best for you will quickly become apparent in the weeks leading up to your deployment, and you will soon have the insight and knowledge of the CRM universe needed to make your small business software CRM deployment a huge success. A few last points to keep in mind for your deployment phase:

- CRM is 95% corporate initiative, 5% software. Make sure that you've fostered a culture of focusing on the customer, and your CRM deployment will sure to be a success. If your employees are orientated in putting the customer first, the end result will be a huge ROI for your CRM deployment.
- Keep control of the conversation with sales representatives. Sales Reps, as much as they like to deny it, are there to sell you on the product they represent. Make sure you keep the conversation focused on your requirements and how their product will meet those needs, not the latest flashing lights they offer over the competition.
- Research your provider thoroughly. Do they have a lot of market collateral, such as white papers and customer testimonials? Are they visible in terms of advertising, both print and online? How long has the company been in business?

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How many customers do they currently have? All of these questions can be critical when deciding if a CRM provider is reputable enough to handle your sensitive customer data.

- Get anything you're not 100% positive on in writing. If a CRM provider has promised you customizations, or functionality that you otherwise haven't been able to test, make sure it is in writing as a clause on your service or sales contract. If it's in writing and the provider doesn't deliver, you have an easy-out clause.
- Involve the rest of your company in the decision making process. If at all possible, get representatives to help you 'test-drive' some CRM systems, so that they are familiar with the general principles behind them, as well as common usability issues. It's also a good idea to try and explain *why* CRM is important to many representatives, who may not get the holistic view offered to an executive officer of the company.
- Don't rush or get frustrated. Sometimes a CRM deployment can be costly, time consuming, and difficult to understand technically. But keep at it. The investment up-front will pay dividends down the road, and this could be the CRM system you are using for the next decade.

Remember, customer retention is a direct result of customer satisfaction. Satisfied customers are bread from knowledgeable, efficient and helpful employees, not just from great products or service offerings. If you can utilize a CRM system to increase your customer retention rates, then your customers will become much more profitable, giving you sky-high revenues increases and overhead costs so low you won't believe it. Always believe in your CRM strategy, and it will pay itself off quickly.

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