

The purpose of this article is to:

- Explain the benefits and risks in implementing a CRM system.
- Explain about low cost Web based CRM systems which make client information instantly available to every member of your sales team.

CRM is one of the fastest growing categories of software today. In past years it was an advantage to have a CRM tracking system. Most of your competitors already have a CRM system or are planning to implement one.

Today, clients expect a higher level of personalised service. This is driven by competitive forces. We are rapidly reaching the stage where, to have a client relationship management system is no longer an advantage; it is becoming a necessity in today's competitive market.

The benefits

An effective CRM system will increase profits for your organisation. It is a tool to streamline the sales process and reduce the cost of sales.

An effective CRM system will:

- Help your sales team to understand the needs of clients, provide better service and build stronger relationships.
- Reduce training time for new members of your sales team by helping them to quickly learn about client issues.
- Improved systems and procedures will streamline the sales administration workload.
- Information is instantly available on a wide range of devices (Pocket PC, etc.) to suit every sales team member.
- Track sales activity on a team and individual basis.
- Enable your organisation to tailor your marketing programs to the needs of specific types of client.
- Reduce duplication of effort by operating a central client database shared by all users.
- Provide a safe and secure location for important company sales records.
- Deliver instant sales reports.

The costs

Today there are low cost CRM solutions available costing as little as \$20 per person per month, with no installation, running on your existing computer hardware. Maintenance costs are minimal or may be at no cost. At this low cost you can afford for every person in your organisation to have instant access to client information. You can provide the tools for your whole team to understand the needs of your clients and deliver personalised service.

The bottom line is that with today's low cost technology every organisation can afford to have a CRM system.

How to minimise the risks of implementing a CRM system

Consider these statistics:

- 50% of businesses do not yet use a CRM package, but 80% of businesses are planning to implement one. ^{#1}
- CFO.com reported in 2003 that in 85 percent of all cases CRM users could not show any quantifiable after implementing a CRM system. ^{#2}
- More than half of all CRM implementations fail. ^{#3}
- Clearly, there are enormous opportunities in using CRM systems to streamline sales processes. How can you achieve an effective sales system in your business?

It is important to ensure that you understand the needs of your users, implement a system which meets those needs and does so at an affordable cost. The steps below explain what can go wrong and how you can avoid these risks.

Why do so many CRM implementations fail to get off the ground?

Over the years I have built up a list of “objections” from real sales people, about why they opposed the implementation of CRM systems.

Here are some typical comments from sales people about why they resist the introduction of CRM systems:

- “CRM systems are not practical for sales people. We need to be out in the field with our clients. We are sales people, not IT experts. And we don’t sit at a desk. We need to be out on the road”;
- “For a system to work it has to be as simple, tailored to our industry and tell us what we want to know”.
- “We don’t have time to key information into a database”.
- “Client relationships are only part of the picture. What about competitors? What about influencers? One of the most important aspects of sales is being able to pinpoint the influencers and advisers who affect your client’s purchase decisions.”
- “CRMs are designed for company-to-company use. In the real world relationships are built on a personal basis”.
- “We are a club. We have members. Not clients”.
- “We are a franchise business. We have franchisees. Not clients”.
- “The database should cover all the organisations we deal with, not just clients and prospects. For example it should include suppliers”.

Make sure that the CRM software you choose can track relationships in a systematic way. Business relationships can be surprisingly complex. For example, there are relationships at a company level. There are also relationships at the level of the individual sales person with his client contact. In the real world sales work involves a network of relationships. For example, at a company level your clients may belong to buying groups. They may be part of a larger organisation. At an individual level your client contacts may be part of professional associations, they may deal. It is also vital to identify your competitors and any relationships they have with your clients and prospects.

Make sure your CRM package is capable of capturing all these relationships in a simple organised method.

What real sales people want in their CRM system

Here are a few of the essential keys to sales success. It is vital that your CRM package will help your sales team in these areas.

You need to understand your clients. To help you achieve this aim your CRM package should provide an organised method to identify the profile of your client’s likes and dislikes. You should be able to record this information by a simple point and click method, and later to use this information for analysis.

Effective follow-up is perceived by clients as an indication of prompt and efficient service.

Real sales people are out there with clients, not sitting behind their desk using CRM software. In sales, mobility is everything. “Time with clients is time making sales. Time in the office is time losing sales”.

Sales people know that you simply have to be out there with your clients, where the business is happening. Personalised on-site service allows your sales team to build trusted relationships with your clients. This fundamental design requirement seems to have been overlooked by the designers of CRM software, which usually require powerful PCs and are designed to mainly work in an office environment. An effective CRM system simply must work “on the road”.

For the CRM to be a success, it has to gain acceptance by the sales team, and also meet the needs of the company.

What the salesperson wants:

- **Portable.** The system must be truly mobile, available anywhere. Not everyone wants to lug around a laptop or notebook computer. For a sales database to be effective it must be available on a mobile phone, laptop or personal organiser. Different sales people will have different requirements for the type of equipment they operate. The system must not cause the sales person to become stuck in the office. Communications such as GPRS and Iburst allow you to use low cost Web based CRM systems and access the information at minimal cost – from your mobile phone, Pocket PC or Notebook PC.

What the company wants in its CRM system:

- **Team based.** From the company's point of view, it essential that the system be team based. Sometimes you hear that a sales person resigns and he takes his contacts, relationships and information with him. Or an employee's computer crashes or is stolen, and the client history is lost. In a team based system information is stored on the company's network and team members share the pool of knowledge. The company must insist that any system is controlled at a company level.
- **Affordable.** It must be low cost so that every member of the team has access to client information. The system should also require minimal installation time and run effectively on existing low powered computers and devices.
- **Simple.** It must free up sales people to do their work, not bog them down at their desks.
- **Secure, reliable and safe.** The system will contain sensitive commercial information and so it must comply with stringent security requirements.
- **Built on a robust, compatible platform** so that the system can be easily tailored to the needs of each business.

Features

The CRM should be part of a Sales Kiosk which provides the following general features:

- Effective client contact tracking;
- Sales, order and inventory analysis reporting;
- Assistance with quoting and preparation of quotes and orders.

For further information on the sales reporting features please refer to our article entitled "Sales Kiosk".

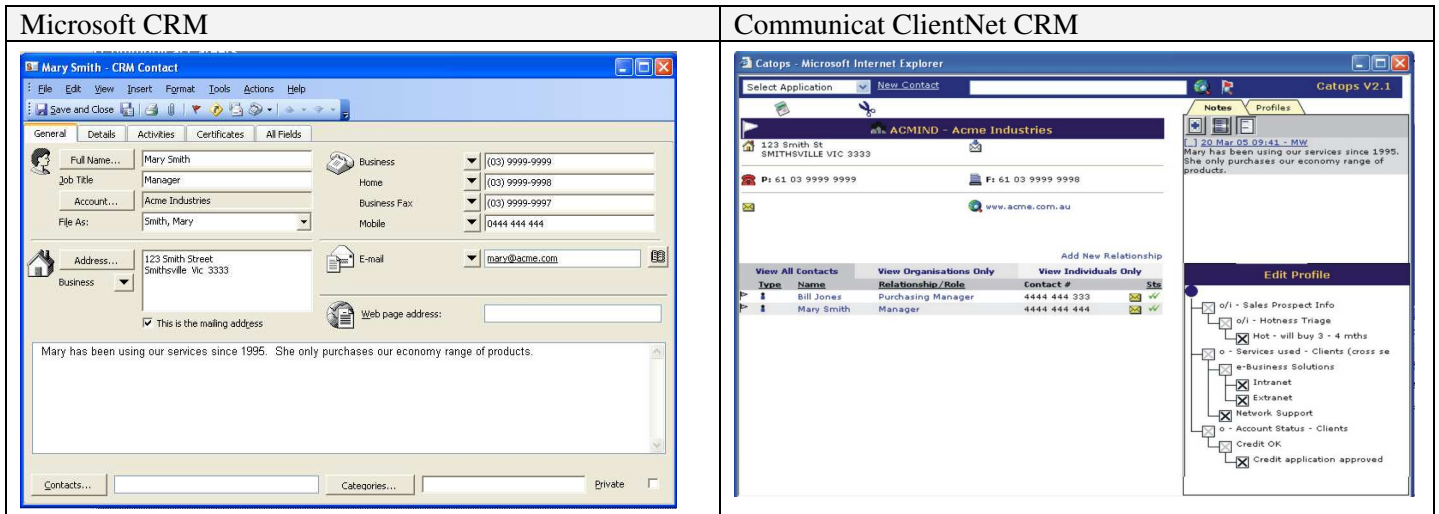
Which CRM?

Many people are waiting for Microsoft CRM to dominate the CRM market. They assume that, since Microsoft has been successful in so many other areas it is going to succeed in the CRM space. On the other hand, Microsoft CRM is in the early days of its development.

There is little doubt that Microsoft will increase its profile in the CRM marketplace and this will especially affect the other CRMs it competes "head to head" with.

Currently the main software packages competing head-to-head with Microsoft CRM are SalesLogix, Act!, FrontRange, Salesforce.com and Seibel ^{#4}

What is not clear right now is whether the future of CRM systems will be with Windows software or with low cost hosted web solutions. The web style of CRM is very similar to using an Intranet or surfing the Internet; no software needs to be installed on the PC. Communicat sells and supports both types of solutions.



Comparison of features:

Feature	Microsoft CRM (Windows based)	Communicat ClientNet CRM (Web based)
Hosting	Primarily designed for users to host on their own network. Some ASP hosting services available	Primarily designed as a hosted system, requiring no overhead or maintenance by client. May also be self-hosted.
Architecture	Operates as an extension of MS Exchange	Simple web browser system
Mobile/portable	Requires fast Laptop/Notebook PC. Some features available on Pocket PC and Phone	Runs on any device which can access the web.
Team based	Yes	Yes
Affordable to provide information to every user in your organisation	Depends on budget Software costs: Initial: Approx \$1,000 - \$2,000 per user Estimated \$30 p.a. per user PC costs \$2,000 minimum	Yes Software costs: Initial: Zero cost Hosted service costs \$30 per month per user Runs on web browser so it is compatible with existing basic Notebooks and PCs.
Simple	Microsoft CRM requires some training to be an effective user.	Users can operate at web enquiry level which requires virtually no training.
Secure, reliable, safe, robust	Yes	Yes
Can be tailored	Yes	Yes
Feature	Microsoft CRM (Windows based)	Communicat ClientNet CRM (Web based)

Conclusion

An effective CRM can deliver enormous benefits to your business.

There are two options available. If you can justify investment in a full CRM package and the associated computer hardware and systems then the decision is fairly easy. On the other hand, if you are looking for a solution at the lowest possible cost then a hosted solution may be right for you.

It is vital that your new system allows you to put client information instantly in the hands of every member of your team. If the cost of your chosen CRM is such that you cannot afford to implement it for every team member then you should consider a lower cost web based solution; one which brings every member of your team online to client information.

An effective CRM can deliver enormous benefits to every organisation. Cost effective solutions are available to meet the needs and satisfy the budget limitations of every business.

Malcolm White

malcolm@communicat.com.au

Further reading:

Communicat has available a number of data sheets and articles on related topics. These can be downloaded from www.communicat.com.au

Articles currently available include:

- Alerts - Event Triggered reporting
- Business Intelligence
- Crystal Reports
- Sales Kiosks – Intranets and Extranets for sales and service for the Sales team, reseller channel and end users
- Security
- Virtual Private Networks

References:

1. <http://www.computerworld.com.au/index.php/id:181390517:relcomp:1>
2. Software and Systems: The Disciplines of CRM, By Anne Stanton and Herb Rubenstein, Published at <http://www.isixsigma.com/library/content/c040323a.asp>
3. CRM: Dream or nightmare? By Larry Dignan September 2004 http://techrepublic.com.com/5100-6301_11-1054704.html
4. <http://www.destinationcrm.com/articles/default.asp?ArticleID=3901>