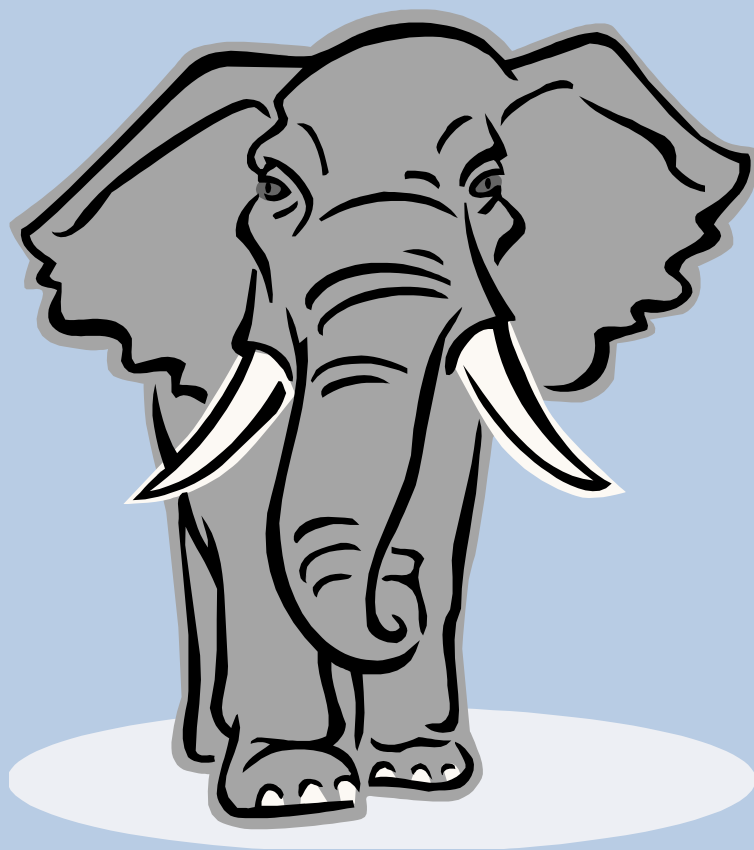


How Do You Eat an Elephant?



Making CRM Manageable

A whitepaper by Atum Corporation

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Lessons in Elephant-Eating

Advances in technology have increased the number of channels of communication between businesses and their customers, creating an interwoven web of call centers, written correspondence, emailed and faxed inquiries and in-person calls. How do you keep track of the active accounts, current customer statuses, support calls logged, and your customers' history with your company? Tracking all of these customer touchpoints and datastreams can seem as unmanageable as eating an elephant!

Any 7 year-old will tell you how to eat an elephant: one bite at a time! While the reams of customer and business data that can now be collected can seem overwhelming and indeed "inedible", the right CRM tool will help you break them down into bite-size, useable chunks with which you can more effectively manage your business. To eat the CRM Elephant you must:

- Understand your business process automation goals
- Find a solution that meets your business goals
- Support the implementation within your corporate culture

Q: How do you eat an elephant?

A: One bite at a time, of course!

Choosing the right CRM solution

1 – Identify your goals

Make sure you know which process(es) you want to automate and why.

2 – Choose your metrics

Choose the right measurements to make sure you can see whether your automation solutions are indeed meeting your goals within the specified timeframe.

3 – Create cultural support

80% of CRM implementations fail. While there are many reasons for failure, a large contributor is often a lack of cultural support for the project. It doesn't matter how many features your CRM solution has if no one uses the system. Create a culture where the CRM system is an integral part of the day-to-day routine. Choose a product that's easy to use, and one that does what your end users need it to do.

What are Your Goals?

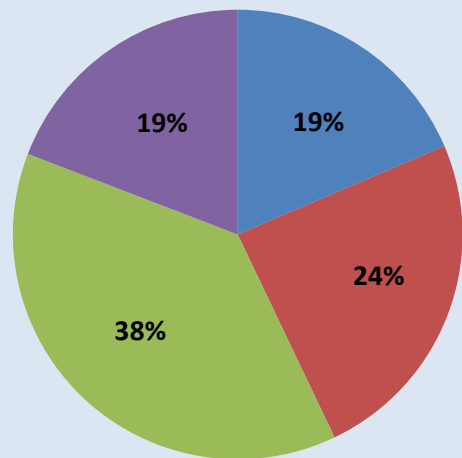
CRM has become a buzzword in business that refers to a wide spectrum of products. Finding the right tool for your business can be difficult, but it an important first step to your successful CRM project.

CRM products can focus on field sales (sales force automation or SFA), marketing and campaign management (marketing automation), call/ contact centres and help desk, and/or field service automation. Which part of your business are you trying to automate? Answering this question will determine which type of solution offers you the best means to achieve your goals. Knowing what you want to achieve with your CRM project is paramount before looking at vendors and solutions.

Most small- to medium-sized businesses or SMBs (defined as 200 people or fewer) find that they can meet 80% of their needs with a solution that focuses on field sales (SFA). According the Aberdeen Group, an industry research specialist, “SFA is usually the first and frequently the only CRM module installed at many organizations, and nearly twice as many organizations have only SFA modules as those that have only marketing modules”.

A comprehensive SFA solution streamlines the most critical part of a business: its front door. While *all* customer touch points are important – from support to billing – it is the sales account manager who develops the relationship with the customer, and who the customer will most often identify as being the face of the company. The sales department is therefore the logical place to focus your energies when automating to increase efficiency and service levels.

Most Commonly Used CRM Systems in Organizations



- All CRM modules
- Modules for service and support
- Modules for sales
- Modules for marketing

Source: Aberdeen Group February, 2003

Finding a Solution That Meets Your Business Goals

Today's marketplace is characterized by volatility, intense competition, and increased accountability to shareholders. After a number of large-scale business scandals such as those of Enron and WorldCom, businesses are finding that their year-end results are being scrutinized with much more intensity and due diligence. In this climate, companies must provide value for their dollars spent while at the same time increasing their revenues and customer base.

Given the current landscape, it is not the ideal time for businesses to be implementing enterprise-wide CRM solutions, which typically have 18-month timetables and \$20M (US) price tags. While this model worked in the past, today's competitive marketplace require businesses to focus on getting up and running quickly and exceeding their customers' expectations – or they will no longer have businesses to operate. Companies are looking for an intelligent solution that will streamline the critical processes quickly, efficiently, and begin delivering benefits immediately.

Things to consider when looking at CRM systems:

1 – “Must-haves” vs. “nice-to-haves”

Every organization will have different requirements, and therefore require different functionalities and features from their respective systems.

2 – Ease-of use

You must choose a system that is user-friendly in order to achieve successful user adoption.

3 – Hosted vs. on-premise

Most large enterprises prefer to host their own data; for small- to medium-size businesses, a web-based application is more practical, convenient, and cost-effective.

For most businesses, this can be achieved with a Sales Force Automation solution. A solid SFA deployment will deliver all of the “must-haves”: prospect, account, contact, and opportunity management; sales and account team automation; sale cycle and methodology customization; activity tracking and sharing; forecasting and ad hoc reporting; mail merge and customizable templates; and synchronization to PDAs. Some SFA offerings will also provide some “nice-to-haves” such as real-time quota status, expense tracking, advanced activity reporting based on organizational hierarchy, easily accessible list of “most recently viewed” items, and quick links to favorite websites.

Clearly there will be some differences in the “must-haves” and the “nice-to-haves” from business to business and between industries, so along with the standard ones listed above, it is important for your CRM task force to have clearly identified your company's unique requirements, keeping in mind both the strategic needs of the company as well as the ease of use of the module for the end user – the sales person.

Ease-of-use is a key factor in whether your CRM solution will ultimately be successful in your business. Even a \$20M installation will be unsuccessful if no one can (or will) use it. When perusing solutions, ease-of-use can be more important than additional functionality in many cases.

The next decision to make is whether you will purchase software, or choose a hosted service to deliver your SFA solution. Online hosted CRM is a more recent addition to the CRM market, and is particularly effective for small- to medium-sized businesses in that it eliminates the cost of owning a CRM solution (including back-end infrastructure, support, and upgrade costs). Online CRM applications have attracted tens of thousands of small business users in North America in the few years that they have been available by offering all of the same features and benefits of installed CRM products, without the backend infrastructure requirements and none of the upfront expenses.

As a group, businesses that use hosted CRM solutions are very satisfied with them, which is a marked difference from other groups of CRM users. In a 2003 survey, the Aberdeen Group found that while only 24% of their respondents indicated that they were currently using CRM delivered as a hosted service, a majority (52%) indicated they would consider using a hosted solution in the future; that number was slightly higher (56%) among C-level officers, indicating that there is a growing acknowledgement that hosted CRM solutions provide a clear value to the SMB sector.

The other CRM model is the stand-alone or installed solution model. Using this model, companies purchase a CRM product, and install it on their own premises. While this is an appropriate model for some enterprises, many are finding that the drawbacks can outweigh the advantages of this type of solution. According to the same Aberdeen Group survey, over one quarter of respondents said that on-premise CRM is too expensive to implement, nearly 20% said it is too hard to use, and about as many said that it is too hard to maintain or enhance. These are concerns that are typical of the installed solution model; however, the benefits of CRM are such that companies are often willing to endure these challenges. As mentioned above, many of these concerns can be eliminated with a web-based solution.

According to a survey conducted by the Gartner Group, the value propositions of online CRM solutions include:

- Low monthly costs, typically about \$50/user/month
- No-frills functionality: all of the basic CRM application functionality required for SMBs
- Easy to learn and use: one or two days of training
- Intuitive: interfaces are easily configured
- Little or no capital expense required (except a PC and Internet access)
- Rapid startup: counted in days and weeks
- No software to buy or maintain, except an Internet browser
- Fewer IT resources required to implement and support
- Continuous availability: anywhere a user can connect to the Internet
- Robust data sharing and relational data bases
- Inherently more efficient and scalable than client/server design
- Expense predictability: monthly fee that covers software, hardware, upgrades and maintenance
- Cost-effective support for geographically-dispersed user populations

- Gartner Dataquest 2003

Creating a CRM-Supportive Culture

Regardless of whether a company chooses to adopt a hosted or a product-based CRM solution, the final hurdle remains the same – user acceptance and widespread adoption. Second only to technical ease-of-use, lack of corporate support most affects whether a CRM project will be successful or not.

A CRM solution affects the manner in which your entire enterprise will operate. The right CRM solution will complement your businesses process, workflows and culture, even though these may undergo evolutions and improvements based on the information delivered by the CRM solution. These are two sides of the same coin. Many CRM products “fail at implementation because their workflow designs are not closely linked to the way people actually do their jobs” according to Erika Morphy of CRMDaily.com. At times, CRM products can even be counterproductive. This obstacle can be avoided not only by clearly understanding your business processes and goals prior to beginning your CRM selection, but also by ensuring that the solution you choose has been designed with the end users in mind.

If you have chosen a CRM solution that you can easily customize to reflect your company’s workflow and enhance its processes, you must then ensure that the new program, and possible new business strategy, is embraced by the entire organization.

Keys to creating a CRM supportive corporate culture

1 – The C-factor

A champion at the executive level. There must be support at the upper level, to align goals across different departments.

2 – WIIFM

What’s in it for me? Define the WIIFM question for all of the stakeholders to obtain buy-in

3 – WTSNM

Will they still need me? Whether the answer is “yes” or “no”, this question must be addressed

There are three keys to making this happen:

- The C-factor
- WIIFM
- WTSNM

The C- Factor refers to Champions at the C-level in your organization (CEO, COO, CFO etc). The CRM mindset must come from above, and cross departmental lines. When it is seen that the CRM implementation is initiated from a high level, different departments will know that it is a priority. Different departments operate with different budgets and objectives, and can seem to compete for the same resources and not work together to make new projects successful. With a Champion at the C-level, the goals are aligned, and the entire organization is driving in the same direction.

WIIFM stands for “What’s In It For Me?” There is often concern over sharing and viewing capabilities found in many CRM products. For example, sales team members may be concerned with their files being viewed by other sales staff and employees may feel management is constantly monitoring them. Front line staff need to feel comfortable that the CRM solution is not simply a tool for management to keep close track of them, but an integral part of the way the company is now doing business to improve sales effectiveness and increase customer service levels. Sales teams typically demonstrate acceptance of a solution that:

- Helps organize and streamline their day
- Saves them time
- Improves their response to their customers
- Is easy to use
- Requires little or no training

As long as your sales teams can answer the question of what’s in it for them, they will be much more likely to embrace the new CRM solution.

The last factor is WTSNM. As defined in Kristina Markstrom’s whitepaper, *Secrets of CRM Success*, WTSNM stands for Will They Still Need Me? Related to the WIIFM factor, WTSNM identifies a fear that employees are often not willing to discuss. Most sales people will have anecdotal stories of how a company they know adopted a CRM solution, and laid off 10% of its staff. This is a real fear, that must be handled with sensitivity at the organization and departmental level. Without addressing this fear, the people who ought to be the system’s most ardent supporters, the front line sales staff, can easily become saboteurs.

Address salespeople’s concern about no longer being needed following a CRM implementation – without addressing this fear, those who are supposed to be the system’s most ardent supporters become saboteurs

The Business of Elephant-Eating

No task is unmanageable once it is broken down into bite-sized chunks, and that even includes the business of implementing a CRM solution! Your company must be prepared to do some preparatory work and understand what it wants from a CRM project and then, keeping these goals in mind, choose a solution that addresses its own unique requirements. At this point, your company is well on its way to success; however, it is important to remember that corporate support and buy-in is essential or even the most perfect CRM solution will sit on your employees’ computers, unused.

For more information about implementing CRM, or choosing a solution that can be customized to meet your company’s needs, please call Luxor CRM at: 416-410-8444, or send us an email at: sales@atum.com. Good luck eating your elephant!