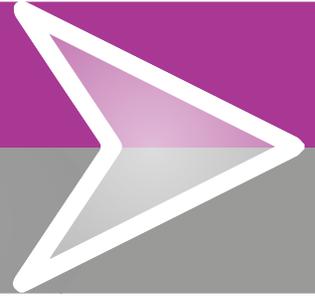


The Beginner's Guide to CRM

An Honest Look at the Pros and Cons of Customer Relationship Management Systems



Customer relationship management (CRM) systems can be either the best or the worst thing to happen to your business. While many sources say that CRMs are quickly becoming must-have business tools, not everyone will experience an easy adoption.

This guide will help sales managers and business owners to fully understand, evaluate, and get started with CRM. It will explain what CRM does, evaluate CRM platforms, and provide a series of tools to help the reader decide if CRM is a good fit for them. Ultimately, the reader will gain a healthy understanding of CRM pros and cons, and will be able to make an informed decision of how to proceed.

There are GOOD and BAD aspects to CRM



What is CRM?

CRM stands for customer relationship management – a system through which an organization manages its clients and contacts.

CRM is hard to gist without over-simplifying, but here is very basic scenario for sales:

Suppose Jill is a sales agent, and she's struggling. For her clients, she has to fulfill orders, do check-ins, and send birthday cards for her clients. For her prospects, she has to send emails, schedule meetings, and deliver marketing materials. Jill keeps track of all of this in her head.

If we added more contacts to Jill, she would become overloaded. Deadlines would be missed, prospects would slip away, and Jill would be stressed out. No one could help Jill, since no one knows anything about her relationships. Also, no one would know that Jill is in trouble unless customers complained.



Continuing with Jill's example, let's add a CRM system to the mix to help. For Jill, we will configure the system to display dashboards for at-a-glance information retrieval, create logic for tasks and reminders, and design custom reports.

Once Jill starts logging client Interactions, her stress levels will subside since the technology takes care of so many details. Now, she can take more clients since the system is automating and organizing everything. If necessary, Jill can call for help since her team can see each client interaction that was logged.

Meanwhile, her activity is generating sales data and insights, such as how long clients stay in the sales funnel and which activities are the most lucrative.

The simple example above shows how CRM can make sales processes easier, more efficient, and more profitable.



CRMs can be simple or complex. Some CRMs can be used straight "out-of-the-box," and some have to be developed like a computer program.

Here are some additional ways businesses use CRM:

Share information across sales teams

- Ensure the "left hand always knows what the right hand is doing"
- Avoid instances where multiple people contact a client about the same subject

Track sales processes

- Create dashboards for at-a-glance information sharing
- Gain a more predictable income flow

Maximize sales efforts that have the best return on investment

- Learn what kind of deals use the most resources, and go after those deals
- See what portions of the sales process are the slowest, most expensive, and most beneficial

Get more metrics

- Let team members know how they are doing
- See what team members are backed up and need assistance

Share updated sales documents

- Team members retrieve documents from a central location
- Push out sales collateral from a central portal

Create detailed reports

- Create reports without the need for expensive external development (such as with Crystal Reports)
- Encourage collaboration
- Allows sales teams to "swarm" contacts with accurate information when the clients call
- Easily move relationships between sales teams

Integrate with websites and other programs

- Use forms on website to capture leads and connect directly to sales team
- Link to other programs, such as inventory control, accounting systems, etc.



The negative aspects of CRM come mainly in two forms: administration – you have to commit to CRM practices and do them correctly – and risk: there can be serious negative consequences for failing with CRM.

The Seven Deadly Sins of CRM

There are some downsides to most CRM. Here are some rules you must follow to avoid failing with your system:

You must commit to learning. High-end CRMs have substantial learning curves, even for technology and data professionals. Further, the curve differs not only from solution to solution, but also from organization to organization.

You must do comprehensive business planning. For many CRMs, implementation is 80 percent business planning, 20 percent technical work. The business planning should take place before the technical work, not during.

You must not improvise the implementation. Most businesses that fail with CRM do so in implementation. Before beginning the process, seek out implementation guides and study them carefully.

You cannot over-rely on intuition. Do not assume that you are using your CRM correctly; read the best practices, train the users, and ensure everyone is following the rules.

You have to have qualified people in charge. Often, CRM implementation and administration falls on the lap of someone who cannot support it, usually a sales or data-entry person. If an expert is not available, ensure that the project manager is thoroughly well-versed on the CRM best practices.

You will be tempted to over-extend the platform. It is important to know the limitations of the platform and not go beyond those. For example, many CRMs are not suitable for project management. Trying to use or modify CRMs can create data and usability problems.

You must be rigid and vigilant on data-entry processes. Record creation processes must be strictly followed at all times. At first, many teams see the CRM as a laborious data-entry exercise. But if they don't respect the data entry rules and processes, the whole system can fail.

THE TRADE-OFF: Simpler, less expensive CRMs typically have fewer risks and fewer functionalities.



CRM Hell: What Happens When You Break the Rules

The following scenarios are likely to occur when CRM best practices are not followed:

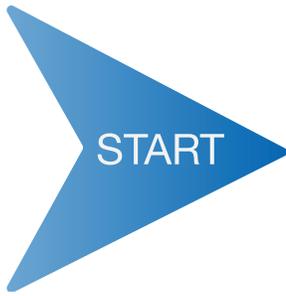
Consequence #1: Project failure. Sometimes, CRMs are scrapped, and with them go all the time, money, and other resources.

Consequence #2: Re-implementation. Sometimes CRMs get so botched during implementation, it's easier to start over than to fix. This often entails un-tangling data and redeveloping the instance from the ground up.

Consequence #3: Shell-shocked employees. CRM failures are painful, especially for the employees who have been struggling with a failing system. Once these users have been burned, it can be very hard to change their mind about CRM.

Consequence #4: Skyrocketing cost-of-ownership. Improper implementation and use of CRMs can result in slower, more inefficient, stressful, and lower quality work, especially in the long run.





Is CRM Right for You? Ten Questions to Consider

With so many factors to consider and with so much at stake, it can be difficult to know if the time is right to begin shopping for a CRM.

However, the following questions will help you to gauge whether CRM is right for you. If you answer “yes” to many of these, then a CRM system might be a good fit.

- ① Can you afford to fix your system “if the plumbing breaks” and something goes wrong with your data?
- ② Would you rather have more clients-per-agent or to simply hire more agents?
- ③ Do you have someone you can call if you get in over your head?
- ④ Would it harm your company if your competition were building proficiency with CRM while you are not?
- ⑤ Do you have people who can champion this initiative that are knowledgeable about technology, data systems, and your business processes?
- ⑥ Will your CRM team be able to take the time to learn about Salesforce.com?
- ⑦ Will your CRM expert be able to teach the rest of your organization how to use the system?
- ⑧ Do you suspect there may be inefficiencies in your sales processes?
- ⑨ Will you be able to encourage adoption within your organization so that your team actually uses the system?
- ⑩ Do you have the time and patience to read and understand CRM best practices?

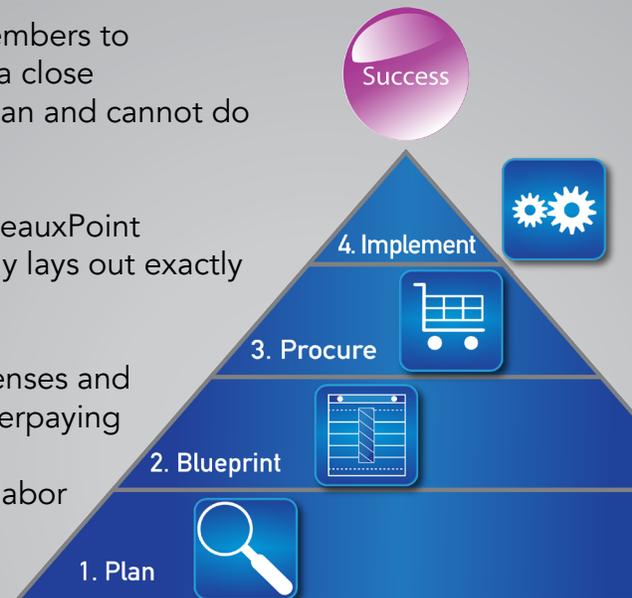
CRM	Cost	Notes	Is especially good for . . .
Salesforce.com	From \$25 month for up to five users all the way to \$300 for most advanced edition. Most users are fine with the \$65 or \$125 dollar packages, and non-profits get up to 10 packages for free.	The Current CRM champion and GeauxPoint's CRM-of-choice. Salesforce is built for performance and flexibility, but to some, the functional interface may feel clunky at first	Enterprises and non-profits
GoldMine	One-time cost of \$695 per concurrent user, plus a 20 percent annual maintenance fee	An older CRM that still retains a significant market share	Current users of the CRM, for whom an expensive transition may not be worth it
Microsoft Dynamics CRM	\$65-150 per user per month	Another big player in the CRM market. Microsoft CRM has a more "out of the box" feel to it, complete with pre-built workflows. The downside is that these workflows may not be suitable for every organization	Those with a high degree of comfort with Microsoft products (Outlook, etc.) and that
ACT!	Roughly \$3,000 for five-users	An older CRM with both desktop and cloud-based versions. Very lightweight, not complicated.	Current users of ACT! accounting software
Nimble	\$15 per month per user	Another lightweight CRM that is popular in certain industries	Small/very small businesses
SugarCRM	An open-sourced, "bare bones" version exists with free licensing. More developed instances range from \$40 user/month(minimum \$4,800 per year for 10 users) to \$150 user/month	Many that use SugarCRM to take advantage of the open-sourced free licensing, which can take some work to implement.	Tech-savvy businesses that can build out the platform
Highrise CRM	Free for up to 2 users/month, to \$149 for enterprise-level package and unlimited users	Minimalistic but effective	Small/very small businesses
Sage CRM	\$39 user/month	This CRM works well within the suite of Sage products	Users of other Sage products, such as the Human Relations Management System
Pipedrive	\$12 user/month	Good for small teams. Intuitive, simple graphic interface for easy out-of-the-box effectiveness	Small/very-small businesses

All of the Benefits and None of the Risks: **GEAUXPOINT** Salesforce Consulting

GeauxPoint Salesforce Implementation is a fail-proof strategy that has been perfected after more than ten years of experience in performing implementations.

The solution works by reinforcing the points of the implementation process where failure most often occurs. The tried-and-true methodology creates a Salesforce instance that is more accurate and effective in less time.

- **Step 1: Plan.** GeauxPoint consultants meet with staff members to understand business processes, goals and objectives. We gain a close understanding of your work and let you know what Salesforce can and cannot do for your business.
- **Step 2: Blueprint.** Based on initial discovery sessions, GeauxPoint develops a comprehensive implementation blueprint that clearly lays out exactly how the new Salesforce instance will work.
- **Step 3: Procure.** GeauxPoint arranges the necessary licenses and products. Often times, GeauxPoint discovers that clients are overpaying
- **Step 4: Implement.** This phase includes nuts-and-bolts labor of the project. Implementation is relatively straightforward with adequate planning.



Call (225) 242-9150 or email projects@geauxpoint.com for more information or for a free consultation.

Conclusion

So, should you set up a CRM right now? Although you may get the impression that CRM adoption is inevitable, it's better to wait until you can commit the time and resources to a successful implementation.

However, once you are ready, a successful CRM launch can lead to breakthrough results for your business. This, of course, depends on your ability to implement and administer the system in accordance with best practices.