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The Diamond Dozen: Your 12 point guide to success in selecting and implementing CRM

Maximizer Software Ltd

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Introduction

For more than 25 years Customer Relationship Management (CRM) systems have been helping businesses to increase revenues, generate high quality leads, raise productivity and delight customers. CRM is now firmly established as an essential component in the standard suite of business software for entrepreneurs, small businesses and large organisations.

Yet, a surprisingly high percentage of CRM implementations fail to produce the expected results and ROI, are delivered over-budget, late, not to specification or at the extreme, are even abandoned completely.

Reviewing independent research of CRM failure rates over many years clearly shows the size and tenacity of the problem.

- 2001 Gartner Group: 50%
- 2002 Butler Group: 70%
- 2002 Selling Power, CSO Forum: 69.3%
- 2005 AMR Research: 18%
- 2006 AMR Research: 31%
- 2007 AMR Research: 29%
- 2007 Economist Intelligence Unit: 56%
- 2009 Forrester Research: 47%

Although relatively few CRM projects become complete write-offs, partial failure is common with the software failing to meet unrealistic expectations, and users' complaining the system is overrated, useless or worse. No matter how good the CRM software, it is not a panacea to company sales, marketing or customer service problems. If the company does not clearly understand and act upon the changes in business processes, the risk of good technology going bad is pretty high!

This guide aims to provide a brief and simple list of how to avoid some of these potentially costly pitfalls and disastrous mistakes when choosing, implementing or upgrading a CRM system. This should help you and your organisation get the most from your CRM. The guide is not exhaustive and as with any project of this nature, we recommend seeking assistance from a qualified, trusted advisor.
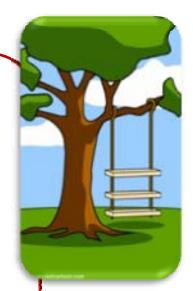
Good luck with your CRM, and read on.

Mark Carter

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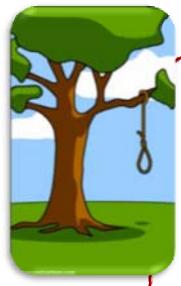Simply Successful **CRM**™

#1 Have a clear idea of what you want

Don't put the cart before the horse and evaluate software before working out what business problems you are trying to solve. You should be able to translate the technology requirements based on your business methodology and priorities. Clarify, define and document exactly the business goals you want your customer relationship management system to deliver. Do you want to optimise your sales process, enhance and track your marketing initiatives, improve customer service or all three? Ideally these objectives should be specific, measurable and realistic. This is also a good opportunity to evaluate and document your existing business processes and the quality of your existing data. If necessary, seek the assistance of an independent CRM specialist. Do not underestimate the amount of work involved at this early stage!

What the customer specified

#2 Appoint a champion

A CRM project needs a strong champion with full, active and continuous, commitment from the management team. A strong, executive level, champion will be able to make difficult decisions autonomously while keeping the best interests of the organisation at heart. Ideally, the champion should be a business leader rather than someone from IT - CRM is a major business initiative, not a technology initiative.

The champion will need to create and manage a CRM implementation plan and budget, with a specific schedule of events for actually deploying the chosen solution.

The champion must ensure personnel – especially key users like sales people – are able to see real value in the CRM system and can communicate its benefits to users.

How the project manager saw it

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#3 Get buy in

The three chief components for CRM success are: people, process and technology. Lack of user engagement is the number one reason for the failure of CRM systems. Unlike back-end IT software, successfully deploying a CRM solution requires substantial user engagement to drive user adoption. Users need to be engaged early and often during the system planning and implementation phases, so that they understand 'What's in it for them'. CRM has to be perceived as simple, quick, easy to use and more convenient; otherwise frontline users will circumvent it and continue with business as usual. Make sure you get buy in from all the decision makers and users, because without their buy-in no CRM system will work for you. User engagement is your biggest hurdle -– gain acceptance and reduce resistance to change.

What the users thought they were getting

#4 Are the salesman's expectations realistic?

How the salesman described it.

"EDS settles lawsuit with BSkyB over botched CRM project for $460M". This headline from early 2010 marked the culmination of several long years of bitter dispute and can provide a valuable lesson in matching customer and supplier expectations.

To avoid these issues always select the partners to provide your CRM with care. Use a well established company with a history of successful, relevant implementations. Check references from existing clients, choose a company who you feel comfortable dealing with and who listens to your needs and can identify your business processes. Has the supplier or software provider worked with similar industries before? Can you talk to reference sites? Bear in mind that implementing a CRM solution is a long-term project and you may have to work with them for some time.

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#5 Remember – installing software is only part of CRM

A 'vanilla' implementation of CRM software can be installed in days if not hours. But it is not an out-of-the-box panacea for all your business woes. For long term success, a full implementation plan with timelines is essential. This should include: process design, hardware, software, product configuration, data integrity and migration, integration, testing, customisation, training and roll-out.

Don't bite off more than you can chew. Large initiatives are more complex and have higher failure rates. Keep it simple to start with – it's generally best to phase projects. Don't try to include too much functionality and run a pilot if appropriate. If you have chosen the right software provider, they should have the experience to help and guide you with this. Otherwise, an independent CRM specialist can assist you.

What was installed

#6. Customisation – *does it do what you want it to do?*

Every organisation is unique and all CRM systems will require some tailoring if they are to fit with the way you work. What other systems and functions does the CRM need to integrate with – accounting packages, access for remote workers, corporate mobile phones? Check the software to see how much customisation can be done by internal users or administrators and how much will require costly external developer input? There is a growing sector of third party applications that offer enhanced functionality for some CRM systems. If your CRM software does not meet your needs with its core functionality, see if these provide an off-the-peg solution to your problem. But check to see at what cost. If customisation or special integration is needed, ask for examples of previous work that your CRM specialist has undertaken and if appropriate talk to these end users.

How the customisation was done

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#7 Document the project

"He who fails to plan, plans to fail". Do not try to implement CRM with only a vague idea of what you are trying to achieve, or what the final solution will look like. During the project new requirements will emerge, putting pressure on time and resources – and soon budgets are blown. Put a 'stake in the sand' formalising roles and responsibilities and listing specific measurable metrics that are documented at the beginning of the process. This gives a clear picture helping vendors to provide accurate timelines and costs, and helps eliminate any nasty implementation surprises. It also allows you to measure the success of the CRM and assess ROI.

How the project was documented

How the CRM was implemented

#8 Does the CRM meet your needs, now – and in the future?

Test, test and then test again. Once your CRM is installed you need to check and ensure that it does what you expect. This can take a surprisingly long time as it involves staff from each department. Plus, any problems and bugs detected in the first round of testing will require re-testing, and it's not uncommon for 'fixes' to not be effective or even break other previously working areas of the system. Beware: as implementation gets underway, key data can turn up in salespeople's laptops, spreadsheets, handwritten notes and legacy systems.

Testing also highlights additional requirements, which were not originally specified. It can also provide valuable insight into future development for the CRM. Is the system scalable? If your customer base grows or you want to add functionality (e.g.: manage email campaigns), can the system cope with expansion?

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#9 Look at the total cost of the system

Whatever type of CRM system you chose, (on-premise, hosted, etc) other costs need to be included to give a true picture of the total cost of ownership. Does the software come with all the sales, marketing and customer service functionality you need? Or, are there the additional costs of purchasing modules required for functions such as web access, mobile CRM or to run marketing campaigns?

What about data storage or adding new users, will costs escalate? Customisation can significantly boost the overall cost and greatly add to integration expenditure. Are there any recurring annual fees – if so, how much? Don't forget to factor in training. A simple, intuitive system will be quicker and easier to learn than larger, more complex systems.

How the customer was billed

How it was supported

#10 Are you supported?

If you are going to implement CRM effectively, listen to experts who know how to do it in a way that gets results. An unsupported CRM solution will fail. Always ensure that you have the correct support option from your supplier and renew this when appropriate.

Review and escalate this if necessary when your system grows or develops beyond your original implementation. Confirm what exactly is covered by support; is some training and/or some customisation included? Check what Service Level Agreement (SLA) is provided. Does the software have a reputation for being robust and is the original software manufacturer dependable with a reliable history?

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#11 Ensure there is adequate training

After investing time, effort, and cash in your CRM system, it makes sense to get the very most out of it. Effective training of frontline staff, in addition to Administrator and IT personnel, provides the knowledge and skills to allow you and your staff to exploit all of its full functionality and to get the maximum benefit from your system. In addition, with good training and support, users will rapidly integrate the new system into their working life and more readily accept the new ideas, new customs and new ways of doing things. This helps to drive user adoption and ultimately the success of the CRM.

Training can often be tailored to your exact needs, take place at your site, on your own system or via the internet and other multimedia channels. It is also good practice to periodically revisit training to refresh, update and re-invigorate both the user and use of the system.

How the training was provided

What the customer wanted

#12 Your fully operational system is only the start

CRM should allow your company to expand and become more successful. It should enable you to retain more customers and to identify and target new customers cost effectively, resulting in greater revenues and profits. It will continue to grow and evolve as you, your business and the markets change. But, be ready for bumps in the road. Be ready to refine strategies, revise goals, re-set metrics and learn from feedback. CRM projects are rarely completely successful from the outset, but follow these 12 tips and you can avoid the most common mistakes when selecting and implementing CRM.

Next Steps

If you would like know more about CRM or would like to talk with one of Maximizer's experts directly, please contact +44 (0) 0845 555 99 55. Alternatively, if you would like to speak to a local provider, please contact Maximizer on info@max.co.uk and we can put you in touch with the appropriate member of our global network of experienced, business partners.

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About the author

Mark Carter is the Marketing Manager for Europe, the Middle East and Africa at Maximizer Software Ltd. Mark joined Maximizer in September 2008 after selecting, implementing and using a number of CRM systems during 25 years in marketing, sales and commercial roles. Chartered Institute of Marketing qualified, Mark has worked for small and medium size enterprises (SMEs), departments of larger organisations and start-ups in sectors including electronics, manufacturing, technology, professional services and IT.

About Maximizer

Since 1987, Maximizer has been delivering Customer Relationship Management (CRM) software and professional services meeting the needs, budgets and access requirements of entrepreneurs, small and medium business and larger corporations. Simple, configurable and affordable, Maximizer CRM enables organisations in all industries and markets to increase sales, enhance marketing, and improve customer service while boosting productivity and revenues. Headquartered in Canada, with worldwide offices and business partners, Maximizer Software has sold over one million licenses to more than 120,000 customers. For more information, please visit: www.max.co.uk or www.maximizer.eu

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