simple guides

Maximizer Software
Simply Successful CRM

How to: Choose a CRM System

On-premise, hosted or hybrid CRM Solution?

Those looking seriously at deploying a CRM (customer relationship management) or SFA (sales force automation) solution will quickly come across the long-running debate about the pros and cons of on-premise versus hosted provision.

So if you're considering an investment in or renewal of a CRM or SFA system, it is worth establishing some clear-cut definitions to help navigate through the options before making a decision – including selecting a hybrid solution – and building a vendor shortlist.

- On-Premise: Your data and software applications are held in-house by your company where servers, connections, access, and data are all controlled by you and housed internally. Information can then be accessed at your desk, via the web or, if available, via a mobile device.
- On-Demand or Hosted: Your data and the CRM or SFA application are available via the web where servers and data are housed by the application vendor -- often called software as a service (SaaS). As all the data is held externally, security can be a concern for some organisations.
- Hybrid Solution: Some vendors are starting to offer a solution where data and applications are hosted by a third-party, but ownership is still held internally.

But no matter what route you choose to go down, there are a number of questions that should be posed at the outset of the decision making process, the answers to which will also help clarify whether an on-premise, hosted or hybrid CRM offers an optimum solution.

1. Is customer data an important asset to your business?

Your accounting and order information is certainly critical for your business. But what about your customer history, profiles, and analysis, as well as your customer service processes? And what about your sales methodologies and forecasts? If your business lost part of this data, what would be the impact on your business in the future? Some companies place more value on transactions rather than relationships with customers and customer-facing processes. But if customer information is a key asset to your business, ensure that data receives top priority. For example, if you were to leave a vendor after accumulating five years of customer and business history, how would you transfer that data into another system to ensure continued access and use? Security of customer data is another issue to be looked at. Is your customer information of a sensitive nature such as financial or personal information?

An on-premise application enables you to have the most control over your data because you hold it in-house. But if you don't want to dedicate resources system maintenance such as back-ups and security, a hybrid solution may be an attractive option. This enables you to take complete ownership of your information and the software application, while utilising a third-party partner for hosting, back-up, extra security and other services.

2. What is the total cost of the solution over five years?

The cost and scope of CRM go beyond the software alone. Successful CRM is achieved by using a solution to optimise processes and training the staff to properly use it. That said; ask these cost-related questions of your vendors when planning your CRM solution:

- Licences: If I am charged on a monthly basis, what's the real commitment? If it's a perpetual license, are there extra annual maintenance fees? Do my field and mobile staff receive online, offline, and mobile access for that price?
- Extra Functionality: Are all features included or will I need to purchase additional third-party applications and

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licences? For example, email marketing, industry-specific interfaces, and data cleansing tools are often desirable features to support and extend CRM business processes, but may not be included in the base fees.

- Hardware or Hosting: Will I need additional server hardware if bringing the solution in-house? If hosting outside, are there additional hosting fees beyond the licences, such as services for back-up, data exporting, extra data storage?
- Support: What will it cost to get the phone and email support I may need? What are the charges for on-site support?
- Configuration & Process Mapping: What resources (from the vendor or partners) are available to help configure our processes into the CRM software? How long will the process take and what are the fees?
- Implementation: How long will the implementation period last and how disruptive will this be to my business operation? Will I need to customise the solution to fit my particular requirements? What costs will be incurred during the period?
- Training: How intuitive is the solution and how much training will users need? What training options are available, and what is best suited to my users – out-of-the-box online training – or customised user manuals and face-to-face classroom-style training?

Whether it's a capital expenditure or operational expense, understanding the total cost over the next five years will ensure that you're focusing on the total ROI of a CRM solution – and you are not taken by surprise by unexpected charges.

3. Will this be available in the field where business takes place?

Consider how your field and mobile professionals and executives will actually use the CRM solution in the field. If CRM is meant to benefit the staff, it needs to be easily accessible.

For example, will they boot up their laptop in between sales calls to update meeting notes and look-up information for their next call? Will they carry out these tasks at home at the end of the working day? Or will they use mobile devices such as BlackBerry smartphones to update and retrieve information on-the-fly? In each of these scenarios, consider what type of information the sales people need; what information their managers need; and whether they will be operating online or offline. Also, consider whether they need access to viewing and updating information whilst at a train station, an airport or on a plane, as well as whether they are usually operating within the city or are in rural areas where full wireless connectivity may be difficult to secure.

When you're evaluating CRM solutions, consider the fastest and most convenient method for the mobile workforce to access their key information, while keeping them in front of customers selling and minimising time spent on administrative tasks. Go with the field reps on a 'day in the life' trip to fit your CRM or SFA application into their work style– and even better, to improve the productivity of their current work day.

4. How can I customise or integrate CRM with my processes and back-office information?

Often giving customer-facing staff the ability to call up back-office information is critical. They may need to check credit balances, outstanding invoices, shipping status, and product details, for example. At the same time, you don't want to overwhelm them with full access to accounting or ERP systems that hold this information. Essentially, you need to bring key pieces of relevant information into a CRM or SFA system for sales and service staff to use.

It's often easier to make your CRM work with your back-end than the other way around, since a migration of accounting or ERP software isn't an easy task. But similar to roadblocks for renovating a rented apartment, it may not be feasible to customise or integrate a hosted CRM solution. Ask how the solution is hosted and how it affects your ability to customise or integrate it with your back-end solutions – whether you approach it through batch

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synchronisation or real-time data feeds.
In the Real World

In 2003, TigerStop, a global leader in stop/gauge and pusher systems designed to improve the efficiency of manufacturing processes, implemented customer relationship management technology from software as a service developer Salesforce.com to help manage the company's sales and customer support requirements. TigerStop enjoyed access to dealer and customer information from any Internet connection. However, the company's traveling account managers quickly found that they could not conveniently capture feedback from distributors because they could not bring the system with them on their laptops – and Internet connections were not always available at accommodations in smaller centers. TigerStop also found that it was hard to make the new system match their business processes – particularly in that the company wanted to track the satisfaction not only of its dealers, but also of the final users of TigerStops. After three years, TigerStop realized it needed to move to another CRM system.

Having conducted evaluations of virtually all leading CRM software packages including Oracle/Siebel, Onyx, Pivotal, SalesLogix, Microsoft CRM and the re-implementation of Salesforce.com, TigerStop opted to deploy Maximizer CRM. "We seriously considered re-implementing Salesforce.com but given the importance of the project and the major costs involved, we did in-depth due diligence on a number of alternatives. In the end, our choice was simple; Maximizer CRM offered the functions and flexibility we needed, excellent options for a fast rollout – all at an attractive price point. The company also demonstrated that it could ease us through the transition with expert consulting support and integration to our Macola ERP system."

How should you deploy your choice of CRM system?

Whether you choose an on-premise vendor or hosting provider, remember that the success of CRM is in implementing your customer-facing processes and effectively training staff to use the system to its maximum benefit. Selecting the right vendors and partners will yield great returns on your investment with staff productivity, management visibility, greater customer relationships and increased sales.

This is all covered in our second guide in the series: **How to implement a CRM system**.

About Maximizer Software

Maximizer Software is the world's leading provider of affordable and easy-to-use customer relationship management (CRM) software applications. The Maximizer line of products help companies develop more responsive, personalised and profitable customer experiences. Built on a modern, Web-based architecture, Maximizer is easily integrated with existing corporate systems and features the latest in sales force automation, marketing automation, e-mail marketing and customer service technologies in a single mobile-accessible business management system. Maximizer Software has sold more than one million licences of its award-winning software solutions to companies ranging in size from entrepreneurs to multinational organisations. Customers include: Siemens, Société Générale, HSBC, TD Securities, Lockheed Martin, Brian Tracy International, Fisher & Paykel Healthcare, Oxford University Press, and Cathay Pacific.

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