

CRM in the Enterprise & Mid-Market

**A management brief for tackling
CRM in a practical, no-nonsense way.**



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Executive Summary

“The challenge for many medium-size organisations is to put CRM into a context relevant to their business.”

“CRM issues also affect divisions of larger corporates”

What is CRM?

CRM is Customer Relationship Management. It applies to both business-to-business and business-to-consumer environments. It can best be defined as a strategy; merging business processes, people and technology to maximise profitable client relationships.

The challenge, however, for many medium-size organisations is to tackle the multi-faceted topic of CRM and put it into a context relevant to their business. With so many interpretations of CRM, increasingly companies are looking for clarity and a pragmatic approach, where the benefits can be derived quickly and with minimal impact on the day-to-day operations of the business.

Small and medium-sized business are now asking the questions that were previously exclusively the domain of larger enterprises thanks to a maturing understanding of the issues in CRM, and an increase in affordable solutions from established software vendors.

What defines a mid-market business?

There are 3.7m businesses in the UK. 1.2m businesses employ staff, and of these only 6,000 are large companies (250+ employees)*, so the small to medium size enterprise market is a significant contributor to the UK economy. A mid-market business can be defined as any organisation with 10–250 employees, performing a series of business functions that typically include sales, marketing and customer service.

Does this include divisions of larger enterprises and multi-nationals?

CRM issues are not limited to individual mid-market companies. They also affect divisions of larger corporates and multi-nationals who have sufficient autonomy to run their own part of the business. In many ways these divisions are mid-market organisations in their own right.

Often these business units are frustrated with the lengthy process of implementing an enterprise-wide CRM strategy across the whole organisation, and are looking to become more nimble and proactive. In many ways their issues in fact mirror those of a mid-size company. If you are a manager in a division of a large enterprise you will certainly recognise much of what is covered in this document.

Document Purpose

This document seeks to assist mid-market organisations to demystify the broad meanings attributed to CRM, understand the possibilities, and outline a set of clear achievable steps to achieving real CRM. In particular we will explore: business issues that point to a need for CRM, practical steps to achieving real CRM and review the potential benefits.

**Source: DTI, Small Business Service*

Business Issues in CRM

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The term “CRM” can be somewhat misleading in as much as, yes, you want to ensure that you are maximising the relationship with your customers, but in reality for many companies, this means looking inwards first, rather than outwards, and addressing the issues and inefficiencies. It is often an exercise in examining internal processes and systems, ahead of the external focus that the name “CRM” implies. That is not to say you should lose sight of the customer, but understand that the customer element of CRM is just one component.

With this in mind, it is better to think less of the term “CRM” and focus more on the business pains the organisation is facing.

Here are some of the more common businesses challenges that can be effectively resolved with a comprehensive approach to CRM.

Information Challenges

- Poor information sharing around the organisation
- Too many paper trails and too much duplicated effort
- Poor visibility of operations due to inadequate reporting
- Limited customer insight

Sales Effectiveness Challenges

- Inability to forecast accurately, track sales activity, and target the right accounts
- Inability to effectively support a mobile sales force
- Inability to cross-sell and up-sell effectively
- No consistency in quote generation and order processing
- Disconnected from Customer Service, no visibility of complaints or issues
- Disconnected from Marketing – no collaboration on sales leads
- No visibility of sales order history, or contact history

Customer Service Challenges

- Inefficient complaint handling
- Inability to track, monitor and resolve issues consistently
- Inability to manage Service Level Agreements

Marketing Challenges

- Reducing wastage from inefficient targeting of campaigns
- Inability to profile customers and prospects effectively
- Ineffective lead generation, qualification and transfer to Sales
- Tracking campaigns to see resulting sales opportunities
- Inability to use your own data to run mailings or email campaigns
- Website not being used to maximum effect for customer, prospects and business partners

Customer Focus Challenges

- Lack of regular feedback from clients on your products or services
- Inability to rank clients in order of strategic importance, value or potential
- Customers have limited options to interact with the organisation

Data Challenges

- Data currently resides in multiple locations and is not integrated

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- Front-office staff cannot readily access the information they need
- Poor data integrity – too many duplicates and errors in addresses
- No integration with finance or other transaction systems

This is not an exhaustive list of issues, but they are some of the most common business pains that point to a need for CRM. If you recognise any of these then you should be considering an initiative to tackle CRM in your organisation.

Some organisations have recognised these pains and started the process

There are many organisations that believe they have started on the road to CRM success, but for a variety of reasons the process has stalled.

This typically manifests itself in multiple systems that have evolved in the organisation including contact management, marketing spreadsheets and databases, isolated production or accounting systems and no holistic view of the customer.

It is a very common issue usually borne out of business growth (organic or acquisition). Another trait here, typically, is a lack of central ownership of the data and this in turn results in duplicate information appearing in multiple systems.

This lack of cohesive approach generally leads to poor internal knowledge-sharing and a frustrating experience for customers.

The net result is an inefficient operation with senior managers having to rely on information reports that are at best painful to create and at worst, inaccurate.

Whatever the business issues, with a determined commitment and a plan to work to, any mid-market organisation can improve. The following section highlights the steps that will lead you to a successful CRM solution.

Practical Steps to Achieving CRM Success

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Step 1: Create a Team

You should appoint an internal project manager who has a thorough understanding of the business and also seek an objective advisor (probably external) to assist you. Depending on the size of your organisation you should create a team, at minimum consisting of a project Sponsor (Senior Director), a technical representative, and a business (end-user) representative from within your own organisation.

Step 2: Define the Scope of the Project

Here we define the issues and start to gather the requirements needed for any change. These typically include process mapping, functional system requirements, and technical requirements. What are the issues seriously impacting your business? List these out and try to define which department or business unit is the source of the issue. An impartial external advisor can be invaluable in providing an objective perspective. Ask the specialists you are working with for a framework document to help you start the process and engage effectively with them.

Step 3: Challenge Yourself

Ask yourself some tough questions. As you assess the situation in each of the departments or business units in your organisation, ask: “Is this issue a result of our people, our processes or the technology we are using?”

Often businesses seek answers from technology and then realise the real answer lies in their people and business practice. The lesson is: fix the process before you fix the technology.

Step 4: Question your Processes

Questioning the way you do things is where the external assistance really starts to add value. Engage the services of an experienced firm well versed in the issues in CRM. They will be objective and will bring the experience of many other organisations to your business.

Based on the issues identified you need to drive down to a detailed level in order to document the processes required to address the issues. Be aware that these days, with the right technology, you can automate many steps in your processes to ensure more consistency, accuracy and timeliness across the business.

Step 5: Prioritise

Aim to prioritise the issues you have identified. For instance, if new business revenue is important then prioritise the sales issues. If reducing complaints and customer defections is important, then prioritise the customer service challenges. This will also help to shape your thinking on phasing the project – it’s always best to implement CRM using a phased approach.

Step 6: Data Issues and Technical Environment

Here you should pay attention to 4 key areas: data, integration, reporting needs, and infrastructure.

Consider your existing data sources; where is that data, is it the right data, is it clean data? Is the data in systems that could be replaced or should you

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integrate the data into a new system? Getting the data right is always critical, particularly if introducing a new system because the initial data upload should only include relevant, clean data that has been centralised before the system goes into full use. Your staff will not thank you when presented with a shiny new system and the same old duplicates and wrong addresses they had previously endured.

Integrated data can be a powerful asset for customer facing staff, delivering a complete view of the customer from contact history to financial transactions. Integration will mean a data mapping exercise to determine which data elements should be integrated from which existing systems as well as the nature of that integration (batch process, real-time etc.)

Many businesses leave their reporting definition until the latter stages of a project. This can cause problems. Reports are derived from data; if you fail to define some key data items at the outset, and later define a report that requires this data, it can be a challenge to go back and reconfigure a system to accommodate the data to feed the report.

Carry out a general review of your technical infrastructure to ensure it will meet the demands of the new approach (databases, networks, communications, servers etc).

Step 7: Select the Right Solution

If you need to introduce a new CRM system then draw on the experience of external specialists in system selection to help you choose the right CRM technology for your specific needs. It's a baffling marketplace for the uninitiated.

There are many stories of clients who bought technologies for the wrong reason or acquired systems that were just inappropriate for the organisation. Draw on the expertise that is out there – it can save you a great deal of pain.

Look for an established product with sufficient functionality, flexibility and scalability. Also consider the upgrade process and how easy it will be for your own staff to configure in the future. It's an investment you should consider lasting at least 3 to 5 years, and you want to ensure a low total cost of ownership.

Step 8: Engage your People

You should pay great attention to your people. Where change is imminent, the general disposition is one of nervousness. Let's face it, with CRM you are dealing with change management whether you like it or not, so you should actively seek ways to tackle this and the project team should focus specifically on the following:

- Tell people why there is a need for change
- Communicate clearly to each person the direct benefit to them personally
- Involve some key end-users in the project, encourage their input from the start
- Regularly communicate and update everyone involved throughout the project
- Train staff on any new methods of working as well as any new systems
- Invite their feedback in post-project review meetings

Step 9: Create the Project Plan

Based on the scoping exercise (Step 2) and the detailed analysis

“Devise a plan with specific phases - avoid doing everything at once.”

performed, devise a project plan including the introduction of any new working processes, installation of new technologies, configuration, integration, implementation and training.

Step 10: Active Project Management

If you are working with a specialist in this area they can advise on the best way to ensure project success. Here are a few pointers:

- Agree a project team combining your staff and the specialist supplier with specific roles and responsibilities
- Scope the project so that you have a detailed specification rather than a general list of requirements
- Devise a plan with specific phases (avoid doing everything at once)
- Define project milestones that are manageable and well defined
- Agree a project sponsor who remains visible throughout the process
- Agree a training plan for all staff involved (user and technical training)
- Agree a change control procedure to accommodate the unexpected changes or additional needs that arise as the project and the implementation progresses
- Communicate project progress regularly to all those involved
- Ensure you launch any new systems with clean data
- Review the deployment after 2 months and make refinements
- Continually assess (every 3 months) your processes and check you are maximising the technology deployed

What are the Benefits?

The true return on investment of any change is best understood by initially measuring the current costs impacting the business: cost of sale, cost per lead, cost associated with inefficiencies etc.

If you need to produce some ROI analysis, the process needs to start *before* introducing new systems or processes. With these base metrics in place you are now enabled to track and measure improvements over time. These improvements can include:

- Reduced costs resulting from inefficiency and duplication within the organisation
- Increased revenues and more focused account management
- Reduced marketing wastage with relevant, timely marketing communications
- Improved knowledge-sharing internally
- Increased customer acquisition and share of wallet
- Reduced customer churn or customer defections
- Improved customer experience, enhanced reputation, more client referrals
- Greater visibility of operations through improved reporting

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The “higher plains” of CRM

Building on a solid CRM strategy with finely tuned systems, organisations can begin to overlay the operation with analytic reporting tools. Using these, over time you can begin to truly understand your customers; their preferences, buying habits, frequency of purchase, average spend per transaction and many other trends.

For many purists this higher level of client insight is true CRM. Armed with these analytics, businesses can promote relevant, personalised offerings to each customer in a timely manner using the customer’s preferred media. The net result is higher client retention, increased sales and profits and a better customer experience.

It all sounds wonderful but frankly, if the systems supporting your people and processes are inadequate – you will never get out of the starting blocks. Similarly, if your processes fall short and your people are not living a customer-centric ethos, then realising the outcome is equally unlikely. The key is to get all of these elements pointing in the same direction within a single strategy.

In time, this level of client insight may well be achievable for all businesses, but in reality, only a few organisations have genuinely matured to this level. For the present it is more realistic to start with a pragmatic view of your own organisation, its internal processes, people and systems. CRM is a strategy, best achieved in bite-size chunks. You can get there, but learn to walk before you run!



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Having worked with medium and large enterprises in the UK, ConsultCRM brings a pragmatic approach to any CRM project from initial requirement scoping through to pilot projects, implementation and training.

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