

# Why Bother with CRM?

## Gaining Senior Management Buy-in

So you think you need a CRM system and senior management doesn't yet see the need.

What can you do to make the management see the light?

Many companies are asking these questions every single day. While some in senior management have embraced CRM, others are very cautious.

Why? All companies want to increase sales, grow their company, increase profits, and stay ahead of the competition. Why do some embrace CRM and others see no need?

If you're already embracing CRM but you need to convince others in senior management why this is needed – we will hopefully provide some useful advice to help kick-off your CRM initiative.

### Why Would You Need a CRM System?

If you put together a list of the top ten areas you could use improvement to make your sales, marketing, and customer service organisations better, chances are that your CRM strategy has something to do with it.

What are the common issues your company is always looking to address to improve sales, be more efficient, and add profitability? Whether you realise it or not, every company has a CRM system of some kind.

However, most of the time, these 'CRM Systems' are pretty archaic. We know of a lot of companies that use the old reliable note cards in a filing system as their account manager. Other companies may use a simple Excel spreadsheet or a simple contact manager like ACT! or GoldMine. We know of others that use their email system as their CRM system such as Lotus Notes or Microsoft Outlook. When we talk with these types of companies, most realise that this is not the way to go about a CRM strategy and they know they probably have a bit of a mess on their hands.

Some might think using note cards or an Excel spreadsheet is just fine to help run their sales and marketing operations, but do they know the business they are leaving on the table from not properly automating these areas according to how they do business? Does senior management know how many deals they lost last year and how much revenue they left on the table? Does senior management know if any prospects were just forgotten about and not followed up on? Did these prospects then buy competing products or services? These are some of the most blatant questions many companies can't answer because they lack a modern CRM system.

There are many companies out there where simple information isn't shared between employees. One of the largest goals of a modern CRM system is to easily share information between employees, departments, and management. Can you see all touch points with a prospect or customer regardless of the employee or department it happened in? With an existing long term customer, perhaps you are trying to sell add-on additional business, would you know if they called in to customer service with a complaint? Better yet, wouldn't it be nice if you knew about this immediately so you could help ease the customer's mind?

A CRM system is all about sharing information between the employees of your company, from an account manager to the MD. We all know all know that information is power. However, many companies don't understand what they are missing without a CRM system.

### I've heard Too Many Stories About CRM Breaking the Bank!

One of the biggest objections the boss might project about not having a CRM system is cost. This can certainly be a huge problem if you partner with the wrong CRM vendor. However, if you do your homework, your CRM system can turn out to be one of the best investments your company has ever made. The right CRM system can provide a significant return on investment in a short amount of time and pay for itself.

A proper CRM system can certainly help increase sales, drive new business, and decrease costs.

It's important to develop a realistic budget that you want to stick to for your CRM system. Set clear goals and prioritise what you want automated and don't try to over-automate. Too many times, companies

try to over-automate and they can quickly get into budget trouble.

Stick to your goals to ensure your CRM system is an extremely cost-effective investment for your company.

### Benefits from a CRM system

There are certainly many benefits you can point to with a CRM system for your company and you may think of your own benefits as well. Some of the most common benefits and examples we find companies have in their CRM system are included below.

- One database to share all prospect and customer information that everyone can share.
- Ability to have a CRM system that matches exactly how you run your business and track the exact data you want tracked.
- Ability to know exactly what's going with a prospect or customer at any time, all the time.
- Automatic reminders of what you need to do next. Who you need to call today, who you need to send an email to, what sales opportunities do you need to work on today...
- Never leave a prospect or a customer behind – have automated events that tell you that you haven't talked to a key customer in the last 14 days.
- Anyone, including the MD can see live, real-time reports showing you all the deals in the sales pipeline at any given time.
- Spend more time with your customers and prospects and less time on administrative tasks. A CRM system can help save you time and money.

### Your Next Steps

Convincing the MD that a CRM system will improve your company's revenue, reduce costs, and make our company more nimble may be a challenging task.

However, the cost of not having a CRM system can be much more expensive to your company's bottom line.

Your challenge is to provide sound reasoning of the vast benefits your company will receive from instituting a solid CRM system. Before you present your thoughts to your company to kick-off your CRM initiative, we suggest brainstorming on some of the following in preparation:

- Are your company's revenues increasing according to projections?
- With the top five deals you lost last year, why did you lose these deals and who did you lose to?
- What are the top three reasons that customers stop doing business with you?
- Do you know how much it costs to attract a new customer as compared to keeping an existing customer loyal to you?
- If your CRM system helped your company to make certain that five of your customer's would stay with you because you were able to provide better service, what would this mean to your bottom line?

We believe you'll be able to think of many reasons why your company could utilize a CRM system to increase revenues and decrease costs. Once you have your action plan in place, you'll be able to back this up with your research and you should be well on your way in your CRM system evaluation.



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