

The Rx for CRM

Customer Relationship Management - the treatment strategy for success



By Marcie Sayiner

CRM MAY NOW BE AMONG THE BUSINESS WORLD'S MOST popular acronyms – it is also among the most misunderstood. Often confused with a complicated piece of software, today's customer relationship management (CRM) solutions encompass much more than that. They represent a comprehensive strategy that includes clear objectives designed to improve the complete customer experience.

While certainly not a requirement for every small business, it may be worthwhile considering CRM as an option before dismissing it all together. "Many small- and medium-sized businesses think CRM is a pile of software, however this is not accurate," said Alexandra Best, executive director of marketing with Vancouver-based Pivotal Corporation. "CRM actually represents an end-to-end process for handling a customer relationship."

In the world of CRM, times have certainly changed. After all, in the past, customer relationships have been managed with a datebook or, for those more advanced, an Excel database. And while there is no reason these systems can't work for some small businesses, those positioning themselves for growth may want to consider a more sophisticated approach.

"We look at CRM as a strategy to increase sales, shorten sales cycles, and ensure customers have better overall sense of relationship," said Dean Guest of iFusion Solutions Inc., a Vancouver-based company with a dedicated focus on Microsoft CRM. "CRM is the enabler to building stronger relationships."

Though CRM isn't about just software -that's usually where the process starts. CRM technology involves purchasing software, however customized, and putting it to work. Once installed, if working properly, it should positively impact all of the systems and processes that effects the end customer. Ideally, a good CRM solution should improve sales and marketing effectiveness, improve customer relationships and optimize profitability.

If that sounds costly, that's because it can be. Originally characterized by multi-year projects and multi-million dollar costs, advanced CRM solutions have historically been something the average SME could not even begin to afford. Fortunately CRM solutions have evolved of late. While still costly for some, this evolution has led many companies to offer reduced costs and decreased risks, especially for small- to medium-sized businesses.

Tom Bennett, chief technology officer for Maximizer Software, a CRM solutions provider in the SME space, said, "We have positioned our product to be attractive to small- and

An advertisement for PORTABLES. The background is a dark, textured surface. On the left, there are several white circles of varying sizes. On the right, there is a white circle containing the PORTABLES logo, which consists of a stylized 'P' and the word 'PORTABLES' in a bold, sans-serif font. Below the logo, the text '12 offices nationwide' is written in a smaller font. On the left side, there is a list of services: PORTABLE TO CUSTOM EXHIBITS, CREATIVE & MARKETING, GRAPHICS & IMAGING, TRAINING & EDUCATION, and INSTALLATION & LOGISTICS. At the bottom left, there is contact information: Contact us: Ph: 1.888.629.4248, www.theportables.com, displays@theportables.com.

medium-sized companies. We have picked a price point that customers can afford, while supplying them with the functionality they need. Our software can be easily scaled, meaning it is appropriate for small business owners with just a few users."

While Pivotal Corporation primarily markets their system for mid-sized enterprises, Best said that they, too, strive to make it possible for small businesses companies to get into the CRM game. So it seems these days, those firms who in the past could not have afforded a sophisticated solution now have at least a few more options to consider.

"Small businesses need to be pushy about their needs. They don't need to feel small and unworthy when it comes to CRM. They have a lot of buying power. We also need to encourage SMEs to think big - yes, you are small, but you won't always be. Every company needs to grow and realize the opportunity that sits in front of them, right in their customer base," said Best. "We need to demystify CRM. We need to encourage younger companies to ask the tough questions earlier on in the process so that solutions can be tailored to their specific needs."

These are tough questions for any business to answer. Questions like how do I want to market my company? How do I want to treat my customers? How do I want to manage my sales processes? And, assuming businesses have the right answers, when is it right time to make the CRM leap?

"I think there are a couple of different drivers to [investing in a CRM system]. Many start out using small tools such as Excel spreadsheets and access databases. As a company grows, this system starts to break. The smaller tool no longer allows them to do what they need to do, and there is so much opportunity that is not being realized," said Best. "They simply outgrow the tools they are using and need a much more strategic solution, a smarter tool that allows them to be more proactive."

Dean Guest of iFusion agrees. "In the early stages [of a small business], CRM can start with a content management system as simple as Outlook or organized folders," said Guest.

"However, a more advanced CRM system can help businesses to enable consistent customer processes, make informed business decisions, improve sales successes, deliver superior customer service and share customer information."

According to Bennett, if an organization wants to start an e-mail marketing campaign, make it easy for their sales people to collaborate on opportunities, and share information in its customer database with the service department, they should consider upgrading from a contact manager to a CRM system. "Migrating to a more advanced solution can be an easy way to attract more prospects, close more sales and retain profitable customers - and it doesn't have to be expensive."

While budget may be important to the small- to medium-sized business professional, cheaper is not always better. It is important to factor in long-term plans, so that businesses do not outgrow the systems they invest in. That means considering a CRM solution that not only comes within budget, but also delivers the appropriate results over time.

However, just investing in a CRM system does not guarantee success. In fact, varying sources reveal that as much as 70 per cent of all CRM implementations fail. According to Dean Guest, ensuring that a CRM project starts off right and stays on track can make all the difference. Guest claims that among the keys to success are incorporating CRM solutions company wide, setting realistic expectations, developing hands-on training, establishing data entry standards, and integrating the system with other relevant departments such as finance and marketing.

Pauline O'Malley, president of The Revenue Builder, adds a few more success tips to the mix. "What are the keys of success to customer relationship management? Strategy and organization first - technology second," said O'Malley, quoting an October 2002 issue of the *Harvard Business Review*. Using a five-step process, her company specializes in the design and implementation of Customer Relationship Management solutions.

"Our solution starts with an analysis of what they are doing internally. Some competitors throw the baby out with the bath water, we don't," said O'Malley. "If the current process works internally, we keep it in tact."

When it comes down to it, each individual business owner needs to decide whether his or her CRM solution should be customized software system or a reliable Rolodex. No matter what the approach, the key to CRM success relies on setting clear and measurable goals based on specific business requirements. Use this system, whatever it may be, to build a solid customer and prospect base, ensure its viability, and rely on it as a building block to forging and maintaining stronger customer relationships.

BSW



Marcie Sayiner is managing partner of IN CONTEXT Marketing and Public Relations. Executive Wireless is one of its clients. Marcie is highly active in the high-tech community, sitting on the board of directors for the B.C. chapter of the American Marketing Association, the International Internet Marketing Association and Digital Eve Vancouver. Marcie is also a columnist for

the Globe and Mail's online edition. She can be reached at info@incontextonline.com.

Harper Grey Easton

BC's Litigation Law Firm

3200 Vancouver Centre, 650 West Georgia Street
Vancouver, B.C. Canada V6B 4P7
Tel 604 687 0411 • Fax 604 669 9385
www.hgelaw.com