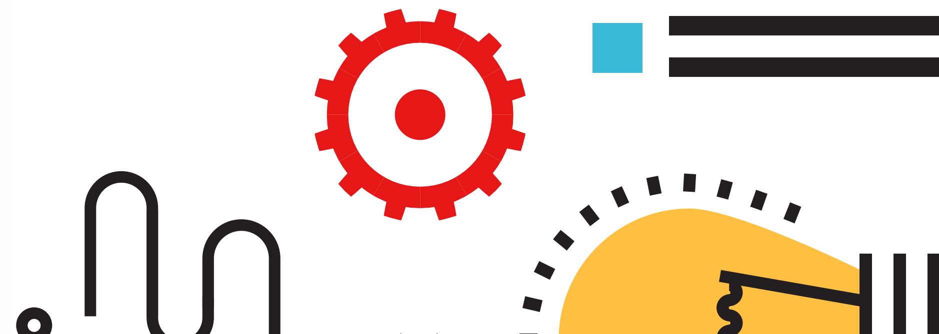
The CRM buyer's guide for manufacturing



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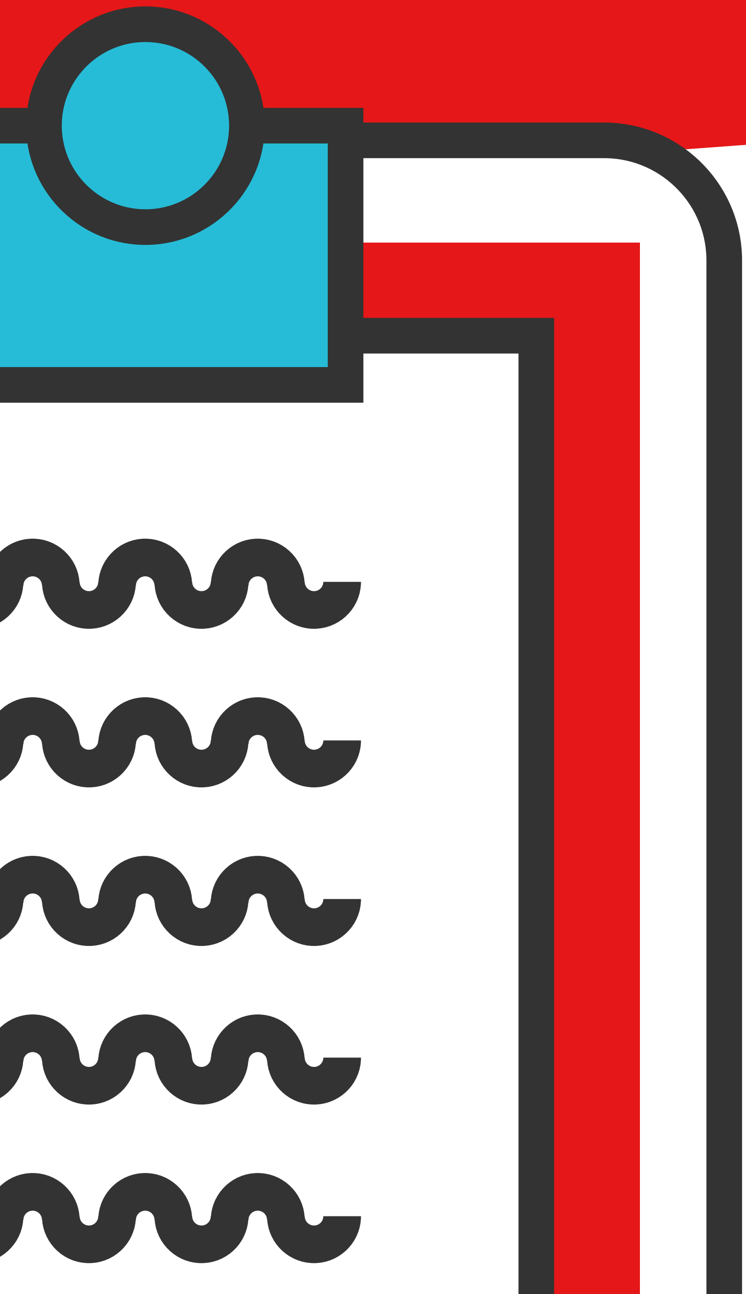

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1. Note to manufacturers

If you're satisfied with the status quo, read no further.
This guide is not for you.

But if you have an appetite for shaking things up, for trying new approaches, you'll want to keep reading. Because this guide will inspire you to take a fresh look at ways to supercharge your sales and marketing teams, your dealer network and your whole business – by transforming your Customer Relationship Management (CRM).

Everybody else's problems, and then some

Manufacturers are under competition, price, and disruption pressures and their list of needs would be familiar to almost any business today:

- **Consolidate current systems & processes**
- **Create business & sales efficiency**
- **Gain, serve & retain customers at the lowest possible cost**
- **Create superior customer experience**
- **Provide a single customer view across the business**
- **Enable real-time customer data**
- **Enable reliable sales forecasting**

Great! CRM can help with all that.

But CRM is particularly useful for manufacturers who also want to:

- **Better manage their dealer networks & make them more effective**
- **Better manage their supply chains & make them more efficient**
- **Anticipate customer needs & changes**
- **Proactively manage customer accounts**
- **Forecast demand effectively**
- **Maximize sales coverage in every territory**

Shaping customer experience in a digital, data-driven world

It's no secret that digital transformation is disrupting the way businesses interact with their customers. The upside is that these disruptions provide new opportunities to streamline the business.

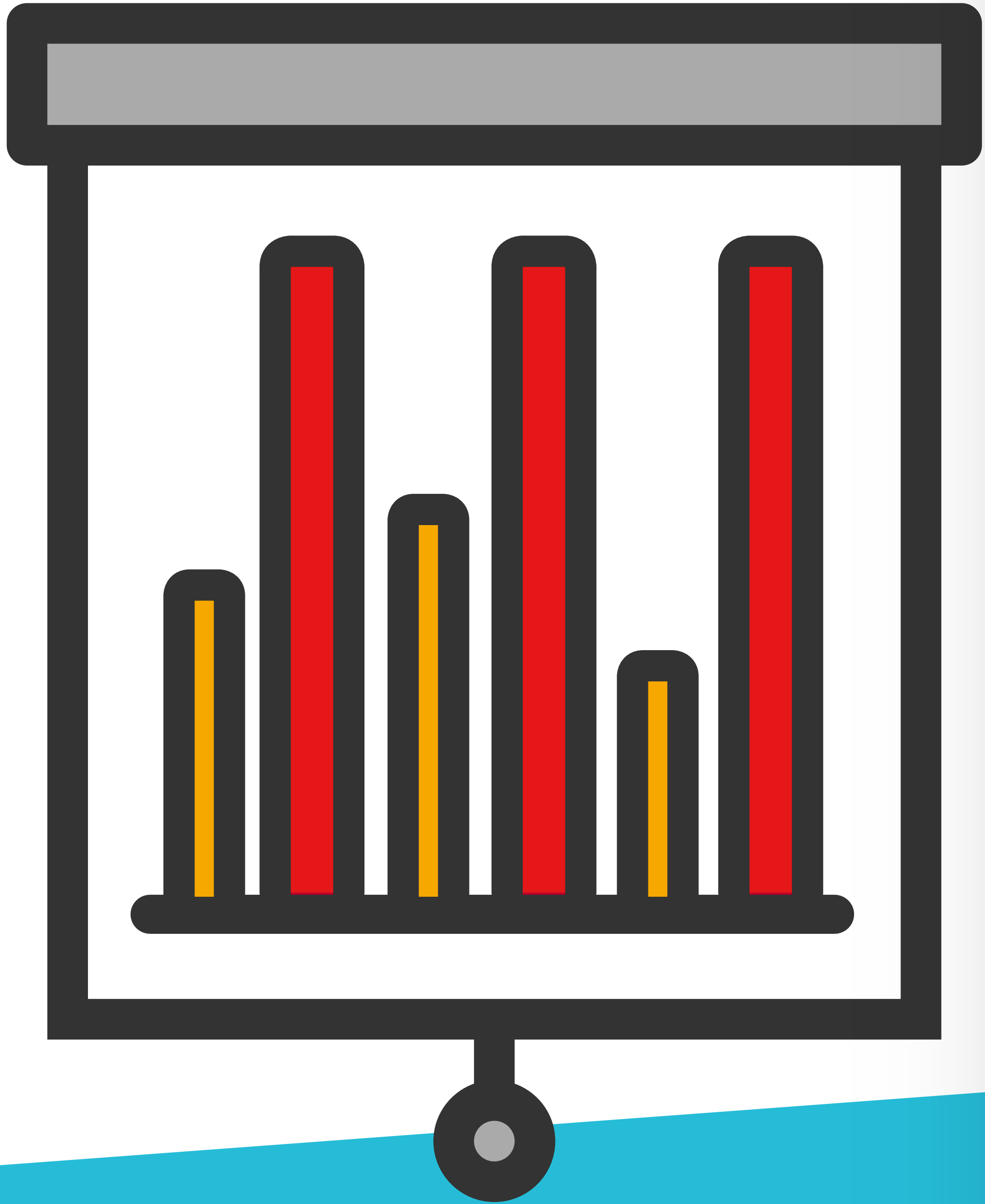
What's the secret? Connecting the dots – and the data. By linking disparate sources of data across the business, you can get a clear and comprehensive view of customer activities and move from reactive to proactive. The insights you gain from this view will help everyone from salespeople to call-center reps deliver consistently great experiences with every customer interaction.

The foundational tool for superior customer experience is your CRM system.

The challenge, historically, is that the people who stand to benefit most from CRM either can't or won't use it, because traditional CRM systems can be overly complex and very user unfriendly.

But modern CRM has come a long way – and it's time to take a fresh look at what it can do for your business. The best CRM solutions are easy to use, yet comprehensive in scope – turning every employee into a customer expert by putting the right information at their fingertips, often before they even ask for it.

For this guide, we have spoken with top industry experts and forward-thinking business leaders to capture their insights about the challenges of traditional CRM deployments and the keys to a successful implementation. We've included the questions to ask when evaluating solutions and some tips for getting started on the path to modern, game-changing CRM.



2. CRM: the competitive differentiator

Sameness is the enemy of success. Setting your business apart from your competition begins with better customer experiences.

McKinsey research found that leaders in customer experience can grow revenues by 5% to 10% within two or three years. In a recent Gartner survey, 89% of leaders at consumer-facing companies said customer experience is their primary differentiator. There's a dark side as well: another survey found that 25% of customers will defect after just one bad experience.

How can you win when your customers expect top-tier service and seamless transactions, and alternatives to your offer are just a click away? Success comes from providing a customer experience that is consistently better than your competitors' at every touchpoint. You do that through a deep understanding of customers' needs as they research, evaluate, shop for, buy, and use your product or service.

Forward-thinking business leaders – we call them Game Changers – are making this customer journey the focal point of operations. They are shifting organizational culture to adopt a customer-centric focus meant to break down silos across functional groups and encourage new thinking around customer needs.

CRM has emerged as the enabling platform for this customer-first transformation. Its role as a great differentiator is quite a leap from its more modest beginnings.

A modern CRM solution will help you capture relevant insights about your customers and, as importantly, share those insights with the employees who can act on them to deliver positive experiences. Modern CRM turns your sales team from reactive transaction agents to proactive relationship managers. Today's CRM systems also can drive significant improvements in productivity and open up new opportunities for business growth. Some game changers, such as Jim Glickman, Chief Marketing Officer at Hilco Valuation Services, have turned CRM into a platform that supports their entire business.

"Unlike other companies that use CRM to track companies and contacts, we use it as our sole operating platform," says Glickman. "Salespeople use it as a CRM tool. Business operations staff use it to book deals. Appraisers use it to assign tasks and track time and expenses. We do all of our business reporting from the system." Glickman's team even gave the platform a name that speaks to its breadth: ESSTER (Engagement, Setup, Scheduling, Tracking, Evaluation, and Reporting).

If you've had enough of settling for ordinary, a fresh approach to CRM can unleash the type of game-changing customer engagement that drives loyalty and fuels business growth.

"CRM, when it first started, was more about keeping your contacts in a central location. Today, CRM is the foundational component of a customer engagement strategy."

Brent Leary, CRM Essentials

3. Why your business needs great CRM

Technology has become the great equalizer, because it has put tremendous control in the hands of consumers and business buyers alike. Thanks to digital disruptors such as Amazon and Netflix, buyers expect you to know them, regardless of whether you're selling technology, energy, or equipment. Seamless transactions across devices and 24/7 access are the new norms across industries, and recommendation engines are leading even B2B buyers toward next purchases.

> "It's less important that you have a 360-degree view of the customer and more important that the customer has a 360-degree view of you."
>
> **Rebecca Wettemann**, Nucleus Research

It's no longer enough to provide the best product or service, because many prospects won't ever become customers if they're turned off by the experience of getting to know you. You need to deliver a great first impression and repeat that performance with consistency and excellence at every stage.

CRM was supposed to deliver those types of sparkling results, but the first few generations of CRM technology fell short. Blame it on siloed data, too much data entry required of users, convoluted processes, ineffective tools, or a status-quo culture. Some studies peg CRM failure rates at 60% or higher, and anecdotally we know that many users flat out don't like their CRM systems, because the technology is too difficult to use or doesn't help them do their jobs better.

When a business tries to go to battle with an underperforming CRM system, the results can be devastating. "More often than not, employees in one department don't even know the employees in other departments, let alone use data that spans the organization," customer experience futurist Blake Morgan wrote recently in Harvard Business Review. "This often results in wildly inconsistent customer experiences that make companies look disconnected and unfocused."

McKinsey reports that less than 40% of companies say they are even moderately effective at using digital sales tools and capabilities. That speaks not just to the technology, but to the culture as well, as it may signal a lack of commitment to provide the training and support needed to master these tools.

From ‘good’ to great CRM

Increased competition and more discerning customers put more pressure on businesses to get more out of their CRM system – and quickly. CRM technology has evolved to the point where it’s delivering clear value to the top line, in the form of increased revenue, and the bottom line, stemming from increased productivity and more efficient workflows.

That translates to better return on investment (ROI). Nucleus Research found that companies investing in CRM increased average returns by 1.5 times between 2011 and 2014, from $5.60 to $8.71 in returns per dollar spent, and that trend has continued. In a 2017 survey by CITE Research, sales professionals said CRM was both the most used and the most valuable tool in their technology arsenal.

Wettemann says she’s seen a distinct change over the past couple of years in CRM’s effectiveness at driving greater productivity across sales, marketing, and service functions. “We see that playing out in two ways,” she says. “It’s adding to the top line by making sales more productive, and it’s cutting the bottom line by automating more tasks and enabling companies to do more with fewer resources.”

Top-line benefits

Many businesses are finding it easier to draw a straight line between CRM use and revenue growth. More effective lead scoring and lead nurturing tools improve the quality of prospects that marketing passes to sales. Automated workflows and built-in analytics provide precise insight and action prompts, helping to boost conversion rates by providing the right touch at the right time.

CRM can also improve repeat business by providing sales, marketing, and customer service teams with a more comprehensive customer view that helps them create and execute an end-to-end engagement strategy. Hilco Valuation's CRM system, for example, has helped the company grow its renewal business by 15% to 20% a year without bringing on additional resources, according to Glickman.

> "CRM is now at the forefront of making you more effective in building relationships. The ability to use information and insights should help you to get and keep the attention of people you are trying to do business with, based on having a better understanding of what they are interested in and what their challenges are, and having those insights in real time."
>
> **Brent Leary**, CRM Essentials

Bottom-line benefits

Advances in workflow automation and the ability to integrate multiple data sources have had a significant impact on CRM's ability to improve collaboration and productivity – instead of inhibiting it, which is what past iterations tended to do.

> "A system that automates data collection and analysis allows you to spend less time doing things like data input, data upkeep, and searching for information."
>
> **Brent Leary**, CRM Essentials

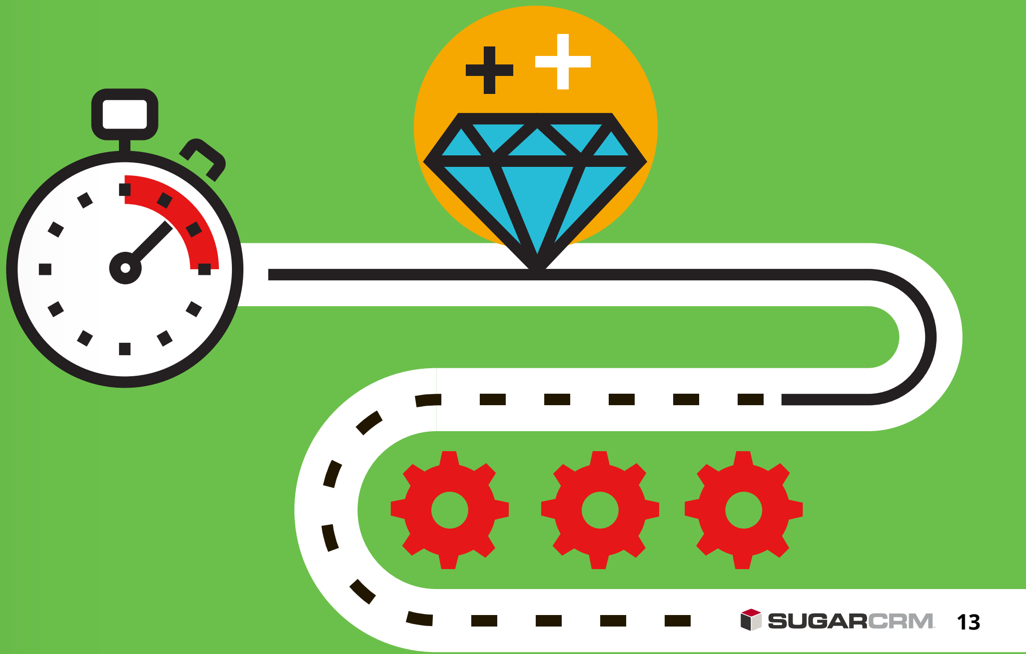
Efficiencies can be found across the business:

- Salespeople can quickly get a picture of where a customer is headed at a glance, providing more time for selling activities.
- Contact center agents can resolve issues with higher satisfaction in less time, with the help of advanced workflow capabilities that provide intelligence and context for each customer interaction.
- For marketers, automated campaign management and lead scoring can reduce manual processes while improving performance.
- IT and administrators benefit from simpler, effective workflow automation. With more advanced visual design tools, developers build more inclusive workflows that require less maintenance. Automation of key associated tasks can ensure that proper pre- and post-sale activities, such as onboarding, are completed quickly to optimize the customer experience.
- Finance teams can use CRM to track and manage payment processes, for example, by tracking against date fields and flagging an account when a payment is missed.

For all of these reasons, it should be clear why any business needs great CRM.

And for manufacturers in particular?

In an optimally designed value chain for a manufacturing organization, the flow is bi-directional. While manufacturing must provide the right products in the right quantities at the right time for sales to sell, it is equally important for sales to forecast and inform manufacturing operations which products need to be manufactured, in what quantities and by when. The timing and accuracy of this demand forecast data forms the cornerstone for optimizing inventories and raw materials, and supply chain management.

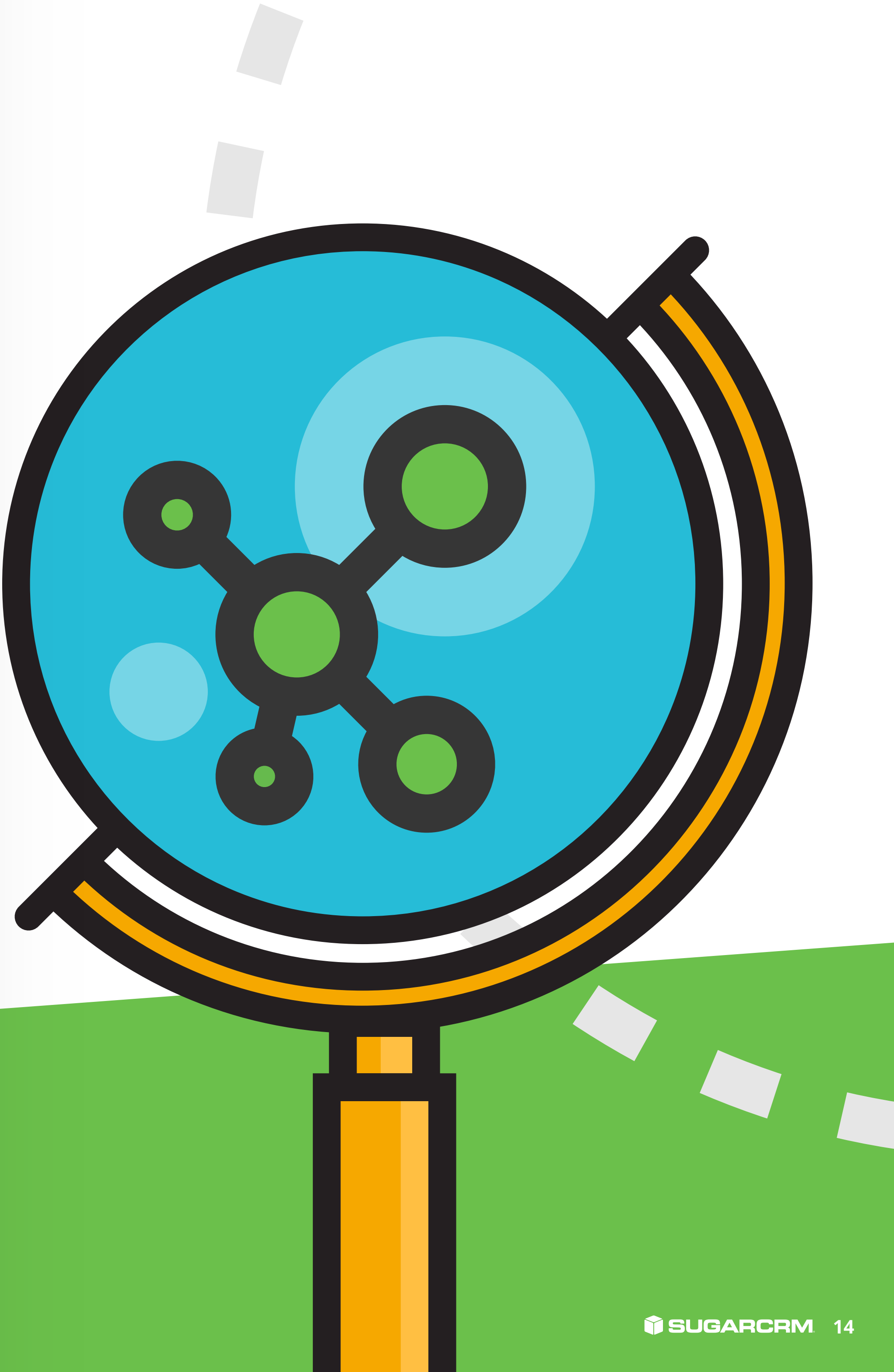


Strengthen and manage your dealer networks

Selling through dealers gives you national or global reach quickly and cost effectively. While this is an established and great model in many ways, it often has the Achilles heel of relinquishing predictability, consistency and control.

CRM lets you get a good deal of these things back. Firstly you can gather and analyze all kinds of information from across your dealer network, to gauge performance and identify gaps. Then you can act, with clear and consistent communication and delivery of the guidance, incentives and tools that will help your dealers succeed.

With the right support, your dealers can be your educated product consultants.



Understanding your end customers helps you give dealers the right support.

You might not interact directly with your end customers, but it's critical to empower your dealers and suppliers who do.

You need to understand the whole journey of how end customers learn about a problem, research solutions, purchase and utilize what they have purchased.

Then you need to make sure your dealers are making these activities simple and straightforward and compelling for the customer.

It's your job to ensure effective:

- **Local marketing & brand awareness**
- **Consumer education on market trends, news, etc.**
- **Dealer salesperson education on your products & services**
- **Assistance with product recommendation & configuration**
- **Sales activity trends**
- **Promotions**
- **Purchase facilitation**
- **Product supply & fulfillment**
- **Warranty, servicing & return facilitation**

CRM is the right business tool for managing these processes and delivering the right information to the right people at the right time.

Measure dealer performance

Dealer performance information can be drawn together by CRM to create scorecards. These can be one-page performance summaries that consolidate key metrics, trends and progress towards goals.

CRM can be used to generate and distribute scorecards in real-time so your dealers and dealer managers can track performance, opportunities, and problem areas. You can easily include drill-down capability for deeper analysis and benchmarking.

Manage strategic alignment with dealers

The dealer-manufacturer relationship is a business partnership. You both need to be aligned, committed, incentivised, accountable and aware of each other's performance. Usually it's you, the manufacturer, who sets the tone and provides the infrastructure and tools to help your dealers succeed.

CRM is the ideal platform for tracking progress against joint plans, and maintaining focus on them. Your plan with a dealer might include:

- **Overall growth targets**
- **Product line growth targets**
- **Barriers & challenges**
- **Opportunities**
- **Specific marketing & sales activities**
- **Joint promotions including marketing funds matching**
- **Support expectations**
- **Reporting needs**
- **Incentives**

Once these are defined in CRM and both parties are using the system, there will be up-to-date information feeding in for regular discussion.

As a strategic tool, CRM will be enabling:

- **Alignment of goals**
- **Mutual accountability**
- **Demand signalling & forecasting shaped by the front line**
- **Order & performance management**
- **Collaboration & review based on fact & insight**

Understand & maximize sales coverage

If you sell multiple product lines you'll probably want to track their performance in specific territories, and quickly identify opportunities and gaps.

CRM can collect territory data to help you see what's needed to maximize performance in each area. Sharing some of this information with your territory managers can sharpen their focus and priorities.

Territory Analysis

Every territory is different, and you might sell different product lines across them. Key questions that need attention include:

- **Do we have adequate brand or product awareness in a local area?**
- **Do I have dealers in the right places?**
- **How much interest are we getting?**
- **How many sales are we getting?**
- **What kind of problems are end customers experiencing?**
- **How informed & educated are my dealers?**
- **How frequently & when are dealers recommending our offering?**
- **When are they recommending a competitor & why?**
- **Are competitors overshadowing us in some areas?**
- **What other factors are shaping demand?**

While dealers need to gather this insight, you can acquire and maintain it too. This is the kind of information your CRM can help you collect:

- **Dealer presence, territory coverage & customer volume**
- **Lead volume**
- **Order volumes & types**
- **Trends (including seasonal)**
- **Warranty registrations**
- **Product defects & returns**
- **Dealer education & certification levels**
- **Dealer competitor representation**
- **Leading demand indicators (sales of related products or services)**

As well as giving you and your territory managers valuable insight, you can also help your dealers understand how to maximize their performance.

Master demand forecasting

Manufacturers with integrated demand planning across commercial, finance, production and supply see a 67% increase in profitability over those who don't. (Aberdeen Group, 2017).

It makes sense to bring in effective demand forecasting to get the supply side of your business producing the right amount of product, all under the watchful eye of finance and executive leadership.

Trouble is, the people who have the best perspective on demand – your dealers and territory managers – are usually furthest from the supply side.

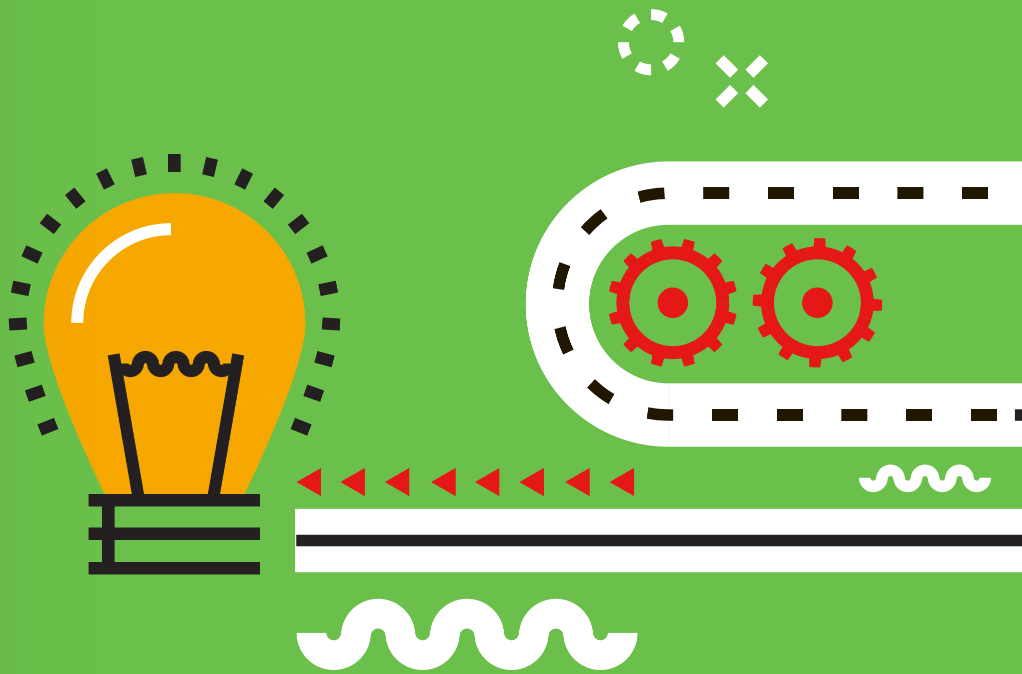
Smart manufacturers are using CRM to set up simple but effective sales-driven demand forecasting drawn from the front line and delivered to finance and the supply chain. It might look something like this:

1. **Dealers provide estimated product line order volumes**
2. **Progress against sales plan is tracked by salespeople**
3. **Territory managers report on total order volumes**
4. **Marketing, sales & service review territory forecasts & update based on their factors**
5. **Finance reviews & refines forecasts**
6. **Dealers, territory managers & business leaders access forecasts in real time**

Manage your supply chain

If you have a complex supply chain and need to track lots of orders and projects, having business-wide processes and using automation can eliminate errors and save time and cost.

CRM is built for this. And when it's integrated in real time with other applications like finance and email, nothing should slip through the cracks.



4. Demystifying CRM technology

Once thought of as a functional repository for customer data, CRM has become capable enough to take on a much broader role in business operations.

> "I don't even think of it as CRM. We look at this more as kind of a comprehensive business platform."
>
> **Jim Glickman**, Hilco Valuation Services

The Hilco deployment bears little resemblance to most legacy CRM systems. But many other businesses have come to rely on the technology as "a proactive piece of the customer engagement strategy," says Leary. "It's still good to have a central location for customer data, but now it's more about having a system that automates data collection, automates analysis, and automates finding insights."

An end-to-end CRM system is more platform than solution. It is extensible and supports a variety of different tools and technologies as part of a broader customer engagement ecosystem. Because the breadth of options and extensions can be overwhelming when shopping for a CRM solution, consider your needs relative to four critical areas:

one **Intuitive user experience**

two **Workflow automation**

three **Process alignment**

four **Platform**

one

Intuitive user experience

The biggest challenge with many CRM deployments is user adoption. If it's not easy to use, if it doesn't help employees do their jobs better, and if it makes tasks more complex instead of easier to complete, then people won't use it.

Modern CRM, therefore, puts a premium on a streamlined, consumer-grade interface. "It's important to simplify the focus, to put just the information in front of the user that they need to make the most effective decision or to make the next best action," says Wettemann.

To do that, you need a CRM solution that lets you define how different users interact with the system. Creating different user types and roles should be simple, allowing users to see only the information that's relevant to them for the activity they're engaged in. Insights should be delivered visually wherever possible to help users conceptualize information and act decisively. And the intuitive interface must extend across desktop and mobile devices, so that field agents and mobile workers get the same experience regardless of device or location.

"The user interface has become mission-critical, even though you might not think of it as an ordinary part of CRM selection," says Paul Greenberg, Managing Principal of The 56 Group and author of CRM at the Speed of Light.

The user experience should improve further as vendors add artificial intelligence (AI) capabilities into their products.

"You want a system that is so intuitive that end users don't require training to use it. We're certainly seeing a move in that direction."

Rebecca Wettemann, Nucleus Research

two

Workflow automation

A modern CRM platform must excel at workflow management, automating processes wherever possible. Businesses can use advanced automation to enforce best practices, improve productivity, and reduce costs. Intelligent workflow can deliver excellent value across the organization in areas such as:

- **Intelligent call routing: Sales and service run more effectively when the CRM system leverages a business rules engine and advanced workflow to enable seamless handoffs and smart escalations – for example, routing calls to in-house product experts outside the support center.**
- **Predictable cash flow: Managers can model sales revenue and build forecasting dashboards that enable executives to track progress against projections. The system can also create payment tracking mechanisms as part of customer lifecycle management and send alerts regarding payments at risk.**
- **SLA compliance: A process-oriented CRM can help guide the entire service resolution lifecycle and apply automated SLA management. For example, high-priority customer issues can be intelligently routed, and the system can send alerts whenever threshold values for action are exceeded.**

three

Process alignment

Businesses use CRM as a platform to align business processes across the entire organization, including:

- **Contract management: Speed up time-to-close with modules that access customer data for contract creation. The system can manage contracts through both the sales cycle and the customer lifecycle.**
- **Order management: Automate workflow in the post-sale process and ensure customers get what they've purchased. In this way, the CRM promotes reliable transitions among sales, fulfillment, billing, and payment.**
- **Service delivery: A CRM-enabled customer support hub can automate the process around post-sale delivery, installation, and other services.**
- **Claims processing: Manage the tracking of customer claims, returns, and refunds, integrated with financial systems.**
- **Purchase request management: Enable intelligent purchase order creation, ensure timely alerts, and enforce parameters around purchasing activities.**

four

Platform

Today’s CRM solutions are typically cloud-based, but some vendors offer hybrid hosting options and freedom of choice on cloud storage. Code bases vary by vendor. Some solutions are built with proprietary code, while others use open standards.

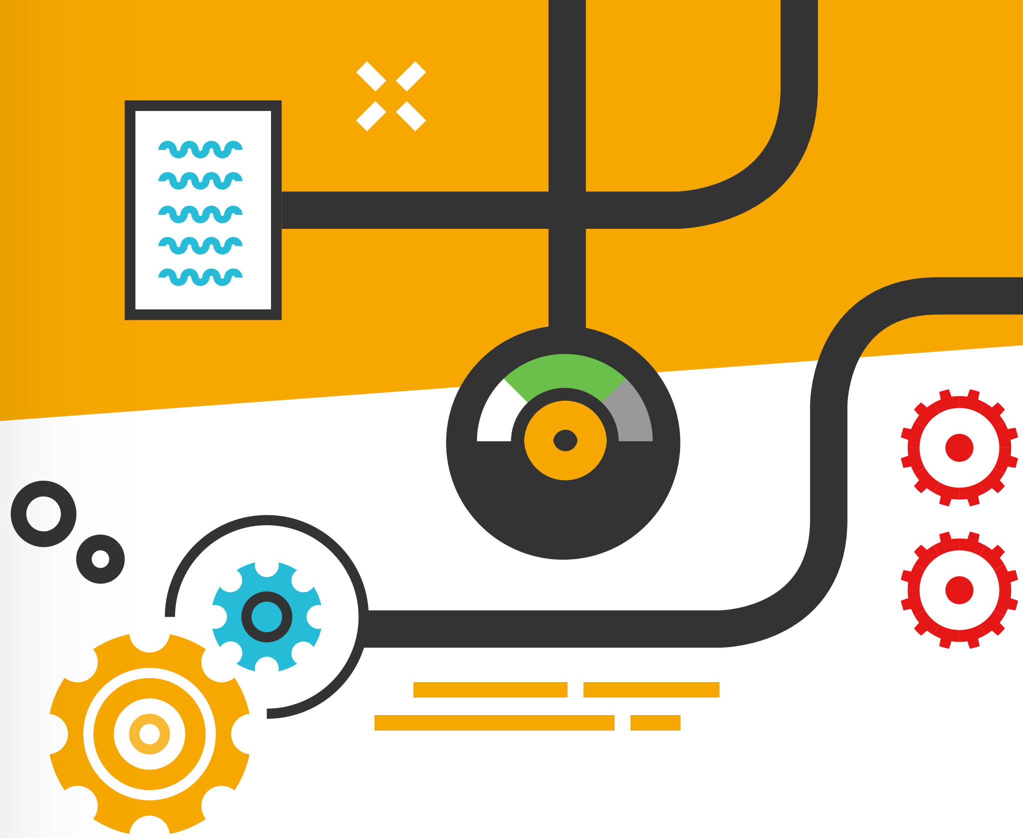
Code choices can dramatically affect flexibility and total cost of ownership. If the full source code is available and common languages are used consistently throughout, you can customize without specialized coding expertise.

With no barriers to development, your business can leverage the power of CRM in all situations. Not only can you optimize your standard interfaces affordably, you can create “disposable apps” that can be fired up for one-off events such as trade shows or new product launches.

5. CRM evaluation checklist: focusing on the features that matter

A great CRM system serves as the key that unlocks superior customer experience by tying your business together. When you look closely at various solutions, you'll find important differences in features and functionality. This checklist will help you ask the right questions to narrow down your choice.

Core CRM features



Sales automation

- What built-in capabilities does this solution provide for sales acceleration?
- Does the solution auto-populate records & forms?
- Can it ensure that contact data is accurate?
- How does the solution drive sales productivity?
- Can it automate the delivery of information about companies & influencers in its dashboards?

Lead management:

- Does the solution come with functionality to automate prospect outreach & lead qualification?
- What capabilities does it include for lead nurturing?

Case management and self-service:

- Does the solution deliver a comprehensive customer record to call center agents that includes data from the sales department?
- Does the solution automate call & email routing to support prioritization & reduce wait times?

Other features and functionality

Workflow automation:

- Does the solution automate workflows?
- Does automation support the entire customer journey, from acquisition to advocacy?
- Does the solution offer automated call logging?
- What skills do we need to customize workflows?

Integration (applications & data sources):

- How does the solution integrate with my core ERP/MRP system?
- How does this solution integrate with other applications & data sources?
- What integration capabilities are built in?

Usability/UX:

- Is the default user interface consumer grade?
- What work is involved in customizing an interface?
- How consistent are the desktop & mobile interfaces?
- Does the solution include offline mobile capabilities?

Relationship Intelligence:

- Will the solution help us to accelerate call preparation time by providing associates with rich customer contact & social network information using just a name & an email?
- Will the solution enable us to spend less time on research & maintenance so that we can spend more time getting to know our customers?

Platform requirements

Customization & extension platform:

- How is the platform optimized for extensibility & customization?

Code base/source code access:

- Does the solution provide access to the full source code?
- Is the code base consistent across all modules?
- Is the solution written in a proprietary language?
- What expertise & tools will we need to customize the solution?

Application hosting:

- What are the options for hosting the application?
- Can we choose where our data is stored?
- Is there any charge for using local storage or a public cloud?
- Is there a charge if we choose to relocate our data?

Single- or multi-tenant software:

- Do we have control of our own application version?
- Do we schedule our own updates, or does the vendor set the migration schedule?

Security & compliance:

- Can this solution meet our data security & privacy requirements?
- Does this solution enable us to meet our regulatory & compliance requirements?
- Does this solution provide the governance tools we need?

Pricing/total cost of ownership (TCO):

- What are the pricing models & levels?
- Are there any upcharges, additional product charges, server license charges, or maintenance charges?
- What other charges & fees might we incur over the lifetime of this solution?
- Are there charges for usage above preset limits and for storage of files?
- Are there charges for integrating applications & data sources?
- Are there limits on API calls?

Vendor requirements:

- What type of customer support is included with the solution? Do they offer extended, phone-based technical support packages?
- Do they provide a knowledge base, case portal, or other online resources?
- How broad/deep is their ecosystem? Are they part of a wider network of deployment partners?
- Do they offer packaged connectors to critical features?

6. A blueprint for CRM Success

CRM success starts well before the technology purchase. It's important to begin with a blueprint encompassing business alignment, team building, and change management. These foundational elements will help to ensure maximum adoption and business benefit from your CRM solution.

"When it comes to choosing a CRM system, you have to get your objectives in place," says Greenberg. "What do we want to do? What is the strategy? How do we want to go about executing? If you don't have those questions answered up front, the buying decision is going to be based off of old information or maybe no concrete information at all."

Leary agrees that companies sometimes venture into CRM projects without enough reflection.

"Price and implementation are important…but it starts by asking 'Why are we doing this in the first place? And what processes do we need in place in order to make sure that the outcome we're going to get is the one we want?"

Brent Leary, CRM Essentials

Start at the top

Leadership input is vital in a CRM deployment or expansion. Charlie Brown, CEO and founder of Context Partners, explains in Harvard Business Review:

"Because it involves software, many companies make it the CTO's responsibility. But relationship management also depends on policy, incentive structures and people. In the brand-driven environment of modern commerce, no strategy impacts your business more than how relationships are managed, inside and outside the organization, and that's an executive role if ever there was one."

It's important, therefore, to avoid the legacy CRM trap of fixating on management and process efficiency, and focus instead on the customer lifetime value that could accrue from deeper bonds and increased relevance – and revenue.

Selling the investment to leadership involves defining what success is in terms they can understand. The best business cases, says Wettemann, focus on two or three clearly articulated business benefits, such as shortening the quote-to-cash cycle for sales teams or reducing call resolution times in customer service.

Navigating the naysayers

How to overcome common objections to a CRM purchase.

Objection	Response
Can we afford this solution?	We can start small with a per-user subscription model and scale as needed. We'll look for a solution with no hidden fees for maintenance, reporting, or customization. Additionally, in terms of productivity gains and increased sales velocity, not deploying the system now could cost us money in the short and long term.
Our employees hate CRM – it's too complex	We can build role-specific interfaces that make it easy for users to interact with the system from desktop or mobile devices. They will see an intuitive tool that gives them access to the information they need when it matters most. And the insights we can draw from that data can give them an edge over the competition.
We don't have the skills to do the customization we need for this to work	Customization is essential to creating a total customer view to empower our engagement strategy. Web services and standardized APIs make it easier to create custom integrations that are uniquely suited to our business needs. Plus, it's better to start small, configuring the system for quick wins, than to be oversold up-front on a bunch of features that we don't need.
We should buy from the CRM market leader – that's the safest choice	Any vendor, large or small, can terminate development or support of a product at any time. We want to choose a vendor that offers solid protection in case of disaster or prolonged downtime, with the ability to run our CRM software with multiple cloud options – not just access it from a single cloud environment. And think about this: is doing the same thing as everyone else a good way to differentiate ourselves?
Our current solution is fine	Our current system does not scale and does not allow us to address the changing needs and behaviors of our customers. We need a modern CRM solution to compete and grow. Advanced workflow capabilities are critical to simplifying complex processes. We need to develop mobile strategies and experiences on the fly, something we lack today.
We will lose control of our data with a cloud-based CRM solution.	The market is moving toward a Software-as-a-Service (SaaS) consumption model. We will have the option to select a public cloud or a private cloud deployment. We will also ensure that the software complies with all relevant data security and privacy regulations.

Engage everyone else, too

CRM planning processes must focus on getting everyone on board. If your organization has a status-quo culture, you could face stiff resistance. "If you're at one of these companies where buy-in is difficult, the first thing you have to do is find your champions and recruit them," says Greenberg. "Just like in politics, you find your evangelists and your champions, and you recruit them."

> "Just like in politics, you find your evangelists and your champions, and you recruit them."
>
> **Paul Greenberg,** The 56 Group

Champions connect with key stakeholders across the organization and bring the right people in at the right times throughout planning, evaluation and implementation.

As you expand outreach, identify every department and role that will interact with the system and develop a process for communicating and soliciting feedback. Help stakeholders see what is in it for them. Work to maximize involvement and ownership across departments and user types.

"There is the old adage: Vote early and often, and it holds true when campaigning for changes in work behavior," says Wettemann. "Getting business users aligned in the beginning of the process — even in the selection of the vendor — is important. Help them understand what's in it for them from the beginning."

If you're saddled with an underperforming CRM – or outdated, labor-intensive processes – achieving buy-in should go more smoothly.

"It was not hard to get people to switch, because everybody was craving something [new]," says Glickman. "We were growing at a pace where if we went along that trajectory for even just a couple more years, we wouldn't be able to manage our business. So we had a number of people who were pounding the table for it."

Building the CRM 'A' team

A successful CRM deployment involves getting buy-in from key stakeholders across the business. These are the things they care about most:

Stakeholder	What they care about
Sales management	Pipeline visibility & management, Customer acquisition, Customer retention & trends, Line of business/product category sales trends, Sales forecasting, Territory management, Sales performance management, Dealer Management
Marketing management	Inbound/outbound marketing, Lead management, Marketing automation, Campaign management, Social listening & tracking
Service management	Service management, Workflow automation (resolution, referrals, escalation) , Upsell/cross-sell capabilities, Customer retention, Performance evaluation
Finance manager/director	Total cost of ownership (TCO), Pricing model (Capex vs. Opex), Revenue projections, Cash flow management, Integration with billing systems
Head of IT	Integration with existing platforms/applications, Delivery model (cloud vs. on-prem), TCO, Customization capabilities, Data management/privacy/compliance capabilities, Vendor support
C-Suite (CEO, CFO, CMO, COO)	Revenue forecasting/reporting, Customer engagement, TCO, Governance
Power Users (sales/marketing associates, call center reps)	Impact on productivity, Efficient data input, Easy access to information, Mobile capabilities

7. Success metrics: a checklist

It's essential to define your success metrics for CRM as part of the buying process, because these metrics will help you determine the functionality you will need in order to deliver positive top - or bottom-line results. You want to measure CRM performance with precision for optimal outcomes.

Here's a sampling to get started:

Business outcomes

- **Pipeline visibility:** Track whether the CRM system is giving sales teams a comprehensive view of customer or prospect activity so they can identify new opportunities.
- **Conversion rates:** Track current conversion rates across all defined sales stages to establish baselines on which to benchmark success. Include sales, upsells, and cross-sells in tracking.
- **New business growth:** Track new customer accounts or net new sales by customer.
- **Retention and profit per customer:** The duration and value of customer relationships.
- **Sales performance:** Get as granular as possible with your team's performance, such as average sales cycle, conversion rate by sales rep, or activities across each stage of engagement.
- **SLA compliance:** Manage performance and compliance with service level agreements with your customers.
- **Customer satisfaction:** Set targets for customer satisfaction and measure against those.
- **Customer advocacy/influence:** Track customer sentiment via direct feedback, social media, or metrics such as Net Promoter Score (NPS).
- **Attrition:** Set targets relating to different causes of attrition to determine whether the CRM is delivering expected improvements.

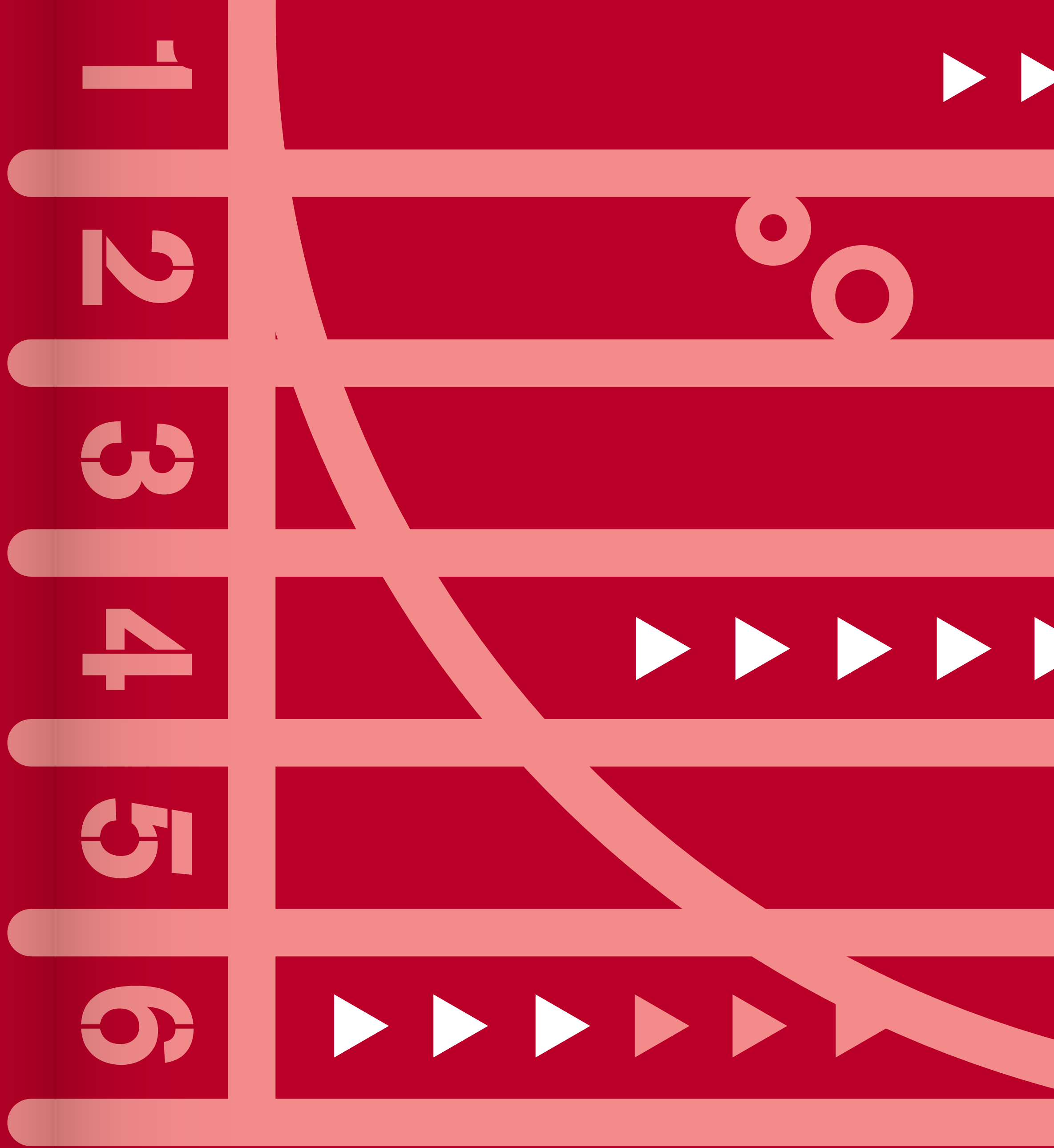
Dealer network performance

- **Marketing engagement.**
- **Sales engagement.**
- **Order volume trends, including line of business trends.**
- **Warranty and service requests.**
- **Forecast and quota attainment.**
- **Dealer-specific targets.**
- **Local market demand generation initiatives and investments.**
- **Current period product line order volumes against targets.**
- **Prior period (or prior term) product line order volumes.**
- **Certification/education objectives per employee.**
- **Customer warranty registrations.**
- **Customer promotion redemptions.**
- **Progress and notes towards plan objectives.**
- **Terms / Credit Limits / Net Payments Outstanding.**

Operational performance

- **Usage rate:** A CRM system is only as good as its users. Set adoption and usage goals for each department.
- **Employee satisfaction:** Target and track areas where employees are expected to experience improvements in their work, such as collaboration and depth of insight.
- **Lead quality:** Set standards for lead qualification and opt-outs, and measure the quality of leads that pass to sales via automation.
- **Automated outreach:** When you use CRM to prompt customers based on data signals, measure the performance of those campaigns.
- **Interaction intervals:** Is the CRM helping you keep customer relationships fresh?
- **Speed of response:** Are customer service representatives responding faster with better information?
- **Fulfillment:** Measure whether the CRM is helping you complete post-sales operations faster.
- **Payments:** Use the CRM to follow the customer journey to the end, and apply time-to-payment metrics.
- **TCO:** Set a budget for CRM implementation, maintenance, and growth, and measure against it. Target

8. Getting started



You're getting closer to a purchase decision, but you're not quite ready to buy yet.

"The last thing you do is choose your technology," says Greenberg. "You don't choose it and then decide what to do with it. You figure out what you need to do first, then you put in the CRM to enable you to accomplish what you plan on doing."

"You don't choose [the technology] and then decide what to do with it. You figure out what you need to do first, then you put in the CRM to enable you to accomplish what you plan on doing."

Paul Greenberg, The 56 Group

So what are those first steps after securing business buy-in?

Here are seven.

one **Plan your design/build /modify architecture**

two **Map your business processes**

three **Map the customer journey**

four **Prioritize opportunities**

five **Align sales and marketing**

six **Define the user experience**

seven **Determine which applications and data sources to integrate** one

Plan your design/ build/modify architecture

In evaluating solutions, teams should inquire about code bases, extension frameworks, and ease of customization. These factors will affect development opportunities and costs.

Greenberg notes that no CRM solution can do everything out of the box. "The question is: How much can it do?" he says. When the HVAC manufacturer York was evaluating CRM solutions, it identified 250 business processes that the business used consistently. "One of their tests was how much of what they needed could each solution do — out of the box, without customization? It's a fairly simple test," Greenberg says.

CRM customization focuses largely on building workflows, integrating applications and data sources, and refining user interfaces. Project teams should map the organization's business processes against CRM solutions during evaluation to determine the scope of customization needs.

Hilco Valuation's CRM system is highly customized, because of its broad use across business operations. "We spent a lot of time upfront before we developed even one line of code, understanding what our business process is and what it could be," says Glickman. "We wanted the technology to mirror our processes and not have the process mirror the technology."

"We wanted the technology to mirror our processes and not have the process mirror the technology."

Jim Glickman, Hilco Valuation Services two

Map your business processes

To be effective, your CRM system must map closely to mission-critical business processes.

"Where CRM has failed is where the business doesn't make it a critical part of the process," says Glickman. "If you put CRM off to the side, where it's not really required, that's a recipe for failure."

In addition to identifying essential processes that the CRM system will manage, use the CRM deployment as an opportunity to fix processes that don't work well. A CRM solution can help optimize customer-facing processes end-to-end, but it can't fix broken ones on its own.

"You shouldn't just be paving over the old cow path," says Wettemann. "If you're implementing a new CRM solution, you should be looking to see how you can automate and streamline to make processes better, rather than just coding what you have already done."

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Rebecca Wettemann, Nucleus Research

three

Map the customer journey

Game changers view their business through the customer's eyes. Planning should include an agreed-upon definition of the optimal customer experience. A comprehensive customer journey map – developed from the customer's perspective – will help you to identify gaps and opportunities to re-work existing processes and add new workflows.

By mapping the customer journey in detail, the project team gains a rich understanding of customer needs, preferences, and behaviors at every stage. Next, align those preferences and activities with your customer-facing processes, which will help you to identify areas in need of improvement and ensure consistent handoffs of the customer record along the journey.

four

Prioritize opportunities

Work with department heads to develop revenue and productivity opportunities at every stage. Once opportunities are flagged, study them for the ROI potential, compare them, and prioritize CRM expansion accordingly. For example, if accounting can receive payments faster by gaining access to sales data, you can designate deployment there as a high priority.

Look for potential efficiencies beyond the core sales/service/marketing functions. Plan to leverage CRM automation to ensure timely revenue flow and replace inefficient processes throughout the customer lifecycle.

five

Align sales and marketing

Sales acceleration is one of the leading benefits of CRM. In a recent B2B Technology Marketing Community survey, 61% of marketing executives said lead quality was their No. 1 barrier to success.

It's important, therefore, to align sales and marketing around lead qualification definitions. With these definitions in place, the CRM system can help you to reduce pipeline waste by automating certain lead scoring and tracking activities.

six

Define the user experience

Work with department heads and front-line workers to discover the insights, prompts and functionality they need based on their role. A CRM system can integrate endless functionality and data across sales and service functions, so the project team must guard against overloading users.

Users should have an intuitive interface that delivers only the data that is most relevant to their roles and the specific customer moment. Performance should be consistent between desktop and mobile experiences.

To ensure productive CRM usage, build coaching into the dashboards. "We are seeing solutions that are more usable and allow for less training for users to be productive with the application," says Wettemann.

seven

Determine which applications and data sources to integrate

Determine what applications and data sources are needed to empower users and maximize workflow efficiency. According to Wettemann, Nucleus has found that edge applications (such as configure price and quote (CPQ) tools, field service, or contract management), integrated into a CRM can deliver more than four times the ROI of core CRM core applications like sales automation, marketing automation, and service automation.

Users also need to trust the data. Consider developing a master data strategy in parallel with the CRM project to maximize data quality. Data governance also is a key consideration of any data integration strategy. Prepare a requirements list so you can uncover any potential issues around how you manage customer information related to security, privacy, or compliance.

9. CRM's ideal state

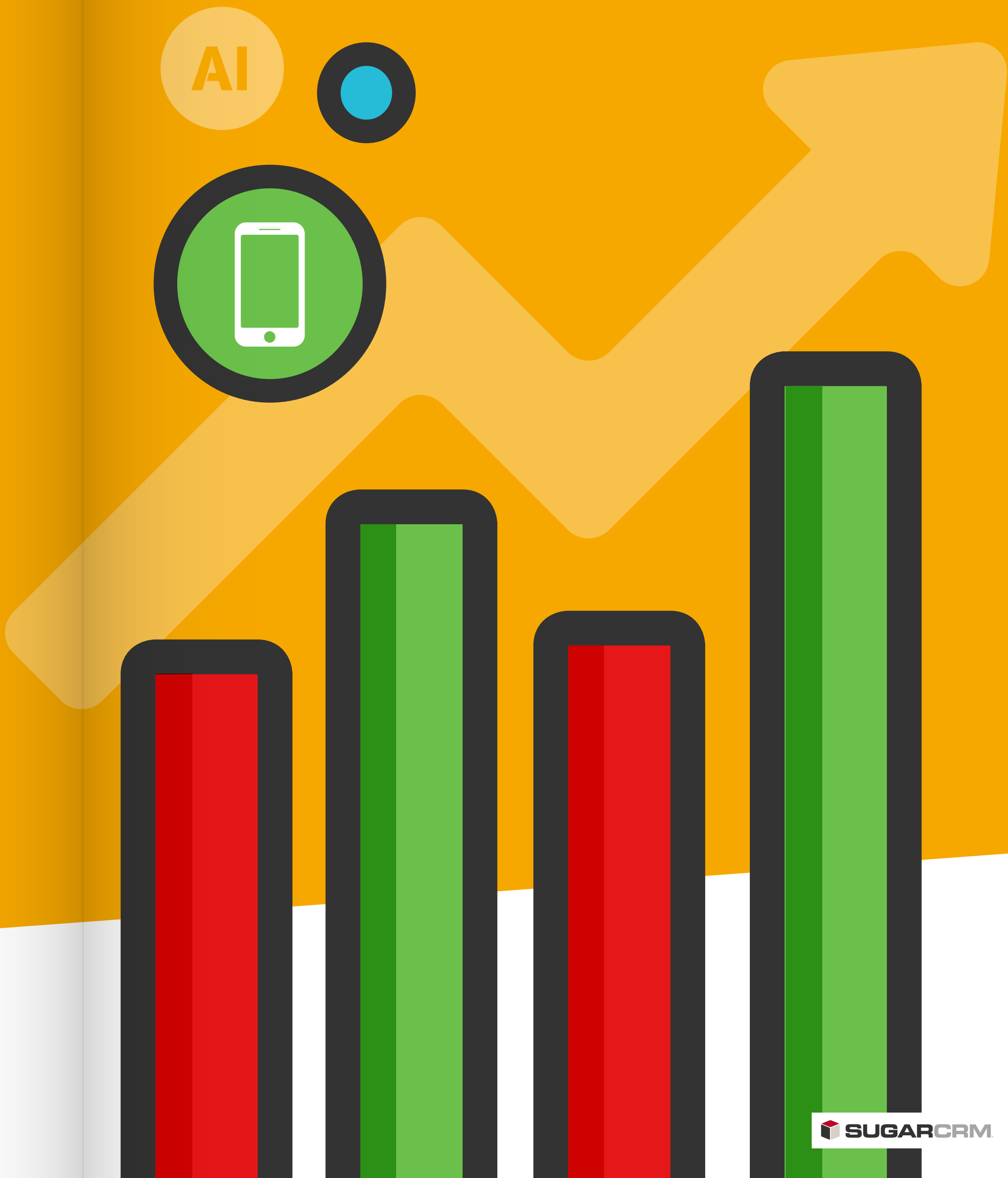
Key Steps Toward CRM Maturity

	From	To
Sales/Marketing	• Company-defined processes • Static workflows • Segmented customer information, resulting in disparate, sometimes conflicting data • Standalone tools for tracking prospects, pipeline activity • Historical reporting • Inaccurate forecasts • Labor-intensive data input	• Customer-defined processes • Dynamic, automated workflows • Integrated data sources enabling end-to-end customer view and better pipeline visibility • Predictive analytics for more accurate forecasting • Predictive reporting • Full customer lifecycle management
Service/Support	• Labor-intensive call center • Limited hours of operation • Scripted, task-focused agents • KPIs based on call time resolution • Reactive service	• Omni-channel, automated service offerings (phone, web, social) • 24/7 access • Empowered, experience-focused agents • AI-assisted call routing • AI-assisted support (e.g., chatbots) • Escalation to internal experts • KPIs based on customer satisfaction • Proactive/predictive service
Business Strategy	• Disjointed view of customers • Gut-feel decision-making • Reactive to market shifts • Compliance risks created by poor data management practices	• Executive dashboard that shows real-time performance and trends • Data-driven decision making • Proactive approach to new markets, new customer segments, R&D • Reduction in new hires due to automation • Reduced risk
Business Operations	• Manual data input and transfer • Inefficient record keeping • Ineffective training methods due to overly complex technology	• High-level cost streamlining • Predictive sourcing • Increased efficiency in credit control and other processes • Reduced training costs

10. The Future of CRM

Your business doesn't stand still, and neither should your CRM system. A CRM solution should put you on a path of continuous improvement, with the most exciting advances in key areas such as mobile and artificial intelligence. The future of CRM is about fine-tuning the ability to deliver the right information to the right user at the right time – even if they don't ask for it.

"There's so much information out there that using technology to bring that needle in a haystack to the CRM user is going to become increasingly important for an increasingly competitive world," says Wettemann.



Better mobile capabilities

Optimizing CRM for mobile devices is a critical focus, as sales teams and entire workforces spend more and more of their working hours on their smartphones or tablets. The emphasis going forward is to deliver better insight and functionality to the small screen.

“Several years ago, we looked at mobile apps for salespeople and found that mobile CRM gave them roughly a 12% increase in productivity,” says Wettemann. “That number is only growing as the applications get better and mobile use becomes more ubiquitous.”

Improving mobile CRM functionality is a priority at Hilco Valuation Services. “We would like to take a lot of the work that happens in this office and move it into the field,” says Glickman. Traditionally, appraisers in the field hand wrote or dictated notes, then brought them back to the office where they were entered into the CRM system. “We’re moving the responsibility for the point of capture from here to the field,” Glickman explains.

Relationship intelligence

Even more promising for the future of CRM is artificial intelligence, or AI. A recent Gartner report calls AI a "force multiplier for workers who ease the relationships between customers and organizations." Gartner found that many organizations plan to link AI to customer engagement applications, call center service and support, and digital marketing practices.

As CRM systems become more adept at consuming large amounts of data, and leverage machine learning algorithms to generate insights more quickly, they will allow every user to better know every customer, and to anticipate and predict customers' needs more effectively.

Collecting a variety of unstructured data, including social media posts, emails, and call center recordings, and combining this behavioral data with transactional data, CRM systems will be able to deliver deeper insights on customer preferences, which deepens the customer relationship. Social data in particular can help an organization learn from and engage with customers at a more holistic level.

In effect, machine learning will turn CRM into an indispensable "robot assistant" that not only makes the user more efficient and effective at getting the job done but tells them things they don't already know about their customers.

"We'll see more embedded AI as personal digital assistants for every user," says Wettemann. Early returns are promising: in some of its early research around social selling, Nucleus has seen productivity increases in the double digits for salespeople, "simply because of the ability to pull all that information together, put it in the right place, and show them not just what to do, but how to do it," Wettemann explains.

> "We'll see more embedded AI as personal digital assistants for every user."
>
> **Rebecca Wettemann,** Nucleus Research

Finding the meaning

Natural language processing (NLP) is another form of AI that meshes nicely with CRM. By parsing emails and other messages, a CRM can assess urgency and prioritize cases. NLP can also improve the effectiveness of automated responses and even replace customer surveys as the primary tool for gauging customer satisfaction.

The combination of NLP and chatbots promises a further boost in customer engagement through digital channels. In a recent survey by SugarCRM and Flamingo, three quarters of the respondents said they're comfortable using chatbots and think they would improve the online experience.

Because as much as 98% of all customer interactions are simple queries of some kind, bots can be immensely valuable for scaling and streamlining engagement, says Greenberg. "You don't want to be delighted by the answer; you just want the answer," he says. "That's the value of AI: the ability to learn without the human on the ordinary stuff."

Leary sees tremendous potential for the intersection of voice technology and CRM, with voice activated assistants such as Siri and Alexa paving the way. "People are interacting with these devices in ways you could not have imagined even a few years ago, and every interaction becomes a data point," he says. "It's going to have a huge impact on customer engagement and the foundation that CRM sits on."

> "People are interacting with [virtual assistants] in ways you could not have imagined even a few years ago. It's going to have a huge impact on customer engagement and the foundation that CRM sits on."
>
> **Brent Leary,** CRM Essentials

Leary sees additional customer engagement opportunities with other Internet of Things (IoT) devices, such as connected appliances that auto-sense the potential failure of a part and place an order for a replacement without human intervention.

"You're seeing all kinds of use cases with these devices that we've come more dependent on, including cars," he says. "That's why CRM is at the heart of a customer engagement strategy: because it becomes the central place where all your customer data resides, regardless of the source."

Glossary of CRM Terms

As you start on your path to modern, game-changing CRM, it's important to familiarize yourself with commonly used CRM terms and industry definitions. For the complete list, visit our CRM Glossary at:
www.sugarcrm.com/resources/crm-glossary

Are you ready to challenge the status quo with modern CRM?
Start at **www.sugarcrm.com**