

CRM – SHOULD WE?



CSO White Paper Series from Chuck Reaves, CSP, CPAE, CSO

A Client/Customer Relationship Management, CRM, is a software program that allows salespeople and sales managers to track specified sales data. This can include customer information and sales activities.

The Nature of the Beast

First of all understand a few basic facts about CRMs in general.

ONE: They all have capabilities you will never use. In order to be commercially viable, CRMs must appeal to a significant critical mass. The size and mix of this mass is largely determined by the number and mix of capabilities in the program. Even industry-specific CRMs will have capabilities that some users will never employ. The richness of the application can cause it to require more memory and processing capacity and it can increase the price. The same capability that you find to be useless can be the one that causes other organizations to choose the program. When considering which CRM is right for your organization begin with the assumption that it will be more robust than you need.

TWO: They all lack key capabilities some users need. There are functions that your sales model needs in order to succeed and others that could help drive your sales more effectively or efficiently. You are unlikely to find them all in any given off-the-shelf program. A proprietary CRM can be costly to develop in terms of time and investment dollars and even then lack some of the capabilities you need. At the end of the day, it may eventually lack some capabilities that changes in your sales model are requiring. Choose a CRM that meets the majority of your requirements and then ask the vendor about additional applications or bolt-ons that are available.

THREE: Salespeople will typically resist them. “Do you want me out selling or do you want me putting numbers in boxes,” is the most common attitude. Expect resistance when implementing or changing your CRM program. (See the section below on Selling Your CRM to your sales team.)

FOUR: A CRM is neither a panacea for solving all of your sales issues nor is it a necessary evil. It is somewhere in between. It cannot be something that it isn't and it can be a valuable

It's even lonelier at the top for the Chief Sales Officer



resource. The value of your CRM is determined by your selection criteria and your implementation strategy.

FIVE: CRMs are not mandatory but their function is. We live in the Information Processing Age. There is no shortage of information. The winners in sales today are those that can gather, analyze and use the available information most effectively. Customer expectations are changing. The salesperson who asks questions when the answers to those questions are available elsewhere is considered to be lazy, unprofessional and is wasting the customer's time. **The inability to efficiently manage information is becoming a barrier to entry in a growing number of sales situations.**

Selecting Your CRM

The process will not be pretty and then end result will not be perfect. Since a CRM will always be a work in progress, your objective is to find the best *initial* offering. The criteria for this include:

- Flexibility – can it be modified?
- Scalable – can it grow as you grow and/or change?
- Compatible – does it need to interact with other programs or systems, i.e.: ERP?
- Implementable – can your least-savvy salesperson use it?

You will have many options – probably more than you would like. So begin prioritizing your selection. The two essential elements here are:

- **Outcome**
- Sales team involvement



OUTCOME

This is ***the most critical***, essential step in selecting your CRM. Time invested in this step will save significant time and money later. It is better to err on the side of giving this too much consideration rather than too little.

It Is a Team Decision

No individual can possibly determine which CRM is best for an organization. There are too many variables and too many opportunities for unintended consequences. Every individual on your team can bring a different perspective to the decision and each element of the sales process needs to be represented.

Plot your sales process as you would in a Kaizen for Sales event. Begin with, say, Leads (where do your leads originate) and move all the way to Collections or Referrals (the two most frequent last stages in sales cycles). Look at each stage of the sales process and you should be able to determine which individuals in your organization need to be involved.

Here are the most common:

- **Sales Leadership** – from the Chief Sales Officer to the Sales Manager and every level in between (Vice President, Regional Managers, etc.) what do they want from the CRM? What information or capabilities would help them keep their sales people doing the things that are most likely to meet or exceed the corporate objectives? For instance, when the corporate decision is made to focus on a specific product or market, what could your CRM do expedite that?
- **Salespeople** – this is the make-or-break level for CRM success. When the salespeople are not bought in, they typically do not engage without considerable management involvement. **When they are brought in to the decision-making process they are more likely to buy into the implementation.** The most disastrous CRM implementations have been those that were perceived to have been forced on the salespeople. Which salespeople should you invite to the selection process?
 - **Leaders** – you know who they are. The salespeople that others look up to; the ones who are most successful. When the other salespeople hear and see that the sales leaders are embracing the program, they are more likely to buy in as well. Your sales leaders can be your greatest endorsers of the CRM.
 - **Laggards** – your weakest salespeople will indicate which aspects of any CRM are problematic for them. Their input will give you an early indication of potential implementation issues that you will need to address. It will help develop your CRM training program.
- **IT/MIS** – of course your techies will need to be involved. The emphasis for you here is to keep them out of the weeds. Yes, a newer, perhaps better, technology is only a few months away. Yes, the CRM could have been developed another way. And, yes, it may require some changes in the corporate technical infrastructure. Paralysis by analysis in CRM selection often begins here. Watch for “tech envy”, the feeling by some technology people that their technical savvy is being challenged.
- **Accounting** – ask the accounting folks what non-verbal dialog they would like to have with the salespeople. What real-time or near-real-time data would they like? If your selected CRM will output financial information to your accounting system, everyone will be happier. It would be one less effort for the salespeople, the accounting folks will realize they are receiving better information more often and anyone who relies on financial information for decision-making will be better served.



- **Manufacturing/Distribution** – once the salesperson sells it, someone has to insure that it gets to the customer on time and in the right quantities, sizes, etc. Could your CRM assist your product/service production people in scheduling, purchasing, etc.? Some significant efficiencies can result from a comprehensive and well managed CRM program.
- **Others** – depending on your industry, market and customer base, who else needs to be involved in your CRM selection?

Key point: whoever is on your selection committee needs to be teachable. The CRM that is favored by the sales leader may be technically incompatible with other essential programs or systems. Each team member must be able and willing to learn why one approach is better than others.

CRITERIA

Have each member of the selection team write out their requirements for the CRM. Give them at least a week to do this.

Encourage them to interact with others in their area of responsibility. For instance, ask the person representing the sales team to ask other salespeople for their ideas. More initial input is better than too little. More involvement in the early stages will increase the likelihood that the ultimate decisions will be accepted.

Have each person on the selection team prioritize their requirements into “Must Haves” and “Like to Haves”. Then ask each person to explain outcomes. “If the CRM had that capability, what would it be worth to the company?” This quantification process can be used to justify the cost – in time and money – of implementing the best CRM alternative.

KAIZEN FOR SALES

This is a time when conducting a sales Kaizen event can be most beneficial. Map your sales cycle and then plot the sales process for each element and ask how each one could be eliminated, delegated or automated by using the capabilities of a CRM. (For more details on Kaizen for Sales, see the book, “*The Nanosecond Salesperson*”.)



THE FUTURE

As well as possible, consider what your future needs in sales may be. Analyze what your customers want now and what they will expect in the future. Use the question, “What else could we provide you...?” Find out what your competitors are doing. Your CRM can

keep you on top of your game and ahead of your competition. Have someone research what your competitors are doing as well as what they may be planning.

Vendor Selection

Once you have developed a comprehensive list of requirements and desired outcomes, you will want to invite proposals from vendors. Again, more information is better so a broad base of vendor presentations is better. Even if you have determined that your organization should use a cloud-based program, have a desktop/laptop program provider make a presentation as well.

To save time, begin with an internet search and compare different vendors. You might also ask your selected vendors to make their initial presentation via the web. These two steps can shorten the time you will invest in vendor selection and it will save the vendors' time as well.

APPLES TO APPLES



An “apples to apples” comparison will be difficult. While the basic functionalities of all CRMs are similar, their differentiations can be vastly different. Appreciate the fact that the vendors will push their unique capabilities in an attempt to earn your business. Keep your prioritized list of requirements in front of you. Do not be distracted by an exciting feature that may not be essential for your sales process; stay on task.

You will be exposed to unexpected capabilities. For instance, some CRMs offer voice recognition as an input form. If you have salespeople who resist “typing”, this could be an attractive feature. However, if your salespeople are too technically-averse to learn how to type, are they interested in going through the learning curve to learn this new process?

AND WHAT ELSE?

Look for vendors who provide easily-customizable features. You should be able to simply add fields that can export to other programs like Excel. For instance, if you want to be able to include your customer's shoe size, you should be able to implement that without the vendor's involvement.

Changes in sales are happening quickly and frequently. Your CRM should be able to address changes in process, techniques and technology. And, your CRM should be able to address those as frequently as they occur and it should be able to do it quickly.

Implementing Your CRM

Once the decision has been made to implement a CRM, the sales process begins. Even before you have selected your vendor, it is time to begin selling the salespeople on the concept. A “burn-the-boats” mentality is essential.

You can use one of three approaches:



- **Carrot-and-Stick** – With this approach you identify as many positive aspects as possible for using the CRM. You can reward those salespeople who meet early implementation objectives, who utilize the CRM most often, who find the most innovative uses, etc. If appropriate, make it fun. Salespeople are highly competitive and like to win; use that to your advantage. The best sales approach is success stories. When salespeople see others on their team closing sales by using the CRM, they will be more likely to embrace it.
- **Penalties** – The opposite approach is to penalize the salespeople who are not using the CRM. One way is to delay commissions until the CRM is updated. During a sales contest use only the information loaded into the CRM for accumulating points and awarding prizes.
- **Both** – In some situations a combination of the other two approaches can work. For the seasoned salesperson who does not want to be involved with the new technology, simply applying penalties may not be enough. For many salespeople, a combination of Rewards and Penalties can cause them to embrace the CRM sooner since they will realize that implementation is inevitable and the sooner they engage the sooner they will reap the benefits.

It Ain't Over

Like sales development, CRM implementation is a process, not an event. Keep your salespeople on the cutting edge by capitalizing on the capabilities of your CRM. Technological changes may drive CRM changes. If you upgrade your ERP you may need to also update your CRM. If you upgrade your PCs, tablets, etc. it might be time to upgrade your CRM as well.

More often, the changes to your CRM will be market driven. Your customers will ask for facts, figures, answers, specifications, details and other information that can best be delivered using a CRM. Your salespeople will identify presentation and administration issues that a CRM could improve.

Implementing or changing your CRM will be an arduous process. It can also be one of the most rewarding efforts you will make in terms of top line and bottom line growth.

TOP LINE

Your revenues can grow through increases in productivity and effectiveness. A CRM can help insure that your salespeople are calling on the right accounts at the right time. Their ability to make more compelling presentations can shorten sales cycles. As a result, your top line can grow faster with a well-managed CRM.

BOTTOM LINE

Sales efficiencies usually increase significantly when a CRM is in use. The common complaint from salespeople, “Do you want me putting numbers in boxes or out selling?” is relevant. By expediting order entry, inventory management, account planning, expense reports and other “administrivia”, more and more of the salesperson’s time can be devoted to revenue generation. You can increase your sales without increasing headcount. Having easy access to accurate information can help salespeople upsell and cross-sell thus making individual sales calls more profitable. When operations can become more efficient when order-entry is more efficient. Accounting issues can be better managed when the CRM alerts the salesperson to delinquent payers.

Not having a CRM is not necessarily a barrier to entry. Having a CRM can be a definitive advantage.

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