The 10 Most Important CRM Reports

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Posted October 27, 2010 By Jennifer Schiff   Feedback

CRM expert David Taber reveals which CRM reports provide the most value to businesses and why.

Businesses use customer relationship management (CRM) systems to get a better understanding of who their customers are, what they are buying (and not) and how loyal they are. But if you are not running the right reports, you may not be getting an accurate picture of who your customers are, which products or services they like and don't like, and which ones are the most profitable and the least.

So to help business owners and executives get a better handle on customer relationship management, *Enterprise Apps Today* asked CRM expert David Taber, the CEO of SalesLogistix, a certified Salesforce.com consultancy focused on business process improvement through use of CRM systems, and the author of "Salesforce.com Secrets of Success," to identify the Top 10 Must-Run CRM Reports.

Top CRM Reports

1. The DOA Report: The DOA (or Dead on Arrival) CRM Report lets users know which products are the most error-prone or receive the most complaint calls from customers. The point of the report is to understand where customers are having problems and why, and it is derived from customer service calls and emails (including requests for refunds or exchanges) as well as customer surveys. This report is incredibly useful, said Taber, because it can pick up "all kinds of little things that you missed or take for granted but the customer trips over," and can really hurt your business.

2. Quality Problems: The Top Quality Problems CRM Report tells you which product or products have the highest service costs. As Taber explained, "quality problems turn into service cost expense." And you want to spot these problems as soon as possible because they can be deadly, resulting in "an otherwise wonderful product becoming horribly unprofitable due to (undiagnosed) service issues."

3. Most Profitable Service Offering: The Most Profitable Service Offering CRM Report is valuable because oftentimes businesses don't know which services are the most profitable. "You may think you've got a great offering, but it's only when you really look at who orders it and how much it costs to provide the service that you discover that you should subcontract it or get out of the business all together," said Taber, who added: "There are a lot of soft costs in services, and if you don't pay attention to how those costs are affecting revenue, it's very easy to lose money on services."

4. Customer Satisfaction: The Customer Satisfaction CRM Report reveals which products yield the highest and lowest levels of customer satisfaction. This report is important because it shows you which products customers really like and which ones they don't. "You may have a product that to you is mediocre, but your customers love it," Taber said. And even though you are not making much (or any) money on it, it's bringing in customers and engendering customer loyalty, which is critical, so you may not want to discontinue it, or at least not right away.

5. Most Profitable Customers: The Most Profitable Customers CRM Report seems like a no-brainer, but as Taber has found, not all businesses are running this important report. Figuring out who your most profitable customers are "is the Holy Grail of CRM," said Taber. And it's not always obvious. You have to understand everything that customers buy, their purchase lifecycle and how valuable a customer they are to you, which can be difficult. "But at the end of the day, that's what's going to make or break your company profitability."

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6. What the Most Profitable Customers Are Buying: As Taber explained, the Most Profitable Customers CRM Report tells you who you should be taking extra care of — and helps you better target products and services to these valuable customers. Similarly, if you can "get the product mix right, maybe you'll be able to find some more of these customers," he said.

7. Discounting Effectiveness: The Discounting Effectiveness CRM Report can tell you when or which kind of discount pricing is working and when and where it isn't. "Your list price doesn't matter," said Taber. "Your list price is something that you'd like to maintain as real, but the actual transaction price is the one that really matters. So if your list prices are really ridiculous, you need to know that." Put another way, if your salespeople or channel partners are reflexively discounting your products or services, "it means that they either don't understand the value or they don't know how to sell it." So running this report can help you understand where discounting works and when you don't have to discount. "In many companies, if you can raise your actual price by one percent, that will increase your profitability by 10 percent. So discounts matter," said Taber.

8. Customer Loyalty: The Customer Loyalty CRM Report tells you which products your repeat customers buy the most. The report is an important tool for sales and marketing "because repeat customers have much lower marketing and sales costs than first-time customers," said Taber, and it can help you attract more profitable customers.

9. Initial Response Time: The Initial Response Time CRM Report shows you how long it is taking your salespeople to respond to customers after initial contact (for example, meeting them at a trade show). This report is critical because "customer research studies have shown that if you don't get back to somebody within 48 hours after they contact you in any way, the likelihood of their buying is way lower than if you got back to them in that first 48 hours," said Taber. So the amount of time it takes for a sales rep to get back to a customer really matters — and, said Taber, many sales reps are dropping the ball (or the lead).

10. Pipeline or Deal Regression: "Everyone looks at the pipeline: how many deals are in the works," said Taber. "What they don't look at are how many deals, as they go out in time, moved down in probability or moved down in value since the last time they looked." That's why it's important to run the Pipeline or Deal Regression CRM Report, because it shows you what deals were in the pipeline two months ago compared to last month and this month. "All too often, the pipeline is garbage, because your sales reps are playing games with you. And it's only by looking at what in art we'd call negative space — what are the deals that aren't there anymore, or what are the deals that seem to be receding into the horizon" that you can get an actual picture of your pipeline and potential revenue and profits.

Have a must-run CRM report we didn't include or you would like to add to the list? Leave the name of the report and a brief description in the Comments section below.

Jennifer Lonoff Schiff is a regular contributor to Internet.com and runs a blog for and about small businesses.