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CRM Projects Done Right Mean Business Process Changes

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Think about an accounting, ERP or even HR application. Making them work means some using pretty tight business rules and user practices. Most of the time, users have been fully indoctrinated by their professions and have no problem adopting generally accepted accounting principles ([GAAP](#)) or the more flexible ERP II.

Now think about the typical outbound marketing person or sales rep. There's professionalism, yes, but there's also a deeply held belief that what they do is a sort of artistry based on unique personal skills. The amount of CRM-oriented processes baked into most sales and marketing departments could fit in a couple of tea cups.

Commentary: [Before You Invest in CRM Software, Assess Your Needs](#)

I'm not just being snarky here. That's coming from a 20-year veteran of the revenue generation business process. The shallowness and incoherence of marketing and sales processes is a major impediment to the effectiveness of CRM efforts and the adoption of the systems by users.

The bottom line is this: Successful CRM projects depend on the refinement and deepening of the relevant business processes. That can make CRM projects a taller order.

5 Business Process Issues Associated With CRM Projects

In the early stages of any significant CRM effort, you need to look for symptoms of [business process disconnects](#) and incentive misalignments across various parts of sales and marketing. Unifying and automating non-integrated business processes will only expose or exaggerate contradictions.

The place to look for these disconnects is in job descriptions, [territory maps](#), sales channel rules of engagement, marketing programs, lead nurturing campaigns and other PowerPoint, Visio and Word documents. Here are five major problem areas.

Unclear or undifferentiated processes. Do the job descriptions in marketing (particularly the outbound side) and sales (particularly field marketing and pre-sales) reflect highly differentiated process roles, or are the responsibilities only vaguely stated? You want to see unique ownership of goals that can be independently achieved. You're looking for specific descriptions of cogs in a machine, not vague statements about teamwork.

Pay close attention to service level agreements, especially those that involve the following parties:

- Lead generation and lead cultivation
- Lead cultivation and inside sales
- Inside sales and the field

- Channel managers and sales partners

Commentary: [CRM and Sales: If it's Broke, Fix It](#)

Make sure each SLA includes explicit quality criteria, deadlines and rejection rules. Here's a good example: "If Sales does not explicitly act on a new Opportunity within four business days, the Opportunity is reassigned." In addition, develop a waterfall model that indicates each major phases of lead and deal maturation, with approximate times and conversion ratios for each major step.

Incentives Make sure the answers to the following questions are not "Well, it depends..."

- Are marketing bonuses based on a balance of brand, reputation and loyalty as well as pipeline creation?
- Are sales compensation plans pushing people in coherent directions across all parts of the sales organization?
- Are quotas and compensation plans excessively individualized in different parts of the sales team?
- In commission plans, does \$1 really equal \$1? Do direct reps get commission on channel sales in their territory?

Metrics Metrics for key success factors should be clearly identified and enforced. You don't want metrics that are almost incidental—for example, "the sales rep will make at least 10 cold calls per week."

In addition, metrics should evaluating things that an individual can actually control. One classic mis-metric is to hold outbound marketing responsible for revenue. (Instead, measure "number of sales-accepted leads" or "overall pipeline volume.") Another is to hold the sales rep responsible for customer satisfaction when he has nothing to do with product quality or service responsiveness. (Instead, measure "customer complaints about sales" or "number of misconfigured orders.")

Commentary: [5 Reasons Social CRM Is the High Ground for Revenue Production](#)

Finally, ask if metrics are enforced by business rules with deadlines or approval cycles. For example, are qualified leads that have gone stale supposed to be returned to marketing? Are deals that haven't moved in 60 days eligible to be closed or pulled back from the channel partner?

Terminology Start with a clear description, or even an indoctrination document, for what sales objects such as Lead, Contact, Account and Opportunity mean to the marketing and sales process. Get people to stop saying "We convert leads into opportunities"—and take double points off your score if you can't explain the misconception baked into those words.

From there, look at every record type and status value for these sales objects. You need qualification and entry/exit conditions that make two things clear—one, that all [leads, contacts, accounts and opportunities](#) would in fact fit into the scheme, and two, that at least 80 percent of leads, contacts, accounts and opportunities would fit into exactly one record type or status value at any one point in time.

Commentary: [Email-to-CRM Contact Connection Easier Said Than Done](#)

Finally, for the status fields (leads, contacts and accounts) and the stage field (opportunities), make sure, again, that there is clear definition of what the status value means, as well as a set of unambiguous entry/exit criteria.

Channel conflict There are several key questions you must answer here.

- Do outside sales reps view the ecommerce system and the inside reps as diverting their commission dollars?
- Do your reps view distributors and resellers as competition?
- Are customer renewals handled by an organization that doesn't report into sales?
- Does marketing treat your channel partners as an extension of the sales force?

Moving CRM Projects From Mere Magic to Machinery

Classic B2B sales and marketing came to full flower long before the advent of CRM. This led to huge, sometimes miraculous, wins accompanied by big cost

structures and [unreliable sales forecasts](#). Even today, sales and marketing budgets are the single largest cost area of many firms.

The goal of CRM projects is to lower the cost and improve the reliability of the revenue engine so it's always firing on all cylinders. Achieving that means moving beyond not-very-systematic thinking and adding models, metrics and machinery across the sales and marketing team. Like your car's engine, the revenue engine needs to be carefully and coherently tuned in order to deliver its maximum output.

David Taber is the author of the new Prentice Hall book, "[Salesforce.com Secrets of Success](#)" and is the CEO of [SalesLogistix](#), a certified Salesforce.com consultancy focused on business process improvement through use of CRM systems. SalesLogistix clients are in North America, Europe, Israel and India. Taber has more than 25 years of experience in high tech, including 10 years at the VP level or above.

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