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Explaining Salesforce.com to the CEO: Top 5 Misconceptions

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At your executive staff meeting, the sales and marketing VPs have been squabbling about the need for a real CRM system, and the discussion turns to Salesforce.com. The CEO asks for a briefing on the alternatives tomorrow, and he's looking to you for objective but convincing guidance—in terms he can understand.

Like any hot product category, CRM systems vendors have developed a lot of hype, leading to misconceptions that can lead to bad customer decisions. This two-part article will focus on Salesforce.com, but most of the lessons learned apply to any modern SaaS SFA or CRM system.

The CEO's most dangerous misconceptions (which may be shared by the sales and marketing VPs) won't be about Salesforce.com itself, but about how it should be deployed and used. Because an SFA or CRM system without relevant, up-to-date information is just an empty shell, the value of the system comes from *the customer data it holds*. And that comes from active, happy users. So we have to start there.

Misconception 1: Buy the software, and sales results improve in a few weeks.

Every misconception has some kernels of truth. Salesforce.com is a very well executed SaaS application, so it is "instant on." A good system implementer can get the system configured for initial usage in 6 weeks. But if turning on the system is all you do, users will not just jump into it. Your SFA system will likely be a barren wasteland of data.

Instead, the executives need to work on a campaign of change management, promoting the benefits of system usage to the users. Your key users are sales guys: sell them on how it's going to make them more money, prevent wild goose chases and time wasters. As an executive, you must consistently show you've drunk the kool-aid—using the system to communicate to reps (instead of firing off e-mails directly to them) and understand account situations (before picking up the phone).

Misconception 2: Salesforce.com usage can be simply mandated.

Any CRM system needs to have executive championship from day one. The whole organization must believe that the success of the CRM system is important to the executives, and is a key success factor in the company achieving its goals. But championship is not the same thing as a top-down mandate, which will generate user skepticism or even outright resistance.

Instead, get grassroots support. Make the system *inherently valuable* to the users: save them five minutes a day, or let them out of a chore, or prevent a hot lead from falling through the cracks.

Since CRM usage means behavioral change, every time you're asking the sales reps to do something new, give them some new benefit. It doesn't have to be much—sometimes just eye-candy or a clever button to save a few keystrokes—but there has to be some advantage for them. Otherwise, the system will represent a tax on the user—and will be about as popular as a tax increase.

Misconception 3: Salesforce.com is a glorified contact manager, with lots of metrics to help executives monitor sales reps.

The kernel of truth here is that Salesforce.com is too often used only as a web version of Act or Access, and that is an enormous waste. But the core of this misconception is that an SFA system is an executive tool for closely monitoring rep activity—and that is an enormous tragedy. If the sales team believes that Salesforce.com is there to spy on them and will be the basis for micro-management, the system will be still-born.

Instead, think of SFA as standing for "Sales Funnel Acceleration"—something that the rep wants so he can get a bigger commission check. Salesforce.com is uniquely effective almost anywhere along the SFA to CRM spectrum. *Of course* the system has lots of metrics and can easily generate reports on rep activity. But focus on how the system increases revenues—a positive for everybody—rather than measurement and activity management, which will seem punitive to some users.

Misconception 4: SaaS CRM's initial lower costs should sell you.

Salesforce.com has low initial procurement costs, like any subscription software. You could buy user licenses only as you need them. Know that Salesforce.com is not the cheapest SaaS CRM vendor (careful, you get what you pay for!), and that SaaS vendors are not able to discount as deeply as on-premises software vendors. But initial procurement costs are not the right way to evaluate CRM packages in any case.

Instead, focus on TCO and *delivered value* over a 3-year period (no longer!). SaaS CRM system procurement, deployment, and operational costs are lower than on-premises equivalents. But the costs of integration and data cleansing—often a much larger factor—are not much different between SaaS and on-premises. While the TCO of SaaS CRM may be lower, the key is to buy the system *that will have the biggest impact on your business results*. That doesn't mean "a bigger system"—more on this in part 2 of this article.

Misconception 5: The best way to deploy Salesforce.com is "big bang" style.

Get all the critical features ready and tested for all users before you roll out. Sounds logical enough, but couldn't be more wrong. While you do want to have key features fully tested before you go live, you *don't* want to deploy all the high-value (read: high-risk) features, or even bring up all the users, at once. Going down the big bang path is to repeat the mistakes of traditional enterprise software, with the similar legacy of delays and cost over-runs. Further, a big bang release strategy undermines system credibility.

Instead: start small, think incremental. Deliver something of value to the business every 6 weeks, gradually on-boarding more users as system credibility grows. Release the high-risk functionality on top of a stable base of "easy features" that have been running for a while. For more on how to sequence features across user groups, departments, and foreign operations, take a look at Chapter 4 of my book, "Salesforce.com Secrets of Success."

Next time, we'll be looking at the 5 things your CEO needs to know about the real business benefits of a well executed CRM system.

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, and David has over 25 years experience in high tech, including 10 years at the VP level or above.

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