

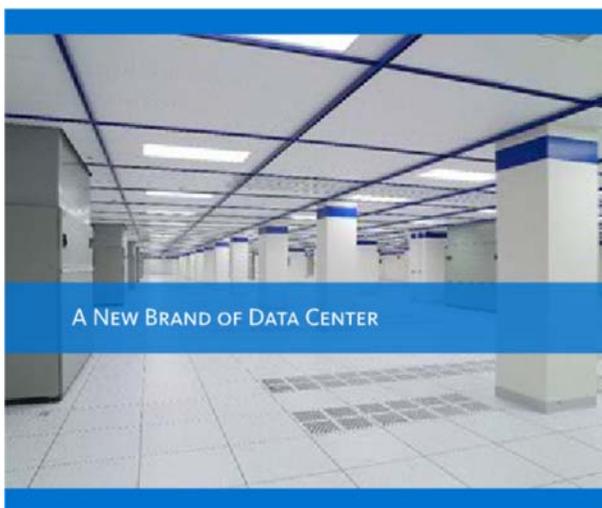
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The 9 Dirty Little Secrets of CRM

– David Taber, CIO

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CRM products have been around for more than 20 years, The SaaS vendors have been selling their CRM wares for nearly a decade. Despite all that experience, powerful myths and misconceptions about CRM still can catch customers by surprise. While much of this article's advice applies to any CRM system, we've focused on the specifics of SaaS systems such as Salesforce CRM.



1. The CRM system is less important than the data it holds. Even with all the most marvelous features, a CRM system without real users and real customer-facing data is just an empty shell. Don't be hypnotized by features and CRM functionality; instead, fixate on the credibility of the data asset building within it.

2. User adoption and percentage-of-business represented are the only metrics of CRM system success. There's a virtuous cycle in CRM systems: the more users adopt the system, the more data that will be entered. The more credible and meaningful the CRM data, the more valuable an asset it is for all users. The more valuable the asset, the easier it is to get more users leveraging, and contributing to, the system. Even if some users are spectacularly effective thanks to CRM usage, if you only have pockets of usage, most of your customer situations are not represented in the database. Broad usage is more valuable to overall collaboration, as compared to deep but spotty use of the system.

3. You will probably have to spend a bundle on data quality. Even if you're doing a greenfield implementation of CRM, you will discover data quality problems that are irritants to every user and poisonous to the system's overall credibility. Data quality needs to be attacked at three levels:

Never let data, whether an initial migration or a subsequent import, into the system without cleaning it up.

Spot sources of data pollution and systematically correct them. You need self-healing data.

Identify business processes that corrupt the semantics of CRM data. Your team may be causing subtle but important changes to the meaning of data. In particular, watch out for business processes that span departments with different objectives or metrics.

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4. There's no such thing as a siloed CRM system. Nearly any interesting CRM system must give users access to data that's beyond the purview of the CRM database. So integration will be essential, and it won't be as easy or inexpensive as the initial CRM project. Integration almost always exposes data problems that were hidden or tolerable in siloed system operation.

5. Most of the time, a "CRM problem" is really a disjointed process, a policy conflict, or goofed

data. Sometimes, a CRM system is just inadequate to the task -- and you really do have a "CRM problem." But the most visible and important CRM problems are the ones resulting from holes or redundancies in business processes, contradictory business policies or rules, or hopelessly polluted data. Identify and troubleshoot these before you even think about doing a system replacement: you'll need to solve these other problems before there's any chance of CRM success.

6. The benefits of CRM really come from improvements to process enabled by, and in conjunction with, the system -- not from the CRM system itself. The twin purposes of CRM are to: Build customer intelligence (what they want and what are they doing.)

Improve your ability to profitably satisfy their needs (collaboration and ability to execute.)

While CRM functionality plays a roll in achieving both these purposes, it's really about enabling your people to see better and react sooner. If you don't change your business processes to take advantage of CRM, your workers will just be doing dumb things faster and with less waste. Said another way, you'll probably need to change some processes and business rules to leverage CRM for maximum advantage.

7. Making a CRM system truly successful is a highly political act. Any time business processes, policies, and rules get changed, somebody's job, objectives, and even budget may change as well. This means politics at every level, and change management will be important for worker-bees ("will my job be automated?") and executives ("will my metrics and bonus change?") alike. If for no other reason than this, we recommend a phased, incremental approach to CRM deployment and expansion.

8. The benefits of CRM grow with the more users you have -- but you can never afford to bring everyone on the system at once. Even if system extension, integration, and data quality issues weren't relevant, even if you had perfect execution of a "big bang" system deployment, and even if you had the budget for all the user licenses on day one, you shouldn't do things that way. There are too many process issues to discover, too many political speed-bumps. Since leveraging CRM is a multi-year process, you need to plan for it that way.

9. Ironically, the design life of a CRM system is probably 5 years. Unlike most enterprise applications, CRM systems face the marketplace. And the rules of the marketplace can change severely in five years. Who are your competitors? What is your channel? How do you offer customers a distinct advantage? Look back to 2004, or to 1999. How many of the answers are even close to the same as they are today?

There's another twist: CRM systems are more affected by VP opinions and preferences than any other enterprise application. The half-life of a VP of Sales or Marketing in some industries is 18 months. With every new VP, you'll see changes in priority and policy that can require extensive CRM system modifications. Look at a 5-year-old CRM system, and you'll find shards of policy that negatively effect data quality and meaning. Eventually, these start to limit the effectiveness of the CRM system and need to be rooted out -- either by a system overhaul or outright replacement.

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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