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CRM Systems: Unite or Die?

– David Taber, CIO

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When it comes to CRM systems, large companies are anything but centralized. CRM vendors love to get in through the business units and at the department level. Even if your company makes centralized CRM decisions, it may have merged or made acquisitions that Balkanized the systems. IBM ([IBM](#)) announced it's going to spend \$20 billion on acquisitions — how many dozen CRM systems do you think they're going to be bringing in over the next 24 months?

The IT reflex is to move towards consolidation. Of course there are economies and efficiencies to be had, but CRM systems aren't like infrastructure purchases. The users' reaction to the system — not just the features, but the configuration and the data quality — really matters to the system efficiency. Since the users are "gold collar" workers — some of your most expensive personnel, yet with the widest variations in productivity — their happiness with CRM system is what determines its business impact. So it doesn't matter if you are able to save 10 percent on CRM costs, because that is miniscule in comparison to just a 2 percent improvement in sales productivity. That "small" revenue increase can mean a 1 percent increase in company profits, something that IT cost efficiencies won't achieve. You don't want to spend foolishly, but at the same time you don't want to focus on consolidation's cost savings at the expense of revenue.

As I [wrote previously](#), there are clear strategies for consolidating multiple CRM systems. But there are also business situations where CRM consolidation is unrealistic or more politically expensive than it's worth. What then?

Getting back to our 4th of July theme, what did the founding fathers do after the Revolutionary War? They didn't make one giant state — they federated the states that were already there. And they made it easy to add new states as the country expanded. Here's how to follow their example, federating your CRM systems:

Federating Outputs

The first (and perhaps most highly visible) thing to do with multiple CRM systems is to provide roll-up reports and executive dashboards that consolidate your organization's key success factors and metrics. Almost always, this is best done with a data mart that pulls needed data from each of the CRM systems.

In creating these consolidated views, the data analysts will discover problems in the data:

- Duplicate and phantom account records
- Double-counted deals
- Poor data quality and cleanliness
- Issues with naming, standards, and semantics

Of course, many of these problems would disappear — at least in theory — if everyone were using a customer master database and the CRM systems were synchronized with accounting. All too often, that theory is just an aspiration, and the data mart's new reports will instantly expose the above problems. This is nothing to fear: you should take this as an opportunity to educate your executive colleagues about the business value of a customer master and a data dictionary.

Federating Objects

Whether your CRM systems are in the cloud or on premises, are from one vendor or several, or cover a range of business units, there are some commonalities in every CRM system's object model. They all

have something resembling a lead, a sales contact, an account, and an opportunity. It's usually more effort than it's worth to get everyone to agree on the fields and semantics for an entire object. But it's very worthwhile to get agreement across the CRM systems and business units on the precise definitions of:

- What constitutes a customer, a current customer, and a satisfied customer?
- What are the criteria for new business, customer loyalty, and repeat business?
- What are the ground-rules for entering deals into the forecast, and for interpreting forecast categories (e.g., what's the difference between "upside" and "pipeline")?
- When is a new lead a Lead, and when is it counted only as a "touch"?
- What are the definitions of an opened case, a closed case, and an escalated one?
- What is the definition and metric of success for a channel partner?

Separation of Powers

Expect that the business unit ownership of CRM systems will continue indefinitely, so the budget for procurement, maintenance, and improvement of the systems stays with the executive champions.

But budgets are only one kind of power. There needs to be a way to coordinate and enforce basic policies for data hygiene, information access, security, and other common interests across the CRM systems. In many companies, it's a lose to try selling this idea to the CRM executive champions (it sounds too much like "governance"). Instead, get the more technically astute members of the CRM community (with titles like system administrator, sales operations, marketing operations, and customer support manager) to caucus on areas of mutual interest. Market the idea of banding together the knowledgeable worker-bees as a way to get more influence with their bosses.

Sounds sort of like "[Join or Die](#)," doesn't it.

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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