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3 Ways CRM Improves Your Business Processes

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Go to any CRM vendor's website and you'll be inundated with wondrous tales of how the CRM system can transform your business, increasing profitability and customer satisfaction at the same time. Providing executives with a 360-degree view of the customer relationship, enabling real-time responses to myriad customer problems, and improving sales productivity and predictability, all while whitening teeth and freshening breath. The good news is that there isn't a single lie in any one of those websites. (What they say has to be true in *some* universe, if not the one we inhabit.)

Of course, a CRM system itself doesn't transform anything. It's a piece of code providing visibility, automation and follow-through. What actually will change business performance are the behavior changes in your people and the process improvements enabled by the CRM system.

Buying the best CRM in the world is like buying a Ferrari or Lamborghini. You won't immediately win any races. In fact, by themselves, these cars won't make you a better driver.

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Seen in this light, a CRM system can be viewed as a tool that helps you realize your team's potential. It's like buying a better tennis racket or the coolest new skis. If your organization doesn't have the potential to really do what you want — to play tennis, as it were, or to ski — the CRM project merely exposes that.

Think realistically about your organization's readiness and the breadth of how you actually manage and cultivate customer relationships today. There are plenty of business categories that have yet to evolve to need everything that's on the CRM menu. So let's look at the big three CRM use-cases from 50,000 feet.

1. The CRM System As a Smart File Cabinet

In professional services firms and boutique financial services, for example, the main focus of the CRM system is to make sure everyone in the organization knows the history of the relationship. The relationships are long-running, sometimes lasting decades, and there's no classic sales focus.

One telltale sign of this kind of organization: Nobody has the word "sales" or "account manager" on a business card, and there's little focus on traditional lead generation. Of course, transactions occur — but the real deal-making is done over dinner or golf. The sales cycle is implicit, and the deal stages may be as simple as *universe*, *interested*, *negotiation* and *closed*.

The focus of this use case is collecting and organizing as much information as possible, as easily as

possible, about prospects and customers. Key inputs are email, contact lists, address books, event planning/execution and documents. Key outputs are customer and prospect status reports and activity summaries by segment. Even in these simple systems, however, there's a real need for mobile device access and remote collaboration. That's why cloud CRM applications have been cleaning up in this area.

2. The CRM System for Collaboration and Coordination

In companies focused on account management, renewal/upsell business and multi-phase contracts — for example, large capital equipment manufacturing, OEM supply chains or commercial construction — the CRM's main function is enabling collaboration and coordination among marketing, sales, engineering, manufacturing, service and support. In these companies, sales and support cycles are clearly delineated, typically embodied in up to eight discrete stages — even though they are complex and sometimes intertwined.

In addition to the scope described in the "smart file cabinet," the CRM system needs to be integrated with several other IT systems to provide at least daily updates to the customer "state of play." Further, the system will need to have several lightweight workflows with alerting emails and user prompts to make sure the ball is moving down the field. Collaboration with customers is typically enabled using communities and user forums, live-chat windows on the website, and "dedicated" customer support agents, all integrated with the CRM.

For organizations that need to do a lot of customer/prospect problem solving, a collaboration system such as Chatter or Jive should be integrated with the CRM to improve organizational responsiveness. This goes double if your company has a large set of Internet-based customers, as that's where problems fester quickly.

3. The CRM System as Task Master and Process Driver

This is the most ambitious CRM use case, with the biggest results for organizations that really are ready. High-performing B2C electronics, software, gaming, and financial services, or B2B high-tech, all need highly synchronized marketing, sales and customer service organizations. There will be high quotas, high commissions, and tight SLAs, both internal and external.

Here, the sales and support cycles are closely measured and highly standardized. These companies often have multiple marketing, sales and support processes running in parallel — for example, standard vs. 24x7 support, or enterprise vs. SMB sales. In these organizations, you may see metrics even on predictions, such as forecast accuracy or models of backlog-burn-down rate.

In this use case, the CRM must do everything from the first two use cases while addding tighter linkage with other systems and business processes. Instead of advisory messages or read-only data, the CRM needs to become the heart of a giant state-machine. Workflows, approval cycles, escalations and management by exception need to be implemented for marketing deliverables and programs, sales cycles, order expediting, customer support and professional services. Collaboration will be more tightly integrated as well: Call center phones are linked to the CRM, and customer support are provided through self-support portals. This goes double if the company sells through multiple channels.

These are the most mouth-watering projects for CRM integrators and consultants. If you need all this, budget accordingly.

Which CRM Implementation Is Right For You?

The foundation of each of these use cases is information sharing and increased visibility. Every CRM implementation should see those benefits. The three CRM use cases described above can overlap, too. For example, one department in your company will operate at the collaboration and coordination level, while another uses the CRM as a task master.

Caution: Why CRM Implementation Is So Political

That said, implementation and optimization of the CRM system will be a lot easier if all users in any one department agree on which use case is in play. If there's confusion, or if there's a severe mismatch between what the system is "tuned" for and what the users are actually capable of doing in business

process discipline, a muddled implementation and low probability of project success are bound to follow.

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