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## Cloud Meets CRM: How to Track Who's Who

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In the early days of CRM, it was simple: people were people and companies were companies. Adding a new person to the CRM database was pretty unambiguous, whether they came in through direct entry or via integration across the clouds.

Two forces have mucked this up. CRM systems got more sophisticated, creating leads to supplement contacts. Just to spice things up, some CRM systems created the notion of a person-account for B2C use cases. Then the sales guys stirred up the pot by asserting that leads were really early-stage opportunities or even accounts...even though these objects must be kept separate in any CRM system. And for fun, they added the named account model, which makes most leads into contacts even though we'd call those same people leads in a standard sales model.

So now the rules of how to insert new people into CRM records are about as straightforward as the rules for a game of *Fizzbin* (Google it).

### Lead vs. Contact

Getting back to basics, you might ask "why do we even need leads anyway—why not just make everyone a contact?" Actually, there are situations where this is exactly right (and of course, others where it's exactly wrong). As a generality, leads are people we know little about (other than some level of interest), and contacts are people we've spoken to and know a lot about. Typically, leads cannot be attached to accounts, but contacts must be.

Leads have some special properties in CRM systems, most notably: (1) the system assigns them to reps via rules, and (2) they can be owned by a queue—not just by an individual. Both of those features are really valuable if you have a lead nurturing group (often called telemarketing, telesales, or inside sales).

If you're a pure B2B company with no lead nurturing group and a pure named account model of selling (for example, in aerospace/defense), you may well be able to lose the leads table. Essentially, everyone is a contact because you're only interested in the employees of your named accounts (which are pre-populated in the system).

In most B2B companies, however, even if you don't have a nurturing group you can't blow away the lead table. Marketing systems from other clouds (such as Google Adwords, e-mail blasters, drip-marketing systems, and social networking tools) almost always work on the lead object. Those cloud integrations with your CRM system may not allow you to use the contact object instead.

Further, if you're a B2C shop and use person-accounts, you'll really regret getting rid of leads.

### Person vs. Accounts

In the B2C world, customers are individuals. Even if they are part of a company, they are not treated in the system that way. This issue is increasingly common with companies doing e-commerce and accepting credit cards: each purchase is done by John Doe the credit card holder, and there's no real account to pin him to. In some systems, you handle this by attributing the company named "individual" to all those contacts.

The person-account was developed to make this easier, using a hybrid object that has the characteristics of both a contact and an account. When viewing a person-account, there essentially isn't a contact: there's only the account. So when inserting new contacts into your CRM system, if you

use person-accounts you're actually inserting accounts. Unless you're careful, this is not going to go over very well with the folks in accounting.

So for B2C CRM systems, Leads are really important as a way of storing prospect information without creating bogus accounts.

### So What's the Paradigm?

The exact rules for "what object to use when inserting new people into your CRM system" will depend on the specifics of your lead-management business process. But the general pattern will be along these lines:

- First, identify whether the person works for one of your named accounts. (Note that doing a fuzzy match against all the various divisions of a company like The Walt Disney Company can make this quite the lookup.) If so, insert the person as a contact attached to that account.
- Next, identify whether the person works for one of your current accounts. Depending on your business rules, either insert the person as a contact attached to the account or as just a lead.
- Next, identify whether the person is an individual. If you need to do an immediate transaction with them, insert them as a person-account. Otherwise, insert them as a lead.
- What remains should be treated as a lead, but a hierarchy of routing and scoring rules need to be applied. First, apply geographic rules only at the level of "what country." Then apply that country's government and industry rules (e.g., national governments and departments of defense go to the appropriate territory, specified industries are routed to the appropriate partner management or sales team). And finally, local geographic rules are used to assign the leads to the relevant sales or partner territory. If there's insufficient information on a particular lead to use the geographic rules, assign the new record to a generic queue.

To avoid corrupting the database, any source of leads or contacts — whether a simple lead flow or an external cloud — needs to follow these rules before inserting new prospect records. *Fizzbin*, indeed.

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