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What to Do When Your CRM Project Fails

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October 08, 2013

There are at least a dozen oft-quoted industry analyst reports that estimate the failure rate of CRM projects. The analysts' methodologies and standards vary, so the resulting failure numbers are all over the place — between 18 percent and 69 percent.

Most of the numbers seem to center around the question, "Did the project meet expectations?" This is a profoundly fuzzy standard — and, in fact, it can be a self-fulfilling prophecy. Children don't want to eat their spinach, so it tastes bad, no matter how much they may enjoy it later in life.

Taking an average of those analyst reports, about one-third of you have a failure on their hands. Whether you were part of it, or whether the project was handed to you after the fact, the real issue is, simply, "What now?"

8 Signs Your CRM Project May Be Failing

If people think is your CRM project is a failure, do a little forensic work.

- From a purely project management perspective, did the project come within 10 percent of its original schedule and budget? Was the schedule practically guaranteed to fail? Was the budget realistic, or was it a product of magical thinking?
- Look at data quality. It's a major contributor to user dissatisfaction, after all. Were any of the following problems made worse during the project?

  • Duplicate records
  • Mis-owned or improperly assigned records
  • Record completeness coherence
  • Field accuracy, particularly addresses and product numbers

- Evaluate functionality.

  • For items that were "missing," or not seriously attempted, had users clearly stated the goals early enough in the project to get them done?
  • For the items that were attempted but didn't make the grade, what's the key root cause: Lack of understanding, inability to execute or quality/ease of use issues?
  • For items that were generally satisfactory but have reliability or consistency problems, is the real issue poor design, architecture and conception, or is it weak implementation, development and deployment skills?

- During the project, were users deeply, continuously involvement? This is a key factor to successful agile project management. Were those who are now complaining the loudest engaged

in any significant way throughout the project?
- Did the people setting the expectations about what the CRM project would accomplish actually know what they were talking about?

  • *Happy ears* is a deadly phenomenon when it occurs inside a user organization. Anything that's conceivably possible in a system becomes "the standard we expect."
  • CRM product salespeople often set expectations that can only be achieved with tons of customization work, then set expectations about how cheap it will be to get consultants to do it.

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- Was this project managed by the user organization? If so, was it the group's first big project? Was there meaningful participation by and cooperation from the IT department?
- Was the root cause of significant failures outside of the CRM system — for example, in other applications, in infrastructure or in external databases or data feeds?
- Did significant internal forces try to block the success of the project? CRM implementation is always political, and there are always users who don't want a project to succeed.

With all this information, you may determine that, in an objective sense, the project wasn't really a failure. It very well may have achieved the goals that were realistic given the time, attention and budget available. In the eternal wisdom of George Carlin, "Some people say that the glass is half-empty, others say that it's half-full … Me, I think the glass is too big."

Sure, users may not be happy. In most projects, though, that's because they expected more to be achieved before they started using the system. In other words, it's not that the project delivered a broken system. The project delivered only fragments of a system that's not easy or friendly enough.

Assessing Why Your CRM Project Blew Up

A classic reaction to this situation is blaming the project team, getting a new project manager, changing consultants and holding a crash "get well" program. At the extreme, the new system gets thrown out altogether.

Commentary: Why Your CRM Integration Consultant Doesn't Know Anything

Although such a reaction is emotionally and politically satisfying, it's typically costly, as all changes incur friction and learning-curve effects. Worse still, the get-well program usually heads straight down the road of the mythical man-month.

Let's see if we can do better by asking a series of tough questions:

- Was the original project conception viable?

  • Is the organization ready for big advancements in automation, sophistication and management?
  • Were users on board with the changes required in discipline and process? Did they want to keep things ad-hoc?
  • Did management invent a micro-managing monstrosity?
  • Are the IT systems and data sources with which the CRM system must integrate of sufficient flexibility and data quality to support the use cases?

- Was the budget in line with functional expectations?

  • Are there still unstated requirements?
  • Did anyone do a bottom-up cost estimate of what it would really take to complete all the requirements? (My recent favorite situation: A 68-page spec for the behavior of a single CRM field, with no budgetary estimate by any of the three vendors involved with implementing it.)
  • Was there a "fixed price or die" attitude held by the project management or executive sponsors?

However … : If You Can't Go Agile for CRM Project, Fixed-Price *Can* Work

- Were stakeholders able to dedicate enough time to the project?

  • Were key stakeholders unable to commit the time to make project decisions smoothly?
  • Were there big gaps in the schedule during which nothing moved?

- Was there real trust between the users and the project team?

  • Did either side suspect the other?
  • Were honest questions sometimes interpreted as challenges or even threats?
  • Did anyone throw a temper tantrum?
  • Were some people simply unable to work together effectively?

If you get enough "Yes" answers to those 18 tough questions, the get-well project is already sick. It may make sense to call in a management consultant or organizational development specialist before kicking the new project into full gear.

David Taber is the author of the 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. Taber has more than 25 years of experience in high tech, including 10 years at the VP level or above.

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