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SEVEN CRITICAL STEPS TO A SUCCESSFUL CRM SOLUTION

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The Challenge

Many Customer Relationship Management (CRM) applications saturate the marketplace today, but does choosing the right package to automate your Sales, Marketing, Service and Support functions automatically guarantee you success? Although selecting the right product is important, it is only one piece of the implementation cycle that will assure the expected ROI and the 'buy in' of employees. Keep in mind the overall goals of a successful CRM solution:

- A framework for all areas of customer relations
- A record and report on the activities related to groups or individuals
- Analysis tools and reports for forecasting
- Ability to predict areas of success or failure

A successful CRM solution must meet the goals without compromising employee productivity; thus it is also important for the solution to incorporate:

- Task automation for repetitious day-to-day activities
- Tools to avoid missed opportunities or forgotten promises
- A process that is tailored to best fit in the company's existing business processes

Seven Critical Steps to a Successful CRM Solution

The critical steps to achieving a successful CRM solution are divided into two phases.

Phase I – Analysis and Strategy

1. **Strategy** - Devise a Business Strategy
2. **Evaluation** - Perform an Evaluation
3. **Enhancements** - Determine Process Enhancements
4. **Review** - Document the CRM Business Requirements and Select a CRM Vendor Product Suite

Phase II – Implementation and Deployment

5. **Infrastructure** - Determine Infrastructure Requirements
6. **Implementation** - Implement the New CRM System

7. **Training** - Provide Customized Training

SEI uses this seven-step process to help customers address their CRM challenges and meet their goals.

Phase I – Analysis and Strategy (Getting Started)

Step 1 - Devise a Business Strategy

The success or failure of a CRM solution will depend on how clearly your goals and objectives are defined. In devising a business strategy, consider these questions:

- Why are you implementing this?
- What is not working well in the current system or process?
- What are the most critical phases in the process?
- Where will the system save time and effort on repetitious tasks or duplicated work?
- What are the specific tasks you want to automate?
- What areas of 'pain' will be healed by this implementation?
- What areas of existing customer relations will be incorporated into the CRM strategy?
- What areas outside the existing customer relations process should be considered for expansion into the CRM strategy?

The answers to these questions will frame your business strategy and define a successful CRM solution. This framework will pinpoint the areas that should be combined into one cohesive system. In addition, it will provide you with a structure to analyze the effectiveness of new automated features that will introduce new avenues of managing prospects and clients, creating a truly customer-centric organization.

Step 2 -Perform an Evaluation

To perform an evaluation, all groups that plan to use the system (i.e. Sales, Marketing, Service, or Support) need to provide or create an outline of their current business or sales processes. Many companies typically do not have outlines of the process they are currently using or the existing outlines are outdated. An in-depth understanding of the existing process will help in determining the ineffective versus the winning practices in the process. A key factor for a successful CRM implementation is automating only the winning practices into the CRM strategy; automating ineffective practices will result in a failed CRM solution.

A number of procedures can be used to determine winning practices, a few examples of which are mentioned here. One way is to consult the high performers, analyze their day-to-day operations, and report on the steps they use to achieve success. Another technique is to review the performance of opportunities that were won and identify the processes that were key to winning. Another important way is to be open to the advice of your consulting firm. Keep in mind that consulting firms are highly experienced in defining CRM solutions. They have seen what works and what does not in a variety of business environments and are skilled at assessing needs. Taking advantage of the consulting firm's expertise is instrumental in determining and implementing winning practices.

Other areas to evaluate include the data sources and collateral material used in the existing process. It is important to determine the data's integrity and value, and to consider combining data sources. Finally, this is the appropriate time to evaluate the need for having a centralized informational library in the CRM Strategy. Evaluate the information distributed via the library to ensure that it is current and accurate.

Step 3 - Determine Process Enhancements

Process enhancements are determined by viewing the system as a whole, and then by considering how each component of the CRM strategy relates to the other. To do this, you must consider:

- The type of information that will be tracked and reported to determine what information will be captured from user's day-to-day operation
- The type of automation that will benefit the users, such as merge forms, library contents, fax integration, and proposal generation
- Whether support and service automation should be included
- How support and service align with the sales and marketing efforts
- The need for Internet-related initiatives in your Front Office strategies based on your presence in the marketplace

No other application has more client touch points than a fully integrated and automated CRM strategy. By involving a VAR/consulting firm with a proven record of successful CRM implementations, you can guarantee that all possible areas of enhancement can be realized.

Step 4 - Document the CRM Business Requirements and Select a CRM Vendor Product Suite

The choice of a CRM vendor product is dependent on your business requirements. Having gathered the necessary information to create your business requirements, you can now define the solution, plan the implementation, test, and track system completion. By carefully establishing your complete strategy and automation potential, you will avoid choosing the wrong CRM vendor product suite.

Phase II – Implementation and Deployment

Step 5 - Determine Infrastructure Requirements

Once you have completed Phase I and determined your CRM strategy, you may continue to Phase II, the implementation and deployment of the new CRM system. First, consider the type of infrastructure needed to support the new CRM system. To determine the infrastructure requirements, ask yourself these questions:

- Where will the actual hardware and software reside?
- What type of server(s) will be used?

- What type of database will be used?
- What level of security will be required?
- What data sources will be imported versus data that will be linked?
- Who will maintain and support the system?
- Is the in-house IT/IS department willing and able to support the hardware and software?
- Does it make sense to use an ASP (Application Service Provider) model?

There are arguments on both sides when considering an in-house vs. ASP model. Maintaining the system in-house gives you local access to the application but requires investment in hardware, software, and personnel to maintain and support the CRM application. Using an ASP model eliminates the need for you to maintain and support the CRM application. The ASP takes responsibility for the system housing, setup, installation, and on-going maintenance and support of the CRM application, including connectivity parameters for remote access. Some consulting firms, like SEI, provide ASP hosting as well as services to perform additional enhancements to the system that you desire.

Step 6 - Implement the New CRM System

Develop first a project plan to track and schedule the implementation tasks. This project plan schedules the installation, configuration, and customization of the CRM vendor product suite to meet the business requirement specifications from Phase I. The CRM strategy you defined in Phase I drives the tasks for the project plan. The implementation team can provide task estimates and input regarding delivery dates to help drive the project plan milestones and schedule. For example, input from each user group will be used to determine due dates for the material that will be integrated into the system.

With a finalized project plan, implementation can begin. It is recommended that a single contact from each user group be available during this stage to provide content, answer questions, and provide feedback. Designating a primary "project champion" to make decisions during this phase is also recommended. Limiting the number of contacts with authority will ensure that the project timeline can be met.

The new system is then installed and configured. This includes any further customizations as determined during the Analysis and Strategy Phase. The new CRM system is put through a Quality Assurance (QA) testing process. Once the system has undergone QA testing, review it to ensure that the new system meets your acceptance criteria. Only then is it is rolled out and released for production.

An authorizing group will facilitate the system rollout by reviewing the completion of each component of the implementation. These components include data imports, processes, and user access and security configurations. Coordination of access for remote users' laptops (installing client components and testing synchronization) can usually be achieved with little disruption by scheduling around a conference or a sales meeting that most remote users are scheduled to attend.

Step 7 - Provide Customized Training

While training is listed as the last step, it is by no means the least important. In fact, if you do not invest in proper training, you cannot achieve the returns as expected from CRM solution. Three different user groups are addressed in the training:

- Sales / Field / Customer Support Representatives (End-users)
- Management (End-users)
- Administration (System-users)

Each group will receive training on how the system can benefit them in their day-to-day operations. The training will also demonstrate how the system will enhance and automate critical business and sales processes. A customized training plan will ensure that each group's training needs are met. For example:

- The sales representatives must not only know how to get information into the system, but how to use the system to achieve a higher close rate, keep their pipeline full, or quickly identify potential clients
- The customer service representative needs to know how to find information in the knowledge bank, answer questions on order status, or possibly identify sales opportunities and make recommendations
- Management must know how to analyze the data to make their business decisions as well as identify trends
- The IT staff must know how to provide a stable environment and enhance the system as changes or new modules are integrated

A generic training course on the CRM vendor product is not an effective approach. The training plan should incorporate the actual system designed for the company. In this approach, users will access company data and customized screens.

Conclusion

When companies leverage a successful CRM they realize high ROI and increased profits in less then a year! However, be mindful that many companies have failed with their CRM initiatives. Reasons for the failure can be traced to missing one or more of the Seven Critical Steps. If you have been contemplating a CRM solution for your business, do not be fooled into thinking that you can simply install the system and hope that your sales teams will immediately begin using it, that the marketing department will identify campaigns that are successful, and that service and support will keep customers happy and achieve repeat business. No implementation can be successful without carefully defining and implementing a CRM strategy.

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