10 steps you can use to become successful

in Customer Relationship Management

CRM Evangelist

Innovate Your Business

Step 1

MAINTAIN CLEAN DATA

No one enjoys cleaning up, but this is the first reason for Customer Relationship Management (CRM) failure and end-user dissatisfaction. It is that important! Getting good data in and getting bad or old data out should be a management high priority. Ownership must also be clearly identified for ongoing data validation and maintenance to ensure that the data retains integrity.

Where do companies commonly struggle in the quest for clean data?

It's Not a One-and-Done Project

Data management extends from the first upload of data to the day the system is retired. Maintaining accountability for ongoing attention to data maintenance is a challenge in many organizations.

Free-For-All Data Entry

Free-form data entry, queries and reports have a tough time displaying and performing calculations on that data, and risk of user error and incomplete data also increases. The solution is to make as many important fields into standardized lists and let the user choose from the menu. System validation and logic rules should be thoroughly planned in a holistic way before transferring any data from other systems, and the data entry screens should be designed in a way that enforces this logic.

Initial Data Load

Users are more likely to accept (and maintain data in) your system if they see good data there at the start. Whether the data is coming from a legacy system or being compiled from multiple sources, invest the time to scrub the data before importing it into the new application. After data is imported, users are less likely to delete it. Time spent scrubbing data before import guarantees that data will start off clean. Your project team must also validate the data and relationships after the load and make additional corrections or adjustments.

Bad Data

A company's processes can often contribute to the creation of bad data. For example: different teams may not share the same definition of terms like "revenue" or "completed" or "start date." With different users interpreting a field differently, and all having access to update it, the field data becomes impossible to interpret over time.

Duplicate Data

Duplication creates conflicts. For example, the people who work the lead or services the account create waste and duplication in downstream processes, which causes the system to send marketing letters to the same person multiple times (or at old addresses). End users also deal with the confusion of multiple records by ignoring the system, distributing their updates across multiple records, and even creating their own new duplicate records.

Weak or Incomplete Data

Records with missing or incomplete data are often filtered out of reports, communications, data mining searches, and many other system uses. Optimize business intelligence and improve marketing and segmentation with regular data maintenance. Key data can often be appended to existing records with data enhancement services from such providers as D&B and Hoovers.

Data Overload

Carefully evaluate what information is truly essential and what is "nice to have" at each point in your process. Minimize the must-have information at each step in the process, especially for field personnel. This increases the likelihood of user adoption and data integrity.

Handling Turnover Gracefully

Some job roles can turn over at a high rate. When Tom leaves, and Suzie replaces him, is the company reassigning Tom's records and updating the record owner(s)? If not, over time those records are not updated and lose their value. Companies need a standard process for reassigning records to the appropriate person(s), instead of case-by-case assignments.

Step 2
Drive Process Alignment

Your CRM fields, reports, and screen flow must match the way people actually use the system and its outputs. This must be constantly tended as processes and people change.

The Kitchen Sink View of the Business

Where do companies commonly struggle in the quest for process alignment?

Some developers may prefer to provide one screen containing every field in the system. However, simplifying screens for the user is a huge part of aligning CRM systems with end user workflow. Decision tree wizards and custom page layouts allow your users to retrieve the data they need, at the point in their workflow when they need it. This customization takes both initial effort and ongoing updates. The ongoing system return on investment (ROI) driven by such updates is significant in many organizations.

Examine and Document Processes with a Critical Eye

Simply automating the old process can not only create frustration, but also cause you to forego benefits the software can provide. It is essential to document the new process, taking into consideration how the technology can help facilitate not only a more efficient and effective process but also collaboration via the use of workflow.

Step 3

Automate Repetitive Processes

When your CRM system correctly aligns with your business processes, the system can take over low value, repetitive work through automation. This is a powerful source of CRM ROI.

Where do companies commonly struggle in the quest for automation?

Data Consistency

When the underlying data in a system isn't consistently maintained (see #1), processes are tough to automate. Consistency in key areas must be present for the system to perform automatic calculations, consistent reports, workflow routing, and so on.

Keeping CRM in Sync with Changing People and Processes

As the organization changes, CRM must keep up for its automated components to remain useful. When turnover is frequent, this becomes both more challenging and more important. When Tom leaves, and Suzie replaces him, does the process also change? Does she have exactly the same job mandates and work style that Tom did? Does Suzie need a different report, and does her boss still calculate key metrics the same way? Do automated processes such as lead assignment now need updating?

Step 4

Align Stakeholders

Does your CRM system offer value to everyone who puts data into it, needs data from it, or manages people who do those things? Giving end users a voice in the process and value-added system outputs are natural drivers of end user adoption and clean data.

Where do companies commonly struggle in the quest for stakeholder alignment?

Executive Alignment

In many companies, an executive sponsor signs the purchase order for the system, and that is the end of their involvement with the system. Some face time with the project team aligning the tool to executive expectations makes all the difference.

Executive Visibility

Ongoing, visible executive involvement sends an important message to the rank and file: "We've spent a lot of money on this system, and we take it seriously." Naturally, every company initiative would like to have this kind of support. Plan for activities that are manageable over months and years – such as public comments on the importance of CRM, hosting roundtable meetings to discuss CRM feedback. Real impact can be made by participating at least periodically in CRM steering committee meetings. Having high-up senior executives dropping into these meetings for surprise visits can help you manage a tight schedule while still communicating executive interest in the program.

One-Way Thinking

Do you depend on employees to maintain data who perceive no stake for them-selves in the outputs of your system? If value is moving only one way – up the chain – the likelihood of that data being inaccurate increases exponentially. Both the carrot and the stick are needed to keep the information maintained in the system the way you need it.

(Lack of) End User Input

CRM programs can and should contain active vehicles for end user input (pilots, workshops, "beta" users) and satisfaction measurement. Simply asking end users how the system is meeting their needs and what improvements they'd like to see can revolutionize productivity, data value, process alignment, and much more. However, many companies simply move too fast to design effective questions, analyze the results, or take action based on the analysis.

Viewing Training as "One and Done"

The CRM solution provides significant capabilities. It is unrealistic to expect that people who are new to the system or technology can fully appreciate or take advantage of all of these at once. Training must be structured to be delivered over time so that individuals have time to absorb the new processes and system. This regular training will provide continued enlightenment for system users on how the solution can add incremental value to them. Sharing of best practices and "tips and tricks" is one way to provide this ongoing knowledge transfer.

Step 5
Integrate Disparate and Legacy

No single system or piece of software can contain all the functionality needed to run a complex organization. But the closer you are to a 360° view of your business information, the more valuable all of your systems are. When data from all relevant systems is available in a single place, every customer-facing and revenue-generating function becomes more effective. And every executive view of the business becomes more meaningful.

Where do companies commonly struggle in the quest for system integration?

Complexity of the Initial Integration Project

Many technologies exist to enable fast, easy system integration without custom code. They are wizard driven, in some cases. However, every project and combination of systems requires professional evaluation to determine the right mix of technologies and custom integration points.

Complexity of Data Exchange

Simply migrating data from one system to another can be a significant feat. Ongoing complex data exchange between disparate systems can entail a significant trouble-shooting effort. Creating this seamless integration can be heavy lifting even for the pros.

Flexibility of Future System Updates

Upgrades, new fields, new reports, and other changes in any participating system must be recognized by all points of integration in all other systems. Will this slow down future customization of your systems infrastructure? It depends on factors that you have no way of knowing right now.

Step 6
Educate and Empower All System Users

Many useful IT systems fail because their rollouts did not take into account basic principles of adult learning and change management. What's the backbone of a successful rollout? Users who understand how it benefits them to use a system, are confident in their system know-how, and are in the habit of using that system.

Where do companies commonly struggle in the quest for user empowerment?

Up Front Thinking About Each User's Needs

It may seem like a lot of work to get new users acquainted with an unfamiliar system and the process changes that come with it. Just think how much waste could be created if users are left to figure it out themselves. A little mentorship and hand-holding goes a long way.

Forgetting the New Hire Learning Curve

New hires are often forgotten in this process, but they need as much support in acclimating to your CRM world that your existing staff did when the system was new. Once I've learned the system, it's easy to forget how much time a new user needs to climb the learning curve.

System Changes Mean Educational Updates

Education must be renewed for each end-user group as the system changes. Many organizations roll out system changes with centralized speed but forget to tell the end user what those changes are, what they mean to each user group, and how to interact with the new functionality.

Forgetting the System Administrator(s)

An often over-looked resource, the system administrator, needs continuing education as well. Salesforce.com and other "software as a service" (SaaS) platforms evolve constantly. Your administrator needs to stay current on release changes, best practices, add-ons offered in the community, and other topics that impact their effectiveness.

What's New?

Opportunities to improve SaaS ROI come with each release of new platform functionality. Define a process for reviewing new functionality. Brainstorm ways to use new enhancements to help address items on your company's CRM Wish List.

Step 7
Provide Direct Access to Data

The right people must be able to get the right information into and out of the system when they need it. Sounds simple, right? Well, these requirements can evolve over time. Teams tend to set them up once and then leave them alone, but they deserve occasional review & re-evaluation.

Integration and Reporting Automation

If the data you need resides in multiple systems, then someone must export data from those systems and massage the output in spreadsheets to do the job. This time-consuming extra work consumes hours weekly or even daily in many companies. Computing errors and inconsistencies add to the costs of data access.

Where do companies commonly struggle in the quest for data visibility?

User Access Permissions

In large organizations, simply figuring out who needs access to what data can become a political challenge. Translating those needs for the technology to enforce can also create complexity when end user roles are highly customized across departments and job functions.

Editing Permissions

Record-level and field-level permissions also affect data integrity. Are the right users able to edit the data, while those that need "view only" permissions are prevented from editing?

Step 8
Drive Accountability

Now that you have good data, what are you and your team using that data to accomplish? Are you holding teams (and the processes and tools which enable them) accountable for the performance they deliver?

Where do companies commonly struggle in the quest for accountability?

Clear Ownership

Typically, a company with successful CRM has a core team of business stakeholders who meet regularly. This team helps to drive user adoption, user communication, process changes, implementation of new releases, and much more.

Internal Promotion

It's not enough to have an internal champion alone. The company needs a strategy for communicating the importance and value of the CRM system to the organization.

One and Done

The internal promotion and communication program for launching your CRM must continue to keep the message of its importance in front of users.

Culture Conflicts

Some old behaviors must be ousted. For example, if your team is rolling out CRM to increase information sharing, but fiefdoms still hoard data, these culture conflicts can cause CRM failure. This takes time as well as the carrot and the stick. Leadership vigilance, both at launch and ongoing, is key.

KPI Visibility as a Way of Life

Are your key performance indicators (KPIs) visible on executive, manager, and user dashboards? Are your managers reviewing their dashboards and discussing performance during team meetings? These are integral to driving a culture of performance.

Define Terms—and Goals

Do users know the rewards for success and consequences for sub-par performance? If so, it is much easier to communicate and understand how the CRM system in helping them achieve rewards and avoid consequences. Clearly-defined metrics of success do not exist in every organization. Even in companies where they exist, acceptable levels of performance aren't always universally understood among all personnel.

Take Time to Benchmark

It is difficult to quantify improvement without a benchmark. Before you roll out a new CRM system or any significant changes, benchmark your chosen metrics for system success. Then measure changes in those metrics regularly after system launch.

Step 9

Add Incremental Improvements Over Time

CRM is not implemented one time. To take action on analysis and user feedback and add new or updated processes into CRM, new functionality may be needed quarterly, half-yearly, or annually. In the Cloud, add-on applications and CRM platform upgrades also support your efforts to streamline workflow, automate processes, drive data quality, and much more—if you take advantage of them.

Where do companies commonly struggle in the quest for incremental improvement?

Post-Launch Burn Out

The energy and focus required to implement a system simply cannot be sustained over time. Make sure that each rollout, whether initial implementation or ongoing release, is realistic for the business to absorb and operate.

Having a Change Management Plan

It's easier to create momentum for incremental improvements when setting expectations and managing a plan. This must also be more than a bulleted list on a Powerpoint slide. Include dates and activities associated with project milestones in your change management plan. A roadmap of CRM stakeholder needs and CRM development priorities can be very helpful in keeping the system in step with the organization. This roadmap requires executive interest and sponsorship for most organizations to maintain and carry through with it.

Surprising the Users

Inform your users early and often of your change management plan. Select a group of users to serve on the project team during requirements definition and acceptance testing. This helps drive accountability with the project team. It also improves user acceptance of your system changes. Keep everyone informed through emails, webinars, weekly meetings, and executive communications. If milestone dates slip, inform the user community of the new time frame.

Internal Expertise

If the CRM system administrator leaves the business, incremental improvement cannot be considered until the backlog of maintenance work is handled. A backlog of two or three months' administrative work can quickly drive system neglect and takes sustained effort to reverse.

Resources

Many companies are staffed for data maintenance, not application performance tuning. This can be a matter of workload as well as skills and education.

Step 10

Calculate ROI on More Than Sales Opportunities

Success of CRM can be much more than just an increase of "closed" or "won" sales opportunities.

- Reduced time for a customer service rep to search for a solution
- Increase of referred business (business development, partner support)
- Reduced cost to serve a customer
- Faster customer response time
- Shorter time to close a deal
- Reduced time to research and work a customer case
- Growth in email capture (to reduce customer communication costs)
- Increased data capture of marketing / segmentation data (i.e., growth in CXO title capture)
- Increase in number of opportunities per customer
- Increase in number of contacts per account (or number of contacts in various job functions)
- Improved ability to track and measure Marketing Campaigns
- Reduced time calculating sales commissions

What KPIs do other companies include in CRM ROI calculations?

Internal Resource Constraints

The solution is more than simply throwing bodies at the problem. Do our staffers have the right expertise, for example, to handle process design and user interface usability? Are we staffed for system performance tuning? Is our internal team really hired and trained for data maintenance?

What common internal barriers do companies encounter when trying to fight CRM neglect?

Urgent Priorities, Other Projects

Once a system implementation is done, leaders and teams alike are under pressure to focus on revenue, sales, service, and other functional priorities.

No Internal Champion to Drive Feedback Mechanisms

Many times the management does not pay enough attention and focus to sustaining CRM systems over the long term. When this is the case, gathering stakeholder feedback, and prioritizing and taking direction action based on that feedback, simply falls through the cracks.

Pace of Internal Change

Even with the best of intentions and crack internal resources, some companies simply change too fast or too often to keep their system integrations, reporting, user interfaces, education, and other moving parts in sync.

Inconsistent Success Metrics

Metrics are not always consistently defined or universally shared among the managers who drive dashboard creation. This lack of consistency can be felt across an organization and hampers system use. For example, is the VP of Sales looking at the same metrics that are on the Sales reps' daily dashboard? And is the VP of Sales defining leads, revenue recognition, and so on differently from the VP of Marketing? Are different VPs driving a manual reporting process to present competing views of the truth?

Additional Recommendations

What else does CRM EVANGELIST recommend for companies struggling to overcome internal barriers to CRM ROI?

- *Focus initial CRM roll out on specific processes and audiences, in a phased approach. Take on only what you and your stakeholders can absorb at one time.*
- *Continuous small change is much less risky than large-scale (re)implementation.*
- *A successful pilot to gain quick, positive stories for users to tell each other is recommended early in every significant system change. This starts with initial rollout and should be repeated before any major change to the system.*
- *Be sure to define "major change" in the eyes of the user community, not in the eyes of the tech team.*
- *Updating existing systems is less expensive than large-scale change. Why throw out the good with the bad?*
- *Anticipate common CRM needs, and address them proactively. This reduces the risk of neglect.*
- *Planned, orderly, proactive updates cost less and work better than finding a fix after CRM usage begins to lose momentum.*
- *Depending on the size and skills of your internal staff, a structured program delivered by CRM experts may be more effective and less expensive than adding/managing staff.*