The Essential Guide to CRM Requirements

Produced by SmallBizCRM.com

Perry Norgarb

Copyright & Disclaimer

The authors, and the publisher, SmallBizCRM.com, have made their best effort to produce a high quality, informative and helpful book. But they make no representation or warranties of any kind with regard to the completeness or accuracy of the contents of the book. They accept no liability of any kind for any losses or damages caused or alleged to be caused, directly or indirectly, from using the information contained in this book.

Table of Contents

World of CRM

Detailed specifications are key to a successful CRM installation. In order to prepare specifications, though, you need to have a good grasp of what modules you can expect to find in a CRM system and what each module does. Most CRM systems offer more than just the basic functions and in many cases will have functions beyond the requirements of the business. While this is wonderful if your business requirements are complex, you could also end up being bamboozled by features you do not need.

In this book, we discuss CRM modules in enough detail for you to get a good understanding of what the different modules are capable of – and why they might be important – with the end goal of getting you to articulate your CRM specifications. By the time you finish reading this book, you will have a better understanding of how and where CRM might fit in your business, and will have been introduced to some of the common jargon with which you can expect to be bombarded when you start talking to CRM vendors.

If you are new to the concept of CRM and the modules that make up the system, read the text in the boxes after each heading. If you already have an understanding of CRM, you can skip the content in the boxes.

Sales Force Automation (SFA)

In its simplest form, SFA is a method of automating the flow of leads generated by your marketing efforts and passing them on to the relevant salesperson.

What is it? SFA for the uninitiated

At the heart of any CRM system is sales force automation. The term "sales force automation" may conjure up visions of your sales team being turned into an unstoppable robotic force, tirelessly generating new leads, closing deals, and completing paper work accurately and on time. Unfortunately, that's not what SFA is about.

Businesses process requests for information and sales leads that come from more than one source, including online transactions, email enquiries, telephone enquiries, and registration for online newsletters. Every one of these is a potential sale, or has potential for follow-up sales and service. The purpose of sales force automation is to automatically allocate leads to sales staff based on criteria defined by you.

Why SFA is Important for You

Managing customer contacts is a core function of CRM. How well you manage those contacts will determine, to some extent, how successful your business is. The same applies to any sales lead or query that comes into your business. Unless you allocate the inquiry to someone, chances are you are losing a potential sale. Without some sort of system in place to manage these contacts, many of them will go without a response and the potential customer will find some other supplier to satisfy their need.

You probably already know that many customers do not buy from you the first time you call on them. The market segment in which you trade will determine how much time potential customers spend sizing you up against your opposition, but unless you are in a commodity market, such as food or clothing retail, you will know that some customers do not buy from you until the third or fourth contact with them. That initial query from the prospect may result in a sale of one or two small ticket items, or it may turn into a large order with frequent repeat business. The only way you will know which it is going to be is if you contact them and keep talking to them.

The prospective client who never hears from you again will never be a customer. As a small business you cannot afford this potential loss of business. This is where SFA can help you. By getting all of your customers and prospects onto a database you can begin to manage the contacts. By automatically allocating prospects to your sales force, you ensure that customers receive sale-generating service levels.

Order Tracking

What is it? Order tracking for the uninitiated

In most retail type businesses, customers pick items from a shelf, or from an online display, and pay for them. This is the most basic form of transaction and the order itself does not need to be tracked. However, if the order was an online purchase, it has to be shipped to the customer and either management and/or the customer may want to know the status of the order at any given point.

If you are in the sort of business where all your customers come into your shop, pick items from your shelves, and pay for them as they leave, you probably do not need order tracking. However, there are multiple reasons for an order tracking module. For example, where the goods ordered need to be assembled before being delivered, order tracking is a must have. If your primary product is a service that has to be carried out on a future date at a specific address, order tracking is more than useful. Depending on the type of business you run, delivery on an order could take anything from a couple of days to a few months. Apart from the customer, salespeople, shipping clerks, and production managers also want to know the order status.

Why order tracking is important for you

If your company manufactures or assembles products to order, you would benefit from an order tracking module. Not only does it help keep the customer informed, which is an important enough reason on its own, but it also helps you manage aspects of the business that can have an impact on your cash flow and liquidity. As a manufacturer, having multiple orders in various stages of completion, all of which require raw material inputs, to say nothing of labor and machine maintenance costs, can be a drain on the resources of a small business. Having an order tracking system helps you keep up to date with order progress and manage the material requirements and your cash flow.

If you have a high inventory turnover, and are constantly having to replenish your inventory, knowing what orders are waiting to be filled and what items are still needed to fill those orders is important. If you provide services, such as landscaping, plumbing or painting, rather than products, you would also benefit from an order tracking module. This is particularly valuable if you have multiple teams out in the field, as order tracking allows you to see at a glance what teams are tied up in which areas and how close any particular job is to completion.

Marketing and Lead Analysis

Marketing and lead analysis for the uninitiated

Marketing analysis will tell you which form of marketing is generating the most leads. It could also tell you which form of marketing is generating the best qualified leads, and this is vital information for the small business. Sometimes, when you do business with a company for the first time, you get asked, 'How did you hear about us?' The question may be asked by the person with whom you deal, or it may be asked in a questionnaire. Both are a form of marketing analysis. The company in question is trying to establish which of their various marketing efforts is giving them the best returns on their marketing spend.

You may be marketing yourself through sponsorships, through trade fairs and exhibitions, through extensive advertising in newspapers, radio and TV, or through a knock-and-drop pamphlet campaign. Whatever form your marketing takes, you need to know if it is effective so you can either intensify your efforts through a particular channel or terminate marketing through that channel. You also need to know that you are reaching your target market. For example, if your product is aimed at the DIY market, it is pointless advertising on a radio program targeted at adolescents.

Why lead analysis is important for you

Can you answer any of these questions about your business?

> *How many customer contacts do you have every month through each channel? How much does it cost to supply an order through each channel? Which channel is most profitable? How much unused volume do you have in each channel? How much revenue can you drive through each channel? (Geoff Ables, 2004)*

A marketing and lead analysis module will put the answers to these, and similar questions, at your fingertips. It will allow you to analyze each marketing campaign and shift your marketing spend to those which are generating the most business.

This, combined with modules such as sales force automation and/or order tracking, provide important insights into how healthy your business is. These are vital management tools that will help your refine cash flow projections, plan strategy, and prepare for cyclical highs and lows in your business.

Mobile CRM

Before we get into the details of Mobile CRM, here's an interesting finding revealed by Aberdeen Group Benchmark Report released in October 2010.

> *"While not all companies deploy sales mobility, those that do, outperform those that do not across a myriad of measures, including overall team attainment of quota, lower sales turnover, as well as better year-over-year growth around revenue, customer renewals, deal size and CRM adoption."*

What is mobile CRM?

Mobile CRM means managing your CRM using a cellular, or "mobile", device. In other words, with the help of any of mobile device, i.e. a smartphone or a tablet, you connect via its wireless network to your CRM so that you can access and update customer data.

An ideal mobile CRM application lets you do everything you do using your laptop or desktop computer PLUS some advanced features, e.g. using GPS data, capturing photos or recording voices, and then uploading them directly to your CRM. Some CRMs, e.g. BizzCRM, Karma CRM and Zoho CRM, offer native applications that need to be downloaded and installed on the mobile device while others e.g. Insightly CRM, offer a mobile-friendly website for their CRM.

Mobile connectivity for the uninitiated

Everyone is aware of the speed of modern communication systems and the ease of access to them. As a result, your customers want answers faster and they are not always prepared to go and find them on the Internet for themselves. Often, if you are there in person, they want the answers and information from you – in real-time. The technology is available in the form of mobile devices and wireless connectivity for salespeople to do more than queries when on the road. They want to be able to enter orders and contact details, and change orders or contact details.

Why mobile connectivity is important for you

The two primary reasons why mobile CRM is important are because the power has shifted to the customer and because your field staff wants to be able to access the CRM system from wherever they are when they are out on the road.

In the first instance, power has shifted from the supplier to the customer because the Internet has:

- widened customer reach in terms of suppliers
- provided easy-access to social media which allows customers to exchange information about service levels – sharing their experiences with millions of other people globally, and doing it in an instant.

The result is that your customers expect better and faster service from you. Secondly, your field staff want to be able to access the system from customer premises, or from a coffee bar or diner when they are out on the road making their rounds. They want to be able to:

- check inventory availability
- confirm order status or progress
- order spares for on-site repairs
- access knowledge bases
- enter new client details, or enter orders while in front of the client to create a good impression.

A 2010 paper in the Forrester Wave series, by Forrester Research, Inc., says:

> *Mobile CRM is a must-have capability. Organizations have invested for more than a decade in CRM solutions. However, mobile workers often still do not have the necessary information at hand to sell and to serve customers effectively when they are away from the office, so interest in mobile CRM solutions is high. Virtually all CRM vendors now offer mobile solutions as extensions of their applications to fill this gap. Despite the growing maturity of mobile CRM*

> *solutions, business and IT leaders will still be perplexed by the complexities of the different mobile options and architectures. (Forrester Research, Inc. 2010)*

A possible problem for mobile CRM is with network coverage in some buildings and in rural areas. Mobile CRM is great in principle, and in practice, as long as staff are able to connect to the CRM system. What is probably the biggest problem arises when staff cannot connect and then store the new data or changes on their mobile device for later update. Sooner or later, they are going to want to update the CRM system with the changes stored on the mobile device. But what if the data on the CRM system and/or in the email address book has changed in the interim? How does the system handle synchronization of data between the fileserver and mobile devices when data on both have been modified? Generally, you are faced with two possible events when a synchronization conflict occurs.

1. You get a warning message about the conflict and have to make a decision about which change to accept. This can be bad enough for one or two conflicts, but if it is a series of conflicts, you're likely to lose data.

2. You get no warning from the system about the conflict and the system decides which change is the most recent or most valid. This is a dangerous situation for your data integrity. The result, at best, is likely to be lost contact details and frustrated staff.

This potential problem is still a thorny issue ten years after the concept was first raised. If mobile CRM is important to you, look very closely at how the CRM system handles synchronization.

Major benefits of Mobile CRM

- Take your office with you, wherever you go

- Mobile CRM gives you the edge over competitors that are not using Mobile CRM with prompt access to accounts, sales deals, service cases, and schedules while on the road

- Going to a meeting but don't know your customers that well? Mobile CRM comes to your rescue again as you can build customer intimacy by reviewing the entire history and up-to-date customer details

- Mobile CRM, by offering 24/7 access to customer information, reduces your staff's downtime and increases productivity

- It also increases sales forecast accuracy through real-time updates from your field staff

- Features native to mobile devices give you the freedom to do things you simply can't do otherwise i.e. taking photos, recording videos and voices, monitoring and using GPS data, voice calling the contacts and so on.

What to look for in a mobile CRM solution?

Choosing an ideal mobile CRM solution isn't easy, and any mobile CRM won't do. In fact most applications are a far cry from a solution that offers optimal user experience, high security, and organizational manageability. Here's the simplest advice to choose a good mobile CRM by Grant R. Jay, Director of Carrier Partnerships:

> *"For the most part you want to make sure the user experience and application works with your business scenario, either a small one user or up to an enterprise group."*

To make sure you don't regret your decision after purchasing a mobile CRM, keep the following factors in mind before you pick one:

- **Employee buy-in**: No matter you've a few users or a large team, buy-in is really important. If your employees do not feel comfortable using the application, they won't use it. So make sure you get their input.

- **Ease of use**: The more user friendly an app is, the more productive it will be. It should have a simple, intuitive and uncluttered interface.

- **Ease of deployment**: How long does it take the software to be downloaded, installed and fully functional? Is on-going support required, and if it is, what's the associated cost? How easy is it to manage users? A good mobile CRM should need no or minimal IT support.

- **Security**: Depending on the needs of your business, other factors can have a higher or lower importance, but security is important for all types and sizes of businesses. Your mobile CRM should satisfy all security concerns, because it will be manipulating sensitive customer information such as credit card and social security numbers, via relatively less secure wireless medium.

- **User experience**: How your employees feel about using a particular mobile CRM is the key to efficiency. It will highlight the empirical, eloquent, and valuable aspects of your team's interaction with the software. It's quite possible that user experience might change over time, so make sure your team has used the system for quite a while before giving a verdict.

- **Advanced feature set**: What are the extra benefits your mobile CRM brings to the table, e.g. capturing headshots and uploading to your CRM, recording voice, voice calling or video conferencing with your customers etc.?

What mobile devices are supported?

Mobile CRMs support a wide range of mobile devices including smartphones and tablets. Since these devices aren't fully-fledged computers, make sure the CRM you choose has been optimized for these processor and screen sizes. An ideal approach would be to extensively test all of the mobile devices your employees use during the trial period offered by the vendor.

5 tips to get the most out of your mobile CRM

Once you choose your mobile CRM, it's time to utilize its benefits to the fullest:

1. Train your users, don't think they'll figure it out by themselves. If you don't train them, the users will take more time to learn it on their own. On top of that, some people will never be able to grasp the system fully unless it's briefed to them.

2. Use the latest mobile devices because vendors always update their software to support the latest models. Older devices not only degrade performance, but can also become a serious security threat.

3. Classify your key mobile use cases according to the task and activities your workers will need more frequently.

4. If your CRM allows, limit data fields so that users can only access the most relevant info. It increases data security and also avoids the common trap of downloading every record – that is a sheer timewaster.

5. Analyse how incorporating a mobile CRM into your business has affected the overall performance of your team.

If you haven't considered mobile CRM for your business, you are already late and you need to think about it, pronto. And when you do, make sure you give it the proper planning and deliberation it deserves – jump the gun and you might very well end up frustrated. Provided you use it sagaciously, at the end of the day it can boost your productivity and sales well beyond your imagination.

Call Center Support

What is it? Call center support for the uninitiated

Most people associate call centers with large organizations, such as financial institutions, utility suppliers, and airlines. However, this is not always the case and a small company can also have a call center. What is going to determine whether you do or don't have a call center is going to be the type of product or service you provide and how you want your customers to see you. A call center could be a product advice line, a help desk, a customer care center or any combination of these.

If you do have or want a call center, you have a choice of in-house or outsourced. We will not discuss this choice here or offer any guidance; but you should know that different options are available.

Why call center support is important for you

If you do not have a call center and are not planning on having one, this is not an important feature for you. However, if you do have one, how good is it? Does your call center staff have access to all the relevant data pertaining to any given customer? How quickly does the system respond during peak periods?

If a call center is important for your business, you should look closely at what sort of integration you will get between your CRM system and your existing or planned call center. Near the top of the list of important functions is ease of use – both for call center staff and customers. For example, when a customer phones in to your call center, any data that the customer is required to provide during the call screening process must be passed to the relevant call center operator. There is nothing that says more loudly that you do not care about customers than a call center which repeatedly asks for customer authentication during the same call.

In other words, by the time the call center operator takes the call, all the customer data should already be on the operator's screen. Of course, this should include previous call history, but it should also include purchase history, type of customer, salesperson responsible for the initial contact, if any, and the customers' preferred form of address. What we mean by this is that there should be something to say whether the customer should be addressed in a formal or informal manner. For example, if it is formal, then address them by their title; if it is informal, there should be a use name specified. If the use name is Jim, by all means call them Jim, but if the use name is James do not, under any circumstances, call them Jim, Jimbo, or Jamie. That assumes a familiarity that customers might find offensive.

Data Integration

What is it? Data integration for the uninitiated

Data integration refers to the ability to bring together the information used by different systems or different aspects of one system. If the information you have about your customers all sits in different places, it becomes impossible to get a 360 degree view of the customer without interrogating multiple systems. If you are able to bring all the relevant data together to form a complete picture, and maintain the picture so that it is always up to date, you will have managed to integrate your data.

Why data integration is important for you

You probably have a number of different business systems, all with important data. This includes:

- an email system with names and addresses
- a contact management system with names and addresses
- an accounting system with names, addresses, and invoice details
- maybe an e-commerce shopping cart program with online order details.

The result is that while you may have access to all the important data about any particular customer, you need a process of exporting multiple files to a complex spreadsheet to try and pull it all together. This is what Clate Mask and Scott Martineau call 'multiple system chaos'.

> *Why have an email marketing system? So you can send emails, right? But who do you send them to? To the people in your contact database, of course. How do you know if the people in your contact management system want the emails? You need to know their communication history. How do you know if the people in your contact management database responded to the email and made a purchase? By looking at your shopping cart.*
>
> *Without a centralized database that holds all of this important customer information, you're stuck … between multiple systems. That's multiple system chaos! (Mask and Martineau, 2010.)*

Some salespeople will tell a client almost anything they want to hear to close a deal. Both of us have, at some point, found ourselves in a position where we were sitting with a client to do a system implementation and the client said, 'but the salesperson said your system could do this!'

So, be warned. Be wary of a CRM system that promises to integrate all your customer data. It comes down to your being able to ask specific questions. For example, when a vendor's salesperson says the CRM system can be fully integrated with your existing data, ask them a question along the lines of:

Tell me specifically, and without jargon, how the CRM system integrates with my existing systems?

Salesperson: It's easy. All you do is flag the records to be updated and hit the 'process' key.

You: Tell me what's involved in setting it up initially.

Salesperson: Well, that's not really something I get involved in, you'd have to ask one of the technical people.

Now you know that it is not as simple and straightforward as you were being led to believe. Let's look at another way to approach the same statement, simply to illustrate that there is more than one way to arrive at the same level of clarity.

Salesperson: Our system is fully integrated and can easily work with your existing data.

You: Are there any problems you're aware of with the integration between the CRM system and my accounting package?

Salesperson: No, none at all.

You: OK, so the data integration has no limitations or unresolved issues that you know of.

Salesperson: No issues with our system, but there was this one client … and the problem was all to do with their staff/data/hardware/remote location …

You: Will you give it to me in writing that you have not personally had any feedback about issues or problems with integrating customer data?

Salesperson: Well, it isn't company policy to give prospects written warranties …

If the conversation runs on anything like these lines, you could be taking on a big headache. If the salesperson tells you, in all sincerity, that there are no problems, we suggest you take it a step further. Don't just take their word for it, ask them to show you how it will be integrated. Insist that showing you the specifics of how the CRM system will integrate with your existing systems must be included in the system demo – and that this is a potential deal breaker. Forester Research, Inc. is clear about this:

> *The struggle to integrate customer data continues. The volume of inquiries that Forrester receives about customer data integration (CDI) continues to increase. Customer management professionals tell us that poor data management is one of the biggest barriers to getting value from their CRM systems. But the right approach to customer data management remains elusive. (Forrester Research, Inc. 2010)*

Social CRM

The most interesting description of social CRM comes from Paul Greenberg, a famous American author and essayist:

> *"Social CRM is a philosophy & a business strategy, supported by a technology platform, business rules, processes and social characteristics, designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted & transparent business environment. It's the company's response to the customer's ownership of the conversation."*

Difference between a CRM and a Social CRM

Simply put, a CRM is about managing your customers, while a social CRM is about engaging with your customers.

What is it? Social CRM for the uninitiated

First of all, social CRM, sometimes referred to as CRM 2.0 does not replace traditional CRM systems, but is an extension of them. It enhances and extends your ability to interact with customers and potential customers. Essentially, social CRM is a combination of two types of platforms: Social media and Customer Relationship Management system. It allows you to store your customers' details in one place, and engage with them on a more personal level. The two major motives behind this are to 1) increase ROI on marketing campaigns, and 2) enhance customer experience. In their

> *Guide to Understanding Social CRM*, published in June 2010, Chess Media Group says that social CRM focuses on the relevant conversations taking place online and offline. Social CRM not only addresses how you will respond to this new kind of customer and the demands that they put on your company, but also how you can engage non-traditional industry influences such as blogs, independent analysts and customers. In short, to provide better services to your clients, you have to bring them to the core of your company's strategy and, for this purpose, no platform is better than social media.

Why social CRM is important for you

Here are some startling facts about social media published by PR Daily on June 8, 2012.

- More than 350 million people use Facebook
- If Twitter was a country, by population, it'd be the 12th largest in the world
- Every second 2 new members sign up for LinkedIn
- The Google +1 button is pressed about 5 billion times every day
- An average visitor spends 15 minutes a day on YouTube

Just because of its quirkiness, the Gangam Style video got 532+ million views in just a few months to become the most popular video on You Tube!

It's because of these factors every analyst and vendor is now talking about social CRM. But the million dollar question here is, why are the social networking sites important to your business and how do they influence your choice of CRM system?

> *In addition to checking a company's Web site and its brochures, many customers research information on products and services from social networking sources such as blogs and online user ratings. With customers now requiring more real-time support, it's essential to keep pace with their expectations and to respond to them in new ways.*

> *(Forrester Research, Inc. 2010) This does not mean that you need to be aware of, and participate in, every online conversation or every radio talk show. That would require resources beyond the reach of all but the very wealthiest organizations. The real value, according to Chess Media Group, comes from being able to change how your company does business and from improving the user experience. Simply responding to as many comments as possible is senseless.*

A much better solution is to fix the problems your customers identify. When you have fixed the problems, tell all your customers and prospective customers what you have done. And tell them via the same media they used to tell you about the problem in the first place – tell them through the social websites. By doing so, you demonstrate very clearly that you care about your customers. More importantly, through collaboration with your customers to give them what they want, you turn critics into advocates.

> *Social CRM is based on the simple premise that you … interact with your customers based on their needs, not your rules***.** *(Chess Media Group, June 2010.)*

3 areas where social CRM can be useful for small businesses

1. **Marketing**: Idea management, market research, new product/services launch, social campaigns, social event networking, public relations, branding

2. **Sales**: Social sales research and prospecting, social sales collaboration

3. **Customer service**: one-on-one support, service customer feedback, listen-and-respond service

5 ways small businesses can benefit from social CRM

Gone are the days when companies would be satisfied simply by storing their contacts' information in a database for making decisions. With ever-increasing, cutthroat competition between small businesses, each one of them wants to have an edge over its competitors. And social media integration to your CRM is surely a big plus, since this medium is thriving as 21st century's word of mouth marketing.

Here are five different ways you can utilize your social CRM to beat your rivals:

1. **Real-time communication**

The closer you stay to your consumers, the better you'll serve them. Social media gives you the opportunity for efficient market research, instant interaction and spontaneous feedback. Some CRMs like SugarCRM, Zoho CRM, OnePage CRM etc., allow you to view your contacts' social updates right on your dashboard. This can help you create products/services that your consumers are already looking for.

2. **Proactive customer support**

People like to tell others about their experience of a new product they've purchased. And if your customers are unhappy with any of your products, they'll probably release their frustration by moaning against it on social media outlets. This is where you can quickly cater to their issue, and contact them via the same source. They'll simply love your proactive customer care.

3. **Lead generation**

Again, people looking for new products ask their acquaintances for their recommendations. Most social sites allow you to search people's statues and comments, which can get you in contact with countless potential customers seeking something you offer. Your social CRM will allow you to search for such leads, import them into the system and take necessary steps to convert them into your customers.

4. **Instant promotion**

Launching a new product or service? The quickest, easiest and cheapest way to get in touch with pinpointed, target markets is social media.

5. **Brand recognition**

People who hear from you often have a perception of your brand in their mind of one sort or another. Interacting with your customers via social media can eventually build a community which will result in an increased conversion rate, repeat customers and reduced commission costs.

Levels of integration

Different CRM systems allow for different levels of integration and to different types of social media sites. You have to choose the one that resonates with the nature and requirements of your business.

Basic integration

Some CRMs allow minimal integration to social networks i.e. instead of pulling in the updates to your CRM dashboard, they only store a link to your client's social media profile so you can click and jump to their profile. OnePage is an example of a CRM that offers basic integration.

Mid-level integration

These CRMs allow you to view people's statuses and updates right from your CRM window. You can also post your updates or respond to the queries of your clients. These types of CRMs, however, do not allow importing people as leads into system. You can, however, search or sort updates based on different criteria. InTouch CRM is a fine example of such a CRM.

Advanced integration

There are some other, stronger applications (e.g. BlueCamroo CRM) that allow you not only to communicate with your clients but also import them into your system as leads/opportunities. This can be very productive as social media is swarming with clients, eagerly looking for different products and services. Once they're stored in your database, you can send them your pitch and communicate with them just like your normal contacts.

How to get the most out of your Social CRM

If there was one line answer to this question, it would be:

Don't think of social CRM as a technology, think of it as a strategy!

In other words, you must have a comprehensive plan to put your social CRM to work and get the maximum benefits. Let's take a look at some of the steps you should consider taking:

1. Figure out the goals you want to achieve with your social CRM: do you want to use it simply as a lead generation system, or do you want to offer your customers real-time support, etc.?

2. As said earlier, different social CRMs are designed to cater to businesses with different needs; choose the one that is in line with the goals you have set.

3. Do some research about the social activities of your potential clients: what is their favorite social media outlet to hang around, how do they use it, what time of the day/week are they most active, etc.?

4. Be targeted and specific with your social media deployment.

5. Educate your team: usually social CRMs are pretty simple and intuitive, and don’t need extensive training.

6. Analyze the results: are you going in the right direction? Adjust your strategy, if need be.

Put the Right Team Together

Putting the right team together is a vital aspect for the success of your CRM system. Consider the impact of the CRM system on your business, in particular how widespread the use of the system will be and which departments will be affected. It makes sense to include in your CRM selection team employees from all of the departments that will be affected. It also makes sense to select your team on the basis of which people are least likely to support it.

This is more than the old saying about keeping your friends close, but your enemies closer; although there is an element of that here. The more compelling reason is that if you can win the doubters and critics over to your way of thinking by including them in the decision-making process, half the battle for business-wide acceptance is won.

The reasons for selecting a multi-discipline team go beyond gaining acceptance for your CRM system. When you specify your business requirements and define your CRM requirements, a multi-discipline team will give you as broad a view of the business as possible. Keep in mind that the team, to be effective, should not exceed ten people. This is a case where less is more. You should also remember that this process, while it has to be thorough, must not be long and drawn out. In fact, by keeping the team small you encourage your staff to get on with it. They realize that there is nobody else to do the job, so they just have to get on with it. Reinforce this attitude by letting them know you have faith in their ability to get the job done.

The purpose of the team

Before you can begin looking at CRM systems on the market, you must know what your business requirements are. This is not your wish list for the CRM system, nor is it your goals and expectations for the CRM system. This is the stuff that needs to happen for the business to run effectively and efficiently. The team you put together will, initially, be responsible for defining what those requirements are. After that, the team will define the requirements of your CRM system. It might be that the same team is involved in both of these key processes, but expect some people to fall out for one reason or another.

The ideal team for this phase of the project are people who know the business as well as you do, and this often means department managers. You may find some managers reluctant to get involved in the project, claiming that they are too busy. That's OK. Remember, you do not want anybody on the team who is not a volunteer.

You have three ways to find the team members you want.

- Call a staff meeting of all the potential team members and ask for volunteers for the project. This approach is a bit dodgy, as you rely entirely on the staff to step forward and offer their services.
- The second method is to talk to each possible team member individually. This gives you the chance to hand pick team members. They will still have to volunteer, so your talk to each possible team member will have to be couched in terms of asking them for advice or guidance rather than a request to them to join the team.
- The third approach is to hold a general meeting and follow that up with individual meetings with the staff you have identified as being crucial to the project.

Whichever way you choose, there are two issues you should highlight. The first issue is that this is an opportunity for those staff who have strong feelings about CRM to get involved in deciding the what and how of the project. The second issue is that you only want volunteers for this project team, which nobody is being asked to do this against their will.

The second and third methods, that of talking to staff about their participation individually, may be time consuming but the results are likely to be more fruitful. The reasons for this should be obvious – apart from being able to effectively hand pick your team. If you know what motivates each possible team member, you can tailor your pitch accordingly.

In a white paper published on the ProjectPerfect website in 2007, Neville Turbit talks about the different motivations people have for doing something. According to Turbit, everybody's motivating criteria sits somewhere on a scale ranging from goal oriented, through influence oriented, to people oriented.

- People oriented individuals are motivated by the relationship between themselves and the people they come into contact with. Teams and interaction with team members is critical to their achievement. These are people who are most productive in a group environment.

- Influence oriented people are concerned with their status in the organization. They see each task as an opportunity to display their skill and ability. How other people perceive them is important. They like to be associated with people who have a level of influence in the organization. Influence oriented people are willing to compromise to get something done if the alternative is that it is not done at all.

- Goal oriented people are motivated by achieving things. They are focused on targets and like nothing better than the challenge of setting and reaching a goal. They can, in some cases, be so focused on their goal that their relationships with the people around them are negatively affected. Says Turbit of goal oriented people:

- They can sometimes be very dogmatic and unbending in their desire to achieve. If you want a person to walk to the North Pole on their own, this is the sort of person to do it. (Turbit, 2007.)

Of course, as with all things in life, very few people are completely at the one extreme or the other. You will probably find that some people are somewhere between goal oriented and influence oriented, and some are somewhere between influence oriented and people oriented.

The tricky part for you is being able to recognize what motivates each person and then address them in those terms. According to Neville Turbit, you can tell the type of motivation by watching and listening to people. Here are a few tips to help you:

- People-oriented people tend to use the words 'we' and 'us'. They have good relationships, or would like to have good relationships with people on a personal as well as business level. They are the people most likely to organize staff social events. They dislike tasks where they work on their own and there is little or no chance to interact with other people.

- Influence-oriented people often use what might sound like vague and ambiguous terms, but they are simply leaving their options open for a change of direction. They often sound like they are qualifying their position by saying things such as, 'one option is…', 'there are several solutions, including…' They will often want to know what other people think before taking a stance. If a task requires interaction with influential people (particularly superiors) they will put their hand up for it.

- Goal-oriented people are probably the easiest to spot. They are definite. They use phrases such as, 'failure is not an option', 'whatever it takes, we will achieve…'. They want decisions made now, and consultative decision making is something you do only if you must. Often they are perceived as poor communicators, but they are people who get things done at all costs.

How will you know when you have put a good project team together? The simplest and most effective test we have come across is to ask each member of the team who the project depends on. If each person you ask points to someone else and says 'that's the person in charge', the team is a liability.

However, if each team member claims responsibility for getting things done, and states unequivocally that their contribution is key to the entire project, you have a good team. When everybody in the team believes that their efforts are key to the results and believes that success depends on them, you have a team that is a valuable asset with a better than average chance of success.

Specify Your Business Requirements

You may be tempted to skip specifying your business requirements, but we strongly recommend that you take the time to do it thoroughly. If you do, you will find the next step, specifying your CRM system requirements, a whole lot easier. More importantly, you will have a much better idea of which aspects of your business would benefit from a CRM system. Look for those areas where bottlenecks in paper and information flow occur, areas that could be automated with little effort and will make a major difference to business efficiency.

Your business requirements:

- are a statement of what has to happen in order for the business to run
- are details of steps to follow in order for the business to run effectively
- specify every procedure used in your business to make it work

This includes procedures for:

- how a sale is processed when an order comes in, whether by telephone, electronic mail, traditional mail, from a walk-in client or any other method
- what happens when a sales order is shipped, whether it is a single item handed to a customer over the counter, or a bulk order being sent to a major client
- what happens between a sales order coming in and the order being dispatched
- how a request for credit is handled
- handling overdue accounts and whether interest on overdue accounts is charged

- staff purchases and staff discounts, if applicable

It is important to note that at this point you are only documenting your business requirements. The way in which the requirements are fulfilled are covered in the section on the CRM system requirements that follows this section.

With the help of the team you have assembled, define the business requirements in as much depth as you can. Depending on the complexity of the business you run, this could be a long process, but it is also an invaluable exercise as it helps clarify in the minds of everybody just what the business does and how it does it. If the business is relatively new, this is a good opportunity to review the procedures that are in place and fine tune them. At the same time, this process will help you to draw up new specifications for procedures that were not envisaged at the time the business was launched or that have become necessary as a result of growth or new opportunities.

For the well-established business, this is the ideal time to reexamine all the standard procedures to identify those that are no longer relevant. It may surprise you to find that no current member of staff knows why certain things are done, or why they are done in a particular way. In cases like this, the procedures may have been superseded by new technology and are no longer necessary.

The best place to begin specifying the business requirements is to gather information. The type of information, and sources for it, include:

- business documents, such as process manuals, procedure documents, and standards documents
- financial documents, such as invoices, credit notes, and statements – both yours and those from your suppliers
- completed questionnaires from staff, key customers, and suppliers
- interviews conducted with key staff members, customers, and suppliers

What this information will tell you is how your business is really run – as seen by insiders and external stakeholders. You may believe that specific procedures are being followed because that is what the procedures document says should happen. However, the reality may be completely different. Don’t let this let stress you. Try to see the procedures objectively, even if you wrote them originally. Are the procedures in question still valid in the 21st century?

The financial documents – in the form of invoices, credit notes, and statements – will tell you what information you are capturing and/or holding on existing systems. Check these documents to see if they will cater for your CRM requirements in terms of data. What other information will you need for CRM that is not already on invoices? For example, if the bulk of your invoices are made out as ‘cash sales’, you have no customer information with which to work.

Interviews may be time-consuming if there are a lot of people you want to interview. However, it is a time-honored way of gathering information for systems analysis and allows the interviewer to pick up on evasions or uncertainties that indicate potential problem areas in existing systems. Interviews with external stakeholders, such as suppliers and customers will give you new insights into how outsiders see your business and its processes. It might be best if an outside consultant conducts the interviews on your behalf, as staff, customers and suppliers might be reluctant to be honest and open with you about shortcomings and problem areas.

Questionnaires fill much the same function as interviews but have three big advantages.

- They are anonymous, allowing people greater freedom to express themselves fully without ever being identified as the source of negative comments.

- They are often quick to complete and can be completed in the privacy and comfort of familiar surroundings, such as the persons home.

- They allow more people to be reached in a relatively short period, in that dozens of questionnaires can be sent out, completed and returned within a few days.

The disadvantage of questionnaires are twofold. Firstly, the nature of a questionnaire limits the type of responses that you will get by relying on mostly closed questions. As soon as you ask for more information on a questionnaire, such as an opinion on why something is better/worse than it was, you make it difficult to quantify the answers. Open ended questions, by their very nature, are difficult and time-consuming to evaluate and analyze.

Secondly, the volume of data gathered through questionnaires has to be collated and analyzed before it is of any use to you. This process, combined with the time and cost of designing a suitable questionnaire, is likely to be expensive and is often out of the question for a small business.

The importance of defining your business requirements cannot be over-emphasized. Knowing what makes your business tick, and the processes involved in keeping it running smoothly, are a vital pre-requisite for defining what you want from a CRM system. Use any combination of information gathering methods that you consider to be useful and within your capability. However you do it, do it with the attitude that it will strengthen and enhance your business as well as preparing the ground for your CRM system.

Finding a CRM application that perfectly fits your business needs is a tough row to hoe. If you make a list of must-have features before starting your quest, it will save you time, money and effort. To make sure you choose an ideal CRM solution, there are six major factors to keep in mind:

- basic system modules,
- total cost,
- functionality,
- ease-of-use,
- security measures,
- desired level of flexibility.

The following table gives a deeper understanding of these features to help you narrow down your choices from an endless range of different CRM apps to a few potent options:

Main Features	Contact Management Customer Service Management E-mail Management Lead Management

	• Opportunity Management • Partner Management • Marketing Automation • Sales Force Automation • Unlimited Custom Fields • Web-Based Cloud Solution • On-Premise Solution • Workflow Rules (to automate business activities) • Integration with Microsoft Office • Integration with Social Media • Native Mobile Application (or Mobile Friendly Version) • Reporting
Pricing	• What is the standard cost per user? • What features are covered in the standard cost? • What is the cost of white label solution/on-premise system?
Functionality	• Does the standard package include marketing automation or do I have to purchase it as an add-on? • Does the standard package include customer service functionality or do I have to purchase it as an add-on? • Can I access the CRM via my smartphone/tablet? • Does the system allow creating a self-service knowledge base to help customers and employees find solutions to their issues? • Is inter-departmental data sharing possible? • Can I track individual's as well as team's performance? • How easy is the process of filtering and sorting data? • Does the system, in addition to the built-in reports, allow creating custom reports? • Can every user edit/customize his dashboard according to his particular needs? • Can individuals customize their user interface i.e. by creating custom views, updating settings, adding colors etc.? • Does the system have access to real-time customer and business data? • To what extent does the system allow us to automate the processes by using workflow rules?

User Friendliness	⌚ How easy-to-use is the application? ⌚ Does it integrate with MS Office? ⌚ What level of training/expertise is required to operate? ⌚ Is deploying the solution easy? How fast can it be deployed, and how much IT support is required? ⌚ What kind of support and assistance does the vendor offer? ⌚ Does the vendor offer comprehensive documentation, video tutorials, how-to guides and live online help? ⌚ How often is the application updated? ⌚ Are there service releases?
Security	⌚ What are the security features incorporated in the system? (e.g. role-based security, user authentication, level of database access etc.) ⌚ How often is the date backed up? ⌚ What encryption methods does the vendor use to keep the data safe? ⌚ What level of security and permissions for users/groups does the system offer?
Flexibility	⌚ How easy is it to add new users? ⌚ How easy is it to import users? ⌚ Is the system suitable for small as well as large installations? (i.e. economical packages and unlimited users) ⌚ If your organization grows, will the application continue to meet your requirements? ⌚ Does the application run on all the major operating systems? ⌚ Which browsers are supported? ⌚ Are there any particular database requirements? ⌚ Do you need to install additional server software? ⌚ Do you need any additional hardware device? ⌚ Does the system allow users to mass edit the records?

Specify Your CRM Requirements

Specifying your CRM system requirements is a separate exercise from specifying your business requirements. The business requirements specify what your business must do to be effective; the system requirements specify how this will be done. To define an effective system, you need at least four things:

- a well-defined set of business requirements
- an outline of what you want the CRM system to do for your business
- a good understanding of what you can expect from the different modules of most CRM systems
- a small, motivated and focused team who fully understand the business and the importance of getting this right first time.

When planning your system, consider who will use it the most. In *Vendors Reveal 10 of Their Top CRM Tips*, Jennifer Schiff, quotes Scott Holden, director of product marketing at Salesforce.com:

> *Try to define your rationale for installing a system up front before you begin discussions with vendors. Make sure that you put the user community at the center of defining your requirements. Too often CRM experts lead the selection and companies end up buying a complex solution that has comprehensive features but may not solve the user challenge. (Scott Holden, 2010) By this stage, you should have a good idea of what you want from a CRM system. Some of it will have come from the exercise of specifying your business processes and some it from reading the outline of what the common CRM modules can do. You and your team should also do a bit of independent research, firstly to fill in any gaps in your knowledge and secondly, to improve your understanding of the different use each module might have.*

An independent view

One way you could do this is to invite one or more independent consultants to come and give a one day workshop to your key staff. Yes, there will be a cost to this, but if neither you nor your staff have much knowledge of what to expect from a CRM system, this is a good way to get expert advice. Be aware that if you ask CRM vendors to do presentations, they will all tell you about their own particular offerings and you will end up hearing the same thing again and again. Time enough for that when you begin the software selection phase of this project. Right now though, you need the views of knowledgeable but unbiased experts.

Next, it is time to look at what each CRM module offers and decide if there is a real place for it in your CRM plans. Essentially, what you are about to do is to define the goals you expect to achieve with a CRM system. To help you identify which aspects of which CRM modules are essential to your business, you and your team should be asking questions along the lines of:

- What are the must-have features for any given module?
- Which aspects of CRM will have the most immediate impact on revenue and profitability?
- Which CRM modules will affect business efficiency for the better? Learn to differentiate between nice-to-have and must-have. Be ruthless in distinguishing, because the more features you want to have, the more complex the system implementation will become. As with any system or product, the more complex it is, the more expensive it will be. It might help you to draw up a table, list the features and have columns to indicate if it is a must-have, nice to have or for future consideration. So, for example:
- Column 1 will list all the features that you and your team have identified across all CRM modules.
- Column 2 is a tick-box for the must-have features.
- Column 3 is a tick-box for nice-to-have features.
- Column 4 is a tick-box of features for future considerations.

Be careful of getting bogged down in too much detail at this stage. Details of functionality can be filled in later in the process. Neville Turbit, in a 2006 white paper on the software purchase process, says:

> *I have seen people develop extremely detailed requirements before going to market. It usually results in disappointment that there is no perfect solution. A better way is to agree macro requirements. These are a minimum of 5 and a maximum of 20 'must-haves'. If the package does not have these attributes, it is not going to make the cut. (Neville Turbit, 2006)*

Turbit suggests that the macro requirements are not limited to functionality only. Some examples he gives are:

- cost of the system
- length of time to implement and ease of implementation
- compatibility with other software
- availability of local support
- other installations of this particular system in your industry

Another aspect to consider is which CRM modules will have the most immediate impact on revenue and profitability. The CRM modules that will improve business efficiency are the modules on which you should focus your initial efforts. Getting these up and running – and showing results – will win over any doubters and smooth the way for the rest of the system.

A document, published by Really Simple Systems in 2008, lists some of the goals that you might have for your CRM system. They include:

- Helping sales people manage opportunities and close deals
- Giving sales managers a complete view of the sales pipeline
- Automating sales forecasting
- Making sure that the relevant people in your organization have a complete picture of every sales process
- Providing a 360° view of every customer to the people within your organization who are involved with customers
- Tracking the effectiveness of your marketing campaigns
- Providing a better service for your customers

When businesses were asked if any of these matched their CRM goals, some answered "all of the above". However, most people said that those aspects that affected both sales and marketing were their priorities.

> *Sales people are capable of making a sale without a CRM system so their cooperation cannot be taken for granted. This is a good reason to ensure that your CRM system first meets the needs of the sales people, then build the marketing and support or service functions around that. (www.reallysimplesystems.com, 2008)*

The paper goes on to say that marketing and support teams are well disciplined, used to automation or, at the least, happy to accept it. Given the truth in this statement, much as salespeople might protest that they are also well disciplined, it makes sense to focus your initial CRM efforts on the sales process and implement the other modules later.

This approach also makes sense if you have limited resources at your disposal as it allows you to bring all of them to bear on implementing sales automation. A phased approach to implementation is one of the three installation options we discuss in T*he Essential Guide to Best Fit CRM,* so we will not cover it in any detail now.

To get anybody within the business, let alone salespeople, to accept and adopt a new system wholeheartedly, it has to be easy for them to use. This has to be a prime consideration for your specifications and should be a non-negotiable of whatever system you select. A user-friendly system must:

- Refresh and present the next page quickly – no more than one second should be acceptable

- Be intuitive, in that the data fields must be presented in a logical fashion with clear indications of what is required

- Populate the page with as much default data as possible – and the defaults should be user specific so that if Joe is logged in, then the data reflects Joe's sales code, territory or any other data pertinent to that salesperson

- Require the minimum of typing to complete, such as making extensive use of drop-down tables, predictive text typing for names of cities, cross-checking and autocorrecting of suburb/town based on zip codes entered

With so many different CRM applications available, choosing the *right* option for your business is not easy. What adds to this trouble is the extremely dissimilar nature of the CRM applications because they are designed to cater to businesses having extremely varying needs.

Luckily, we've an easier and smarter approach for you: now you can choose the CRM which has maximum number of features – as shown in the list below – you desire to see on your dashboard. But first let's learn their basic definitions:

- **Dashboard/Homepage**
  Usually, it's a customizable workspace where you can keep your most used widgets/modules besides, the main menus.

- **Contact management**
  Features under this menu allow you to manage and communicate with your personal and business contacts, leads, opportunities, customers, collaborators, and vendors. Usually, names, email ids, addresses and telephone numbers of your contacts are stored in the database.

- **Company management**
  It's similar to contact management, but ideal for businesses that deal with other companies.

- **Task management**
  It's basically the process of managing your to-dos through their life cycle usually with the help of a built-in, interactive calendar. The task management cycle involves planning, testing, monitoring and reporting.

- **Sales force automation**
  Abbreviated SFA, it's the hub of any CRM. It involves techniques and rules to automate the sales processes – from order processing, to inventory monitoring, to performance assessment.

- **Customer Support**
  This menu gives you the ability to create, assign and manage requests/issues raised by your customers.

- **Sales quotes, estimates, invoices and billing**
  If you want to get paid online, this section enables you to create estimates, invoices and use any of the online money transfer services to receive payments.

- **Marketing management**
  With the help of this section, you can run email campaigns, SMS campaigns or cold calling to promote your products and services.

- **Survey forms**
  These forms are an ideal way to get suggestions and feedback from your consumers.

- **Document management**

  It's a shared storage space that allows you to store, manage, assign, and transfer your documents for increased productivity.

- **Inventory management**
  Helps you manage your inventory related activities. Some advanced systems send alerts or even automatically order when you run low on a product.

- **Security and backup**
  It's usually the responsibility of the CRM vendor, but most systems give you the ability to create your own backups, assign roles and set other security preferences.

- **Time management**
  If you do time based projects, you need a system that automatically tracks time, creates timesheets and then converts them into invoices.

- **Calendar management**

  An interactive calendar that keeps track of your upcoming events, activities and tasks.

- **Reporting and analytics**

  Reporting system shows where your company stands in terms of targets and achieved goals. You can also view your team's performance or an individual's performance.

- **Admin/setup**

  This section is for managers and top management to manage users, set different rules of operation and assign roles.

- **Integration**

  It's the integration with 3rd party apps so you can synchronize your data between different systems and manage different activities right from your CRM's dashboard.

- ***For a comprehensive list of features, see The CRM Matrix.***

Next Steps

Consult the rest of the series:

- *The Essential Guide to CRM Basics*
- *The Essential Guide to Best Fit CRM*
- *The CRM Matrix*