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WHY  
INTEGRATING  
CRM & ERP  
*Can Benefit  
Your  
Business*



In an increasingly competitive world, manufacturing companies are continually looking for ways to get ahead and remain profitable. And a growing number are turning to technology in the search for greater revenue through more effective sales and marketing, cost reduction through greater operational efficiency, and improved collaboration throughout the business.

An increasingly popular approach is to improve processes, workflows and visibility by integrating their enterprise resource planning (ERP) system with a cloud-based customer relationship management (CRM) solution. In this paper, we look at what ERP and CRM systems can bring to manufacturing firms, the potential impact of integrating them, and crucially how to pick the right CRM platform and integrate it successfully with ERP.



# Understanding ERP & CRM

**While ERP systems are fairly well-established in small and mid-size manufacturing companies, the adoption of CRM systems has been fairly slow in comparison.**

For many years now, the UK's manufacturing SMEs have been investing in ERP systems to manage production, control stock levels, fulfill orders and co-ordinate delivery logistics.

To summarize the contribution each of these systems makes to a business, you could say that ERP software helps organizations to run more efficiently and profitably, whereas CRM solutions are designed to find more customers and grow revenue.

At the simplest level, a CRM platform is a more efficient and effective place to store customer data than the haphazard collection of spreadsheets that many sales and marketing departments rely on. It is certainly more useful, reliable and secure than having all that prospect and customer data in a salesperson's head!

Gathering all of this data and managing it in a CRM solution gives the firm a single, complete and centrally shared view of every prospect, customer, project and transaction. It means that each customer interaction can be informed by everything the firm as a whole knows about them, and used correctly, this leads to more effective sales engagements and a better customer experience.

This central, shared repository of customer data gives you a more reliable picture of critical data including your sales pipeline, return on marketing campaigns and production forecast, with greater visibility of key performance indicators. The data accumulating in the CRM system allows you to generate actionable insights, which enhance your decision-making - driving even greater return on your investment in technology.





# ERP OR CRM *Or Both?*

Faced with the challenge of finding the most effective way to benefit from technology, the question many manufacturing firms are asking themselves is how to provide the sales and marketing team with the tools needed to grow the sales pipeline while encouraging greater collaboration between sales, operations and production. As sales and marketing teams react to the trend for customers to use the internet to research and select products, a growing number of manufacturers are coming to the realization that their ERP will no longer meet all their organization's needs.

While an ERP system is ideal for organizing a manufacturing process, controlling stock and ensuring orders reach customers, sales and marketing functions have very different needs, and ERP is clearly not designed for salespeople or marketers.

ERP licenses are also relatively expensive, and it is rarely cost-effective to pay for salespeople and marketers to have a license for a tool that is not designed for their needs. In any case, production teams are often reluctant for their sales and marketing colleagues to have access to the ERP system.

Consider the typical sales and marketing workflow. It involves marketing tools, a sales pipeline, sales targets, website and marketing ROI - going from leads to prospects to opportunities to quotes to sales orders, to customers and contracts. The operations workflow on the other hand involves stock management, logistics, just-in-time production, credit control with shipping, processing quotes to purchase orders, deliveries and invoices.

**Clearly, there is a small but significant overlap between these workflows but the simple fact is that CRM and ERP systems are very different tools, addressing different needs and providing different solutions.**

At its most extreme this is a choice between revenue and profits. CRM helps marketers and salespeople bring revenue into the organization; ERP helps manufacturing produce it more profitably. Most organizations want both revenue and profits, and so both CRM and ERP have an important role to play.



# The Importance of INTEGRATION

**Manufacturing businesses work best when sales, marketing, production and operations teams can collaborate effectively to focus on providing customers with the best possible service. And one of the quickest ways to achieve this is by integrating CRM and ERP platforms.**

Yet, until fairly recently it was hard to integrate them. They operated on very different architectures, and there was no agreed way of exchanging data between the systems. It could be done but was expensive and complicated and many firms have simply left them as standalone systems. As a result, they are missing out on the full benefits of combining CRM and ERP to provide a single source of customer information.

When CRM and ERP are integrated the organization has a single view of all customer interactions including contact details, meetings, emails, quotes, orders, products purchased and warranty details. As well as encouraging collaboration, this synchronization of data also significantly reduces the possibility of errors. For example, when a customer tells their sales contact about a change of address, the salesperson will update the customer record in the CRM system, but if the ERP system isn't automatically updated, then the next delivery will be shipped to the old address. Correcting such error is costly and time-consuming but perhaps more importantly it damages the customer's perception of the organization.





Integration also provides important operational efficiencies. No more time wasted toggling between two separate systems, or, in the worst case scenarios, contacting colleagues to ask for information. Customer information such as order status and credit history are available quickly to everyone in the organization, so there is no need for employees to waste time learning two different systems. A freer flow of information between systems allows a proposal created in CRM to automatically become an order tracked in ERP, making the organization much more efficient.

**Then there are the data and analysis efficiencies. With one central repository of customer information there is no need for data to be entered into two different systems.**

With organization-wide information, it becomes possible to gain organization-wide insight into trends, which then allows you to make more accurate forecasts.

Rob O'Connell, Sales and Marketing Director at industrial filtration and sieving systems manufacturer, Russell Finex, comments that connecting Workbooks CRM to their Epicor ERP system will "mean that the data flows between the two systems very well. We won't be keying any data twice and once that's done it will save a lot of people a lot of time." As a result of sharing this data, O'Connell believes that his colleagues, from salespeople to Group level and the Board, will have better visibility of where their business is coming from, and will lead to an increase in sales performance.



# THE RIGHT *CRM Solution*

With the benefits of collaboration clearly understood, the next step is to find a CRM system that will meet the requirements of sales and marketing staff, with the ability to cost-effectively synchronize data with your ERP system.

For many firms the most straightforward solution might be to buy the 'bolt-on CRM module' provided by their ERP vendor. Feedback from manufacturing businesses and independent analysis reveals that the CRM components of ERP systems tend to lack many of the core features of the best dedicated CRM platforms.

There is the more fundamental issue of mindset. ERP vendors are experts at creating systems that manage manufacturing processes more efficiently. It is a logical and analytical approach that works well for that purpose but often less well for sales and marketing processes that are more intuitive and creative.

Often developed as an after-thought, while these CRM modules might provide basic contact management capabilities, they often lack the breadth of features and functionality that allow sales and marketing teams to co-operate effectively and generate more sales opportunities.

Rob O'Connell at Russell Finex confirms that they themselves migrated from a legacy Goldmine CRM database to the Vantage CRM add-on proposed by Epicor before selecting a full-featured CRM solution.

While the CRM system you select must obviously meet the needs of the key users in your sales and marketing teams, other important considerations are the ease of integrating with your ERP system to achieve synchronization, the cost of configuring the synchronization, and the flexibility to change the integration as your business evolves.

Another important aspect is to think beyond integration as a means of simply transferring data, and view it as a key component of many workflows throughout your business. The integration then becomes an opportunity to enhance workflows that improve revenue generation, reduce costs, improve the service you deliver and produce more insightful and useful reports. Think about how you can encourage collaboration across functions to, for example, enable the sales team to identify unhappy customers and help the support team to quickly validate a product warranty during a service call.



**Some ERP and CRM vendors provide 'off-the-shelf' integration modules that provide a 'bridge' between the two systems, and it's important to assess the suitability, flexibility and cost if you are considering this approach.**

These integration 'modules' often offer a pre-configured transfer of data and expect the customer to modify workflows to suit the integration rather than the other way around; and when the synchronisation has been configured, it's often an expensive and challenging process to make changes as your business evolves. If you find you are having to change workflows and processes to suit the software, it is probably not the right solution for you.

After reviewing CRM solutions and researching the integration options, it pays to spend some time assessing your CRM supplier's experience with manufacturing businesses and ERP integration. Find out how they can add genuine value, ask for examples of successful ERP integrations, and investigate their experience of working with other manufacturing businesses. Interrogate them further so you are confident they have the right platform for you, and they understand the specific needs of your sector and your business, before you sign on the dotted line.







# EXPLOITING *Opportunities*

The manufacturers that recognize the value of CRM and understand the benefits of integrating CRM and ERP to encourage collaboration, will be well-positioned to reap the benefits of unpredictable markets in the months and years ahead.

There is more opportunity here than many may think, and it is not merely a case of taking market share from local rivals.

With successful integration of CRM and ERP systems, manufacturers with streamlined processes, improved customer experience, a more productive workforce, and accurate forecasting and reporting capabilities, can fend off the competitive threat from low cost foreign imports. Unable to compete on price, UK manufacturers need to maximize the advantage they do have, as buyers are often willing to pay a premium for products if they are delivered rapidly and sold by people they trust and who take care of them.

**CRM provides the tools needed to improve customer experience and grow revenue. For the manufacturers looking to delight their customers and deliver greater revenues, it provides an opportunity not to be missed.**



# CRM AND ERP INTEGRATION *Checklist*

**Integration can deliver value to your business, but what do you need to consider? Here are the three key questions to ask yourself when planning your CRM and ERP integration project.**

## 1. WHAT DOES 'INTEGRATION' REALLY MEAN FOR YOUR ORGANIZATION?

Do you want everything in ERP to appear in CRM (and vice versa), or would a more selective integration be more suitable for your firm? Should all fields be synchronized? How often should they be synchronized? Which function holds the master records? Who contributes to the process?

## 2. WHAT ARE THE BENEFITS OF INTEGRATION?

With a clear view of the benefits before you begin, you are more likely to achieve them. Which benefits matter most to you and which are relatively unimportant? Is it shared data, eliminating data duplication, reducing input errors, saving time on re-entering data, or something else?

## 3. WHAT INTEGRATION APPROACH WILL BE BEST?

There are different approaches to integration, so consider all of them and select the right one for you. Is it an off-the-shelf integration module that requires you to buy licenses in addition to your CRM and ERP user fees? How much implementation and configuration will be required? Can you tailor it to meet your needs and easily make changes in future? Will it have the capacity to handle the workflows you need?

