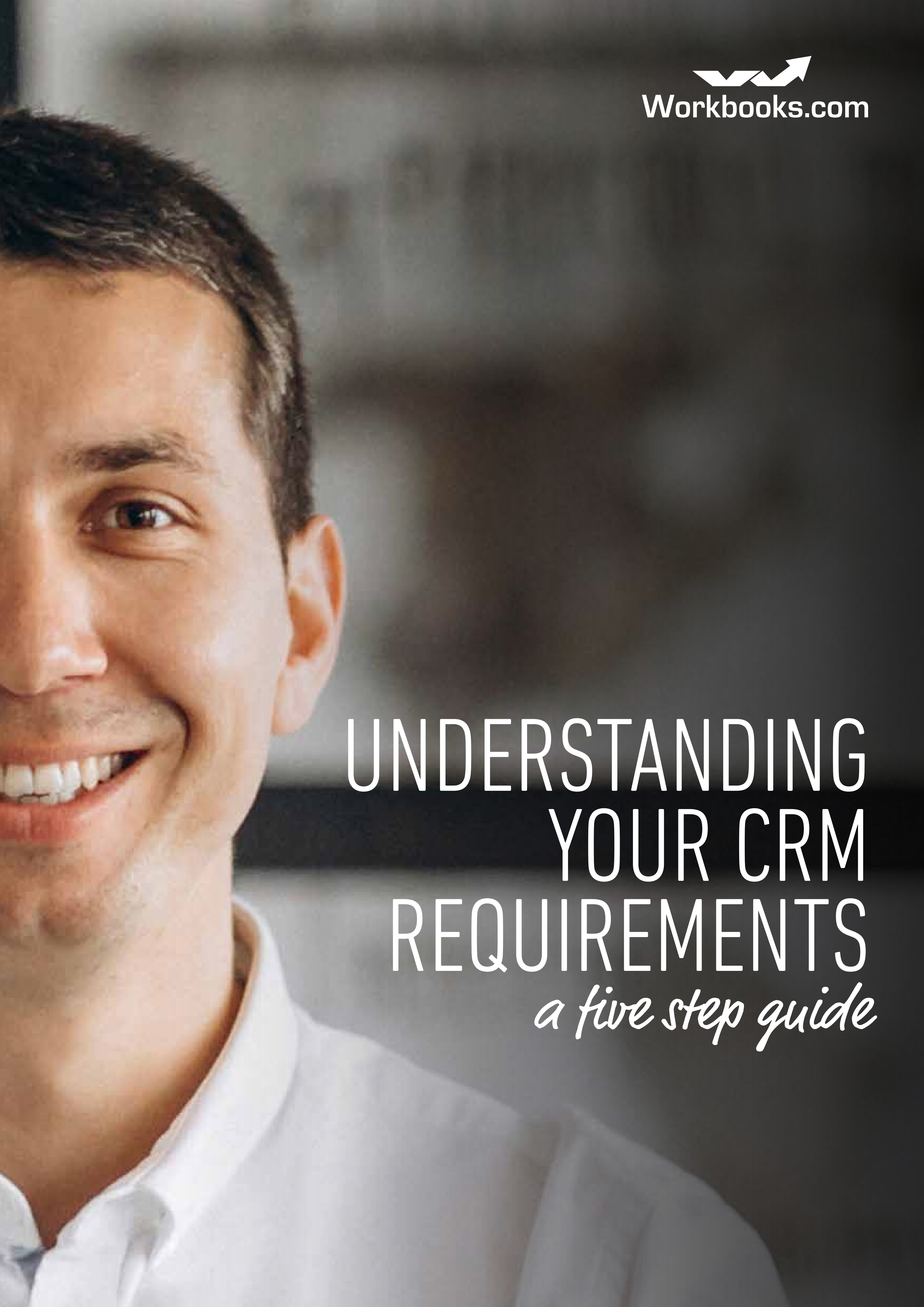

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UNDERSTANDING YOUR CRM REQUIREMENTS

a five step guide

A CRM system, when selected and implemented well, can transform a business, boosting sales, cutting costs, improving the customer experience, and giving the business all the insight it needs to make better decisions. Yet, industry analysts like Gartner, Forrester and Butler suggest that 50% to 70% of CRM projects are sub-optimal, do not deliver a return on investment or fail altogether.

The primary reason for this is that buyers of CRM solutions do not spend enough time understanding their business requirements. Typically, they rush straight in, arrange meetings with a handful of vendors, pick one that looks good in the demo, and then six months later wonder why they have spent a significant amount of money for little tangible return.

To avoid that happening to your organization, you can follow the steps outlined in this guide. Some may require an investment of time, but none are difficult to accomplish.

FOLLOW THESE ESSENTIAL STEPS TO ENSURE YOU SELECT THE RIGHT CRM FOR YOU.

Step 1:
KNOW WHAT YOU WANT TO ACHIEVE

Begin with a clear idea of where you want to get to, and you are far more likely to get there. The first step in understanding your requirements must be to invest time in defining the precise objectives of the implementation.

Make sure that you involve a wide range of functions. CRM is often seen as a tool solely for the sales team, but it has potential applications across many functions, from marketing to customer service to operations and finance and so on. Involve them all.

These can be difficult meetings to get right. You are asking them to highlight what their function could be doing better, and it can be easy for people to react defensively to that question. So, frame the conversation in the right way, explaining what you are trying to achieve. Focus on future opportunities as much as on current problems. What are the ways that improved technology could create new and previously unexpected opportunities?

THE BEST WAY TO DO THIS IS
to spend face-to-face time with key stakeholders across the organization.

Step 2:
IDENTIFY THE FEATURES AND FUNCTIONS NEEDED TO DELIVER THOSE OBJECTIVES

Once you are clear about your objectives, you can define the features and functions you will need a CRM solution to have in order to deliver those objectives.

If one of your objectives is to encourage a higher proportion of your customers to renew, then you probably need a system that will give you a clear view of customer contracts and manage renewals. If you hope to increase sales leads, perhaps you need a system to capture leads directly from your website. Or maybe you want to reduce the volume of calls to your customer support centre, so need an overall view of the problems they are calling in with.

CRM systems can address a wide range of issues, and each solution is different with its own strengths and weaknesses. The clearer you can be about what you need it to offer the greater your chance of finding the right one.

IT CAN OFTEN HELP AT THIS STAGE TO THINK OF ORGANISATIONAL PROCESSES. Think of what you want to happen and then who needs to do what to make that happen. Carefully working through those processes is a complex task, but it is often the best way to pinpoint the precise functionality required.

Step 3:
LOOK TO THE FUTURE

Bear in mind that your business will change, so factor this into your plans. Will you be developing new products? Or entering new territories? Is a major competitor about to enter your market? These are all significant changes and so should be considered to ensure you properly future-proof your CRM implementation.

In the same way, technology evolves at a rapid pace, so when you come to speak to vendors ask them what new developments are on the horizon that could benefit your organization.

Step 4:
CONSIDER THE SUPPORT YOU WILL NEED

The success of a CRM solution depends as much on the people involved as it does on the technology itself.

Initial implementation can be difficult, involving, for example, the manipulation of swathes of legacy data so it can be transferred in a useable format to the new system. It is also important that users are trained on how to use the new system, and then supported so that there is a high level of take-up across the organization.

If you have this knowledge and these skills in-house, then ensure they will be available to assist with the project. If not, then be certain to add that to your list of requirements. Think too about how that external support would be best provided. Is online support suitable for your users or will they need phone support or regular face-to-face clinics? Just as the technology on offer from vendors varies so does the precise type of implementation and support they provide.

Step 5: CLARIFY YOUR BUDGET

Note that this is the last stage. Very often organizations begin with a budget and then ask vendors what functions they can have for that investment. It is the cause of many of the CRM implementations that fail to deliver as expected.

Whilst it is too early at this stage to define a precise budget, you should be able to go to market with a range in mind. To some extent this is a function of your board's willingness to invest, but you can help them make that decision by presenting a clear, evidence-based return on investment figure. Our guide to 'Calculating the ROI of CRM' will help you achieve that.

IF YOU ARE ABLE TO APPROACH VENDORS WITH A CLEAR IDEA of not only your objectives and required functions, but also the budget available, you will get more accurate quotes from them.

It will begin the relationship with clarity, and lay the foundations for a successful implementation that will achieve its objectives and deliver benefits to your organization for many years to come.