



# A GUIDE TO *Evaluating CRM*





**Great customer relationships are primarily built through the hard work & enthusiasm of your employees. However, when we speak to businesses, they frequently explain how their employees are hindered by disparate or outdated systems.**

CRM is both a technology and customer-centric methodology, that can provide your business with a platform to improve decision making, reduce operational costs, maximize customer experience and ultimately grow revenue.

Unfortunately, many CRM projects fail to deliver the anticipated outcomes resulting in expensive deployments that are poorly adopted by users.

This guide aims to help anyone considering the purchase of a CRM - by providing insights into the things to consider and what to ask vendors when going through the selection process.





# FIRST THINGS FIRST



## *Step 1* DEFINE YOUR OUTCOMES

Whether you're looking to scale a sales operation or gain business insight for key decisions, you need to gain an understanding of the outcomes you want to achieve from your CRM initiative and the level of investment needed to reach those.

In broad terms, there are four types of outcome that result from CRM:

- Revenue growth
- Enhanced customer service leading to improved customer retention and superior customer experience
- Streamlined business processes delivering lower costs or greater efficiencies
- Improved management of information allowing for better decision-making

Your task is to take these broad outcomes and hone in on the aspects that align with your specific business strategy. You need to be able to see the precise ways in which you want your business to improve. Focus in on the specific outcomes that matter to your organization and you are far more likely to achieve them.





## Step 2

# QUANTIFY YOUR OUTCOMES

For a Return on Investment calculation you need to go further: you need to quantify the outcomes you want to achieve.

This is often a far more complex and time-intensive task than first thought. It involves measuring how well your sales, marketing or customer service functions perform now, then assessing how much a new CRM platform could improve that performance, and then ideally linking that to new business or renewal sales and so indicating an anticipated financial return.

After that, you need to go through the same process on the costs side: what are your current costs and how could CRM streamline processes and so reduce those costs? To fully understand your potential return you'll need to go through all aspects of the business in granular detail (for example, understand how long it takes your finance team to raise invoices, how much of their time could be saved by automating the process, and what saving of salary and loaded costs could be achieved by that automation etc.) then move to other departments and see how they could also benefit from a change in process.

Examples of quantified outcomes that can be achieved:

- A Pensions Group estimates that their CRM has generated revenue opportunities worth approx. \$8.8 million thanks to its more effective sales and marketing processes
- A Media & Publishing firm deduced they could save \$18k per annum in printing costs alone by having a central repository for all orders and fulfillment.
- A professional services customer estimates that by streamlining business processes and improving efficiency, it has enabled annual cost savings of more than \$1.2 million





# EVALUATIONS CONSIDERATIONS

You have defined your outcomes and quantified those outcomes. Now it is time to find the right partner. This feels like the right time to mention that a CRM vendor should work with you from the outset to help you define your outcomes and therefore achieve your objectives.

Here is what to consider when evaluating a CRM vendor:

## *Consideration 1* FEATURES & FUNCTIONS

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, the easier it will be to find the right vendor.





## *Consideration 2*

# IMPLEMENTATION & SUPPORT

The success of a CRM solution depends as much on the people involved as it does on the technology itself. Initial implementation can throw up challenges, but nothing should be too much for your vendor to help you resolve. Ask detailed questions about the vendors implementation process and how they will help guide you through the transition.

Example questions:

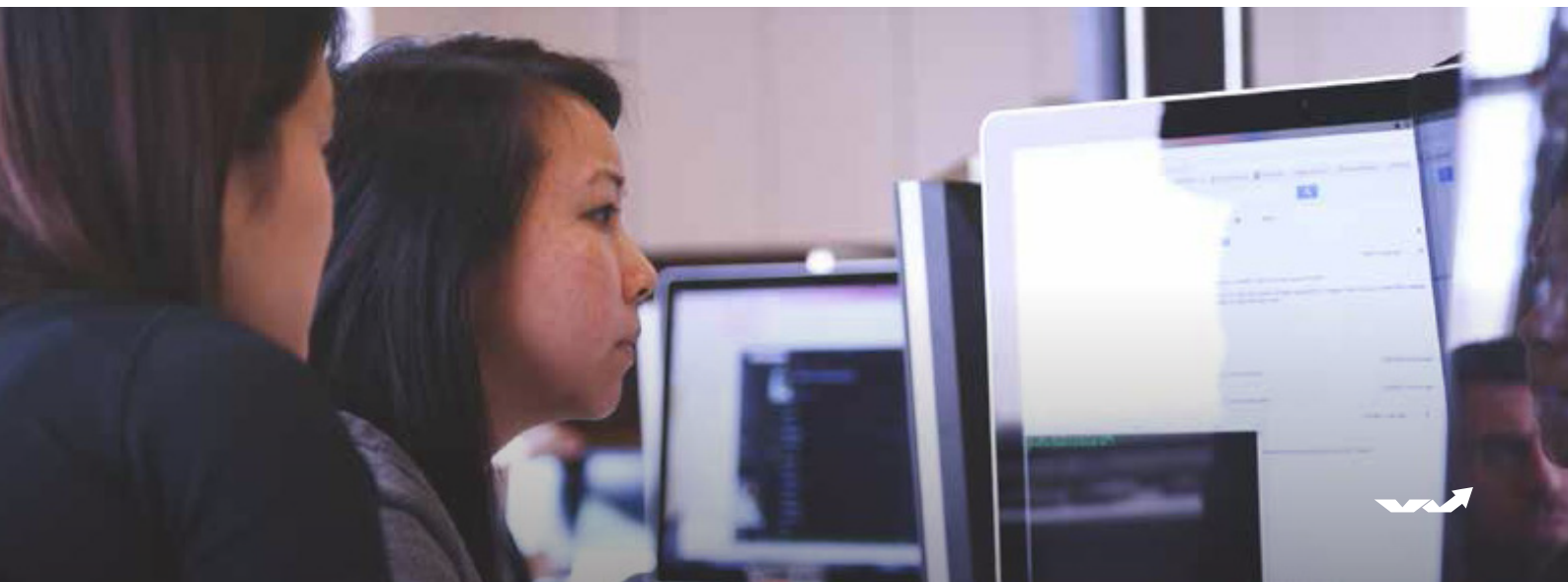
1. What emphasis do they place on training and enablement during implementation?
2. Vet the vendor's overall implementation approach: Do they take the time to understand your business or just provide licenses?
3. Do they implement directly or refer that to a partner?

Think too about what 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 support they provide.

## *Consideration 3*

# ADOPTION

It is 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 members of your organization have this knowledge and these skills in-house, then ensure they will be available to assist with the project. If not, then be certain that your chosen vendor can help with this as user adoption is key to a successful implementation.







## *Consideration 4*

# TECH STACK

Your investment in CRM could be starting from scratch or optimising an existing set of systems and processes.

A key advantage with CRM is the ability to provide a single source of truth for your business, which could replace existing technology. However, whilst a CRM will be capable of replacing many existing business processes, there could be previous investments or business-critical applications that cannot simply be ripped out and replaced.

When evaluating CRM, it is important to consider its capacity to integrate with your existing platforms such as:

- Marketing automation
- Finance & Invoicing
- Telephony

When selecting vendors, it is a good idea to explore the level of integration they have. Have they worked with any of your existing platforms on previous projects? Do they have a partnership agreement in place?

This line of thinking alongside looking at a provider's out of the box functionality, will serve you well in identifying which vendor suits your business' specific needs.



## Consideration 5

# FUTURE PROOFING

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.

Also, when evaluating your investment, it is important to remember that usually not everything you are looking to achieve must be done immediately. The key is to identify which process improvements you wish to prioritize first, then validate these against the amount of internal resource you have.

Scope creep and over-committing are common pitfalls with CRM implementations & making sure your vendor of choice is also aware of your business' capacity for a project, is another good test to see how invested in understanding your operation they really are.

## Consideration 6

# ROI

Bear in mind that any vendor should be happy to help you evaluate the potential Return on Investment for your CRM. They are used to making these calculations day in, day out, so should be able to accelerate the process by rapidly providing figures on expected improvements, and by helping you assess your current performance.

You may want to have a go yourself at calculating your likely ROI. For guidance on how to do this click [here](#).





# CHECKLIST

Use this section to assess how ready you are to adopt CRM.

- ✓ **Have I built a robust business case for CRM, with clearly defined outcomes and value?**  
If you have completed the previous steps, you should have a good business case to justify the investment.
- **Do I have Executive Sponsorship?**  
✓ The most successful projects require support from the executive team, both in terms of signing off the investment and supporting the implementation process. Ask yourself:  
Will your Execs get involved and help lead the change?  
Without that, you'll struggle to get the project off the ground and get adoption across the business.
- **Do I have a budget signed off with the right level of investment?**  
✓ You will need a budget for the project, try and get more than you need signed off, just in case there is call for it.
- **Do I have a clearly defined set of business requirements?**  
✓ You will have a mix of functional requirements (which features you will require) and supplier requirements (are they local, can they provide training, etc.). Before you engage with potential vendors, make sure that you have clearly defined these criteria so that you can compare proposals based on a common understanding.
- **Do I have a clear scope for phase one?**  
✓ Any CRM deployment is going to be a journey as you become more familiar with the solution you will see more opportunities to improve things in your business. However, you need to define a phase 1 scope, including success criteria so vendors can give you a price for implementation.
- **Have I defined a vendor selection process?**  
✓ How are you going to shortlist your vendors? Who within your organization will be involved in the process? Do you want to produce a formal RFP or just discuss requirements with selected vendors? Do you want references, etc?  
Make sure that you have clarity on the selection process before you approach vendors.
- **How shall I select the right vendor?**  
✓ There are a lot of CRM suppliers in the market, many have similar solutions. How are you going to decide between them? It is good practice to define a selection framework that includes how important price, functionality, look & feel, vendor support, vendor fit, etc are to you. This will help you make the right choice for your business.
- **Do I have the resources I need?**  
✓ What level of internal resource will you need to dedicate to this project to ensure it is implemented successfully? Do they have the skills, and will they be available when you need them? If not, can the supplier provide such resources / skillset and is this support covered in the budget you have allocated to the project?







# CONCLUSION

If you are able to approach vendors with a clear idea of your objectives and required functions it will begin the relationship with clarity and lay the foundations for a successful implementation and a long-lasting collaborative relationship, aligned to specific business outcomes.

It also allows you to allocate an appropriate budget and then check periodically to ensure you are achieving the expected return. Choosing the right partner and the solution that best fits your business requirements is vital to success. Follow our checklist and you won't go far wrong.