How to Implement CRM Solutions

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The CRM Challenge

Let's first review why CRM implementations tend to fail more times than succeed. Why? Because to be forewarned is to be forearmed. There are several misconceptions about sales automation that should be clarified. First, the mere introduction of CRM solutions will not guarantee increased sales nor solve internal company problems or mismanagement. Second, if not properly planned for, the introduction of a sales force automation system will not necessarily improve sales performance. It will only allow a poor salesperson to accomplish poor habits more quickly.

So, if CRM projects are so difficult, then why automate at all. Well, to begin with, customers are more demanding today than ever before. They require better service and support more quickly and more reliably than they did just a few years ago, and the sales force needs to be better equipped to respond as a result. We are also looking to improve the productivity of field sales reps, not to mention increase their effectiveness. Improving the information flow for management and customers is another reason why automating a sales force is important. Not only should management have quicker, better and more accurate information about sales opportunities and the pipeline, but customers benefit from your organization knowing important information about them, whether it's their latest purchases, technical support issues or payment status.

Sales people in the field have a wealth of knowledge about the market, competitors, industry trends, and more. Therefore, marketing feedback is another reason why automating the sales force is important. Finally, better analysis and comprehensive, easy reporting are the results of well-implemented and fully utilized CRM systems. Management can get a better handle on the productivity of the sales organization as well as analyze the effectiveness of the sales processes in place.

In spite of all these reasons to automate your sale force, why do so many of these efforts fail? The first reason is user resistance. If it doesn't help the sales rep to sell, then they won't use it. Many high-end CRM products are overly complex and not intuitive, thereby causing too much work on the part of the sales reps to learn and use. Second, projects have taken too long to implement. This is usually the result of product technology -- the product chosen requires customizations to the core product, thereby taking a lot of time and money to tailor to the customer's needs. With some products, the customizations are saved with the database and sent to the users automatically instead of having to recompile code and send new product modules out to each user every time there's a new feature added.

Another cause for failure of CRM projects is overkill. Management tries to get the sales force to use all the features of the system immediately. Typically, with many systems, users can initially absorb perhaps only 20% of its features, but management expects them to use dozens of features right from the start. As a result, instead of learning and using a little at a time and increasing the utilization over time, they don't use any of it. Another cause of failure is lack of support from management. Without management fully supporting a project of this magnitude, there's little chance for success. Management support includes the funding and commitment for adequate equipment, training time, planning, and acceptance of lost productivity while the sales force is getting up to speed with the new system and processes.

The Path to Success

A CRM project is a major undertaking that needs to be handled and planned properly. It's the difference between shooting versus throwing a bullet. So what will it take to successfully implement a CRM solution? First, build a team. The members of this team should include everyone who will use, or may use, the system either initially or eventually. Include members from sales, marketing, customer support, customer service, management, IS, finance, and perhaps more. A key member of the team should also include an external individual (consultant) who is experienced with implementing, installing and executing CRM solutions. Second, market the project internally. Give it as much exposure and hype as possible so the entire organization is aware of the project and accept it as a positive effort that will benefit the company and its customers.

Make sure your CRM project has a business case focus. In other words, make sure there is a clear understanding that this project has a direct contribution to the company's bottom line, that there is a return on investment that is definable and understood and that this is not just a project for technology sake. One of the most important aspects of successfully implementing a CRM solution is to plan for a phased rollout. Sales people are busy selling. If you give them too much to learn and use too quickly, they simply won't use it. So feed them small pieces at a time. The initial rollout should require some core competencies, perhaps just contact management and scheduling. The second phase can introduce additional functionality, such as opportunity management and forecasting. The next phase could include integrating email and custom letters and reporting. And so on. A little at a time works a lot better than all at once.

Training is critical to the success of these projects. It's inconceivable to just throw a sophisticated product at an individual and expect them to start using it productively and successfully without some formal training, while they're trying to do their job at the same time. Don't just provide training, but also allow for the individuals to be out-of-pocket and non-productive for the brief time that's required to learn the new system. It is also useful to allow for a learning curve over time. For instance, once they go through classroom training, they'll still need time to acclimate themselves to the new system and use it in their day-to-day operations.

Finally, the path to success will include a benchmarking phase. You'll need to establish milestones to measure against and audit your results. Without measuring how you're doing, you'll never know if you get there. Of course, you first have to know where you want to be, so make sure you figure that out first.

Measure Success

Establishing your criteria for success may seem obvious, but it is often times overlooked based on the assumption that the system must be better, therefore it has to be good. This usually doesn't fly with upper management, including the CFO who needs a justification for the expense of implementing this solution.

Therefore, set the measurements for success right from the outset. What are your business performance targets? What are your technical performance targets? How will this system help improve your business? How will it enhance the relationship between your company and your customers? How can you measure satisfaction of your organization, workgroups and customers? If you can't answer these questions, then how will you answer senior management when they ask you what this expenditure did for the company? Use all these measures as focal points throughout the implementation process. And don't forget to continuously solicit feedback from the participants and team members.

Benchmark results are necessary to measure against, but they should also be definable. The questions you need to ask yourself that were just mentioned are important, but you also should include specific measurable results. These are just some of the measurable benchmarks to consider:

- Sales Revenue
- Cost per Sale
- Average profit margin
- Market share
- Units sold
- Increased qualified leads
- Number of calls/visits per day
- Shorter transaction times
- Customer satisfaction criteria
- Increased revenue, profits, ROI, etc.

The Team

When selecting your CRM team, remember to include all departments involved with the initial rollout as well as any that may be involved with the future use of the system. The team should be committed to making the "vision" a reality. They must also understand the business issues of the project, as well as the workgroup, political and human issues. It is important that they understand the technical and field support issues as well. Finally, it would be useful if the team had political clout within the company to help get buy-in and internal support if needed. This can be accomplished by picking the right members for the team – those with the right amount of influence within their organization and the company. Also, as mentioned previously, having the right management support for the project right from the start will be critical to ensure the teams' success.

The team should establish and adhere to written project goals that are realistic and achievable. They should agree to what they are trying to attain. Remember this project will affect human behavior and will change the way your company does business and operates. Therefore, senior management and the team members should coordinate their efforts and plans. There should be ownership of this project and it must include all members of the team. It will be futile if any one member/department is not committed to making this succeed, so all members of the team must have a sense of ownership of this project. The team should also plan for a simple, initial deployment of the CRM system. Start out with minimum core competencies, and then plan for modular growth, expansion and improvements.

Finally, the team must insist that the new CRM system is made mandatory – everyone must use it. However, don't underestimate the tremendous impact on the way the sales force does business. Plan for all rollout costs including spare equipment, travel and training costs, support costs, lost sales time during the rollout, productivity loss during the initial stages, and more. If you don't plan for these costs and allow for these accommodations, you increase the probability that people won't use the system, at all.

Rolling it Out

The first thing that should be remembered is that this is not packaged software you're dealing with. Get specialized assistance from an outside organization or consulting firm who is experienced with implementing CRM and sales force automation systems. Next, begin Phase One of the implementation. Start out small and grow gradually over time. Be flexible and responsive to the users when they have problems or when they ask for more features and changes.

A good way to begin Phase One of the rollout is with a "pilot" program. Carefully select a pilot group from mixed experience levels that are focused on strategic programs. Next, determine a pilot end date -- say for 30 days. Otherwise the pilot will last indefinitely with no specific milestones. You should also provide an outlet for comments and recommendations about the pilot program. The pilot serves as more than just a proof of concept. It's not a prototype. The difference is that the pilot is with actual users who use the system for real with live data, not just as a test. Think of the pilot program as a mini-Phase One Rollout, just to get things kicked off.

Most important, get your sales people hooked. Once they see how it can benefit them and help them with their selling efforts, you'll get total buy-in from the field organization. Make sure you solicit their inputs. Ask them what they want – more information, better communication, improved quality of life. Then address their needs. Don't just provide for training, but do it off-site so they are not interrupted by their normal work activities, and so they feel that you and your company are committed to this project. Also, provide for a central point of information for help, suggestions, and guidance. It's important that they are not left to feel deserted and abandoned.

Phase One should focus on basic implementations specific to your core requirements. This will include primary contact management functions, contact/account specific information, opportunity management, scheduling, standard reports, mail merge using basic and simple letter templates, and other fundamental requirements without over complicating the initial rollout. Concentrate on quick impact functionality and priority requirements. There's always time to add more functionality as you move forward, but don't get tempted to do everything at one time.

Major Components

Phase One should be broken down into six discreet components. The first component is the **Discovery Phase**. This phase is where you take the requirements you identified in your planning process and start setting up the system to capture the proper information and determine how it should be presented and/or reported, whom should see what information, what the maintenance procedures will be, how to distribute technical updates, and more. The second component is the **Configuration Phase**. This is where the database structure is tailored to your exact and initial needs -- fields are added, forms designed, reports customized, etc. Third is the **Installation Phase**. This is the phase where you prepare your network for the new system – security, remote connectivity, hardware, etc. This is also the phase where you install and configure the CRM software on your server as well as convert and import your existing databases, if any, into the new system.

The fourth component is the **Administration Phase** where the system security is set up, menus are tailored to meet specific user needs, views are created to capture relevant information, the CRM application is installed on individual laptops and remote systems, and the database itself is created. Component number five is the **Training Phase**. The amount of information that should be included in the training course should be limited to the core competencies that are required to get the individual users productive as quickly and easily as possible. Try not to overwhelm them with too much information – it won't be retained nor remembered. The number of days for training will vary depending on the experience of the users -- perhaps one day for experienced Windows users who already used a CRM system, two days for experienced Windows users who are not familiar with these applications, and three days for inexperienced Windows users who never used a CRM system. Of course, the training should not only include product features, but also how the product should be used within your organization -- how management wants opportunities entered and tracked, what probabilities to assign to forecasts based on levels of activities with the account, what codes need to be entered in order to track particular activities, what methods are set up to synchronize from remote locations, and more.

Phase six is the **Benchmarking Phase**, or the "How are we doing" Phase. About sixty or ninety days after the initial rollout, you should measure your progress versus your original goals and objectives. This should be repeated after every phase of the rollout program, as well. Review your training. Was it effective? Is more needed? What were the projects' successes and mistakes so far? What goals have you hit and which ones have you missed? Define what course of action needs to be taken from here, or what changes need to be made before proceeding. This is also the point where you discuss and plan your next phase and project.

Ready To Go

By now you should have a good handle on what it will take to implement your CRM project. If you're not scared away by now, there's a good chance you're ready to plunge into the joyful world of sales force automation and benefit from all the productivity gains it can offer. The bottom line is – Be committed to your CRM project and don't skimp. Form a team, commit the time, spend the money, and plan, plan, plan. And by all means, pick a good, reliable and reputable product. It will be worth its weight in gold.

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This article was extracted and edited from the book by Russ Lombardo entitled; "**CRM For The Common Man**" (ISBN: 0-9728263-0-0). Russ Lombardo is President of **PEAK Sales Consulting, LLC** (www.peaksalesconsulting.com) and an experienced CRM and sales specialist, trainer and speaker. Russ works with sales executives and sales teams to develop processes and training for dramatically improving results and increasing revenue. For a free paper on "***10 Tips to CRM Success***" and to reach Russ, send email to **russ@peaksalesconsulting.com**.

PEAK Sales Consulting, LLC

PEAK Sales Consulting, LLC specializes in working with businesses to develop and implement business and sales processes, and to provide sales training focused on these processes. Their focus is to help companies improve sales revenue, reduce sales cycles, generate predictable forecasts, enhance lead flow management, develop meaningful management reports, create superior sales metrics, and produce exceptional sales results. PEAK Sales Consulting's methodology provides the framework for aggressive and sustainable results in sales effectiveness.

PEAK Sales Consulting's services help businesses to:

- Accelerate sales growth
- Improve sales results of the individual sales rep and sales team
- Increase closing rates by improving conversion ratios
- Identify and leverage best practices of sales reps and sales managers
- Reduce ramp-up time for new sales professionals
- Help transition into a solution style of selling
- Provide accurate forecasting procedures and useful management reports with minimum resource expenditures

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