

sage **ACCPAC**
Keeping the customer satisfied





CRM is one of those acronyms that is all too often bandied around by software companies, many of whom will tell you it can solve your key business issues at a stroke. In some respects they are right. An effective, scalable CRM system that can grow as your business expands, that addresses your customers' needs and concerns, that's a truly integrated part of your business, is a sure-fire way to ensure your business grows and your customers are happy.

Before jumping in, though, it's important to remember that not all CRM applications are the same and not all will be right for your business. Before you decide, you need to consider not only the underlying technology but also whether you want to run your CRM in-house or outsource to experts. With so many available options how can you tell the difference between the wide range of CRM offerings on the market to get the right solution for your business? How do you choose an effective CRM solution that really does work for both your business and your customers?

First, let's look at CRM, what it really means and its different types - so you can weigh up your options.



What is CRM?

You might not realise it but your company already has some form of CRM system in place, so the initial investment in your CRM foundation has already been made. Think about it this way. All information relating to the customer forms the basis of a customer relationship package. This includes all the valuable customer data in your accounting system, the myriad of email correspondence sitting in each staff member's email system, or the physical quotes/faxes/letters residing in a salesperson's filing cabinet.

For some companies, this simple, often unstructured system is both workable and adequate. But for many companies, this scenario represents a huge ongoing nightmare; a company that is slowly being starved from the lack of information being shared across systems, departments, and people.

Imagine the increase in productivity that could be achieved by sharing this "information asset", such as allowing your company to focus on winning new customers, improving customer retention, and drastically reducing the amount of time and money spent on sales, marketing, service and support.

CRM at its best is an effective integration of your marketing, sales and customer service - which sounds simple enough. But in reality CRM is much more far-reaching, having an impact not only on your business but also on your customers. This means you really do need to understand what CRM can do for your business specifically and how you can best use that in-built power.

More than just a Product

At its heart, CRM is much more than a technology product. It is, or should be, an entire business culture solidly focused on winning and retaining the right customers - the ones who add value to your operation.

It should also help you to form close relationships with your customers so that individually you can understand their needs and react to them. In the process you should not only retain them as an important customer but also make them feel good about your company.

In short, a good CRM solution builds value for your business by opening up vital communication channels and creating a common client-focused knowledge base to better serve your customers.

Let's put that in perspective.

Say that when your car is due for service, it's picked up from your home or office and another car - a better one in fact - is left for your use while your car is receiving attention. This not only creates an instant feel-good relationship with the car dealer, and by association the car company, but also gives you the chance to try a newer or different car which you may then aspire to. But it doesn't stop there. The CRM package used by this car company's dealers builds a picture of who you are, what you like and desires are. The dealer looks out for special events - such as major golf tournaments or perhaps a week away at a health resort - that dovetail with your interests. The car dealer then sends free tickets for these events to you, two to three times a year. Think how that would make you feel.

This is a real example which illustrates how a good, but essentially quite simple CRM strategy, can work - how it keeps the customer happy and keeps him or her coming back for more.

By effectively integrating your marketing, sales, and customer service functions, a good CRM system makes it easier for everyone inside your company to work together and share critical information that all comes together to keep the customer satisfied and loyal.



“ Sage ACCPAC blew the competitive products away. It offers sophisticated functionality at affordable SMB prices. ”

Dominic Whitehand, Managing Director, WhiteGold

Can CRM solve world hunger?

Well, no. Clearly CRM which works well is a major addition to any business but it cannot do everything, so beware software companies who tell you it can.

Some businesses look at CRM as simply being some form of contact management software, but if you take a closer look at CRM you'll see that its capabilities go far beyond simple contact management. CRM systems contain far more information about your customers.

With CRM, field sales reps can look up more than just customer contact information before they make a call – they can also evaluate past sales history, credit information and other financial data. They can even look at information from the company's other offices and run reports to find out what's been ordered and what special prices or terms the customer receives. Open technical support calls or other issues are also visible. And, with some solutions, copies of invoices, e-mails and past proposals can all be reviewed – on screen and on the spot.

Unlike simple contact management, CRM gives the sales representative a complete picture of the client before he or she walks in the door, while delivering support and service staff immediate access to all the information they need to completely resolve any customer inquiries.

So while world hunger won't be solved by CRM, make sure you don't settle for anything less than a comprehensive solution that delivers on the true promise of this technology. Ensure it has the following basic features:

- Marketing campaign management
- Sales force automation
- Customer care
- Contact management
- Task management/scheduling

Is a Web-based solution best?

The short answer is, yes.

The earliest CRM solutions were all based on a client/server architecture that enabled people in the business to access the solution from their own PCs, and some still work that way. But with this approach, every time an upgrade is made to the software, that change needs to be fed to every workstation. Also, this architecture does not support remote access for telecommuters, nor does it easily support wireless devices.

Web-based CRM solutions are far more flexible and cost-effective. With these solutions, the software is only installed on a single server so any changes made to this software will automatically be distributed through the system each time it is accessed by end-users with their standard Web browsers. These systems are also easily accessed with wireless devices like PDAs and WAP-enabled mobile phones.

Web-based technology also costs far less and is much faster to deploy than client/server solutions. With only a central server to maintain, administration and maintenance is also simplified.

Web-based architectures are also easy to scale as the number of users increases. To add users, all that's needed is browser access. There is no limitation to the number of users, so you can start small and increase capacity as your business needs.

Hosted or in-house?

A hosted solution would involve a company like Sage ACCPAC running your CRM for you. Not all CRM providers offer the option of a hosted CRM solution and clearly that is an issue if you are a small business which doesn't want to go to the often considerable expense of buying in a CRM package.

The other consideration is whether a hosted CRM solution can evolve into an in-house solution as your company grows. The first thing is to be clear whether the CRM provider you are talking to offers you the choice. If they don't, then think about the potential problems. If you are a small to medium business this is especially important because you may not want or cannot afford to have a CRM facility on your own premises. That's when a hosted CRM facility looks attractive.

But, when your business grows it may be that you need to take your CRM facility in-house. At that stage you could find that your CRM provider doesn't have the ability to let that happen. Or if they do they may well charge you handsomely for the privilege.

There may also be issues surrounding the integrity of the information they currently hold for you. These are critical issues and ones that you need to think about at the outset, and certainly before a CRM solution is decided upon.



How CRM speeds ROI

Seamless integration with back-office accounting applications – a core component of most CRM packages – definitely speeds return on investment (ROI). But there are varying degrees of success, depending on the package you choose.

One area many companies overlook when evaluating CRM solutions is the fact that accounts payable and accounts receivable data are normally an integral part of CRM. If a customer calls to order a product, for example, wouldn't it be beneficial to instantly know whether that customer's accounts are up to date? Of course it would.

Although some CRM solutions offer patches to link back to an accounting system, others offer this seamless integration as a design feature. The cost benefits of this approach are so great that some companies report an immediate ROI because they were able to get their application up and running without incurring the high costs of custom integration.

What cost CRM?

This is always a difficult one to answer, because it depends very much on the size of your business and your CRM needs. That said, remember what we said earlier: CRM is not just an IT product. Used effectively, it is a business process. This isn't mere rhetoric.

This means that CRM will affect – and temporarily disrupt – most of your business processes at some point during the installation project.

Further, CRM is a work-in-progress: it doesn't just end when the installation is complete. In fact, this is when the journey begins.

If your product has flexible reporting capabilities, it will provide a constant stream of information on your customers' behaviour, attitudes and satisfaction, as well as on divisional performance relating to the customer. Used effectively, this means that your CRM software will provide a constant customer-gauge, and an indication of where tweaks in operations could add value to the overall business.

For these reasons, the usual ratio of 1:1 software:services doesn't apply with CRM. You should plan for at least 1:2. That is, budget to spend at least double the cost of the software on consultancy, installation, change management and training. Anyone who claims otherwise is undermining the power of an effective CRM operation.

To consult or not to consult?

Few small businesses have the in-house resources or expertise to devote to analysing, purchasing, installing and maintaining a CRM system. A software consultant can help considerably, especially since you should expect to customise your software for maximum benefit.

The ideal consultant is someone who has reviewed and installed CRM systems at businesses similar in size and scope to yours. Call their customers to learn as much as possible about their experience of working with the consultant.

Critical elements of any software implementation are product training, technical support, and future maintenance and upgrading. So also look for a reseller who can work with you long-term in all these areas.

Finally, as well as being professional and knowledgeable, it's critical that your consultant listens effectively, communicates clearly and fits with your company's philosophy and culture.

While it's impossible to estimate exactly how much you will spend on a consultant common ranges are:

- Analysis of client's needs: 1-2 weeks
- Install network and applications: 2 days
- Modify procedures for new system: dependent on the complexity of your processes
- Load CRM database e.g. customer data etcetera: 1 week
- Modify system reports: dependent on specific business requirement, but allow 1 week
- Train users: 2-4 days per person or group
- Train administrator: 1 week
- Document modifications: 1 day per module



“ ACCPAC was the most flexible option we looked at, allowing us to manage each customer group in a way that suits them. Plus, it was the only affordable solution that could support a loyalty program, which is critical for our growth. As a bonus, it’s really intuitive to use, so staff don’t have to learn new skills, and they’re encouraged to experiment with it, which is boosting our creativity. ”

Lesley Aitken, Manager of Research & Brand,
Sydney Olympic Park Authority

Is CRM for you?

If you run a business then some form of CRM is going to be beneficial. It is important, though, to first analyse your business to see how your customers could be better served and how your staff could better interact with them to provide as enjoyable a customer experience as possible.

What CRM does for your business

At its simplest, CRM makes your business more efficient, effective and profitable. Here are some of the reasons why:

- It’s a central source of customer related information
- It helps mobilise and increase the flexibility of the sales force
- It allows individual sales people to choose how they do business with their customers by optimising their use of electronic notebooks, PDAs, GPRS technology and better overall use of mobile phones
- It improves business processes and workflows
- It shortens the sales cycle by enabling sales teams to deliver answers on the fly and communicate messages, orders and results back into head office remotely and immediately
- It provides the ability to measure results of marketing campaigns
- It enables better forecasting and decision-making abilities by delivering comprehensive reports of customer behaviours, marketing campaign results, and sales activity
- It provides the intelligence to win customers from the competition
- It increases profitability per customer
- It increases revenue.

What CRM does for your customer

CRM brings your business closer to your customers simplifying, personalising and strengthening their relationship with you. For example CRM will:

- Ensure staff in all departments are aware of customers’ individual needs
- Ensure swift follow-up on resolutions
- Improve both consistency and speed of initial quotations
- Reduce the number of contacts you make with them
- Prevent you from asking the same questions over and over
- Improve gathering of customer feedback which will result in a demand-driven product development strategy and better service delivery processes.

You need CRM when...The ten tell-tale signs

1. Frustrated customers complain that your staff do not know [their] specific requirements
2. Being unable to access real-time information when you are at home or travelling
3. Not knowing whether valuable sales leads are being followed up
4. Continuing and costly non-compliance with Service Level Agreements (SLAs)
5. Order takers not being advised when a customer is put on hold
6. Your sales team not knowing what issues your service team is currently working on before calling on the customer
7. Having to manually complete reports due to multiple sources of information
8. Having to issue credit notes to keep customers happy due to an inability to easily find information
9. Not knowing what value you are getting from your marketing expenditure
10. Losing customers to your competitors for no obvious reason.

Installing CRM - The keys to success

- Plan
- Define the stakeholders in the project – analyse needs and benefits expectations as a foundation for establishing a common, company-wide goal for CRM
- Get agreement on this goal, then communicate it
- Have a documented and impartial scoring process for each demonstration to ensure you end up with the right product for the company-wide needs
- Choose a system designed for your size of organisation
- Choose a system that is future-proofed
- Nominate a project champion
- Integrate with other systems, e.g. accounting
- Develop change management skills
- Train before rollout
- Ensure people use the CRM (and keep to related changes in business processes) so that it becomes entrenched
- Take an evolutionary, rather than 'big bang', approach
- Review and adopt changes every 6-12 months.

