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IMPLEMENTING A CRM STRATEGY

A CRM strategy is a major undertaking that needs to be dealt with and planned properly. What will it take to successfully implement your CRM strategy? First, you must build a team. The members of this team should include a representative of every department who will use, or may use, the system either initially or ultimately. You should include members from sales, marketing, customer support, customer service, management, IT, finance, and sometimes others. A key member of the team should be an external, or outsourced, individual who is experienced in planning and implementing CRM solutions. Second, you need to market the project internally. Give it as much exposure and hype as possible in order for the entire organization to understand the project so they accept it as a positive effort that will benefit the company and its customers.

Make sure your CRM strategy has a business case focus. In other words, ensure there is a clear understanding that this project has a direct contribution to the company's bottom line, there is a return on investment that is definable and understood, and this is not just a project for technology's 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 then ask them to use it too quickly, they simply won't use it. So you must feed them small, manageable pieces at a time. The initial rollout should include some core functionality — perhaps just basic contact management and scheduling. The second phase can introduce additional functionality, such as opportunity management and forecasting. The next phase could include integrating email, custom letters, and reporting, and so on. Doing a CRM project in small phases is infinitely more successful than attempting to implement the entire project at one time.

Training is critical to the success of your CRM strategy. It's unadvisable to just throw a sophisticated product at an individual and expect them to start using it productively and successfully without some formal training, at the same time that they're trying to do their regular job. Don't just provide training either, instead you should 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 sufficient time for a learning curve so the user can ramp up their skills 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 must 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 have succeeded. Of course, you first have to know where you want to be, so make sure you establish that before beginning your implementation. Once again, this is where your puzzle becomes a necessity. Let's discuss each of these points in more detail.

MEASURING SUCCESS

Establishing your criteria for success may seem obvious, but it is often overlooked and is based on the assumption that a new system must be better, therefore it has to be good. This usually doesn't fly with upper management, including the CFO who needs to justify the expense of purchasing and implementing this solution. Chapters 8 and 9 discussed the costs and ROI of implementing CRM solutions. Based on that information, it's time to identify the areas that need to be measured, in order to monitor the success of your project.

It's important that you define the measurements for success at the outset of the project. What are your business performance targets? What are your technical performance targets? How will this system improve your business? How will it enhance the relationship between your company and your customers? How can you measure satisfaction within your organization, or among your 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.

Benchmarks are necessary to provide a quantifiable target to measure against, but they must 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
- Decreased number of customer complaints
- Number of calls/visits per day
- Shortened transaction times
- Increase in Customer satisfaction levels
- Increased revenue, profits, ROI, etc.

As time goes by, you can measure the progress of these metrics and compare them with their status from when your CRM strategy initially began. This will give you defendable statistics to justify your investment as well as a progress report as to how much further you need to go before you reach your final goals.

THE TEAM

When selecting your CRM team, you must remember to include all departments involved in the initial rollout as well as anyone that might end up using the system in the future. 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 sales issues as well. Finally, it would be useful if the team had political clout within the company to help obtain 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.

As mentioned previously, having the right management support for the project right from the start will be critical to ensure the teams' success.

Now you want to be sure not to create an unwieldy, bureaucratic, political beast. Remember the saying: "A camel is a horse designed by a committee." The last thing you need is some politically motivated committee trying to enforce rules and regulations on your users. The CRM team must have the same goals and intentions from the start, as well as the same priorities. You will, no doubt, encounter political struggles, budget battles, turf wars, hidden agendas, and even sabotage in some instances. The best you can hope for is to minimize these challenges by ensuring that all the participants know the goals, communicates in an open and fair fashion, and is aware that they are part of the solution.

You cannot start solving a problem until everyone realizes you have a problem. The alternative is that you'll have team members at your meetings asking, "So why did you invite me here to begin with?" Also, you must understand what the problem is and can clearly define it for everyone. Otherwise, you'll have team members asking, "So exactly what problem are we trying to solve?" In Chapter 9 we discussed using a Discovery Review worksheet to help identify symptoms and causes to help get to the root of the actual problem. It is critical to perform this exercise with the team so that they are part of both the input and solution.

If you have identified a problem that indicates that your company is losing market share, then at least the team won't ask why they were invited to the meetings. The intent will be clear. However, the team should delve deeply into this problem by identifying the key reasons they feel the company is losing market share. Using this example, we can identify several causes for this problem. On the one hand, it could be because your sales process "touches" a prospect too many times. Inside Sales qualifies, Outside Sales negotiates, Operations generates estimates and pricing, Customer Service creates quotes, Legal generates contracts, and more. Perhaps part of the solution is to delegate more responsibility to the sales reps thus allowing them to perform several of these functions and give them tools to help automate some of the repetitive and redundant tasks.

Another cause for declining market share could be that it takes too much time to close a deal (perhaps because of some of the reasons mentioned above). Of course, the longer a sale takes to close, the longer your prospect is exposed to your competitors. Perhaps the cause is something as simple as the fact that you have higher prices than your competition, thus making your product or service non-competitive. Therefore, you may want to either lower the price or raise the perceived value of your offering. This problem could result from an excessively high cost of sales caused by too many processes, complex procedures, and a system that's not streamlined. Whatever the cause and symptoms, the team must identify them in order to address the true problems at hand. This is the reason they were invited to the meeting and those are the problems that they are trying to solve. If the proposed solutions can benefit from automation, you can then consider technology and bring in vendors to compare features and functions. It will also be necessary to have built your puzzle first so the sales process is understood and agreed to, by everyone involved — including the product vendors.

The team should establish and adhere to written project goals that are realistic and achievable. As indicated earlier in this chapter, they should agree in advance on the goals they are attempting to attain. You should remember that this project will affect human behavior and will change the way your company interacts with clients and operates internally. Therefore, it is essential that senior management and the team members must coordinate their efforts and plans. Everyone on the team must take ownership of the project. This will be a futile effort if any one member or department is not committed to helping the project succeed. Therefore, all members of the team must have a deep sense of ownership of the proposed 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 mandatory — everyone must use it. However, you should not underestimate the tremendous impact on the way the sales force does business. Plan for all rollout costs including backup 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

A key point to remember 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 systems. After that you can begin Phase One of the implementation. Start out small and grow gradually over time. Work from the puzzle you and your team developed by selecting just one portion of it to launch. Be flexible and responsive to the users when they have problems or when they ask for additional features and changes.

A good way to begin Phase One of the rollout is with a “pilot” or “beta” program. Carefully select pilot members from mixed experience levels that are focused on the same strategic functions. If Phase One will include Marketing and Sales functions, for instance, then the Pilot team could include a senior sales rep, a junior sales rep, a marketing rep, a secretary, and a manager. Make sure that all these members are typical users of the function or process being automated, so they will give it a true-to-life test.

Next, determine a pilot end date — say 30 days out. Without a fixed end date, the pilot will last indefinitely with no specific milestones. You should also provide an outlet for comments and recommendations from the pilot users. 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 are using the system 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 and field-tested.

Most importantly, you must get your users committed to the project. Once they see how it can benefit them and help them with their work, you’ll get total buy-in from each organization. It is critical that you solicit their inputs and that you provide an easy method for them to provide you with feedback (anonymously if necessary). Ask them what they want — more information, better communication, improved quality of life. Then address their needs. Don’t just provide for in-house training. Whenever possible, 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, you must provide a central point of information for help, suggestions, and guidance. It's important that the users not be left to feel deserted and abandoned.

Phase One should focus on a basic implementation specific to your core requirements. This may include primary contact management functions, contact/account specific information, scheduling, standard reports, mail merge using basic and simple letter templates, and other fundamental requirements without making the pilot so complex that it threatens the initial full product rollout. You must concentrate on those features and functions that offer a quick impact on functionality and priority requirements. There's always time to add more functionality as you move forward, thus there's no need to get tempted to do everything at one time.

MAJOR STAGES

Phase One should be broken down into six discreet stages.

1. Discovery
2. Configuration
3. Installation
4. Administration
5. Training
6. Benchmarking

The first stage is the **Discovery Stage**. This phase is where you take the requirements you've 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. This phase is, in essence, the planning process where one puts the actual plan on paper based on discovering the actual information required. The second stage is the **Configuration Stage**. 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 Stage**. This is the stage where you prepare your network for the new system — security, remote connectivity, hardware, etc. This is also the stage 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 stage is the **Administration Stage** where the system security is configured, 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 computers, if necessary, and the database itself is created. Stage number five is the **Training Stage**. The amount of information covered in the training course should be limited to the core functions that are required to get the individual users productive as quickly and easily as possible. You should try not to overwhelm them with too much information — it won't be retained or appreciated.

The number of days required for training will vary depending on the prior experience level of the individual users — perhaps one day for experienced Windows users who are already familiar with a similar 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 contact manager. In a widely diverse company, it is often useful to survey the computer skills of the individual users and to develop a training path that allows for remediation where necessary. Of course, the training process 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.

Stage six is the **Benchmarking Stage**, or the "How are we doing" stage. About sixty to 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. Review your training. Was it effective? Is more needed? What were the project's successes and failures to date? What goals have you met 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 of the project.

COMMUNICATE AND CELEBRATE

As each phase of your rollout is complete, or even before then, you should communicate the project status internally. This will keep everyone up to date on its progress. There will be members of the CRM Strategy Team who will not be addressed until a future phase. Unfortunately, they will have to wait since the team established the priorities for all phases and departments. Nevertheless, there is still a benefit for them to see the progress of the other phases since they will begin to believe in the strategy and look forward to their turn even more.

Although this may sound silly, you should celebrate each phase as a victory. This will generate positive energy surrounding the project throughout your company and create a sense of success. Host a pizza lunch, bagel breakfast or "special" meeting to celebrate your success with each phase. You will be surprised at the camaraderie, support, and team building this will generate.

READY TO GO

By now you should have a good handle on what it will take to implement your CRM strategy. If you're not scared away by now, there's a good chance you're ready to plunge into the world of automated customer relationship management and benefit from all the productivity gains it can offer.

The bottom line is — Be committed to your CRM project and don't shortchange the project on any level including funding, manpower, equipment, etc. Form a team, commit the time, spend the money, and plan, plan, plan. Finally, by all means, pick a good, reliable and reputable product and a good, reliable, and reputable consultant. Both of these will be worth their weight in gold.

The checklist on the next page can help in planning your CRM implementation. It is also available for download on my web site at *www.peaksalesconsulting.com/downloads.htm*.

IMPLEMENTATION CHECKLIST

❑ ***Create a Diverse Team***
- Committed to make the vision a reality
- Understands the business issues
- Understands the political and human issues
- Understands the technical and field sales issues
- Has political and corporate clout

❑ ***Mission Paper***
- Business Case
- Clear and concise vision
- How & When (Pilot, Training, etc.)
- Ownership of project, data, system
- Stated business case with ROI

❑ ***Team Sponsors***
- Sales Management
- Marketing Management
- Senior Management
- IT
- End Users
- Outside Consultant
- Customers
- Others (Admin, Customer Service, Tech Support)

❑ ***Sell it to the Users***
- Send out productivity survey (is project helping, is it improving performance)
- Calculate results
- Present results to users

- ❑ ***Create the Vision***
  - Day in the life of the users (Paint a picture for them)
  - Define how it will be measured (metrics)
  - Include: End Users, Management, Administrator, Company-wide

- ❑ ***Select Software***
  - Develop RFI (Request for Information)
  - Have companies present solutions, based on day-in-the-life scenarios
  - Pick 3 finalists
  - Ensure IT performs technical evaluation
  - Make final selection based on current and future needs (match your puzzle)

- ❑ ***Determine Core Competencies to Roll Out (Phase 1, 2, etc.)***
  - Start small, then grow
  - Prioritize requirements
  - Roll out only what's needed in Phase 1, followed by other phases

- ❑ ***Create Implementation Plan***
  - Discovery Analysis
  - Configuration
  - Installation
  - User Administration
  - Training
  - Benchmarking

- ❑ ***Communicate and Celebrate Victories***
  - Identify benefits achieved
  - How it affected the company
  - Graphic visualizations of the solution
  - Present to management and other users (present and future)
  - Celebrate successes with lunch, etc.

SUMMARY

We have discussed how to implement your CRM strategy in this chapter. As you can see, there is a lot to do, many steps to take, and much to consider. You also saw that implementing your strategy went far beyond just the technology. There are teams to build, plans to develop, communications and training, and much, much more that needs to occur in order for the entire project to succeed.

Also, a CRM project is really a process, in and of itself. A project has an end but a process does not. Your CRM strategy should be an on-going effort that evolves over time. It is rolled out in phases and modified as needed over time to adapt to your changing business model. Therefore, your CRM strategy should be an evolving process that begins with intense efforts and addresses your company and customers' needs virtually forever.

As part of the process and roll out, we discussed making sure your users buy into the system. In Chapter 7 we discussed how to sell your CRM system to your sales reps. What we have not yet discussed was the impact that technology, specifically e-Business, has on your sales reps. Does e-Business threaten the sales rep's job? How do they use technology to enhance their job performance instead of viewing it as a threat? The next chapter will review these issues in more detail.