# Really Simple Systems

10 Critical Factors
in Choosing a CRM System

Introduction

Many CRM implementations go wrong because implementers fall into the same common traps. This guide lists the ten most common pitfalls, and how you can avoid them.

Divided into **Getting the Design Right**, **Choosing the Right System**, **Getting the Adoption Right** and **Avoiding the Pitfalls**, this guide will show you how to make sure your CRM system will be a success, based on real life experience. Knowing what the pitfalls are is more than half the battle.
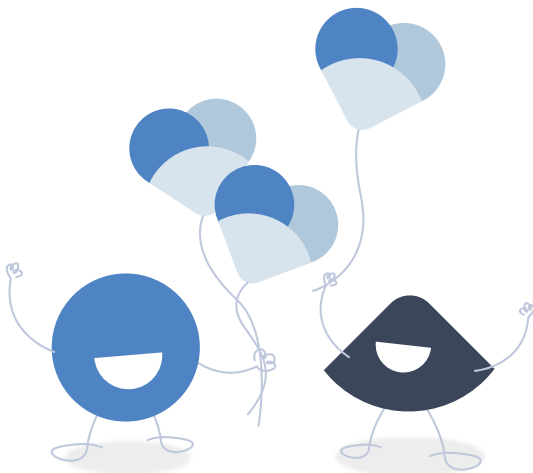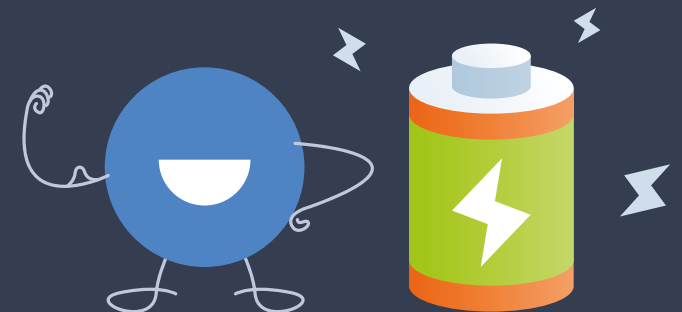
"The generally accepted purpose of Customer Relationship Management (CRM) is to enable organizations to better serve their customers through the introduction of reliable processes and procedures for interacting with those customers".

Wikipedia, 2019

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A Brief History of CRM

CRM stands for Customer Relationship Management, a term coined in the 1990's to describe a system whereby every contact with a customer could be recorded and analysed.

Like many buzzwords, the term CRM now stand for pretty much whatever each vendor of CRM systems wants it to, whether it is systems for sales people (Sales Force Automation, Opportunity Management), for marketing people (Marketing Automation, Campaign Management), Helpdesks (Customer Service and Support), email and voice logging, and so on.

CRM systems were the must-have products at the height of the Internet bubble in 2000/2001. There followed a few years of disillusionment as expensive systems were late and then failed to deliver the results to meet the raised expectations of the users.
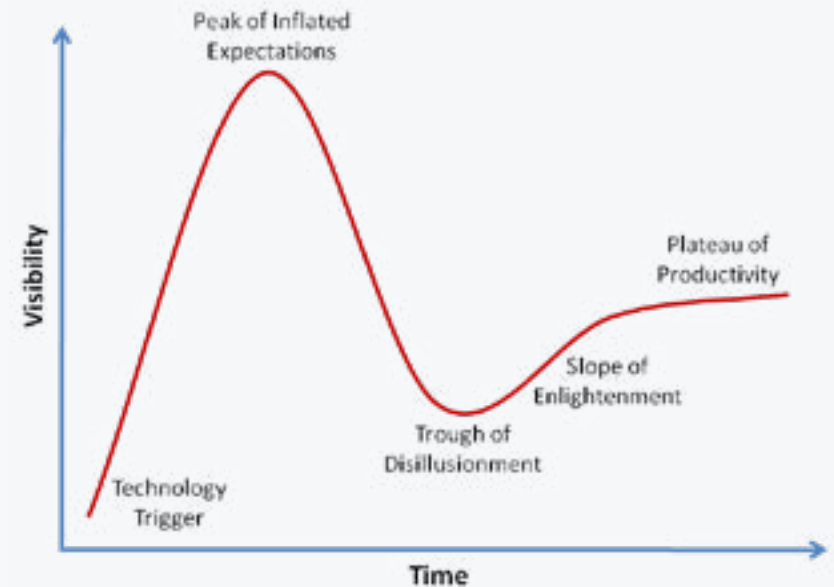
The Gartner Group, a US firm of analysts, has a Hype Cycle graph showing the traditional pattern of a slow start, followed by unjustified euphoria, down to disillusionment and back to a level of realisable sanity. Which is where we are today, at last, with a new breed of CRM systems that are easier to install and use, mostly Cloud based with monthly subscriptions that are a lot cheaper than installing an in-house system.

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Starting Out

True Customer Relationship Management, in it's original meaning, is not about software or systems, its about the way a company interacts with its customers through its people and its culture.

No computer system will change the way people interact with customers, it can at best simply help them do what they want to do more efficiently. But assuming that your sales, service, delivery and support people are competent and treat customers like customers, a properly chosen and implemented CRM system will bring sales and service efficiencies to your organisation.

Whatever your goal, there are fundamental factors that will be critical to the success of your CRM system.

Broadly speaking these can be divided into:

- Getting the design right
- Getting the adoption right
- Choosing the right system
- Avoiding the pitfalls

Getting The Design Right

The correct design should reflect the goals of your CRM strategy.

These might be to:

- Help sales people manage and close opportunities

- Give sales managers a complete view of the pipeline, and to automate sales forecasting

- Safeguard ownership of the sales pipeline, a key company asset

- Make sure that your organisation has a full picture of every sales process

- Provide a complete picture of every customer to those that need it within your organisation

- Run and track the effectiveness of marketing campaigns Provide better service for your customers

Many people will answer "all of the above", and most "both sales and marketing". If this is this case for you then it is best to start with the sales process and then bring the rest on line afterwards. Why? Because marketing and support teams are well disciplined people, used to and happy to accept automation, and they know that their tasks cannot be achieved without a system.

Sales people, on the other hand, are perfectly capable of making a sale without a CRM system so their cooperation cannot be taken for granted. Design your system so that it

Keeping It Simple

For sales people to use the system fully, it must be both useful to them and easy to use, so don't make the design too complicated.

The more complicated the design is, the more fields you add to each screen, the more screens you have to go through to add a contact, the more barriers to successful adoption you will have erected. Every extra field you ask the sales person to complete, especially mandatory ones, the greater the chance that the sales people will enter garbage, leave fields un-entered, or simply only use the system under duress.

Take Leonardo da Vinci's motto "Simplicity is the ultimate sophistication" to heart.

- Start with the minimum design, not the ultimate, to get people using the system.

- Make sure that as many fields as possible have sensible defaults.

- Make sure that the key fields you wish to capture (like marketing source) are shown on standard reports so if they are not completed it is evident.

Design By Democracy Or Dictatorship?

Somebody in your organisation, maybe yourself, will be tasked with choosing and implementing your new CRM system. Should you solicit the views of everybody in each department, or should you simply impose a system because you know best?

Both approaches have their drawbacks. In the former "design by committee", the risk is that in order to please everybody the resulting design will incorporate every feature ever invented, and then some more. This will result in a complex system that will be expensive to purchase and set up, and then fail because people can't use it, or can't be bothered to use it. The latter approach will result in a lean minimalist system, easy and fast to use, but the risk is that other departments may reject it because they weren't consulted.

You need to ask everybody want they want, ask them again what they really need, decide for yourself what the pay off is between functionality, cost and ease of use, then get everybody's buy in for the final design by cajoling and argument. Experience in herding cats would be useful here!

Choosing The Right System

There's no shortage of CRM systems on the market, from cheap and cheerful to large scale systems that are part of ERP suites.

Contact Management

Contact Management systems are primarily contact (people) focused. They record the name, company and contact details for each person, usually together with some free text notes and a reminder flag for call backs.

You can normally export the records for mail-merging. They don't include opportunity management or sales forecasting and have a simple flat file structure. They don't include any marketing such as sending out email newsletters. Some are single user desktop applications and some can be multi-user systems.

Opportunity Management

As the name implies, these systems focus on recording sales opportunities (leads and deals), normally with sales forecasting as a reporting option. They have a more sophisticated/complex data structure, with Accounts (companies and organisations) who have multiple Contacts (people) in them, against which you can record multiple Tasks (things to do), Activities (things that have taken place, such as meetings and calls) and Opportunities (possible sales).

They tend to come with more sophisticated reporting tools, import and export facilities and a security system. Most modern CRM systems include Opportunity Management, and even some Contact Managers do too.
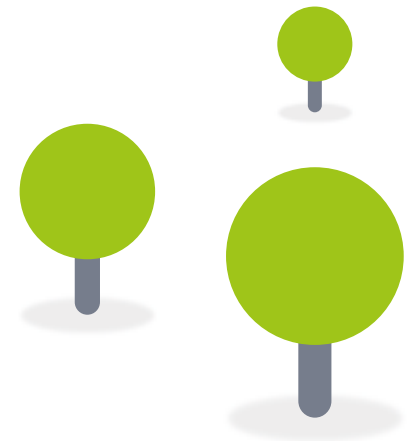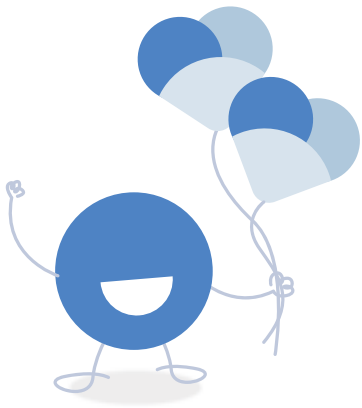
Choosing The Right System

Sales Force Automation

This is a name for a suite of software that is given to sales people, normally field (out of office) sales people, to help them sell. It includes either contact management or opportunity management, together sometimes with email and calendaring (diary sharing).

They can run on laptops or smartphones and tablets, and can be of quite specialist design, such as systems for pharmaceutical sales representatives or for the collection of electricity or gas meter readings.

One challenge faced by these systems is synchronisation – updating the device with data from head office and vice versa. Traditionally this has been done by connecting at the end of the day, but with the widespread availability of Internet connectivity, whether from broadband at home, wi-fi in a coffee shop or through the cellular telephone network, synchronisation has been replaced with systems that are permanently connected to the head office system, removing many of the support headaches that always accompany replicating remote databases, and allowing updates to be shared in real time.

Choosing The Right System

Enterprise Management

These are large systems, normally from an ERP (Enterprise Resource Planning) vendor, and they tie CRM into ERP (closed deals flow through to sales, accounts payable ties into the customer records).

Capable of huge sophistication, and also of huge licence and implementation cost, these systems are the most functional available. Examples are SAP, Oracle Applications, and Siebel.

Choosing The Right System

Cloud v Local Applications

In the past all software was loaded onto the company's servers, desktops and laptops, as either desktop systems or client/server systems. However, the past decade has seen huge growth in Cloud applications, where the application and data are hosted by the CRM vendor.

Desktop applications run and have all their data on an individual's workstation (their laptop, PC, Mac, telephone or smartphone). They don't share that data will other users in the organisation, and they don't have access to other users' data. Examples are Microsoft Outlook, or a spreadsheet sitting on the workstation.

Desktop applications are loved by sales people as they are easy to use and highly personal, but the company has no sight or ownership of the data.

Client/Server applications have a client application running on the workstation and a server application running on a shared fileserver that hosts the data. The server is a computer owned, managed by and located at the user's office. The client talks to the server over a network. Some processing takes place on the client, some on the server, and both client and server applications need to be installed and maintained. If you have multiple offices then those offices either need to be connected with a high speed WAN (Wide Area Network), or multiple systems are installed which then have to be synchronised. Most traditional CRM systems functioned this way.

Client/Server applications allow everybody in the organisation to share the data, but can be complicated and time consuming to install and maintain, especially if you want multiple offices to share the data or remote access.
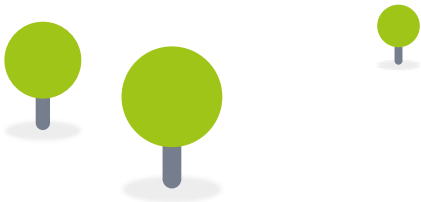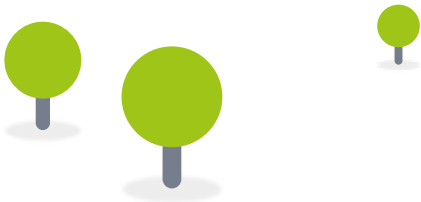
Choosing The Right System

Cloud applications are accessed from any workstation or device that has an Internet browser installed, including your workstation at work, your PC at home or a terminal in an Internet café. The processing and the data are held on the supplier's servers which are located in a data centre with fast Internet connectivity.

Cloud applications are quick to install and use, solve the remote access problem, need no IT support, but are normally less flexible than client/server systems. The subscription payment model can appear to be more expensive at first sight, but if you add up the true cost of installing and running an in-house system, including licence cost, server and associated operating system and database licence cost, annual maintenance of software and hardware, internal IT resources applying maintenance fixes, updates and unscrambling out-of-sync laptops, they can be cheaper even in the long term.

Some Cloud CRM systems run on desktops and laptops only, some have Apps that can run on your smartphone, some are written using "responsive design" so they can run on all of desktops, tablets and smartphones.

The key criteria when looking at Cloud applications, apart from price and functionality, are the contractual terms (how long you are tied in for), availability (how often the systems goes down) and how easy it is to get your data back if you want to move.

Cloud v Local Applications: Comparison Table

Requirement	Desktop	Client/Server	Cloud
Company wide view of data	No	Yes	Yes
Speed	Fast	Depends on network: normally fast locally but can be slow inter-office over a WAN	Depends on Internet connection speed. Great in an office, great with broadband, depends on coverage for mobile access
Application Access	If the application is on your laptop and you have it with you, you have access	Easy if you are in the office; possible but technically difficult if you are out of the office	Easy providing that there is Internet access
Support and Backup	User supported	Internal IT department supported	Supplier supported
Ability to Customise	Unlimited, if you have the resources	Unlimited, if you have the resources	Varies, but normally more limited that client/server
Business Model	Buy the CD, maintenance if you really want it	Buy the software, operating systems, databases and hardware upfront. Pay for services to install and configure. Annual maintenance contract	Monthly subscription payments. Should need zero or minimal services to configure, or such services might be included in the subscription. No hardware or IT to purchase

Data Security

Data security is in the news a lot these days, with passwords being stolen from retailers and governments snooping, legally and sometimes illegally.

For European Union businesses, it is illegal to store personal information (email address, telephone number etc.) on an EC citizen outside of the EU. Generally speaking, the USA does not have a legally enforceable concept of data privacy. So it makes sense to know where your data will be physically stored, who owns the servers it resides on, whether the system can fail over if the data centre goes offline and how the data is backed up.

If you are in a regulated industry such as finance then you'd need to make sure that your CRM supplier is compliant with your regulatory body.

Getting The Adoption Right

Getting your new CRM system adopted enthusiastically by everyone in the organisation will be the biggest factor in determining if the system will be a success. Reluctant users will add the minimum data that they can get away with, or simply ignore it and continue to use their existing personal systems. Carrots are better than sticks, but sticks may occasionally be necessary.

Roll Out From The Top

Roll the system out starting from the top, not the bottom. Get senior management buy-in first, and let them be seen using and benefiting from it.

Use of the system will then be associated with seniority and the first new users will feel privileged to have access.

Getting managers to use it first will also mean that they will use the system to manage from day one, and can then help and supervise their team's adoption.

Appoint CRM Champions

In each department, and at each level of roll-out, choose the first user as somebody who both has a positive attitude to the CRM system and who commands their peers' respect.

When that person enthuses about the system then their colleagues will approach adoption in a positive light. If you can get the most respected sales person using it first, and then he or she tells colleagues how it helps him or her, the rest will follow.

But be aware that if an opinion former forms a negative impression of the system that attitude will spread even faster.

Getting The Adoption Right

Sales Administrators

Get the sales administrators on side, and give them ownership of the data. A good sales administrator will spot data errors and sloppy data entry by sales people, and will either clean the data up or nag them to fix it.
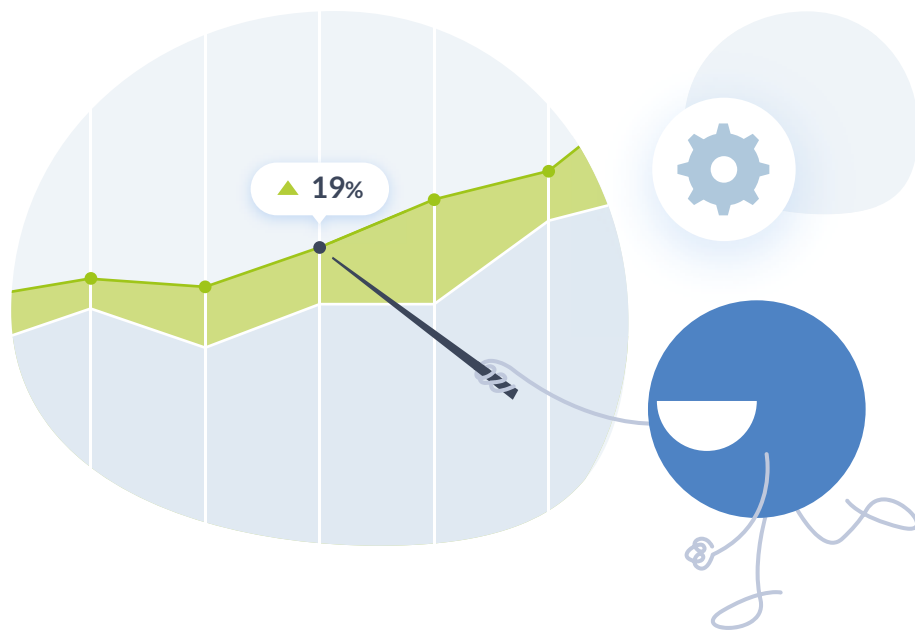
Management Adoption

Make sure that all managers use the system as the prime source of information when it has been rolled out to their teams.

If a manager is discussing a customer or prospect with the account executive, the manager should bring the account record up on the screen and use that to drive the discussion. During the conversation it will be obvious to the manager if the data is up to date, especially contact names and opportunity status, and it will be obvious to the account manager that such omissions are being noted.

If the CEO does this as well, then the behaviour will be reinforced down throughout the organisation. But be aware that if the manager criticises the detailed content of the data on the system, the sales person might be tempted to enter less data next time.

Getting The Adoption Right

Reporting

Use the consolidated reports, such as sales forecasting, to manage the organisation. Those reports only work if the underlying data is correct. If sales teams go back to using spreadsheets to forecast sales, the onus on getting the opportunities correct in the CRM system is diminished.
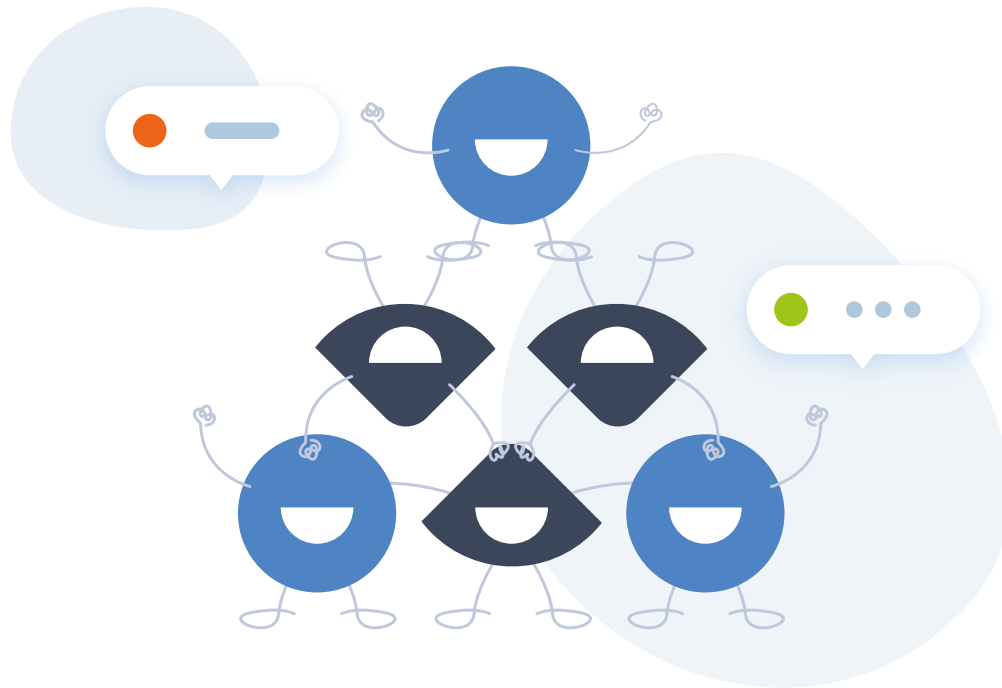
Preventing Reluctance

There are many reasons why some account executives would prefer to avoid using the CRM system. A CRM system gives visibility of the account manager's prospects, contacts and opportunities.

Some sales people are reluctant to expose this information, fearing critical review or that their value to the organisation is diminished if their contact and pipeline is no longer their secret domain. Some are uncomfortable with the technology, and some simply can't be bothered.

You can introduce rules as sticks to encourage reluctant sales people. The Accounts department cannot pay commission if the closed opportunity is not on the system. Sales Managers should take account executives to task if opportunities are regularly entered late or at the closing stage. Ultimately, it can form part of an MBO bonus (management by objectives) as a carrot, a criticism during a review or a ultimately a disciplinary matter.

Avoiding The Ten Pitfalls

1 **Trying To Please Everyone**

Don't sit down and try and design the perfect CRM system that will meet 100% of each and every person's wish list. The sales people will want the system to work out their commission plan for them; the marketing people will want to track every sale back to exactly what keyword in which Google Ad generated the enquiry, and the resulting committee's design will be a system of such technical complexity that it will continually fail, and of such user complexity that it won't be used.

2 **Selecting The Primary Designers**

It's better to get the sales teams as the prime designers of the system. Although the marketing department is one of the biggest beneficiaries of a well run CRM system, only the sale people can make it a success. Get the sales peoples' buy in and then make sure that marketing team's requirements are met.

Avoiding The Ten Pitfalls

3   **Preparing For Roll Out**

Don't just switch on the system and expect that everybody in the organisation will just pick it up. Many won't, and their first impressions and side-comments will jeopardise the success of the overall project. New internal systems need to be sold and the roll-out needs to be planned.

4   **Supporting The Learning Phase**

Don't forget training, even if it is only a half an hour course for sales people. And the training course is the ideal time to make people want to use the system by stressing what's in it for them as well as what's in it for the company. Make sure that all users know who to call if they get stuck, and make sure that such calls are handled positively.
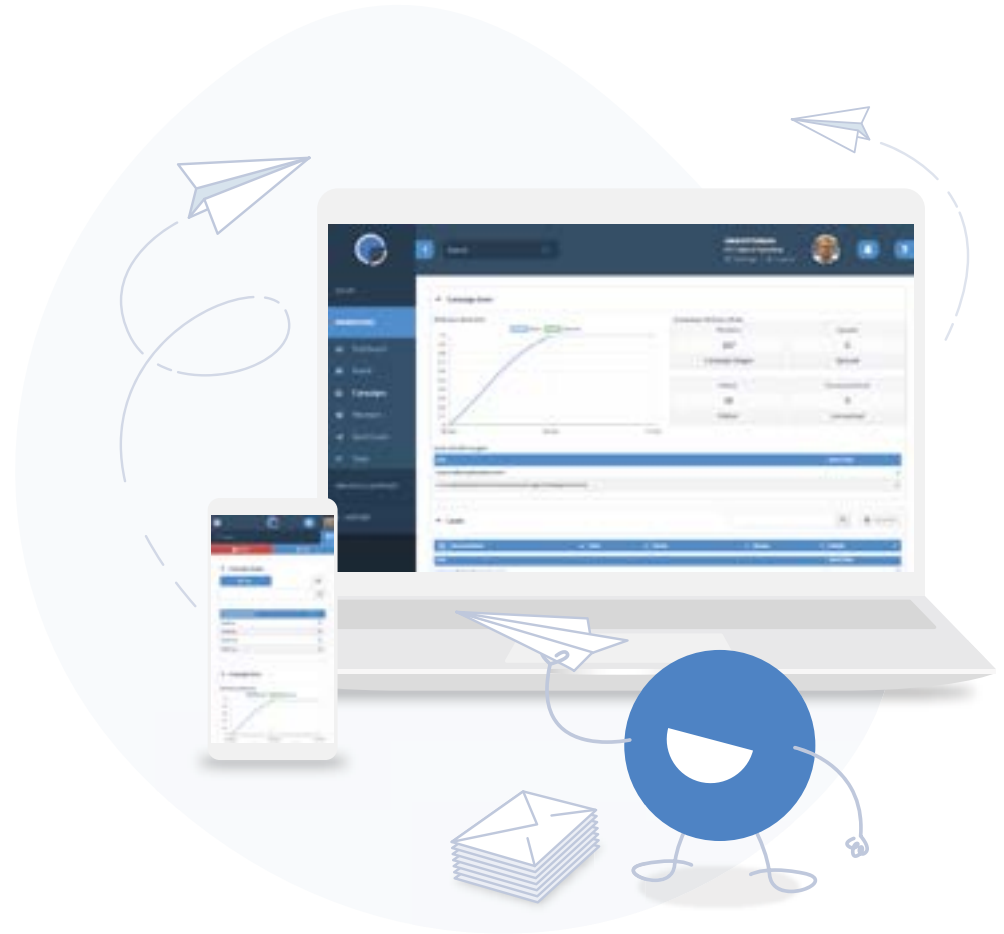
Avoiding The Ten Pitfalls

5 **Engagement And Motivation**

Most internal systems are essential to the user's job. The accountants have to use the accounting system, the purchase ordering clerk the PO system, the marketing people the marketing database. Don't forget that sales people can function perfectly happily without a corporate CRM system, and many prefer it that way. Use encouragement, carrots and sticks. Motivation is as important as understanding.

6 **Keeping Things Fresh**

Don't leave the CRM to run itself after it has been rolled out. Left to itself the system will become unwieldy with random fields added and filled with old data. Spring clean the system regularly, cleaning off old fields that now just clutter up screens and deleting old data. Make sure new hires understand and use the system.

Avoiding The Ten Pitfalls

There's a common theme in many of these guidelines: good practice needs to come from the top. If a sales or services manager uses the system to actively manage his or her team, then adoption in that team will be successful.

Only if the whole management team jointly agree that the CRM system is a key part of meeting the organisation's objectives, and then use and be seen to use it themselves, will the full benefits be realised.

Avoiding The Ten Pitfalls

7 **Keeping It Simple**

Keep the design and technology as simple as you can. The simpler the design, the easier it will be use, and the simpler the underlying technology, the less chance of something going wrong.

8 **Delegating Responsibility**

Make it somebody's responsibility to own the data, and to make sure that its correct and complete. This could be split across more than one person: the sales administrators for the sales teams and a marketing communications person for the marketing data. A good sales administrator will nag sales people to fill the source field in, make sure that dead leads get recycled back into marketing, that addresses are complete and that PA's don't get emailed.

Avoiding The Ten Pitfalls

9 **Ensuring Success**

If the CEO and the VP Sales uses the system, and are seen to use the system, then that culture has a chance of permeating the organisation. A real time dashboard showing sales this month can help win their hearts!

10 **Making The Right Choices**

The right choice for you will ultimately be a compromise between price and functionality versus ease of use. That's a philosophical choice that only you and your organisation can make. There's no "best practice", only bad practice.
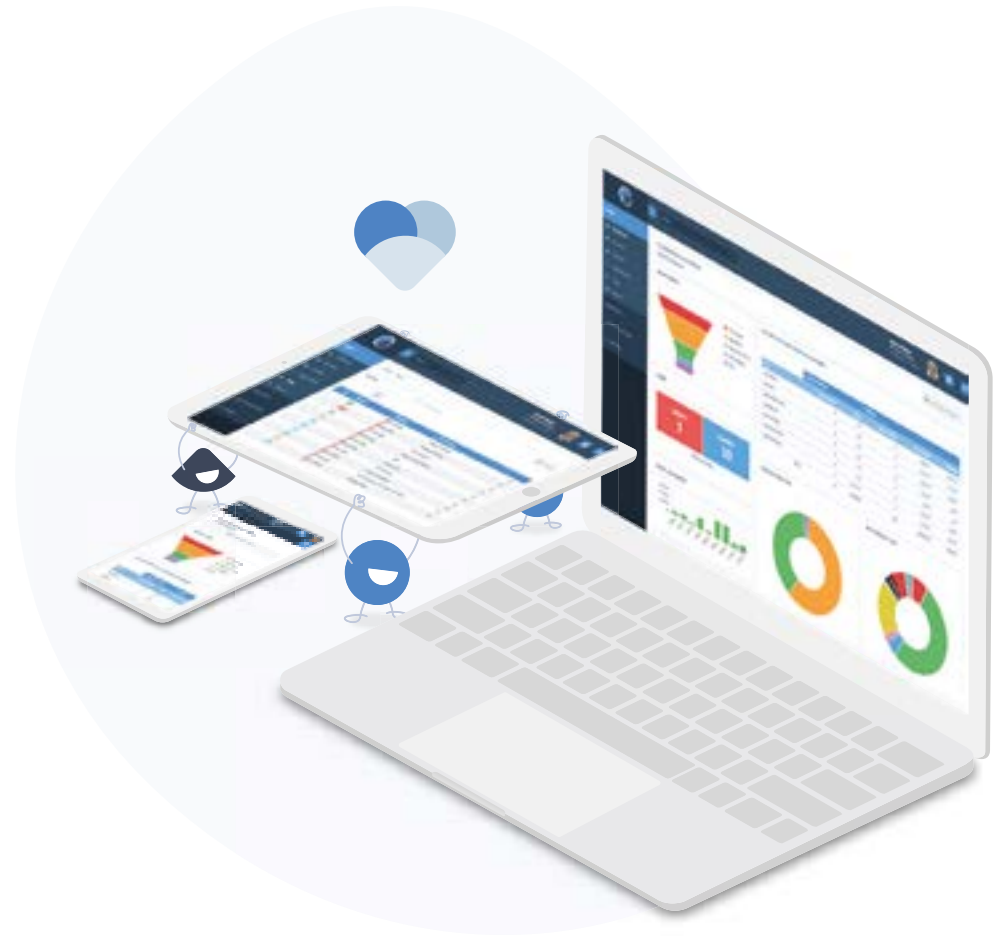
About Really Simple Systems

Really Simple Systems Cloud CRM is designed for small and medium sized businesses, or departments of larger organisations who want a simple, easy to use online CRM sales, support and marketing system.

The hosted CRM model is particularly suitable for companies with multiple locations and people who work remotely or at home.

With over 18,000 customers worldwide, Really Simple Systems is one of the world's largest providers of Cloud CRM systems and has offices in the UK and Australia.
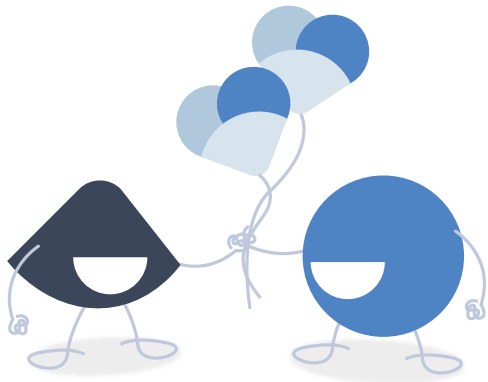
Customers range from single user to 200 user systems, and include the Red Cross, the Royal Academy of Arts, government agencies and the NHS, as well as thousands of small and medium sized companies.

About the Author

John Paterson is the founder and CEO of Really Simple Systems.

Over his career he has implemented, used and sold many CRM systems from the smallest to the largest, and it was off the back of these experiences that he saw the gap in the market for a simple, straightforward hosted CRM system that was aimed specifically at small and medium sized organisations.

Really Simple Systems