Why CRM Implementations Fail and How IT is the Key to Success

By Lars Helgeson

CRM is the lynchpin of every business, whether we realize it or not. If you aren't using CRM software, you are still doing some kind of CRM. People handle CRM in many ways, including spreadsheets, hand-written notes, yellow sticky pads, or simply informal reminders floating around in the heads of the people who talk to leads and clients.

Most people have feelings of trepidation when you mention the term CRM because getting it to function correctly can be hard. CRM implementation is usually met with resistance because it changes the way a company conducts business. Everyone has their own preferred methods of accomplishing whatever it is they do, and if someone tries to force them to do things differently (e.g., use a CRM), everyone involved needs to see a clear benefit to making that change.

CRM includes and affects everyone using it, which is why it takes time to get it right. The relationships a company has with customers and leads are usually not simple, and typically they involve many people. There are steps that leads go through to become customers, and they're not always the same. All of this complexity means the company needs to truly understand its customers and processes to make CRM work.

Someone may learn about your product or service from a pay-per-click ad, an email, TV, radio, word of mouth, or any of hundreds of different channels. The quality of that impression will vary, as will what that lead does once they know you exist. Many may not do anything right away, waiting until they hear of your brand 5, 10, or 20 times before digging deeper into your offering. Others will take immediate action and jump into your sales pipeline. A good CRM will be able to discern where in the spectrum of consumer interest your leads fall.

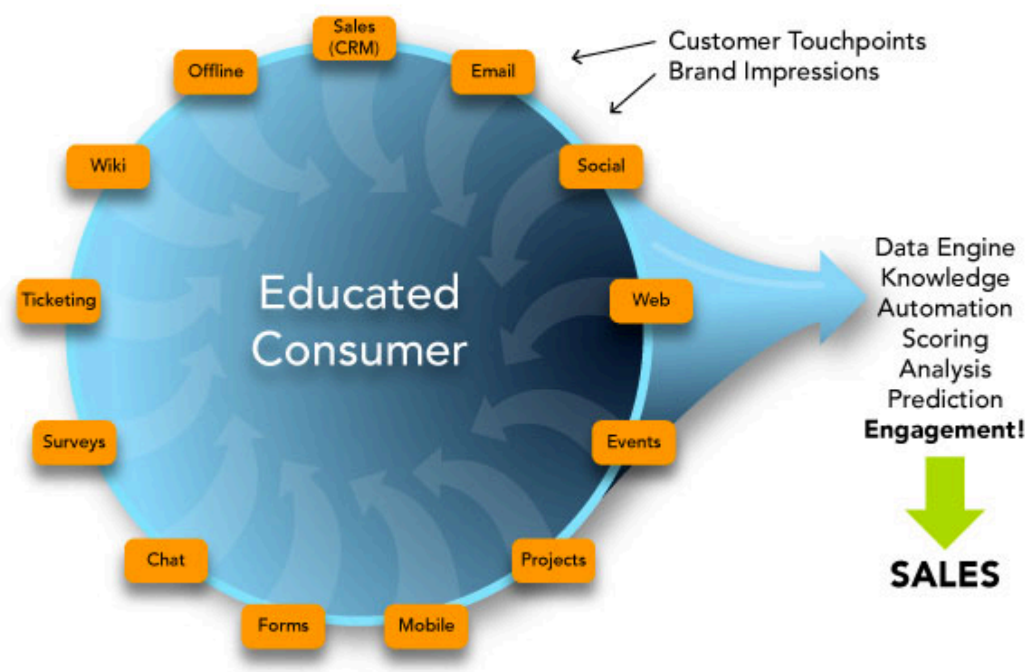
No matter what happens, a good CRM will help you keep your hot and cold leads organized. Any more than a very few clients, and the human mind loses its ability to keep information straight. Since leads don't usually have an existing relationship, they require CRM to help the company understand their needs, preferences, and desires. The key to making this work is to broaden your concept of what CRM really means.

Traditional vs Complete CRM

Traditional CRM is built on the outdated idea that the relationship with a lead begins and ends with the salesperson. Complete CRM, in contrast, takes a broader view. Complete CRM is based on a simple concept – the relationship between a company and a client begins at the first brand impression and never stops.

Because Complete CRM includes sales, marketing, and operations data, you can measure the behavior of leads and clients from their first click through the sale and afterward. Marketing automation tools like drip campaigns and standardized workflows can then improve communication and quality of service.

The challenge of implementing Complete CRM in your business is that it requires more buy-in from more people. It transforms the culture of a company, so that everyone involved recognizes how they are contributing to building relationships between the company and its leads, clients, and vendors.



Getting Stakeholders Involved

Moving a company from information managed in silos to a unified system is no small feat. Nowadays people can purchase cloud-based software over the web, and there's little resistance to getting a single-use app up and running. However, as a leader with a vision to bring everyone together into the same platform, this makes your life a little more challenging.

With fragmented software in different departments, data becomes increasingly difficult to manage and use. How can a company leverage and learn from information it can't access?

The only way to overcome segregation of information is by strong leadership focused on creating a unified vision of both process and information management. Senior management must set the tone by example. When there's a cohesive strategy around making process and data work together, it will naturally flow to the entire organization.

Of course, it's always easier said than done.

Who are the stakeholders?

Getting buy-in from the most important users of Complete CRM is critical. This means sales, marketing, customer service, and operations need to sit in one room and hash out all of their processes. This is the first step in building a team-oriented approach to designing and implementing a functional, effective CRM. Everyone involved in the sales process should answer the following questions.

> *How does a customer first enter the pipeline?* What methods of advertising does the marketing team employ? How are they measuring ROI for each method? What is the hand-off to sales? Is it efficient?
>
> *What does the sales team do with leads?* How often do they follow up? Is there a strict process of lead nurturing? Do sales managers measure performance quantitatively? How long are leads in the pipeline? How well do different campaigns convert?
>
> *When a client is in the pipeline, is there interaction with customer service?* What is it like? Does this interaction get back to sales and marketing for process improvement?
>
> *Once a client comes on board, how is that client treated?* Is feedback gathered and analyzed? How often do sales, marketing, and customer service interact

with that client? Are there referral programs in place? How well are they working?

All of these questions drive the team to come up with a process map that traces the typical movement of a lead through the purchase process and after. Every business is different, which is why management needs to understand all of these for every department.

Why Does IT Matter?

Information Technology professionals sometimes get a bad rap. They are often the people in a company who tell you "no you can't do that," which breeds resentment from people who just want to get things done. This frustration can create an adversarial relationship within an organization, but the constraints enforced by IT are absolutely critical to the survival of a company.

IT's role, in many ways, is defense. Protecting the company from losing data, either by accident or from people with malicious intent, is one reason why IT is there. The challenge with software as a service (SaaS) is that anyone is able to buy software online with a credit card and then upload data from a spreadsheet. From there, you can manage all kinds of communication, data gathering, and manipulation, and all outside the purview of the IT professional's jurisdiction. On the surface, it may seem like a win for productivity – no more IT getting in the way. But the reality is far worse.

Simply put, when IT loses control of information, data gets out of synch and bad things happen. What happens when marketing's data about a lead doesn't match sales? What if a lead shows up to an event and no one knows it? Without unified, controlled information, opportunities slip through the cracks. What someone thought was an effective end-around the IT productivity block ends up a nightmare of different versions of information that no one can access.

A successful company's culture is driven by the effective use of data, which is why it is absolutely critical for IT to be involved in the CRM process. Understanding how the information obtained by sales, marketing, customer service, and operations works together is key to making CRM work.

Even if a company is too small for an IT department, the concept of what IT does is still important. Everyone in a company has a role to play in gathering and sharing data meaningfully. Whether it's simple information about leads and clients (name, company, address, preferences), or tracking activity (meetings, event attendance, calls, clicks on emails, webpage visits), useful information will be flowing into a company's database. It's up the company to determine how that information is stored, accessed, and protected. Not everyone should be able to see everything, and not everyone should be able to contribute to the data, but understanding process will help you understand where that information goes and who gets to use it. It's everyone's job to manage data.

Picking a CRM

Once you understand process and information flow, you can pick a CRM that best meets your needs. You can pick a traditional CRM and then purchase plugins for that CRM and build everything from the ground up, or you can purchase a Complete CRM out of the box and customize it to your company's needs.

There are advantages to both approaches, but it is important to ask these questions when making the purchase decision:

- *How much will this cost?* Not just the cost of the software, because the labor cost of implementing CRM will likely be far greater. Consider the resources that will be required for implementation . This is where purchasing a traditional CRM and plugging in components tends to run up the bill. There is no such thing as a "simple integration", particularly if you are integrating more than one external plugin to your CRM. Anytime you have to use an API to connect something to your CRM, you introduce potential data compatibility and synchronizing issues. Make sure you have experts on staff to manage this if this is the direction you choose.
- *What kind of support does the vendor offer?* You should feel supported from the very beginning. You should be able to get a free demo of the software, and a free trial to see how you like it. If not, find another CRM software. You wouldn't buy a car without test-driving it; CRM is no different.
- *What resources does the vendor offer?* Is there a searchable knowledge base? Tutorial videos? How-to guides? Do you have to pay for phone, email, or chat support?
- *Take a look at independent reviews*. Ombud.com is a good resource, as is g2crowd.com. Be careful here, though – most of the bigger companies pay people to write positive reviews of their software and spend a lot of money on SEO to hide negative reviews.
- *Will you need a consultant to help you with your implementation?* Will you need an on-site third party? Or does the vendor have the ability to support you?
- *Will you need help creating content or creative (emails, landing pages, websites, etc)?* Are there resources available through the vendor to help?

This is a good start, but every company is different. Ultimately, you want to feel comfortable with the decision you made. Set up your decision criteria and get your management team involved in the purchase. There probably won't be the ideal solution that does absolutely everything you need out of the box, but everyone should be comfortable with the decision.

Guaranteeing Success

In life and business, there is no such thing as a guarantee. There is a reason why study after study confirms a 50%+ CRM implementation failure rate. Sometimes "things happen" that get in the way of success, but if you follow the right steps, you can minimize the chance of a critical misstep. Get team buy-in, map out process and information storage and use, and choose the right CRM software, and you will be well on your way to building a successful CRM implementation. It's not easy, but you can create the data-driven, process-oriented culture that grows companies. You can and you will.