

The X's and O's of CRM

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Before a big football game, like the Super Bowl, the coach explains to the players the X's and O's of the offensive and defensive plays that must be executed to win the game. This article explains the X's and O's of CRM, Customer Relationship Management, that you need before you embark on a CRM project. The question-and-answer style of dialogue should help you in your quest to conquer the complexities and intricacies of CRM.

So what is this thing called CRM?

CRM stands for Customer Relationship Management. Though most people define CRM in terms of a software product, it is really a strategy to learn about customers' needs, wants and behaviors in order to develop a strong relationship with them.

What is the purpose of CRM, and how much does it cost?

CRM's goal is to help a business use a new type of technology, business process and organizational change factors to obtain insight into the actions and value of its customers. Most companies either buy a software product like ACT or Goldmine or lease the software on a monthly basis using products like Salesforce.com and SugarCRM. These leased-typed (on-demand) software programs only cost about \$40 to \$50 per month, per user. They are web-based which means you can access them anywhere you have Internet access. In addition, most CRM software is up and running the sales process within a week.

Why implement a CRM when the economy is so bad?

When sales are down or not at the levels you think they should be, you **must** implement a repeatable sales process. This eliminates the fire-fighting you are doing today in your business. A solid sales process will allow you consistency and repeat business from new and current customers. A properly implemented CRM system will help a company:

- **increase sales revenues - this is the big one!!!!**
- gain new customers
- assist the sales department to close deals faster
- cross-sell products/services more effectively
- simplify marketing and sales business processes to create a solid sales pipeline in any economy
- reduce costs related to marketing, sales and customer service
- understand customers better
- provide better customer service
- make call centers more efficient

- segment good versus “not-so-good” customers
- retain and expand customers' business
- enhance their e-business strategies

What kind of data does a CRM system collect?

- customer demographic data
- account information
- contact data
- sales data
- purchase information
- shipping and fulfillment dates
- responses to campaigns
- service and maintenance information
- web sales data
- web registration data

What is a CRM strategy, and what are the key factors to consider in implementation?

A CRM strategy documents the vision and methods on how a company will create value from its customer base. The key factors include:

- develop a realistic CRM strategy
- gain specific customer insights
- realize and leverage greater value from customer contact activities
- transform sales and marketing activities to obtain value from the new system