Redspire

Step by Step Guide to Getting CRM Right: Step 1

Defining business requirements and selecting the right system and partner.

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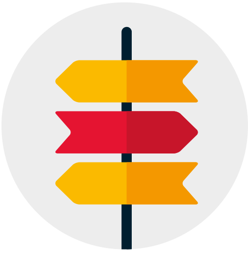
Executive summary

There seems to be a lot of smoke and mirrors surrounding CRM and how to get the ball rolling at the right speed and in the right direction. This article will map out the CRM specification process, explaining what each step entails and how making the right decisions now will save your time, money and sanity further down the line. Following and documenting the steps below will ensure that your objectives are in line with your business requirements, that you know the level of involvement required from each department and that you have a granular enough understanding of your business processes to spot possible opportunities and alleviate business pains to maximise your ROI. Never has there been a better time to invest in a CRM system, however, it is only worthwhile if your business requirements are scrutinised with the necessary level of analytical rigour. The following steps provide you with the tools you need to begin your CRM journey with confidence, knowing exactly what you want to achieve and how to achieve it.

Introduction

This article is predominantly aimed at people who have been tasked with implementing a CRM for their business but aren't sure how to proceed. We have created this guide for them to refer to throughout the CRM specification process. This is not a "how to" article. The aim is to highlight the steps involved in the CRM specification process and illustrate their importance.



Define current pains and opportunities

The first step in the CRM specification process is to identify the pain points and opportunities currently facing the business. At a very high level, pain points can be described as the areas of business processes that are inhibiting a satisfactory level of productivity. Opportunities can be defined as areas where the business could maximise productivity and/or create competitive advantages that are not currently being capitalised on.

Why define them?

If a company does not identify their current pain points and opportunities before embarking on a CRM specification process, they are setting themselves up for failure as their objectives will be ill informed. Great care should be taken in this step as the objectives that stem from the findings will guide the rest of the decisions regarding the CRM initiative and serve as a benchmark for success.

Define objectives

Setting informed and realistic objectives that define what a CRM initiative is to achieve is arguably the most important part of any CRM implementation process and should not be rushed. Objectives are statements that describe what success looks like over a given period of time. Most objectives for CRM initiatives are built around improving profitability and/or cutting costs through streamlining business processes.

Why set objectives?

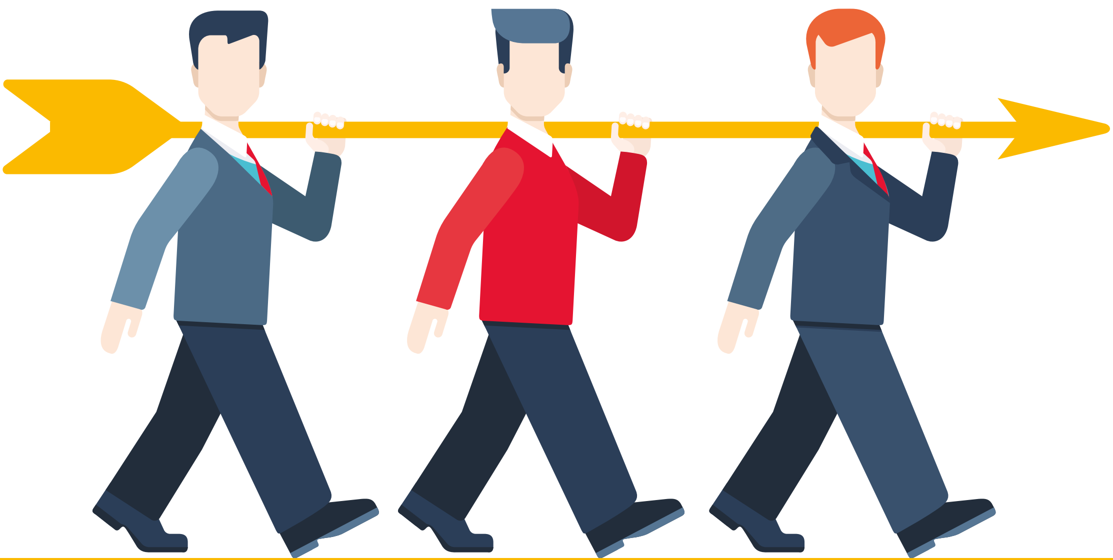
The main reason for setting CRM objectives is to gage whether or not an initiative is on the track to success. Effective CRM objectives should provide a reference point which guides all decisions regarding the project.

What departments are involved?

Once the business is confident that achieving the specified objectives will address the areas that they want to improve, the level of input required from each department should become apparent.

Why define departmental involvement?

The departments from which input is needed and the nature of the input will differ significantly from business to business. A company with complex business processes and a decentralised organisational structure, looking to improve the flow of information within the business, will more than likely require detailed input from all departments. On the other hand, an organisation with a more centralised structure and a need for marketing automation will require a narrower breadth of departmental involvement from one or two departments (probably marketing and IT). Essentially, the departmental involvement required to make the project a success varies depending on the structure and goals of the organisation. If the departments that require involvement and the level and nature of involvement isn't accurately defined from the outset, it will be an uphill struggle to zero in on the various business processes at a granular enough level to solve the specified problems or capitalise on the opportunities.



Getting buy-in from all departments

Getting buy-in from all the departments is also a very important step in the CRM specification process.

Why get buy in from all departments?

It is necessary to get buy-in from all departments involved due to the fact that user adoption will be greatly increased if everyone can see the benefit and is pulling towards the same goal. Without getting buy-in from all departments, it will be very difficult to get the resources required from each department to scope out the issues and create lists of specific departmental requirements.

Identify owner and departmental owners

It is necessary to identify departmental owners who are able to provide a high level overview of the various business processes within their respective departments. The overall owner will then take all of the mapped out business processes. This will enable the business to understand their processes at a granular level and also understand how they all fit together - which is extremely important for any CRM initiative.

Define departmental pains and opportunities

The purpose of this is to construct a list of specific departmental pains and opportunities in order to create a list of requirements.

Why define departmental pains and opportunities?

It is necessary to define the departmental pains and opportunities as it facilitates buy-in from all departments, maximises user adoption and ensures that no stone is left unturned when analysing the business processes. This step enables the organisation to accurately define their requirements at a granular level.

High level departmental requirements

Now that the organisational and departmental pains and opportunities have been defined, it will be possible to put together a high level departmental requirements document. This document will isolate the key pains and opportunities and outline how they can be mitigated and capitalised on respectively at a departmental level.

Why define high level requirements?

Once the high level departmental requirements have been defined it will be possible to envisage how they all hang together in a CRM solution. The deeper a business goes into defining their requirements, the more tailored the CRM implementation will be.

CRM ROI

After following the above steps in order to find out current pain points, investigating what CRM could do for their business, defining objectives, getting the necessary input from relevant departments, managing to get them all on board and identifying requirements, it will be possible to start to calculate the realistic ROI.

Work out budget based on ROI

By this point the business should have a detailed view of the specific business processes that are causing pain points, and the potential opportunities that are not currently being exploited. When the business is at this stage in the specification process it will be possible to work out their budget based on the calculated ROI.

Calculating ROI

CRM ROI can be calculated based on the amount of money that will be made or saved by optimising the areas in the business processes that were uncovered by carrying out the previous steps. Take for example a business that has 100 end users of a system and identifies an issue with their business process that costs end users an unnecessary amount of time. They estimate that improving this business process with CRM will save each user 1 hour a day. Assuming that each user is on minimum wage, this will save the company £670 a day which translates to £244,550 a year. If the full CRM implementation costs £125,000 you are looking at an ROI in the first year of 95.64% which translates into a £119,550 increase in revenue.

Upfront and ongoing

The cost of a CRM is based upon a number of upfront and ongoing costs. The upfront costs include the number of users, the number of customisations required to meet the specified business requirements and level of integrations with other systems/applications. The ongoing costs refer to the level of support that the business requires after implementation. The level of support required will typically be dictated by the technical expertise within the organisation. Most businesses would struggle without some initial support - regardless of the internal technical knowledge.

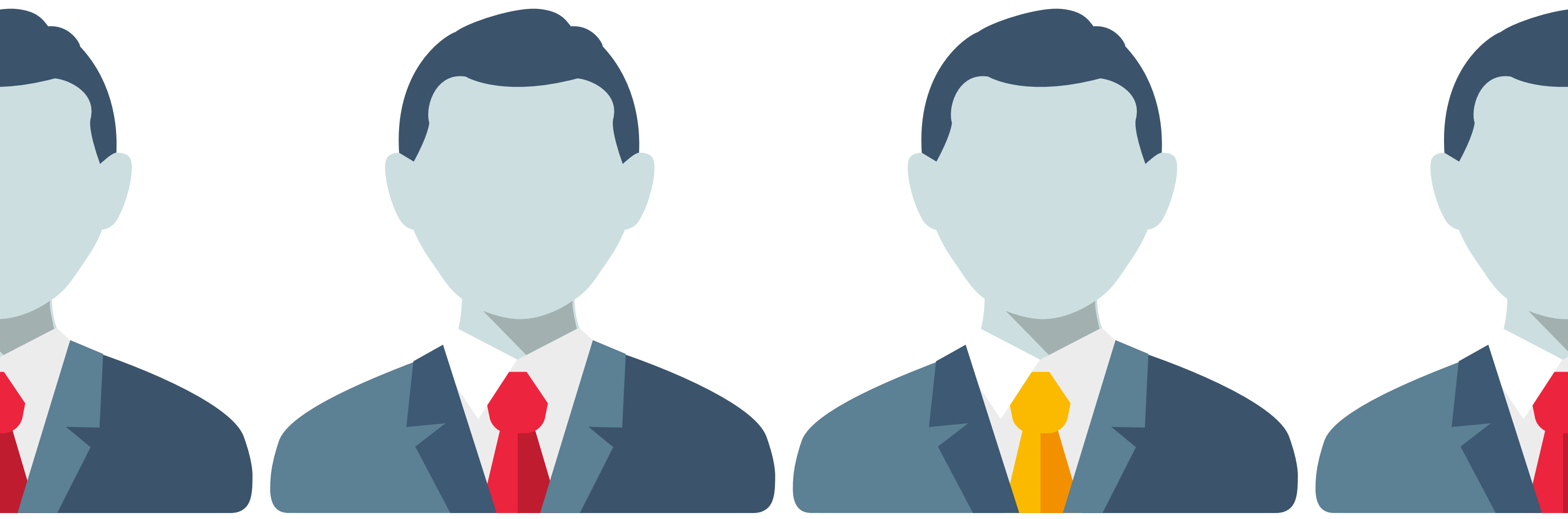
Shortlist systems

Choosing the system that meets the requirements of the organisation is absolutely pivotal in CRM success. This is one of the main decisions that follow the above steps and great care should be taken when considering the solution. There are different levels of system that are available which vary in terms of cost, feature density and integration capacity. The organisation's budget will largely dictate what options are open to them from the start.

Shortlist partners

Shortlisting partners is the next step in the process, it's wise to consider the provider's experience in your specific vertical market. It is also very important that the partner has a documented and structured approach to CRM implementation that is followed for every project they undertake. If a partner does not have a tried and tested approach to implementation, they are setting themselves and their clients up for failure.

Choose a partner that has an effective process for CRM implementation and deployment. They need to understand that every client is truly unique and as they grow, their requirements evolve. The partner that you choose should have developed an approach with agility, flexibility and transparency at its core, in order to address the dynamic needs of your business.



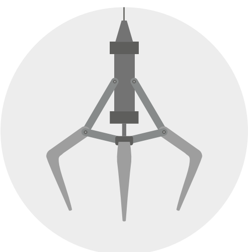
A good partner should have a process similar to this one;

Step 1: Understand the business and where it wants to be

Step 2: Understand the day to day challenges

Step 3: Work with the stakeholder one on one, ensuring that the key business requirements for the department are prioritised and addressed

Step 4: Present a cohesive, prioritised plan of key activities for the company to maximise profitability.



Partner selection process

When you have put together a shortlist of suitable partners that meet the above criteria, it is necessary to evaluate which one is the best fit for your business. Each partner should be willing to meet with you to discuss their credentials and illustrate that they understand your business processes, overarching business objectives and how CRM will help you achieve them.

The partner must then map out your business processes at a departmental level and isolate the areas where the business pains can be alleviated and opportunities exploited. The next step is to translate their findings into a suggested enhanced business process that will meet your specified objectives.

The partner must then construct a proposal which will take you through their suggested amendments based on all of the areas that have been explored. The proposal should also illustrate how the project will be made as smooth as possible through employing tried and tested implementation processes and effective communication throughout. Their expertise in implementing your chosen system should also be documented within the proposal.

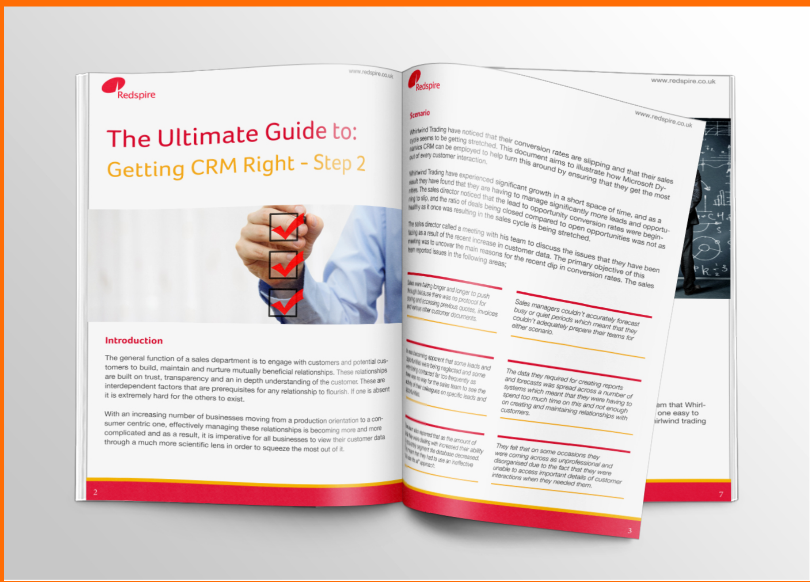
You should choose the partner that understands your business processes and your business/CRM objectives to the greatest detail. If one or more of your shortlisted partners have put in the necessary effort, you should have absolute confidence that they have the capacity to provide you with a CRM system that will address your departmental requirements and help you achieve your overarching business objectives, and that the project will be as stress free as possible.

Conclusion

There is a distinct lack of understanding when it comes to CRM and the best way to identify pain points, specify business requirements, scope, implement and how to maintain an efficient CRM project from start to finish. When defining pain points, the actual causes are often conflated with their symptoms, which result in the CRM initiative heading in the wrong direction and on the wrong trajectory from the word go. This article has removed the smoke and mirrors surrounding CRM by outlining the key steps that will help prevent this from happening. The aim of this article is to enable those considering embarking on an CRM project to do so with absolute confidence in the fact that they will achieve an excellent ROI and possibly learn a thing or two about their business along the way.

If this all still seems a bit daunting or you feel that you do not currently have the resources available to scope a project that requires this level of organisation and detail, you can engage with a partner at the very start of the process who will take you through the above steps to ensure that your business is CRM ready. Some partners specialise in the scoping process and would take you through the above steps and help you sift through the proposals and select the most suitable system and partner based on your specific requirements. Other partners have the capacity to run the full project from start to finish and provide ongoing support and advice on completion of the project. However, if you are going to select one partner at the start of the process, your selection process needs to be rigorous enough to ensure that they are the right fit from the very start. Whether you decide to go through the specification process alone, or engage with a partner to guide you through it, the above steps provide the guidelines that need to be followed to ensure that you have the necessary information to implement CRM effectively.

Getting CRM Right Part 2



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