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CRM: Empowering the Sales Force

A Baylor Business Collaboratory Case Study

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Abstract

Customer relationship management (CRM) is a philosophy and strategy to engage with, serve and better understand the customer. CRM software and technologies can aid a customer-centric strategy by equipping the sales force and management alike to better manage the critical relationship between current and potential clients and the firm.

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About the Baylor Business Collaboratory

A "collaboratory" is a mash-up of *collaborative laboratory* – an arrangement through which businesses and Baylor business faculty work together developing solutions to market challenges through innovative research. The Baylor Business Collaboratory partners include Cabela's, HEB, BancVue, and affiliates such as data warehousing leader Teradata. Key research questions sponsored and developed in conjunction with industry executives, analysts and others include to date:

- How to grow revenue and transactions without discounting.
- Identifying which marketing actions, channels and programs really drive revenue, customer satisfaction, and loyalty.
- Gathering, analyzing, interpreting, and applying "Big Data" to business problems.

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Introduction

Managing and building strong customer relationships is key to acquiring and retaining customers for any business. The rise and growth of the CRM (customer relationship management) industry and the products created has attempted to make the customer relationship management task easier and simpler for salespeople. CRM offers huge potential to empower salespeople to perform their jobs better, resulting in greater success company wide. Many times CRM is viewed as synonymous with or dependent upon a technology. However, a CRM-as-a-technology mindset is a setup for failure. Rather, CRM or customer relationship management is a customer-centric strategy and philosophy to build and maintain the best relationships with the right clients.[i]

CRM as strategy and philosophy means that customer-centricity has to be a way of life for an organization. CRM can't be left to IT or to marketing; rather, building the right relationship with each customer has to be a primary goal for everyone in the organization.

When CRM Fails

The promises touted by CRM believers are starkly contrasted with dismal success rates. In 2001, Gartner Group, an information technology research and advisory company, found a 50 percent failure rate among CRM programs and unmet expected performance.[ii] In 2009, a study by Forrester revealed a 47 percent failure rate among CRM strategies.[iii] Are we any better now five years later?

One of the main reasons CRM fails to perform to expectations is an overreliance on technology. Success of a CRM system essentially goes back to a strategy versus technology mindset. Many of the different CRM systems can be very powerful and beneficial in supporting salespeople; however, when the software *becomes* the strategy, CRM will fail. Managers and salespeople who rely on the technology to manage customer relationships instead of actively managing the relationship themselves will find CRM to be ineffective. CRM at its core is a strategy rather than a technology. When companies confuse the two and rely too heavily on the system, they substitute *Cost Reduction Management* for *Customer Relationship Management*. People need to connect with people; marketing automation, self-serve, and CRM technology simply aid the process. Once companies differentiate between a strategy and software, a CRM technology can act as a powerful tool for salespeople.

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CRM Creates Visibility

One of the greatest ways CRM technology can be a tool for salespeople is through the creation of visibility. Visibility by easily seeing and understanding customer accounts and relationships allows a sales representative to build, grow and maintain the right level of customer service. CRM attempts to build a 360 degree view of each customer to discover to customers' needs, meet those needs effectively and timely, discover opportunities for cross selling and upselling, expand current customer relationships and improve competitive positioning. Drawing different data points from each part of the company as well

as outside the firm enables organizations to gain a holistic view of each customer. CRM technology can aid in the process of creating visibility into an account.

Gaining insight into the behavior and views of the customer by having account information all in one place, easy to view and analyze gives sales managers and others greater visibility into what is happening. This increased visibility enables sales managers to support salespeople and allows sales teams to communicate more effectively, resulting in more effective sales strategies and better customer service. CRM systems have the tools to assemble and organize all customer information in one place in an easy accessible manner for salespeople to view, analyze and act on. Instead of shifting through call logs and different databases, CRM tools, like a centralized dashboard, showcase each client account for salespeople to view, interpret and act.

Juniper Systems Achieves Visibility

One example of CRM transforming customer relationships through a CRM philosophy and implementation of software is Juniper Systems. Juniper Systems is a provider of rugged handheld computers for field computing solutions in the surveying industry. Juniper Systems had been using different software packages to organize and manage customer information for several years before deciding it needed a better more cohesive solution to customer care.

One of the main objectives Juniper Systems aimed to meet when assessing the possibility of implementing a CRM system was to achieve the visibility the firm knew it needed to be successful. The sales person's ability to see what is going on in his or her network along with each customer relationship is critical to success; Juniper Systems wanted to empower its salespeople by providing this desired visibility. Visibility makes work easier, more effective, and more time-efficient resulting in better client relationships. With visibility of customer accounts, salespeople are more responsive, more aware and able to meet the client's actual needs and wants. A salesperson can be greatly empowered if client information is readily available and organized. With the goal of creating visibility for sales representatives and managers alike, Juniper Systems switched from packages of different software to Pipeliner,

Visibility is a key feature to empower salespeople to manage relationships better. Source: Pipeliner

a next generation sales management software.

Visibility for sales reps is critical because of the wide range of accounts, breadth of information and data sales reps work with. Keeping track of each account and where it is in the sales pipeline is difficult without an organized system. The organization and automation of data management is what enables CRM technologies to create the visibility sales reps need. CRM solutions aid salespeople in the organization of account management. Juniper Systems found that Pipeliner's visual aspect; the clean, intuitive, natural flow of organized information was a distinguishing feature of the software that empowered its salespeople to stay up-to-date and on track with current and potential clients.

Juniper Systems places a high value on customer service. The company has distinguished itself from the competition by providing excellent client care and responsiveness but adopting the right CRM tools enabled the company to improve customer service even more. CRM tools can provide the information and data salespeople need to serve the customer effectively in a timely manner. Juniper Systems, like most firms see revenue growth and company profitability as top priority goals and indicators of success and the firm believes customer service is the greatest driver to accomplishing revenue growth and profitability. After the implementation of the Pipeliner software; Juniper Systems believes the customer service component of its business model has been taken care of automatically increasing company growth. Because the sales force at Juniper Systems has a customer-centric mindset and strategy, CRM tools were able to empower the sales force to perform even better on the customer service standard.

Adoption by the Sales Force

Lack of adoption by the sales force is a common challenge. Too often, CRM technology is implemented and never used or used incorrectly because salespeople can perform adequately without it. When cumbersome, difficult to leverage and hard to understand, salespeople are more likely to turn to manual systems for keeping track of their customers. Companies that implement and train on user-inspired technologies have a greater chance of sales personnel adoption and participation. CRM packages that are easy to use, intuitive and user-friendly can empower a sales representative to customize the system and leverage the tools offered to increase sales and connect with customers more completely. Because the actual use of CRM software by the sales force can be a major inhibiting factor, Juniper Systems carefully considered ease of use when selecting a new CRM system. Pipeliner is a user-inspired design that makes adoption and immediate use easy. The sales force at Juniper Systems found the technology much more intuitive and was able to quickly adopt, integrate and use it.

Generating CRM Adoption by the Sales Force:

- Ease of Use
- User-Inspired Interface
- Customizable
- Intuitive

The first factor to consider is the user interface; speed of adoption is a function of how intuitive the user interface appears. An interface that is easy to learn and customizable empowers sales representatives to begin to use and leverage the tools quickly after system

implementation. Juniper Systems found that sales reps and managers alike could quickly glance at the pipeline and immediately see what was going on, making for a seamless and easy adoption.

Another aspect is customization. CRM systems have the potential to give sales reps a way to organize and manage all accounts but they work best when the system can be customized to align with exact sales steps of a particular representative. Sales reps at Juniper Systems found Pipeliner's customization aspect was very beneficial to better facilitating sales processes.

Yet not all customers are alike and not all sales follow a set pattern. One advantage of user-inspired CRM systems is the ability to make project-specific opportunities easy to manage and quickly accessible for all parties involved. Sales managers can also easily see what each sales representative is working on and where each opportunity is within the pipeline.

CRM can also help management perform better. The organization and data governance aspects of most CRM systems can enable information flow and coordination to move easier from top levels to bottom levels leading to better customer service and opportunity management. Empowering company management to have visibility of all projects and communication between teams and within teams enables for quicker work turn around and better project management. CRM is a powerful organizational tool to equip firms to better manage opportunities and projects.

ISI Uses CRM as a Management Tool

Integrated Systems, Inc. (ISI), a consulting firm that provides a suite of specialized IT professional services to federal, state and local governments needed a way to better organize the flow of information and better manage opportunities and projects between different teams and departments. Before implementing a CRM system, ISI used to manually record project details and information in excel sheets. Each salesperson used different formatting and different standards for what and how information should be recorded. Different versions of information as well as conflicting account data led to data chaos and confusion within the firm.

CRM offers the potential to create a standardized way to organize data and generate reports, eliminating data duplication, conflicting data and overall confusion. After ISI saw its customer service suffering from such a chaotic system of unstandardized reports and manual recording processes, the team decided to implement a CRM system to help its managing sales executives.

Screen shot of the user-friendly design of project management. Source: Pipeliner

For ISI, implementation improved project organization through common data definitions that enable the creation of a central dashboard. The dashboard allows everyone, from salesperson to senior

management, to see everything in one place in the same way. The visibility and organization created by the dashboard greatly increases efficiency and coordination between individuals and groups working with the same client.

ISI was also pleased by the increase in coordination resulted by the visibility generated through the CRM tools such as the dashboard. ISI works on opportunities with clients that involve many different individuals for different parts of each project. The major benefit employees discovered from the CRM tools was the ease of coordination and communication generated. Everyone could see the same information in the same way. The old excel reporting system created confusion due to inconsistent data. With the CRM system in place, inconsistency is eliminated.

Management found that the standardization of data, the ability to create organizational charts, and consolidation of all data into one system made project management more effective and simpler. The ability to generate reports through the CRM system tool was another major benefit to ISI. Mangers were then able to see the progress of each project and continue to manage it until completion.

CRM also enables organization within the sales pipeline. ISI employees can define a customer life cycle through specific Pipeliner tools, organize the sales process by defining each sales step, customize and define the data fields within the system and then capture all relevant information from the opportunity to be cleanly organized into the pipeline. The account can then be analyzed and managed and each person working on the account has access and visibility to the information, making coordination of projects between a multitude of people easy and possible.

Conclusion

As CRM becomes a more integral part of business, defining a customer-centric strategy and implementing a system to help salespeople better manage relationships will separate the competition. CRM's potential to ease the workload, allow for management organization, make the business more efficient and empower sales representatives to better connect with the customer can change the selling landscape. When a customer centric strategy is coupled with tools found in CRM software the benefits to the consumers, sales reps and the firm overall are significant. Equipping and empowering a

salesperson to better build and maintain a relationship is critical; CRM is a powerful tool to achieve effective customer relationships.

[i] Greenberg, Paul (2010), *CRM at the Speed of Light* 4e, Boston: McGraw-Hill.
[ii] Greenberg, Paul (2010), *CRM at the Speed of Light* 4e, Boston: McGraw-Hill.
[iii] Cook, Rick. "Three Reasons CRM Fails." CRMsearch. http://www.crmsearch.com/crm-failures.php