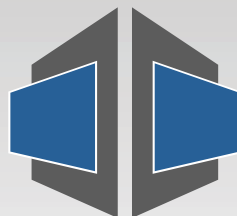


Advanced CRM: Answering Unique Business Needs



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BUSINESS
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Advanced CRM: Customizing a System

Customizing a CRM system to suit the needs of a business is a big decision to make. The idea of having a system that meets the precise needs of an organization is very appealing. A system that looks and feels right according to the organization's needs, and processes data in exactly the way that an organization requires is attractive. By planning the system around business processes such a system can support the exact way the business works. Making decisions on requirements can be a challenge however, and all too often businesses leave out important processes in error, creating more work for teams.

The level of customization of a CRM system can also vary. Sometimes a company developing a CRM system will already have a basic structure in place and will simply adapt that to fit the needs of the company. This can involve simply hiding functionality if it is not needed rather than heavy customization. The other extreme is that a system is built completely from scratch. If a company has a large IT department with specialist skills that allow this, often this is the route that the company will take.

Pros and Cons of a Customized System

An off-the-shelf CRM system will almost certainly never meet the precise needs of any business. Buying off-the-shelf systems usually means buying functionality that the business does not need. For example, every single company has different CRM reporting requirements. Reports will not be quite what the business was looking for and organizations often end up adapting their business processes to fit around inappropriate CRM systems. This clearly may not be an optimal way of doing business.

Customizing a CRM system has distinct pros and cons that should be weighed up carefully. On the plus side, organizations that customize their own system to meet their needs have a system that absolutely meets their requirements. Such a system can avoid the problems of duplication of data entry, as a customized system can be linked up to other company systems and data may only need to be entered once. This cuts back on errors that can occur through duplication of entry points.

On the flip side, customizing a CRM system so that it links up different existing systems of the business can be extremely complex to achieve technically. It can also be incredibly expensive. Of course, cost should be weighed up against

the cost of making mistakes through duplication over time.

Cost is an important consideration of any CRM system. On-demand systems have a monthly fee associated with them. A customized system may be more expensive in the short term, but in the longer term could work out to be more cost effective. Over even two or three years the monthly fee can work out to be more than the price of getting a customized system.

On the plus side, a bespoke, customized system built for an organization will include training from the provider, and documentation created specifically for the business. Buying a system that is already programmed usually involves taking on documentation that may include a lot of information that is not useful for the business. It also may not include training.

Defining Business Requirements for a CRM System

Defining business requirements for a CRM system allows the business to be able to go out to CRM system providers with a clear picture of what they are looking for. This helps CRM vendors and developers to assess if they can meet the business needs or not, and pitch solutions

effectively to meet actual requirements. Carrying out this process also helps the organization to develop a budget for the system to improve the

Over 2-3 years, the monthly fee of a standard CRM system could average out to more than the price of a customized system.

chances of avoiding an over-spend. It also speeds up the process of selecting an appropriate CRM system for the organization.

Any organization considering a CRM implementation should start with clearly defining its overall CRM strategy. This includes taking into account what a CRM system would be trying to achieve. Creating a vision for the system and goals to be achieved through development of the system are critical first steps that underpin the rest of the CRM development process. This includes understanding current business issues that the CRM system could potentially solve. Placing thought into how customer acquisition costs might be reduced, how customer retention might be increased and the vision of the ideal customer experiences that the business would

like to achieve are helpful in getting to effective goals.

A detailed requirements document should be framed around meeting the needs of the corporate strategy for CRM, while bearing in mind the three critical areas of people, processes and technology. The requirements should bear in mind who will be working with the system to meet the overall CRM goals of the organization. They should review what the current processes are and how those may need to change to better support the defined CRM goals. The technology that is chosen should support the people and processes in achieving the CRM strategy. At the same time a business case should be prepared that allows the CRM advocates in the organization to gain the support of all of the key stakeholders. Decisions to be made are primarily focused around six main areas and these are now covered in greater depth.

1. Changing Requirements Over Time

At the outset when defining business requirements for a customized CRM system it is critical to realize that requirements are not static. Planning for this point in time and the requirements right now is insufficient to meet future business needs. Right now a business might have 50 customers, but that same business might have a strategic plan that involves growth. Defining how

business processes may morph to support that is an essential component in getting requirements right from the start. Questions to ask include:

- How will the system need to be scaled up over time to manage growth?
- How might requirements change in the future?
- How flexible can a company delivering a customized system be in making changes to accommodate business change?
- How much will it cost to implement these types of system changes?

2. Customer Data and Customer Contact

A key component of any CRM system is how the business communicates with customers. The organization must consider which channels are to be used. Communication should be a two way process in most cases, and linking up with marketing and sales is an essential feature of most CRM systems, so that in understanding customer needs better, marketing and sales promotions can be more suitably targeted at key customers. Questions to review for the customized CRM system around this subject are:

- How should the system help to identify and

track customers?

- How will the process flow for different kinds of customer contact?
- How will outcomes be tracked and reported on?
- How does marketing receive customer data?
- Does the system allow mass customer communications, for example, mass email campaigns?
- What marketing does the business wish to track?
- How will this tracking feed into customer targeting easily in the system?
- How does social media fit in?

3. Business Processes

Defining business processes and how the system should work for the business is essential to the development of a useful CRM system that adds value to the business. Business processes should be fully defined, including consideration to how the business works now and how the business would like the system to improve customer knowledge in the future. Questions for the business to consider to this end are:

- What processes does the business follow

currently?

- In an ideal world, how could a system improve these? What do you hope that the system will help the business to achieve?
- Who needs what information and when?
- What are you prepared to compromise on and not compromise on if price is an issue?
- How should the system interact with legacy systems (or not)?

4. Hosting or On-Site

Another choice that the organization will have to make regarding its customized system is whether the system will be hosted or on site. An onsite system is tailored for the business, as well as integrated with the organization's current systems, and flexible to change. However, an onsite system can be very expensive up front and can take an inordinately long time to develop. Meanwhile a hosted system is less expensive at the outset and can usually meet generic CRM needs. No IT support is required in-house and the implementation can be quick. The challenge is that another organization controls the company's customer data and information. In considering this debate, questions to review are:

- How important is it that the system is

integrated with our other back office systems?

- How important is cost compared against getting actual specific needs met?
- How important is it for the organization to have control over its own data?
- What information does the organization need to store?
- How much permanent IT resource can the organization afford to pay for on site to support the system? Would hosting be cheaper or more cost effective?

5. Reporting

When developing business requirements for a CRM system it is necessary to review the types of reports that the business has now and the reporting it will need in the future. Questions to ask are:

- What reports does the business use now?
- What would be the ideal list of reports that the business would like to have for different areas e.g. marketing, sales, customer service?
- How will these reports aid the business in making sound decisions?
- How can data collected be transformed

into business intelligence?

6. Budget Requirements

Budget is important especially when getting key stakeholders on side to support the CRM system build. The business case for the system should consider the value add for the organization and how much time and headcount a system could potentially save, when putting together a budget for a new system. Questions to ask include:

- How much is the organization prepared to spend on a customized system?
- How much will the cost be of changes as the company develops and business needs change?
- How much is the organization prepared to compromise on business needs if there is a mismatch between budget and system price?

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