

ComputerWeekly.com

Guide to buying CRM Software



**How to choose the right CRM
Software for your business**

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INTRODUCTION

Having trouble coordinating your customer transactions, or keeping track of which customer only buys your products in pink or always orders ten of everything? Keen to build a closer relationship with your customers by having all their details just a click away, or thinking of sending out a sales promotion, but only to customers who fit a certain profile?

It is certainly the case that customer relations can be a minefield, where you are constantly struggling to give every customer the same exceptional standard of service so that they feel valued and want to do business with you again. If only there was a way to keep all of your dealings with customers in one place and have a standard way of managing them. Well, with the development of Customer Relationship Management (CRM) software, you can do just that and more.

THE BASICS

Retaining your business' existing customers and expanding your customer base are paramount to the success of your business. CRM describes the software implemented by companies to better handle their customer relationships by storing information about potential and existing customers, including their contact details. The information stored in the CRM system can be accessed and updated by employees in various departments, such as sales, marketing and customer service.

The rationale behind using CRM software is to improve services provided directly to customers and to use the information in the system for targeted sales and marketing purposes. The better your company understands its customers, the more responsive you can be to their needs. Studies have shown that good CRM software can increase sales by up to 40-50%.

However, CRM is not just a technical solution; it is also a business strategy to learn more about the needs and behaviours of your clients. You should ensure that your employees fully understand the technology and how to use it. They must be motivated to keep the system up-to-date as it has an element of management commitment. Additionally, to have an effective CRM package, it is not only about the data collected, but it is also about the organisation and interpretation of that data. Therefore, you can not just rely on CRM technology alone; you must be willing to adapt your business to the needs of your customers.

From the customer's point of view, when they deal with your company they are dealing with a single entity, even if they talk to different employees and different departments. CRM helps your company unify its customer interaction by implementing a combination of policies, processes and strategies. It also provides a mechanism for tracking customer information.

The process of CRM can be summarised into a 6 stage process:

- Collecting information and data on customers
- Storing the acquired information
- You and your employees accessing the information
- Analysing customer behaviour and needs
- Marketing more effectively
- Boosting customer satisfaction

Now that you have a better idea of the CRM programme you want, it is time to look for the right provider who can deliver the software package to suit your needs. This is where the Approved Index, the UK's leading online business to business referral service, proves invaluable, with a list of certified CRM providers on its books for you to contact. You can complete a simple form on our website and receive up to six free quotes from 6 CRM providers.

<http://www.approvedindex.co.uk/indexes/ApprovedCRM/default.asp>
[X](#)

TYPES OF CRM

There are various types of CRM software packages aimed at different approaches to customer relationship management, with the most popular types being Campaign Management and Sales Force Automation.

Below are the main types of CRM software available for your business.

Operational CRM

This approach provides support to the 'front office' side of your business, such as your sales, customer service, and marketing teams. The software records your employees' contact history with customers. The contact history allows your staff to have immediate access to important information about individual customers, such as their previous purchases.

This approach can be used to aid Sales Force Automation.

Sales Force Automation

Sales Force Automation records all the stages in the sale process and, as the name suggests, helps to automate sales force activities. These activities can include tracking responses, creating reports, and scheduling sales mailings or calls.

Analytical CRM

This type of CRM analyses customer data for a variety of reasons, such as to design and implement a targeted marketing campaign or to analyse customer behaviour to make key product or service decisions.

Campaign Management

Campaign Management uses a combination of Analytical CRM and Operational CRM. It can be used to track, store and analyse the results of campaigns. It can also be used to target specific groups of customers to be the recipients of e-mail, phone, or mailing campaigns, or other campaigning material like special offers.

Sales Intelligence CRM

This is similar to Analytical CRM (see above), but its purpose is more as a direct sales tool for employees. It can illustrate sales trends, sales performance, margins, etc.

IMPLEMENTATION

You can not just rely on the installation of CRM software to immediately solve your customer relationship management needs. It also involves you and your employees understanding how the software works, how to use it, and how to keep the data up-to-date. You should consider obtaining an executive sponsor who will be a high-level management representative of the CRM package.

You must also consider whether your system will be able to handle the increased levels of incoming data. And also how will you transfer existing customer data into the system. You can make a technical evaluation of your current system before the installation of the CRM software, such as an analysis of the data available and the current technology being used.

As you will be collecting data and information about your customers, you need to consider data security and customer privacy. You should research any relevant law that you will need to comply with, such as the Data Protection Act 1998. One of the customers' key concerns may be that their data is not passed onto third parties without their consent, so you should have practices in place that will prevent and safeguard this right.

BENEFITS OF CRM SOFTWARE

Although you will have to invest a fair amount of time and money in setting up an effective CRM package, there are many potential benefits you can achieve, including:

- Developing better relationships with your customers, leading to increased sales, higher levels of customer satisfaction, and retention and expansion of your customer base.
- The processing of enquiries and orders efficiently and effectively including all service requests, complaints and returns and the assignation of these tasks to an appropriate company employee
- The input of customer preferences and habits (including billing history) automatically into a central database, which is beneficial for identifying and prioritising your primary customers and targeting customers with any new products and marketing campaigns
- Analytical support to determine customer behaviour giving you a lead on what kind of marketing your customers respond to and the sort of products they want from you in the future
- A collaborative system enabling contact with customers across multiple communication channels, such as by phone, email, fax, web, SMS, post and in person, and the integration of call centres for multi-channel communications. This is especially useful for companies with multiple lines of business involving a considerable customer overlap as this makes customers feel they are dealing with a single, unified organisation that recognises them from previous transactions.

All these benefits will ultimately spread your company's good reputation, which will give you an edge over competition.

CONSIDERATIONS IN CHOOSING A CRM PROVIDER

So you can see that having the right Customer Relationship Manager on your side can make a considerable difference to the effectiveness of your business practices. However, a quick review of the market will reveal that there are many providers offering CRM packages, and previous experience tells you that implementing new technology can be expensive and complicated.

Things to look out for to ensure that you get the CRM software package to suit your needs include:

- Whether the software developer understands your level of IT expertise and your current business practices and is able to accommodate these things into the development of the software
- How much training your employees will need to operate the CRM software effectively and whether the software developers include the necessary training and implementation as part of the total price of the CRM package. The last thing you want is to have to hire an outside consultant to help you understand the software
- The provision of a 24-hour help desk to assist you with any enquiries by phone or through e-mail offering support with the operation or technical capabilities of the software at any level or stage
- The scalability and adaptability of the software. Say you are a fairly small company at present, but anticipate a considerable amount of growth over the next eighteen months. Will the CRM software be able to accommodate this? At what additional cost and how much further can it be customised or upgraded to keep in line with industry standards and address your needs?
- The format your software comes in. Ask the provider whether the software they are using is open software or proprietary

software with open standards. Naturally, if the software is open it should be cheaper and if it includes open standards it will be usable by new employees who have worked in similar industries. CRM systems can also be installed on the premises or delivered over the internet, so decide which service suits your needs best

- Your CRM software is only as good as the information it contains, so identify who will be able to create, insert, modify and delete records, how their security access is determined and that they have the necessary expertise to monitor the CRM database, keep it up-to-date and create back ups for all information.

PRICING GUIDE

The prices for the installation and implementation of CRM software will depend on the size of your company and your specific needs for the system.

Small companies

The basic cost for a company of 5 will start at around £300 per year. However, if you want the system customised to your company it will cost more. It may be advisable to hire a consultant who could help you install the system and to show you how to use it. This will be an added expense.

Larger companies

For larger companies, it will be more expensive as there is more work to do in order to properly implement the system. You will have to train all your employees who will be using the system so that they understand how the CRM software works, how to use it, and how to up-date it. The price will also increase with the level of customisation you want, with the complexity of your required system, and if you need management of the system.

A starting price for a CRM package is around £100 per user per year. However, there is no maximum price limit and can go into the millions depending on the size of your company and the level of customisation you require.