ANALYSIS

THE HARSH REALITY OF CRM

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contents

Document

Figures

Introduction

Business owners, marketers, and sales operations leaders have been touting the magic of a Customer Relationship Management (CRM) system for quite some time. Having a centralized data strategy in your business is key to growth, efficiency, and accurate forecasting. For print service providers (PSPs), CRM systems can mean the difference between accidental growth and well-planned strategic growth. Even so, the term "CRM" is often met with disdain in sales circles. A grimace or eye-roll is common when asking a sales representative about the value of their CRM. You might hear, "I barely look at it," "It's difficult to manage," or "it's not useful." Regardless of the response that a CRM solution might invoke, it remains one of the most valuable tools for sales and business organization.

A properly managed CRM can unify your business internally (between departments and teams) as well as externally (with your contacts). At the same time, an improperly managed one can create redundancies, collect poor data, and bog down the sales process. Devoting time and resources to a system that demands daily upkeep can feel unproductive and less rewarding than direct engagement with sales and company leaders, so these systems sometimes engender neglect. The good news is with proper planning, PSPs can unlock the full potential of a CRM system, optimize their sales processes, and most importantly establish gratifying relationships with their customers.
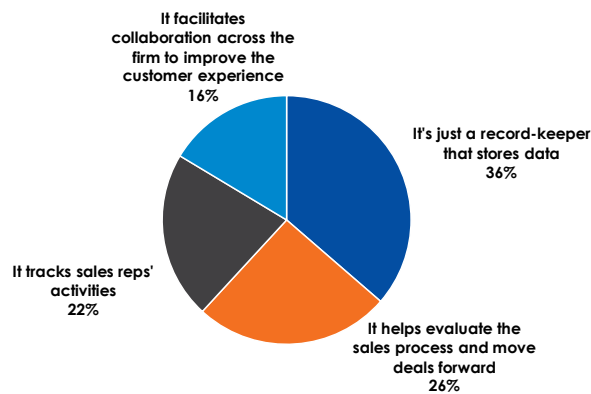
An Unfortunate Necessity

In some ways, a CRM system might be viewed as a "necessary evil," much like a social media account is to a public figure or brand. Much like a social media account, a CRM system requires a deliberate ritual and cadence to be effective. When the outcome is imperceptible, the incentive to participate will most certainly wane as people question the value of the effort. As shown in the Figure below, the highest share of respondents to a recent survey by KL Kimerer & Associates admitted that their CRM system was little more than a record-keeper that was used to store data.

Figure 1: How CRM is Used

How do you use your CRM system?

It facilitates collaboration across the firm to improve the customer experience
16%

It's just a record-keeper that stores data
36%

It tracks sales reps' activities
22%

It helps evaluate the sales process and move deals forward
26%

N = 110 Respondents with a CRM system
Source: *Marketing & Sales Research for PSPs*; KL Kimerer & Associates 2021

Having a single source for storing important data is critical to all businesses, but a CRM solution is designed for that. When used properly, CRM systems will help manage the relationships with your prospects and customers. Data alone will not forge these relationships. There are four key ways to determine that your CRM system is underutilized:

1. The CRM does not align with the milestones in a sales process.

2. The data collected lacks purpose and is not viewed by the leaders in an organization.

3. The system or platform is not easily assessable.

4. There are competing systems within the business that create redundant record-keeping and conversations.

Now that you understand the pitfalls of underutilization, here are four strategies for avoiding them and getting the most out of your CRM solution.

1. Establish Money-Making Milestones

Today's CRM applications are more than just contact lists. Pertinent data can be extracted from multiple sources to produce statistics that can be applied to lead generation, sales forecasting, and performance tracking. These analytics can be compiled into presentable and comprehensive visuals that enable you to stay up-to-date on sales revenue at a glance.

As noted earlier, the greatest percentage of total PSPs (36%) reported that their CRM was primarily used as a record-keeper for storing data. Among PSPs that enjoyed revenue growth in 2020, however, CRM systems were most commonly used to evaluate the sales process and move deals forward. It is no coincidence that the most successful PSPs are more likely to be using their CRM solutions appropriately!

2. Transform Data into Knowledge

Many sales leaders depend on their CRM system to collect sales activity statistics. Shedding light on the ratio between the number of cold calls required to secure an appointment, the number of sales meetings needed to hit revenue goals, or where an opportunity stalls in the sales process can deliver the fact-based metrics that are required to grow your business. Even so, the most renowned sales leaders, marketers, and business owners take things a step further and depend on the data to deliver critical insights so they can anticipate the needs of their customers.

A well-designed CRM solution provides behavioral data that can be used to help you stay in your clients' minds with the right message at the right time. For example, a CRM system can be used to monitor response rates from your own marketing efforts. If you can identify the point when a customer deviates from his/her communication pattern, you will be better positioned to reach out directly or via a different channel. By obtaining historical views of data and behavioral analysis, you can improve your customer outreach and reduce the risk of defection.

3. Strive for Attainable Access

The success of a CRM system depends on user adoption within your organization. Lack of participation will derail the system's intent and ultimately render it useless. For this reason, ease of use is imperative. Fortunately, there are an abundance of mobile apps and software that can help simplify how information is updated and data is entered. One of the more productive functions enables a user to easily scan a business card and import the information to an existing CRM solution. More advanced programs can even automate contact engagement.

With the right data in place, individual contributors and organizations gain access to critical customer information and realize the true benefits of the system. Mass adoption hinges on an intuitive, user-friendly system that is also aesthetically pleasing in its data presentation. Inputting and managing the data accurately and expeditiously are fundamental to actualizing the benefits of your CRM system.

4.   Eliminate Competing Conversations

A well-managed CRM evens the playing field across all departments within a company. Because not all teams within an organization will be involved with each customer exchange or step of the sale, opportunities can be missed and assumptions can sometimes be costly. This challenge is amplified when the information within a CRM is not designed to provide insight to key business leaders. The result is a waste of resources— some conversations will need to be repeated, and data from disparate documents must somehow be managed and organized. A universally accessible database can mitigate lengthy and unnecessary discovery when important business metrics and customer information are documented and readily available. This has the double benefit of preventing redundancies in the process that can waste valuable time, or even taint a brand's image. If you need an example, imagine how a customer who just signed up for your newsletter would feel if he or she continued to receive communications to sign up after the fact.

Opinion

When used appropriately, a CRM system can become one of the most effective tools in your arsenal. Although it's not a heal-all solution to improve your sales, it is an incredible supplement that can have a real effect on your bottom line. A CRM system will not improve customer loyalty on its own, but it will provide the structure required to establish meaningful engagements while also revealing metrics that bring complementary insight to your customers and company. There is simply no better way to keep in touch with your audience, create new business opportunities, and collaborate as a team. With the tempo of a well-implemented CRM system in the background, all of the departments within your company can march to the beat of the same drum.

opinion

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As Director of Business Development Strategies at Keypoint Intelligence, Karen Kimerer has experienced the many challenges of expanding current market opportunities and securing new business. She has developed a systematic approach to these opportunities, addressing the unique requirements of becoming a leader in our changing industry.

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