



CUSTOMER EXPERIENCE SUITE

Imperatives and best practices for CRM success

Customer Relationship Management (CRM) systems are now a well-established fixture in most enterprise technology stacks. But even though these systems have been part of the IT strategy for leading enterprises for decades, the growing emphasis on the importance of the customer experience in virtually every industry has put CRM systems back in the spotlight. CRM systems are widely viewed as the primary platform for managing the customer experience.

Traditionally, though, companies have viewed CRM as a sales management and reporting tool, with limited benefit to other areas of the enterprise. Even though the customer experience encompasses every possible touchpoint with an enterprise—including manufacturing, distribution/logistics, and service and support—many CRM platforms still focus on the sales and marketing cycles.

In the drive to engage customers more effectively and develop a detailed and comprehensive picture of the customer, more enterprises are rethinking the role of CRM and how it can be a resource for every department and specialization that affects the customer experience. This white paper looks at how an innovative approach to CRM systems can address the new imperatives of delivering rich, relevant customer experiences, as well as some of the best practices for using CRM to create a more customer-centric enterprise.

Imperatives for realizing more value from your CRM investment

Improving CRM adoption and utility

CRM suffers from some long-standing image problems—problems that are limiting CRM adoption within many enterprises. Even though CRM systems have been fixtures in enterprise computing for decades, only **46% of sales teams** report widespread use of CRM systems.¹

Part of the problem is due to the fact that many sales professionals see CRM as a management reporting tool, not a revenue-generating resource. In other words, from the point of view of the frontline sales person, CRM usage is an administrative burden, not a best practice that improves individual win rates.

This mindset creates a challenge for management and salespeople alike. CRM's effectiveness as a customer experience management platform is rooted in the quality of data that frontline personnel enter into the system. However, salespeople often see the effort required to update CRM systems with the needed data as a distraction from quota-related tasks. According to one estimate, a sales professional spends **around 65% of her time** on non-revenue-generating activities.² It should come as no surprise that when salespeople don't regard CRM as a source of opportunity, any time spent "jumping through hoops" to maintain customer data falls into this category.

Another frequently seen cause of CRM underutilization is the ongoing reliance on legacy tools, such as spreadsheets and email to maintain customer data. Some **40% of sales personnel** store critical customer data in a spreadsheet or email.³ Understandably, salespeople tend to stick with the tools and tactics that have delivered results in the past.

Yet much of the data residing in a locally maintained spreadsheet or email history isn't in a CRM-ready format that can be readily shared.

The perceived quality of CRM data is also an issue. When sales professionals rely on their own personal silos of data (such as email and spreadsheets) and view CRM systems as mainly a management reporting platform, they tend not to trust CRM data as a source of insight on prospects and customers. This "garbage in/garbage out" dilemma is typical of poorly designed systems.

The takeaway: CRM adoption rates suffer because salespeople often don't trust the system or its data, but they can't trust the system until adoption improves.

Using CRM to foster enterprise-wide collaboration

Who owns the customer relationship?

It's an important question, and one that's at the heart of CRM adoption and effectiveness.

Traditionally, sales and marketing have inherited ownership of the customer relationship due to their role in working directly with the customer organization from the earliest stages of engagement. Sales and marketing teams invest significant effort in understanding customers, their markets, their needs, and their internal dynamics in the drive to secure new business.

The bulk of the customer's experience occurs after the sale, and the treatment they receive is often a decisive factor in whether they will continue to do business with a company. According to **one survey**, 60% of customers would stop doing business with a company due to unfriendly service, 46% because of employees' lack of knowledge, and half because they don't trust the company.⁴

1. Bryon Matthews, "CRM Sales Are Through the Roof. So, Why Aren't Your Sellers Using It? One Big Reason," Entrepreneur, August 6, 2018.

2. Ken Krogue, "Why Sales Reps Spend Less Than 36% Of Time Selling (And Less Than 18% In CRM)," Forbes, January 10, 2018.

3. "The Ultimate List of Marketing Statistics for 2019," HubSpot, September 2016.

4. PwC, "Companies have lost the human touch in customer experience," March 26, 2018, press release.

In other words, the goodwill and trust established during the sales and marketing cycles can quickly erode as the experience progresses and the company transitions from prospect into customer. An issue with billing or service or a disconnect between what was promised and what's ultimately delivered can sour the customer's view.

CRM can provide the "fabled," 360°-degree view of the customer that's the foundation for the cross-department collaboration that's essential to a rich, relevant, and evolving customer experience. For teams and departments that interact with the customer post-sale, CRM can provide the same insight and historical perspective needed to deliver a personalized experience. However, many enterprises continue to limit CRM's role to sales and marketing support.

In a customer-centric era, businesses need to rethink some fundamental assumptions about the way discrete departments operate to improve enterprise-wide collaboration. While most business processes are designed to address a specific functional need, the customer's need typically crosses organizational boundaries. The different applications and data sources that teams within the enterprise rely on—such as manufacturing, distribution, and inventory systems; financial applications; and marketing automation platforms—aren't always designed to work together, thereby contributing to this fragmentation.

The takeaway: *The customer's experience is holistic, based on the sum total of interactions with a business. However, enterprises are typically arranged as silos, and CRM systems are often treated as the silo belonging to the sales and marketing teams. Used as a platform for enterprise-wide collaboration, CRM can help overcome the fragmented, function-specific view of the customer relationship that can damage the quality of the experience.*

Extending CRM beyond net-new sales

One of the reasons so many C-suite leaders want to expand the use of CRM as a platform for cross-department collaboration is the higher potential for additional revenue from existing customers.

As previously noted, the bulk of customer experience occurs post-sale. Yet many enterprises tend to think of the customer experience only in terms of messaging consistency, personalization, and relevance during the marketing and sales cycles. When used as designed, the right CRM system can provide the capabilities to ensure the quality of ongoing customer care and service. In addition to fostering goodwill among customers, a CRM platform used in this way can have a significant impact on the bottom line by boosting customer retention rates. [One study of the financial services sector found](#) that just a 5% increase in customer retention produces more than a 25% increase in profit.⁵

Post-sales CRM utilization can also pay dividends by helping an organization strengthen its brand credibility. CRM can help service and support teams eliminate any disconnects in the company's transition from prospect to customer. It can provide insight into any unaddressed complaints a customer may have, highlight trends in their history with a company, and anticipate potential needs that a company could address proactively. Ultimately, it helps enforce consistency between what's promised during the sales cycle and what's delivered over the course of the post-sales experience.

In this new era of commerce, delivering on the promises and claims made during the sales cycle is vital to a company's market image because customers now wield significant influence. Social media acts as a megaphone that can amplify any single customer's experience, good or bad, pre- or post-sale. CRM can help an entire enterprise maintain the same level of care and personalization at every touch point.

5. Fred Reichheld, "Prescription for cutting costs," Bain & Company.

Best practices to make CRM a strategic asset for the entire enterprise

Build customer-centricity into the CRM implementation strategy

Not surprisingly, creating a CRM platform that effectively engages customers at every touchpoint throughout the entire customer experience begins at the beginning. Many companies make the mistake of implementing a CRM system over existing processes—which simply automates any dysfunctional practices that may already plague the enterprise. These companies assume that implementing CRM will make the enterprise more customer-centric simply by default.

However, instead of approaching a CRM implementation as a technology project, enterprises must use the project to rethink any customer-facing processes. This includes weeding out the assumption that sales and marketing own the customer relationship. The CRM implementation project has to recognize that virtually every area of the enterprise plays a role in shaping and managing the customer relationship—and that cultivating a rich customer experience requires processes that cross traditional enterprise boundaries and data silos. As a result, the implementation team should include representatives from support, service, operations, finance, and any other department that relies on customer data or contributes to the customer experience.

Achieving this level of collaboration during the CRM implementation requires strong leadership and executive sponsorship. A successful implementation project should have highly visible C-suite support to ensure its prioritization. This includes incentivizing CRM usage and linking the success of the project to core corporate objectives.

The project also needs credible evangelists who can provide compelling examples on the ways that CRM has made them more effective in their jobs. One best practice is to market the implementation project internally and to publicize success stories, use cases, and benefits post-implementation.

The takeaway: *CRM systems can be the decisive factor in customer retention, helping companies foster ongoing goodwill within the existing customer base, strengthen their brand credibility, and ensure the maximum ROI from each customer relationship.*

Make integration a CRM implementation priority

Despite the fact that virtually every enterprise department shares responsibility for the customer experience, not all enterprises make a practice of sharing key customer information. In fact, only an estimated **20% of customer success and product management teams** use the same source of customer data.⁶

When these different teams and departments rely on siloed data sources to support their interactions with customers, they risk creating a disjointed and inconsistent customer experience. This fragmented approach can lead to the “not my department” mentality that makes it significantly harder to do business with a company. In this era where the cost of switching vendors or service providers continues to drop, an enterprise simply can’t afford a scenario where one area of the business isn’t aware of another’s interactions and history with a customer.

Integration of CRM with other key systems, such as enterprise resource planning (ERP), and Salesforce® automation, can help ensure that the entire enterprise stays on the same page when it comes to customer care. Data on evolving scenarios such as supply chain disruption or component shortage can be as valuable to sales, marketing, and support teams as it is to operations decision makers. Customer-facing teams can use that data to engage customers proactively and find solutions. Ideally, CRM systems will be tightly integrated with those operational systems used to manage any function that has a potential impact on the customer experience.

6. UserIQ, “The Impact of Post-Sales Alignment on Customer Experience,” Medium, October 16, 2017.

Capitalize on emerging innovation

Providing a great customer experience often means anticipating customer expectations, rather than reacting to them. Being first to market with a new category of product or service can give a company's customers the confidence that they've made the right choice to do business with an organization that sets the agenda for an industry. However, in a highly competitive market, innovations can quickly become "me-too" technologies, while businesses have a much shorter timeframe to differentiate themselves before an innovative business model becomes standard practice.

Cutting-edge technology such as cloud deployment of CRM can give the enterprise the flexibility to scale as needed to anticipate fluctuations in customer demand. Similarly, mobile capabilities allow sales and service teams to take CRM capabilities with them anywhere they need to go to work with customers. Mobile access also encourages CRM adoption by allowing personnel to enter, access, and update customer information at any time, any location, on any device.

One of the other strategic fronts in the ongoing battle to attract and retain customers is personalization. Customers expect not only a rich experience, but also one relevant to their needs and personalized to their interests. Delivering on that demand for personalization requires real-time insight into customers—and anticipating needs before customers serve up sufficient data on their unique situations. This proactive approach is only possible through CRM solutions that offer advanced analytics and artificial intelligence (AI) capabilities.

Where "flesh-and-blood" analysts need significant volumes of data to find the patterns hidden in the background noise, AI can spot trends and probabilities with a minimal amount of input. In fact, AI-powered CRM activities could increase global business revenues by \$1.1 trillion by 2021, according to [one estimate](#).⁷ AI can help boost outcomes in surprising, sometimes counterintuitive ways that human intelligence simply can't match.

Finally, where AI uncovers hidden insights, customers are often up front and highly vocal about their needs—especially on social media. Research has found that [social CRM can improve retention by as much as 26%](#)—clear validation that delivering a rich customer experience requires engaging customers on multiple channels, pre- and post-sale, at every possible touch point.⁸

Taking CRM beyond sales and marketing support solutions

CRM systems have the potential to be so much more than sales reporting tools or marketing support solutions. Companies in almost every industry segment are feeling the pressure to deliver rich and compelling experiences to their customers, starting with the marketing and sales cycles and at every post-sale touch point. With the right strategic imperatives and best practices, enterprises can use CRM as the platform that helps every customer-facing department access the same integrated source of data to ensure that customer care is proactive, consistent, and personalized.

7. ETCIO, "By 2021, AI backed CRM activities could push global business revenues by \$1.1 trillion, create 800,000 net-new jobs," CIO.com, June 18, 2017.

8. Michael Lazar, "2017 CRM Statistics Show Why it's a Powerful Marketing Weapon," IBM, May 12, 2017.

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