How to Avoid the Biggest Risk in Selecting a CRM System?

A White Paper by Soffront Software, Inc.

SOFFRONT
CRM • Simplified

Executive Summary

A CRM system typically covers customer facing functions that includes sales, customer support, and marketing. Each function has its own unique characteristics and needs. The Sales Automation part of the CRM is generally viewed as a management tool to track sales leads, monitor sales people's activities, view sales pipelines, assess sales opportunities, and generate sales forecasts.

While Sales Automation is a great tool in concept, the reality can be quite different. The key factor is whether sales people will use the CRM system. This is the biggest risk in selecting a CRM system – poor user adoption by sales people.

In this white paper, we will explore what contributes to the poor CRM adoption by the sales people, how to avoid selecting a CRM system that increases the risk of poor user adoption, and what criteria you should consider in choosing the right CRM solution.

Introduction

Congratulations! You are tasked to evaluate CRM systems and recommend one for your company. After the initial excitement of being entrusted to be the evaluator is over, you start to feel the sense of responsibility and weight of making such decision.

If you choose the right system, you will be a hero to your company for boosting the sales people's productivities, improving customer satisfaction, and increasing the marketing lead generation effectiveness.

If not, you could be blamed for selecting a CRM system that no sales people want to touch, customer support people would reluctantly use, and your marketing people would complain about.

As you go through many CRM vendors' websites and product features and benefits, you start to feel a bit lost - so much information and so little time. As you sit through meetings and demos from one vendor to another, you get to see the neat features from each. While you have a checklist and score cards for each vendor, after a while things are all seem to blur.

But amid all these activities, you may have a nagging feeling that maybe you are missing something important, something that may be lurking in the background. When it shows up, it may be too late, since you have selected, implemented, and deployed the CRM system that you helped choose.

The Biggest Risk in Selecting a CRM System Is the Lack of User Adoption!

Well, you are not alone! Many people in your position face the same daunting problem. Many of them wished that there was something that could have guided them through and understand the real crucial factors they needed to know before it was too late.

This is precisely the purpose of this white paper - to help you avoid the hidden traps and pitfalls that you should be aware of before you commit to a CRM system.

Will the Dog Eat the Dog Food?

Well, it is just a metaphor, of course. As you know, a tool is only good if people are using it.

The road to CRM success is littered with CRM systems that nobody uses.

According to a 2011 report by CSO Insights, only 38 percent of the Small and Medium Businesses have achieved 75 percent CRM adoption rates.

Companies wasted money, time, and resources to implement and deploy CRM systems that sales people would avoid using as much as possible. Your company would end up with a white elephant and your professional credibility and career ambition can take a major hit.

So why is the low user adoption rate such a common occurrence and what are the major contributing factors?

The Answer Lies in the Design Philosophy

A CRM system typically includes Sales Automation (SA), Customer Service (CS), and Marketing Automation (MA) functions. The poor user adoption is mostly due to sales people not using the Sales Automation function. For many companies, Sales Automation is a main reason they bought the CRM in the first place.

There are two conflicting interests at play here. You must understand the dynamics to fully appreciate the user (sales people) adoption problem.

Is Sales Automation Designed for the Sales People or For the Management?

Historically, Sales Automation is a favorite tool for the management because it supposedly gives management visibility into the sales activities. They can see pretty sales funnel diagrams, sales pipeline reports, fancy management dashboards that slice and dice leads from suspects to prospects to opportunities to customers.

However, these Sales Automation tools have been greeted with suspicion by the sales people who are in the trenches everyday. Here are some of the common reactions from the sales people:

- Now the management can look over my shoulder and watch my every move.
- They want to squeeze all my prospects and put in the system so that one day they can get rid of me.
- Now I have to spend extra hours filling out the reports so that the management can show those pretty charts to their bosses. It doesn't help me sell a bit. As a matter of fact, my revenue generating productivities actually decreased because now I have to fill all these electronic paperwork!
- I hate to use the tool. It is so unfriendly and cumbersome to use. When I'm about to talk to a prospect, that is when I need the information the most, I can't find it in the darn tool.
- It is supposed to help me improve my sales productivity. But it has exactly the opposite effect. I have to make my numbers, not my CRM paperwork!
- My question to my manager is simple, do you want me to meet the sales quota or do you want me to fill out the paperwork?

As a result, many sales people will not use the CRM Sales Automation (SA) function because it does not help them sell more. If sales people don't enter the information, management will not get meaningful information about the sales pipeline, forecasting, etc.

Some management gets clever. They would embed price quote forms and a commission calculation formula in the CRM so that the sales people are forced to use CRM.

But they forget the basic principle of user adoption:

If the tool can make a sales person more productive in their revenue generating activities, he will naturally use it without coercion.

Because the management controls the purchase of the CRM system, naturally most vendors put more efforts on the improving the sales management side of the Sales Automation tool. As a result, improving the tools to help sales people generally takes a back seat.

The Solution: Meeting Sales Person's ROI Model

Sales function is different from all other corporate functional groups in a couple of ways:

a. Sales people's performance is tied directly to sales results.
b. Sales people's compensation is directly tied to sales revenue.

Sales Person's ROI Model

Sales people have a ROI model in their mind. They have to weigh any activity that takes away his selling time against the benefits it brings. A sales person's ROI formula is very simple:

Incremental Revenue must be greater than Opportunity Cost.

Incremental Revenue is the revenue derived from the information the sales person input into CRM, and Opportunity Cost is his lost sales opportunity due to the time he spent inputting information into CRM.

In this formula, he wants to minimize the time it takes to input information into the CRM and he wants to maximize the revenue derived from the information input into the CRM.

To minimize the time it takes to input information into CRM, the CRM should make it easier for the sales people to input information.

To maximize the revenue derived from the information entered, we need to understand the activities and the timing when the information will contribute to the revenue generation.

Information Usage Categories – Is it Time Critical or Time Sensitive?

Let's break down the CRM's Sales Automation functions from the information usage perspective. The key is whether it is time critical or time sensitive.

- Users: frontline sales people, sales managers, executives.
- Usages:
    a. Inputting information: initial input of account record (time consuming), subsequent input of account interaction information (time consuming) by the sales people.
    b. Accessing information (by sales people, time critical): When a sales person is prospecting, the moment before he makes the phone call is the most crucial moment for the sales person. He must have all the crucial information available at his fingertip so that he can start off the call on the right track.
    c. Reviewing information (non-time-critical): Reviewing account reports, pipeline, opportunity, forecast information by the sales people, sales managers, and executive.
    d. Sending information to prospects/customers (time sensitive): During or after a call, the sales person can send sales materials, quotes, proposals, etc. to prospects or customers. It shows how responsive and efficient the sales person is in the eyes of the prospects or customers.

If you analyze these four categories of information handling in a Sales Automation tool, you will find that:

Accessing information (b) is the most critical to a sales person, because it directly affects his time for each call and call results.

Sending information (d) is also critical to a sales person, because it reflects the timeliness and responsiveness of his follow-up to a call.

Inputting information (a) is the most time consuming because the sales person has to enter the information into the Sales Automation system.

Inputting information is clearly a barrier for the sales people because it will take up his revenue generation activity time. The easier it is for a sales person to input information to the CRM, the less time it takes him to accomplish this task. As a result, the less it takes away from his selling time.

But the determining factor on whether the sales person will take the time to enter information is how much incremental revenue he can get from the input of information.

And this is directly related to items b and c in the list above, namely, accessing information at the crucial moments and sending information promptly during and after the sale call. So let's examine these two situations.

Time Critical Moments in Selling

The Moment Just Before dialing the Phone – All Information at Sales Person's Fingertip

Prospecting is an important part of selling activities and it involves contacting the leads and qualifying them. In this activity, a sales person may go through a list of leads, research the leads, add notes, call, send emails, take notes, set appointments, and follow through.

Because a sales person will have to go through many leads when doing the phone prospecting, he needs a system that contains the lead list with contact information, research notes, contact history, contact notes, and actions to follow up.

During phone prospecting, after the pre-call preparation, the most critical moment comes when the sales person dials the lead's number and the lead is about to answer the phone. At that moment, the sales person must have all the crucial information at his fingertip so that he knows the lead's name, role, who referred the lead, previous interaction with the lead's organization, etc.

Because the sales person is going through many during the phone prospecting period, the only practical way is to keep all the above mentioned information available in a CRM system.

How easy is it for the sales person to access all this crucial information at that critical moment separates a good CRM Sales Automation (SA) system from a cumbersome, hard-to-use CRM Sales Automation system?

If a CRM system allows the sales person to have all the critical information available at that crucial moment, you cannot take the CRM system from the sales person. He will want to use it, with enthusiasm! Why, because you are now helping him to be much more effective in interacting with the leads by not missing the critical information at the moment he is talking with the lead.

The Minute after the Sales Person Finished the Call with the Prospect – All the Following-up Activities Ready to Go

After the contact is made, the lead is qualified, and an appointment is agreed to, the sales person must confirm the appointment with a calendar invitation and promptly follow up with an email to the prospect, including links, testimonials, or white papers to reinforce the value of the appointment.

Most CRM Sales Automation systems can do this. The question is how many steps does the sales person have to go through to accomplish that? Any extra step will present an additional mental hurdle for the sales person.

If a CRM Sales Automation system allows the sales person to accomplish this without leaving his lead list page, then he can fire off an email with all relevant attachments moments after finishing talking with a prospect, set up a follow-up event reminder, and move on to the next lead on the prospecting list.

When a sales person can do that quickly, he will impress the prospect for the quick response and timeliness of the follow-up email. He finishes the activities for that prospect right then and there without having to go back later to finish it up.

The Evaluation Criteria That Meets Sales Person's ROI Model

Based on the above analysis, the CRM SA function should meet the following criteria from the sales person's ROI considerations:

1. The inputting, accessing, and sending of information should be designed with the front line sales people in mind.
2. All crucial and relevant information should be easily reachable in one click.
3. It should be intuitive, easy to use, and easy to personalize for the users.

To meet these criteria, we have to examine the following aspects:

- Information architecture
- Information navigation
- Information presentation and personalization
- Information accessibility

Information Architecture

Underneath the CRM system is a collection of data. How these data are organized and the relationships are mapped plays a critical role in how the information can be accessed and presented.

One-to-many relationship mapping is primitive way to map relationships. It is like a one way street. Some CRM systems are designed that way.

Many-to-many relationship mapping is a more sophisticated way to map relationships. It is like a two way street. Soffront CRM is designed from ground up with many-to-many relationship mapping.

Many-to-many relationships are common in businesses and organizations. For example, in a medical center or a hospital, the doctors and patients relationship is a many-to-many relationship mapping. A doctor can have many patients and a patient can have many doctors.

A CRM system that is architected with a one-to-many relationship mapping approach will not be able to handle the doctor-patient relationship adequately. In most cases, you are forced to create duplicate records to handle the reverse relationship.

Designed properly, the many-to-many relationship mapping approach would allow the user to view patient or doctor information from anywhere in the CRM system. A one-to-many relation will require additional navigation or additional customization to view the relevant information. This is much like navigating through two-way streets vs. one-way streets in real life.

Information Navigation

Due to the time critical nature of certain sales activities, how to access the information and navigate through the information makes a huge difference on whether the information is presented in time or not.

Information Presentation and Personalization

Each sales or customer support person has his preference on what information they want to see and in what order they want to see. The ability for the CRM to enable such personalization is important to user adoption.

Information Accessibility

A very important factor in increasing the sales or support person's productivity is the free flow of information from one CRM function such as SA to another such as CS. There should be no barriers that impede information accessibility.

How does Soffront CRM Meets Sales Person's ROI Model?

Introduction to Soffront CRM

Soffront CRM is a pioneer of the CRM solution for the last 20 years with numerous customers in all industries around the world. It continues to lead the way in user friendly design and workflow. Among the first, its Visual Editor for Workflow Builder and the Form Designer are the industry first, empowering CRM administrators to customize their workflows and design their own time saving data entry forms.

When it comes to navigation scheme, Soffront is the only major CRM vendor that has focused on making the tool easy for the sales people. Soffront Enterprise CRM once again pioneered a number of innovations to fulfill the need for "having all the crucial information at a sales person's fingertip when it counts the most".

As a result, Soffront Enterprise CRM solution,

- Has the highest user adoption rate in the market place.
- Is designed for the sales and customer support people by people who are also users.
- Is laid out such that the user can perform everything without leaving the Workspace.
- Is tablet and touch screen friendly.

Information Architecture

Information architecture is the foundation of a robust, scalable CRM system. Soffront's many-to-many relationship mapping architecture is the underpinning of the flexible, powerful, and versatile system. It can handle complex relationships that exist in many businesses with ease, and it can access any data in the CRM from any functional module with a logical and consistent method.

Information Navigation

Soffront CRM pioneered Intuitive navigation scheme where Information is always only 1 click away! The latest navigation innovation is Tab Based Tablet Friendly Navigation. The following are a few ways Soffront CRM makes Navigation simple and efficient.

Comparing Soffront Navigation with prevailing navigation

The prevailing navigation scheme for most other CRM SA's is through pulldown menu. To see a note, the sales person has to open each note separately. Worse yet, there is no description about each note in the list. He has to wade through them one by one to find the relevant ones. If he is lucky and finds what he is looking for, how does he get back to where he was before? Well, most likely, he has to use the pull down menu to get back to the contact record.

By the time he gets the information from the right notes and gets back to the contact record, the prospect has most likely already brushed him away.

How many steps does it take to do this with the status quo method? When you multiply this by the number of prospects the sales person has to call, it all adds up, not counting the mental stress it imposed on the sales person. Can you blame him for not using the CRM?

Soffront CRM pioneered an intuitive navigation scheme where information is always only 1 click away! The latest navigation innovation is Tab Based Tablet Friendly Navigation.

The following are a few ways Soffront CRM makes Navigation simple and efficient.

A Tile Based Workspace Where Every Thing Is Only One Click Away!

Open up CRM SA and the home workspace is organized in tiles (See Figure1):

- Lead Management
- Opportunity Management
- Customer Management
- Support Management
- Project Management
- Marketing Campaign

The home page is easily set up to include everything a sales person need to reach in one click.

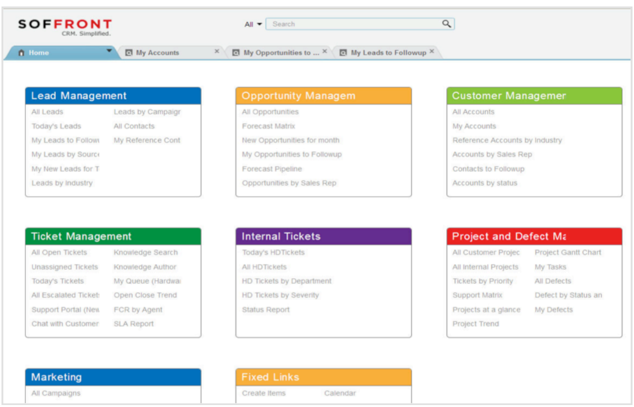

Figure 1. Tile Based Workspace, No Pull-down Menus!

Daily Scheduled Activities and Contact Information at One Glance

The sales person clicks the calendar entry and the calendar opens up. Each entry in the calendar has the corresponding contact record showing up on the right hand side. From that record, the sales person has all the information about this contact available at a glance (See Figure 2).

- Company
- Contact Name, phone number, email address
- Notes

The sales person can make the call, look at the notes, takes notes, and send email all from that one screen without leaving it. If he wants to look at the details of a contact, he just clicks on that calendar entry and the contact detail is displayed (See Figure 3).

After the scheduled call is complete, he can send email and set up the follow-up action for this prospect without leaving the screen.

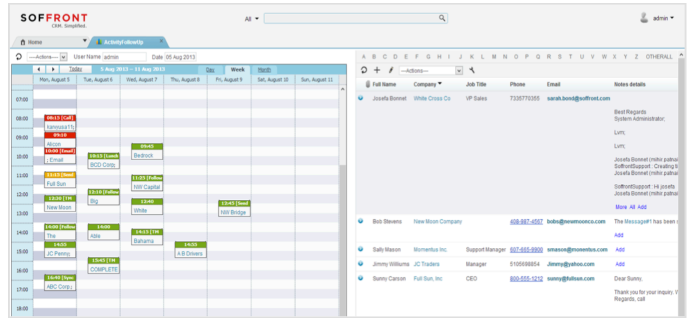

Figure 2. Calendar (Weekly View) and Contact List

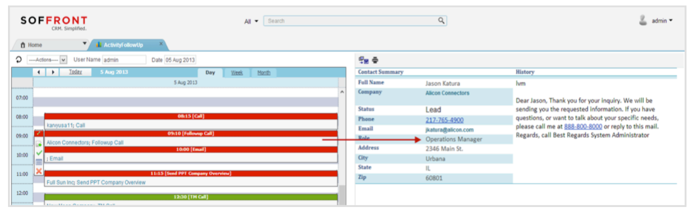

Figure 3. Calendar (Daily View) and Contact Details

Rapid Prospecting

Once this is done, he may have an hour to make some prospecting calls before the next scheduled call. He can simply click on the home tab and bring up his leads by clicking on the “My Leads” (See Figure 4).

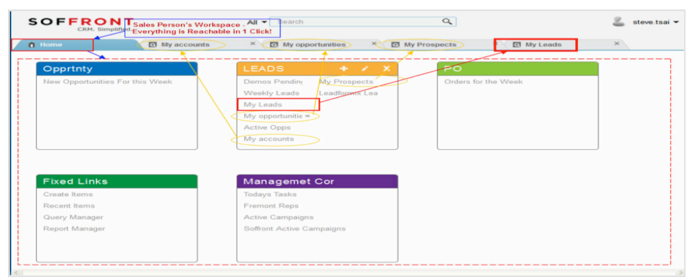

Figure 4. 1 Click to Any Place from Work Space

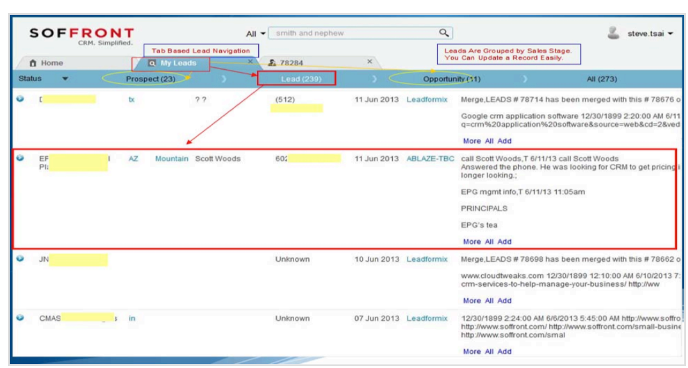

Figure 5. Leads Grouped by Sales Stages, Crucial Lead Information and history at A Glance

Under the My Leads tab, his leads are grouped in Leads, Prospects, Opportunity, and All. He clicks the Leads tab and all leads are listed - with crucial information including history displayed all at once (See Figure 5). He can practically make rapid prospecting calls through the list without clicking at all.

If he needs to get detailed information, he can click on a lead and the lead record comes up (See Figure 6). The sub tabs such as Detail, Notes, Activities, Contacts, Quotes, and Attachments enable him to get the relevant information in 1 click. In one click, he can get to the next crucial information he needs to start the prospecting call. As soon as he finishes the call, he can send a calendar invitation, fire off an email to the prospect, and set up the forward action for this lead.

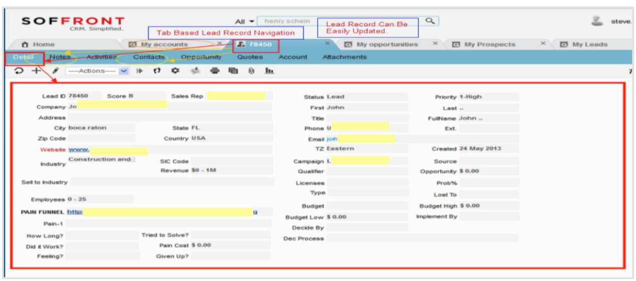

Figure 6. Individual Lead Record, Notes, Contacts, All within 1 Click

When he is done with this lead, he can click on the lead tab and the lead list is now on display again. He can now go down to the next lead and repeat the same process.

Information Presentation and Personalization

Soffront enables information customization and personalization in two levels: the organizational level and the personal level.

For example, if your company has several business units and each business unit requires different information to be used, Soffront provides powerful tools that enable your CRM administrator to custom configure that for each business unit.

At the individual level, Soffront CRM allows the individual to personalize the information so that he can determine what he wants to see and in what order.

Information Accessibility

A very important factor in increasing the sales or support person's productivity is the free flow of information from one CRM function such as SA to another such as CS. Sales people need to know if there are any outstanding customer support issues before calling or meeting a customer. There should be no barriers that impede information accessibility.

Soffront CRM is a complete suite that includes Sale Automation, Customer Service, Marketing Automation, Project Management, Knowledge Management, Asset Tracking, Resource Scheduling, Time Tracking, and many more. These functional modules are designed with a universal data access mechanism. The information flows freely among these functional modules. Therefore, when a sales person calls a customer account, he not only can see the customer account information but also all the customer support interactions. This is very important to a sales person because he will not be blindsided by not knowing about outstanding customer support issues.

Conclusion

Soffront did a survey recently about its user adoption. The result is that 100% of our customers has user adoption rate of 75% or more. Compare this to the industry average of only 38% of the companies has user adoption rate of 75% or more. That is almost 300% higher than the industry average.

If you want to avoid the biggest risk in selecting a CRM system - poor user adoption, Soffront is the safest choice for you.

Well, as saying goes, a testimonial is worth a thousand words. We will leave you with a few thousand words for you:

> *Soffront provided us with the best combination of simplicity and customization. Using automated tools in Soffront, our sellers can inform management on the status of opportunities and collaborate more easily on how best to close them.*
>
> *The sun never sets on our business. If a customer calls in the morning and then calls back late that night, any customer support employee can help them. The customer's complete history is quickly and easily available, ensuring the fastest possible resolution to every issue.*
>
> - Marty Sacks, Vice President, Axia Audio