

SalesProcess360

*Helping Companies Get ROI from CRM*

# 10 Reasons CRM Fails (And How You Can *Succeed*)



SalesProcess360.com



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## (And How You Can *Succeed*)

Customer Relationship Management, or CRM, is more than just technology.

Sure, technology is at CRM's core. But technology should never be the lead. Instead, think of CRM as a system for sharing and leveraging your team's data and knowledge. CRM helps you manage the sales process from lead to close, and even beyond to repeat business. The technology automates and adds value to that process and directs your team to focus on what matters most.

Despite the clear benefits, based on our own work in the industry, we estimate only about 20 percent of industrial companies perceive they are getting the ROI they were looking for from CRM. In other words, there's a huge gap between implementing CRM and feeling like your company is reaping a return from it.

**Here are 10 common reasons for that gap, and how you can avoid them:**

### 1. High expectations

Many companies expect that CRM will be a silver bullet: It will solve all of their sales woes, and will do so quickly. Many also believe that the change will come easily. But it probably won't. CRM is work. Companies cannot just install software and expect everything will fall smoothly into place. Planning for the shift is critical, and that includes ongoing training to ensure that your team is using and taking full advantage of the benefits that CRM can bring your company.

### 2. Bad data

Data – including contacts, email addresses, phone numbers, customer history and more – is frequently a major speed bump for companies on the road to successfully implementing CRM. Many companies feel they have good data, but when they peel back the onion, they find more to clean and update than they expect. If you're not sure about your data, don't bring it into the new system. Rather than struggling with bad data for the life of the CRM, start from scratch. In three to six months, you will have far better confidence than you do now that the data you are acting on is reliable.

### 3. The wrong CRM vendor

With CRM, don't take a one-and-done approach. Companies that view a CRM provider's job as complete after the software is installed often find that the real challenges start after implementation. That's why you should view your CRM provider as a partner. You'll be tied to them for the life of the technology, so ensure they are bringing added value to the table. Also be sure they've worked with companies in your industry before. Don't forget to ask for references. Many vendors will overpromise; keep your expectations in check.

For CRM, don't take a one-and-done approach with your CRM vendor. Make sure they bring added value to the table.

## 4. No internal champion

Without project champions, you'll struggle to gain buy-in from the entire team. Select a successful and respected salesperson who has been with your company for a long time. Ideally, you'd have a champion from every department that will use the tool, as well as a champion at the management level. Make sure everyone in the company knows who those champions are. Tap an overall champion for the project who has veto rights if the team can't make a decision. Typically that is a senior manager involved in the meetings. The more structured your implementation team, the more likely you will succeed.

## 5. Doing too much too soon

Don't cram too much into the start of the implementation. If you do too much too soon, you risk overwhelming and confusing your team. Instead, pick a handful of items you want to focus on for improvement in your sales process. Areas of focus may include opportunity management, lead management or complaint tracking, among others. Start slow and build on each success.

The SalesProcess360 Roadmap involves selecting an area of focus, determining which departments are affected, why a change is needed, any obstacles that could stand in your way, the difficulty and impact of the change, internal champions and the major action items to accomplish the change. It's a simple and powerful process that takes the emotion out and allows you to build on a solid foundation.

## 6. Murky vision

When senior management is giving off mixed signals, that can have a big effect on CRM's potential for success. In some cases, management is missing in action: They had to be involved to approve the project and work it into the budget, but disappeared soon after. In other cases, employees may simply view the CRM project as just another management fad – and don't invest in its success because they expect management to move to the next great thing in short order.

The team has to see that management is backing the CRM project, and that it will be a part of the culture and strategy going forward. Employees need to see that senior management is engaged, and that their involvement goes beyond approval. Managers need to be involved in strategy meetings, and must set a vision for what CRM can do to get the company from A to B to grow the business. Their role is to make sure that the project stays on course, set expectations and reinforce those expectations constantly.

## 7. Total cost of ownership

Companies frequently don't understand the total cost of ownership (TCO) of a new CRM system. In fact, the cost can be up to four times that of the software itself. The problem: When companies underestimate the cost to implement CRM correctly, they will only be frustrated when expectations do not align with reality.

Think of TCO as an iceberg: The initial cost of the system is the iceberg poking out above the water. But a lot remains under the surface. To effectively implement CRM, invest the time and money to reap the ROI that you want. This includes training, which is not a one-time event. Also, don't limit training to just the "how," such as which buttons to push and how to add contacts. It's just as if not more

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important to train on the “why” of CRM.

## 8. Handing the project over to IT

Many companies position CRM as a software implementation project and immediately turn it over to the IT team to manage. This is a mistake and should serve as a red flag. IT certainly needs to be involved, and should be a part of the implementation team. But for a greater chance of success, CRM needs to be viewed and managed as a sales solution and approached with process front of mind.

## 9. Islands of data

For CRM to succeed, it has to be used to leverage data from all customer-facing touch points in your company. If you include just outside sales, you'll miss more than half of the value of the system. Unfortunately, islands of data exist throughout your business, and they aren't usually in synch.

Outside sales may maintain a spreadsheet (or several); another repository of data sits with the service department; and customer service may manage another valuable trove of data. The problem: They live in different systems. What's more, your departments aren't sharing this valuable information. These resources actually offer a huge opportunity for companies that are able to bring them together under one umbrella and implement processes to apply a team approach to CRM for maximum ROI.

## 10. Culture

Culture is the most important contributor to a CRM's failure or success. If key players are resistant to change, it can be a cancer to your organization. In fact, if culture is standing in your way, you'd have a better chance of succeeding if you took the money you invested in CRM to a local casino. But despite the challenge, it can be done. Just recognize that in the beginning the transition will be painful.

The team will want to revert to their comfort zones: Excel spreadsheets, sticky notes, notepads, Access and other security blankets. In some cases, they'll double-dip and put new data in two places – the new system and the old. This can result in a slow death for CRM. So if your company is not truly ready for change, don't pull the trigger. But if you are ready, drive the change and set a new course for your business.

Our team is made up of industrial sales specialists with the real-world experience and passion to help you put in place winning processes on the front end of the sales cycle.

## About SalesProcess360

The founder of SalesProcess360, Brian Gardner, has spent more than 25 years in sales and sales management in the industrial market. He served as sales manager for a major regional rep/distribution company for 15 years before he founded Selltis, LLC, the only industrial-focused sales team CRM solution with roots deeply embedded in sales process improvement. Having guided Selltis to success, he has taken his passion for process improvement to the speaking and coaching world as the founder and lead evangelist at SalesProcess360.



At SalesProcess360 our ability to help you grow your business is all about focus and processes. It doesn't have to be complicated. Focusing on effective yet simple processes to manage the "blocking and tackling" of selling will put you ahead of your competition. Our passion is to help you get there. The SalesProcess360 team is made up of industrial sales specialists that have the real-world experience and passion necessary to help your team put in place winning processes on the front end of the sales cycle and give your company a competitive edge.

Services include:

- Consulting and coaching
- CRM utilization
- Industrial Sales Management Peer Groups
- Sales Process Review and Mapping
- Speaking and seminars

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