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Top Seven Mistakes to Avoid When Undertaking a CRM Initiative

In these difficult economic times, more and more companies are undertaking Customer Relationship Management (CRM) initiatives to improve sales, increase efficiencies, and most importantly, improve all interactions with their customers and potential customers. These initiatives take many forms, but are primarily centered around the acquisition and implementation of a CRM software package, such as salesforce.com, saleslogix, SugarCRM or one of many other packages. We have been involved in dozens of CRM initiatives over the years, and have found a number of common elements that have separated the successful initiatives from the unsuccessful.



1. Poor Leadership

System implementations are difficult, time consuming, and can wear on the most loyal of your soldiers. **This is not the time for weak leadership:** Without full support of your company's leadership team, your CRM initiative will be nothing more than an expensive pile of technology that does nothing to improve your company.

One of our first experiences with a CRM implementation occurred with a natural gas trading company. Though most of the staff was on board, one sales manager decided this initiative was not in alignment with his group's objectives. As such, he marched into his supervisor's office and announced: "My sales team does not have time for this nonsense. We need to make sales and will not use this system anymore." This sales manager marched out of his supervisor's office unemployed, and the entire sales team knew why he was unemployed. The CRM project enjoyed great success, and as such, the company enjoyed great success and significant growth moving forward.



Though we are certainly not recommending firing all staff members who show resistance, the point of this discussion is that there will be difficult choices on the path to success, and if your leadership team proves capable of making tough decisions and following-through appropriately, the chances of project success improve greatly.

2. Using Technology to Solve Non-Technology Problems

If your company's processes are not up to snuff, no amount of technology will right your ship. We worked with a major hotel chain, which had grown significantly through acquisitions. When we arrived, the hotel chain had four distinct help desk groups, utilizing four distinct support processes. The help desk groups were put in place to help franchisees work through issues with the central reservation system. Unfortunately, when a franchisee placed a call to the help desk, they received help from one of the four groups, each utilizing their specific problem solving methodology, with no global process in place. The next support call would go through a completely different set of processes, and there was no way to tie multiple calls with similar problems together.



The hotel chain opted for a centralized help desk software application to correct these process issues, however, when decisions needed to be made regarding specific process conflicts, the company always chose the path of least resistance and modified the CRM application to meet the needs of each of the individual groups. None of the process issues were addressed, and the company spent significant resources on a software application that eventually supported a poor business model.

The company attempted to solve a process issue using a technology solution, when what it really needed to do was review processes and make some sound business decisions. Of course, once your company's processes are sound, CRM software can do a great deal to improve efficiencies.

3. Not Using Consultants

You can have your internal IT staff lead a CRM implementation, and there's a decent chance they can be successful, however, there are some significant hurdles, including the learning curve associated with utilizing a new technology and the impact the increased workload will have on other responsibilities. A significant share of our customers attempted their own implementations before engaging our services, and all presented a common theme, which was the effort required for success far exceeded their expectations.



At first glance, implementation proposals from consulting organizations may appear daunting, however, when evaluated against the total costs of an in-house implementation and the increased risks for failure, it quickly becomes apparent that a partnering with a strong consulting firm for your CRM implementation provides the best value for your money. Ask your consulting organization for a cost/benefit analysis for their implementation services and make sure they will work with your organization to get you up and running quickly.

Stick to what you're good at: Running your business. Let the CRM experts take care of guiding your implementation to success.

4. Forgetting That Software Is Just a Tool



Have you ever been referred to a handyman with the following: "He's got one of the best tool boxes I've ever seen." Of course not: All you're looking for in a handyman is someone who provides good service at a good price. Though a good tool box may very well be your handyman's key to success, at the end of the day, it's all about his ability to do the job.

Similarly, no one has ever recommended a company based on the quality of their CRM system. **Always remember: software systems are a tool for improving your company, but they are not the product/service you are selling and delivering.**

5. Mismanaging Internal Expectations

Educate your staff on what it is you expect from your new system, what is expected of them during the implementation and the direction you're taking your company. One common mistake we've seen during CRM implementations is overselling the benefits while ignoring the costs. If you only knew how many salespeople we've heard say, "We were told this would make our job easier, but this is a lot of extra work." CRM systems help improve the performance of sales TEAMS, and oftentimes, those improvements aren't fully realized until the system has been up and running for awhile.



The use of CRM systems becomes an integral part of everyone's day, and if your employees are taken off guard, there can be significant resentment. CRM systems, when implemented correctly, are very powerful tools for making companies more effective in all aspects of marketing, sales and customer support. Yet, at the user level, they can often be viewed as increasing workload with no tangible benefits. Remember, your objective is improving your company, and one of the costs is having to change daily activities for your

staff. **People don't like change, but will be more receptive if properly informed of all costs and benefits.**

6. Failing to Keep Everyone Onboard

We were presenting CRM training courses to the sales teams at a computer manufacturer, when on the first day of classes, less than 30% of the required students actually showed up. Most responded that they had too many calls to make on that particular day. Does this sound like an organization where everyone is onboard and ready to take on the extra work required for a successful CRM implementation? Of course not. Eventually, we were able to get the sales teams onboard, but we lost significant momentum, and the project suffered as a result. **These types of delays must be avoided to insure a successful implementation.**



7. Assuming All the Work is Done at Implementation

If your CRM initiative is handled correctly, your company will be well positioned for continual improvements. **Don't let up now.** The vision, strong leadership, and employee engagement that are critical to the success of your CRM initiative can be leveraged now and into the future to insure your company is always maximizing customer service and is able to stay one step ahead

