

## Is an ineffective CRM system the route to poor sales?

Stewart Walchli

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**B**usinesses are paying up to £100 a month per user for a CRM system (customer relationship management). In reality, if only half of the workforce are using these systems effectively then the cost per seat can easily double. Market analyst Gartner forecasts that the CRM sector will be worth \$37bn in 2017.

SME businesses are increasing investment in CRM solutions, fuelled not only by the need to improve sales, but also by the drive to keep up with competitors and provide a personalised customer experience.

However, the stark reality is that adoption rates of CRM solutions remain low and ineffective and businesses are not seeing the benefit of their investment in improved client management and sales. Whether businesses are using Salesforce, Microsoft Dynamics, SAP, Oracle, InterAction or any other CRM platform, there are major gaps in customer intelligence.

Employees continue to maintain spreadsheets or make private notes on Outlook. For every contact that is noted in the CRM system, there are 10 more stored away in individuals' inboxes and social media accounts.

Sales teams are only too aware of this and that reduces their motivation to update the CRM system after every client contact even further.

An Introhive survey of 185 sales and business development professionals found that 70 per cent spend at least four hours a week entering data into their CRM. Sixty per cent spend an additional four

hours a week deciphering that data. Of the 60 per cent of sales executives that use CRM daily, only 23 per cent classify it as very easy to use when looking for insights.

Organisations continue to silo out of date or duplicate client information – the average US company believes 25 per cent of their data is inaccurate. Clearly, CRM solutions are falling short on their promises.

Sales staff are contacting customers with very little confidence that they are doing so armed with all the latest information on that customer – who spoke to them last, what was a content of that communication, when did we last invoice the client and have they paid?

### **Social media – no panacea**

Some businesses are turning to social media business solutions to plug the gaps they are seeing in CRM systems – but this can be expensive and the business does not hold the IP of the contact information. It is time to do something different if you are going to get the hoped-for benefit from your CRM investment.

Here are some practical and quick ways to reinvigorate client and prospect management:

### **(1) Tailor your CRM system to reflect your business**

When businesses deploy CRM, most solutions are

plain vanilla systems that rely on people using them effectively. The most effective and engaging solutions are those that are tailored to reflect sector-specific ways of working. At the very least, the terminology should be right for your business.

## **(2) Consider using the latest technology that overlays traditional CRM**

This works by automating contact data collection and mining your existing CRM for the relationship Intelligence it is intended to provide. That might include data on recent email exchanges, phone calls and interactions on social media. It then takes no time at all to prepare for client meetings because all the information about previous interactions and discussions is immediately to hand.

## **(3) Use data about customer interactions to improve sales performance**

This data might reveal that you already have an employee with contacts inside a prospective client who could provide a warm lead. It might also reveal that salespeople need to communicate with a client more as a contract comes up for review.

## **(4) Retain valuable IP**

An Intelligent data driven approach to client management will flag up that most of the contact with your most valuable client is through a single sales executive. If that person leaves, the relationship will go with them. In that case it is time to take action to ensure contact details are stored and extend the businesses interaction with this client to additional sales executives.

## **(5) Bring social media relationship data under the umbrella of your CRM system**

There is a risk that important client interaction that takes place on external social media platforms such as LinkedIn and Twitter is not part of your customer relationship activities. A CRM system that does not take account of these interactions is missing a large piece of the customer relationship puzzle.

The initial reaction of many businesses that are failing to see the expected benefit from their customer relationship solution is to look around for a replacement. That is expensive and unnecessary. Businesses that take their existing CRM system to the next level will see real world benefits almost immediately.

Intelligent use of relationship data underpins better control of the sales life-cycle and more accurate business planning. It flags up warning signs that a relationship is not being nurtured so that organisations can improve client retention.

Armed with comprehensive and actionable client data, there is a real opportunity for SME businesses to outsmart the bigger players in the market.

Stewart Walchli is co-founder of Introhive