

# An Introduction To CRM

Chris Bucholtz



---

## You have probably heard the term Customer Relationship Management (CRM)—but what exactly does it mean?

At a high level, CRM systems make life easier. CRM itself is a discipline that centers around building better customer relationships; CRM software enables you to scale up the process of building those relationships. Putting a CRM strategy in place provides organizations with enhanced visibility and understanding into who their constituents really are. Ultimately, these systems are designed to improve customer satisfaction.

In greater detail, CRM systems monitor, record and facilitate the interactions of your organization's sales, marketing and support departments in a single location. That way, the entire team can have access to a nearly-complete and unified view of the customer simultaneously and around the globe.

Ideally, a CRM system will take your unique style and elevate your processes to their fullest potential. The right CRM system will integrate with and adapt to your existing processes, and it will also scale to grow with your organization over time.

So, how do you get started with CRM? First, understand what CRM can do, and next, be prepared to analyze your organization's strengths and weaknesses so that you can identify areas of opportunity that you can leverage using a CRM system.

This paper will give you an overview of CRM, the benefits it provides, and tips for creating a pathway toward adoption.

## Introduction

Think back to when you started your organization. How did you decide which vendors, contacts, and resources to start and continue using? Most likely, you went with those that offered a positive experience. This kind of positive experience ends up being the driving force behind any organization's success in creating what we know as the Loyal Customer.

Successful organizations understand that their growth is contingent upon both new and repeat business. In order to grow as a company, you have to grow your relationships with your customers—and just like any other relationships, they need to be nurtured. The most effective way to develop, strengthen and maintain these relationships is through, you guessed it: CRM.

## Why CRM?

CRM is about gaining and retaining customers. By leveraging a CRM system, organizations can document and react to a customer's experience based on information collected over time. Examples of the types of information that can be tracked in a CRM system include (but are not limited to) the following:

- A customer's contact information (business and personal)
- Recent customer activity (visits to your website or calls)
- Customer support issues or cases and the status of their resolutions
- Commitments that have been made to the customer
- Status of current customer orders
- Any other personal information about the customer that can strengthen your relationship (social media interactions or in-person relationship-building meetings)

---

This data empowers everyone in the organization with the ability to view a unique profile of every customer so that internal teams can collaborate on catering to that customer's specific needs.

More than anything, customers want to feel valued and appreciated by the company in which they invest time and money. To a customer in need of support, a company that has no prior information about a customer, continuously transfers a customer to different departments, or makes the customer repeat information conveys the following message: "We don't care about you." On the other hand, if your company has information readily available, the customer is able to see the value you place on maintaining relationships.

Consider the kind of service the your favorite airline would provide. For example, when you call that airline, perhaps the phone system recognizes your phone number and welcomes you by name. From there, the system might let you choose to use their automated system or simply say, "operator," to be connected to an agent immediately. Then, that agent will address you by name and already knows all your preferences, upcoming flight information, or issues you may be having. By knowing you, the airline is providing a reason for you to continue doing business with them.

The lesson here? Taking the time to empower your employees with tools to better know your customer can make all the difference in whether or not you gain a new customer or retain an existing customer. Customers who feel valued are happy customers and happy customers mean repeat business—not to mention, improved bottom lines.

## The Top 6 Things CRM Can Do For You

CRM allows you to gather and manage all your valuable customer data in a centralized location. There are many benefits to implementing a CRM system, but the top six things CRM can do for you are:

### Creating A Standardized Process

Each of your company's departments has a unique process—not only how they work individually, but how they work together. For example, think about the various stages in a sales cycle versus how your marketing department creates campaigns targeted to prospects. Because each department relies so heavily upon each other for success, it's important to have a defined process for how your departments function individually and how they interact with one other.

A CRM system gives you the tools to manage, measure and improve your processes. Creating workflow rules, for example, ensures that your sales reps follow specific stages throughout the sales cycle. A CRM system also allows you to automate the processes you have in place, from the sales stages your sales reps go through, to managing approvals, to logging all communication between reps and customers. As a result, not only are departments working smarter on their own, but departments are working smarter together.

### No More Weekly Status Reports

One of the immediate and most visible benefits of a CRM system is the elimination of the weekly, manual status report. Salespeople who track all their opportunities in a CRM system no longer have to manually create a spreadsheet and send it as a status report to their manager at the end of the week. With a CRM system, salespeople can track their opportunities in one place, and their managers won't have to stress about compiling and organizing data from multiple documents. The more data documents you have, the more likely you are to misplace or lose that information.

A CRM system can automatically run a status report and email it to your sales manager. Management similarly has access to all the sales data online and can run its own reports without even having to wait for status updates.

---

Minimizing the lag time between your salespeople and their managers allows your company to make the most of its efforts. Time is money, so why waste it when you could be capitalizing on your opportunities?

While a CRM does not do away with status updates, your employees no longer have to spend hours pulling all the information together. The time your company saves eliminating disorganized reports can instead be focused on your customers. The bottom line is that a CRM system provides better organization and better insight into the overall performance of your company.

### **Automate Your Unique Sales Process**

One of the biggest objections salespeople have to adopting CRM is that they already have too many processes in place. However, any good CRM system should be flexible enough to allow sales people to seamlessly integrate their existing processes into the CRM system without additional burden.

A CRM system will automate the sales team's manual and repetitive steps, giving them more time to sell and focus on turning leads into customers. Simply put, a CRM system is a positive extension to the processes you already have in place that lets your team reach its full potential.

### **Improve Collaboration**

Communication is key for each department to work efficiently with one another. Lack of collaboration on a departmental and organizational level can lead to confusion, longer sales cycles and incorrect information. Remember that while you're tracking various documents, past or concurrent sales opportunities and other forms of data in CRM, you're collaborating with your colleagues to ensure a successful process. It is likely that you're not the only person who needs to view all of this necessary information about any given customer case.

A CRM application gives you visibility across departments, can help you track your marketing efforts all the way through closing a deal, and can even manage post-sales support. When using CRM, your employees can more easily share information with each other, which may result in a faster sales cycle and increased revenues.

### **Greater Visibility**

Without a CRM system, it is hard to have detailed sales numbers and compare them with your company's past performance. Spreadsheets only tell a small part of the story, so trying to correlate marketing activities to sales performance is even more difficult.

A CRM system should come standard with reporting capabilities. This allows you to slice and dice historical and current customer, sales, marketing, and support information any way you want. With this detailed information, your company can determine what practices are successful and which ones need improvement.

### **A Single Place To Keep All Your Customer Data**

Many of us already keep our customer contacts in some sort of system, all the way from business cards to notebooks; Post-it Notes to Excel spreadsheets; email to contact databases; and in some cases, even our memory. With these systems, there are several pitfalls. What if you lose your computer? What if your top salesperson leaves the company with his little black book? What if you forget the customer information that is so vital to your company's success?

A CRM system allows you to store your information in a third-party system. This means that if you were to lose your computer or your top sales person were to leave the company, you would not lose your information. The information would remain in the on-site server or cloud services provided by the CRM vendor. These services mean that you can breathe easier knowing your information is always accessible when you need it.

---

## Tips to Getting Started with CRM:

While a CRM implementation may seem daunting, it's important to remember the following: CRM is your friend. The goal of a CRM system is to simplify the way you do business, not to complicate it. If you can make life easier for your company by alleviating stress, remaining organized, strengthening relationships with customers and still grow as a company, why wouldn't you? However, before choosing a CRM vendor, it's important to keep a few key points in mind:

### Start Small, Think Big, Move Quickly

Let's face it: As humans, we aren't big fans of change. We are comfortable doing what we know. That's why, when implementing a new way of doing business, it's important to start small. Begin with a few users, or a specific department. By slowly easing into a CRM system, you avoid the risk of overwhelming your employees. Now, this is not to say that everyone in the company shouldn't use the CRM system. So while you start small, the goal is to move quickly and implement the CRM system throughout your entire company. Everyone has to be on board in order for CRM to be successful.

### Know Yourself

Perhaps the most important step prior to implementing a CRM system is knowing the way your company works. It's necessary to not only know, but to understand your own processes. The requirements and processes for one organization will be completely different from those of another. That's why it's important to find a CRM system that adapts to the way you do business. Take a look at yourself: what are your strengths and weaknesses? This is an important question because you don't want to change what you do well. You want to identify your weaknesses, enhance your strengths, and simply build from there.

## Identify The Issues CRM Can Solve

Implementing a CRM system will not magically fix all problems. Your company needs to engage in a self-evaluation to identify the problem. This examination may be difficult to go through—no one likes failure—but when you know the problem, you know exactly what you need to fix through your CRM system.

## Conclusion

CRM: Three small letters, with three core concepts:

- Customer – the heart of your company;
- Relationship – the key to growing your company;
- Management – the power of your company to maintain these customer relationships.

The sum of these concepts equates success.

Ultimately, a CRM system helps you attract and retain customers. Think about how you're doing this today, and think about how technology can support you in improving your company's processes now and over time.

If you want to see what CRM can do for you, try SugarCRM for free today: [www.sugarcrm.com/freetrial](http://www.sugarcrm.com/freetrial)

Appendix: CRM 101 Glossary

CRM	Customer Relationship Management. The process which a company or organization uses to gain and retain customers.
Lead to Cash process	The process of converting a lead to revenue for the company.
Sales Opportunity	A potential sales deal, or revenue-generating event. Also see the Opportunity Module.
Sales Pipe Line	The combined number of sales opportunities.
Sales Stage	A term commonly used in a sales methodology that expresses the different steps a sales opportunity goes through in the lead to cash process. CRM systems come with pre-set sales stages. Customers can configure these sales stages to align with the stages in their existing sales process.
Probability	As an opportunity makes its way through the sales stage, it's likelihood to close (to generate revenue) increases. This likelihood is the probability to close and is typically expressed in a percentage.
Sales Funnel	The sales funnel represents all the sales opportunities that currently exist. The sales funnel is typically ranked from lowest probability (least likely to close) to highest probability (most likely to close).
Record	A Record is an entry in the CRM system.
Module, Object	A Module (Object is also used) is a functional area within the CRM system. Entries in Modules are Records. The four most commonly used Modules in any CRM system are: Accounts, Contacts, Leads and Opportunities.
Accounts	<ul style="list-style-type: none"> <li>• Companies or organizations that you conduct business with.</li> <li>• Accounts contain your customer's information, such as company name and address.</li> <li>• Each Account can be associated with other records such as Opportunities and Contacts.</li> </ul>
Contacts	Individuals within an Account you have done business with or will likely do business with in the near future.
Opportunities	<ul style="list-style-type: none"> <li>• A potential sales deal, or revenue-generating event.</li> <li>• An opportunity can be with a new Account or with an existing Account.</li> </ul>
Leads	<ul style="list-style-type: none"> <li>• A Lead is an unqualified Opportunity.</li> <li>• A Lead can be a company or an individual who has expressed an interest in your product or service.</li> </ul>
Reports	<ul style="list-style-type: none"> <li>• Reports provide better visibility into your own historical sales, marketing and support activities as well as those of your team and the overall company or organization.</li> <li>• Reports provide predictability to the future sales performance of a user, your team, and the overall company or organization.</li> </ul>
Cases	Similar to Opportunities but used in the post-sales (customer support) function of a company. Cases track customer issues and the resolution of those issues.
Campaigns	<ul style="list-style-type: none"> <li>• Marketing activities that build interest and awareness of your products.</li> <li>• May be outbound, such as an email blast that talks about a new product offering, or may be inbound, such as a web-to-lead form that collects the names of people who want to learn more about your product.</li> </ul>

---

## About the Author

Chris Bucholtz is Editor-in-Chief of CRM Outsiders. Chris is a long-time journalist, blogger and CRM industry influencer. For over 17 years he's been a technology journalist for some of the industry's best print and online media. After his role at VAR Business, he became the first Editor of InsideCRM, a Focus.com brand. He then took the reigns as Editor-in-Chief of ForecastingClouds.com—an online destination delivering rich content and thought leadership views regarding CRM and ERP cloud solutions. He's also a regular columnist for CRMBuyer.com and has been writing about Social CRM for the last 4 years.

In his current Editor-in-Chief role, Chris is the voice of CRM Outsiders. Bucholtz continues the CRM Outsiders tradition of being an independent and opinionated CRM advisor, who provides trusted and useful content to the market. He uses his extensive network to encourage other CRM visionaries to contribute regularly on CRM Outsiders.

## About SugarCRM

SugarCRM is the world's leading provider of open source customer relationship management (CRM) software. Over 7,000 customers and close to a million users rely on SugarCRM to execute marketing programs, grow sales, retain customers and create custom business applications.

Leading publications such as CRM Magazine, InfoWorld and eWeek praise SugarCRM for its ease-of-use, flexibility and open design.

SugarCRM is available in 4 different subscriptions and can be installed on-premise or can run in the cloud. For cloud deployments, customer can choose to run on Sugar On-Demand, a traditional SaaS deployment, or run on one of the leading cloud computing platforms, including Amazon EC2, IBM SmartCloud Enterprise, Microsoft Azure, or Rackspace Cloud. Sugar customers can also leverage the cloud infrastructure of one of the 350 partners around the world who resell SugarCRM. This breath of options offers customers an unparalleled choice and control over their data and deployment.

For more information visit [www.sugarcrm.com](http://www.sugarcrm.com)

# OpenSesame CRM

de kracht van inzicht

## OPENSESAME CRM

Our goal is to enable you to get personal with your leads, prospects and customers above your imagination. By utilizing both SugarCRM and Marketing Automation it becomes possible for you to have fully grip on the Customer Life Cycle of your organization. From first-time website visitors to loyal customers.

[www.os-crm.com](http://www.os-crm.com) | [info@os-crm.com](mailto:info@os-crm.com) | +31(0)30 60 35 640

## SugarCRM

Customer relationship management CRM software for business. In the cloud, online, on demand, onsite - the best sales, email and mobile CRM integration.

[www.sugarcrm.com](http://www.sugarcrm.com)

10050 North Wolfe Road | SW2-130  
Cupertino, CA 95014  
T: 408.454.6900 | F: 408.873.2872

SugarCRM Deutschland GmbH  
Erika-Mann-Straße 53 | 80636 Munich | Germany  
T: +49 (0)89 1 89 17 21 00 | F: +49 (0)89 1 89 17 21 50

[www.sugarcrm.com](http://www.sugarcrm.com)

Copyright © 2014 SugarCRM, Inc.  
All rights reserved. SugarCRM and the SugarCRM logo are registered trademarks of SugarCRM, Inc. in the United States, the European Union and other countries. All other trademarks are the properties of their respective companies.

04-14-01-ER

