MEMBRAIN

THE SALES LEADER'S GUIDE TO CHOOSING THE RIGHT CRM

If your ambition is to increase sales, answer these 9 questions before choosing a CRM.

9 QUESTIONS TO ASK BEFORE MAKING A CRM INVESTMENT

Few investments will have as large and lasting an impact on the success of a sales organization as its CRM. Yet an astonishingly high failure rate among CRM implementations indicates that we are appallingly bad at making this investment. While the choice of CRM is only a part of the problem, it is an important one. Many leaders believe that any CRM will do, and often choose the most popular or least expensive option without taking the time to ensure that option is the right one for their organization.

Choosing the right CRM sets a proper foundation, and is an important first step in ensuring an effective implementation. This white paper will explore the reasons many organizations make a bad choice, and guide you through 10 questions that will help you make the right choice.

WHY WE ARE SO BAD AT CHOOSING CRM

At the heart of every bad CRM investment decision lies a fundamental misunderstanding of what exactly a CRM is, and the criteria by which it should be chosen. Two common assumptions are:

- **CRM is a tool to help salespeople improve their performance.**
- **A CRM should be chosen based on the size of the sales organization.**

Both false assumptions lead to an unfortunate tendency to select a CRM based on the wrong factors. Before we get into the questions you should ask before making a CRM decision, let's correct these assumptions.

CRM DEFINED

A Google search for "What is CRM" returns an overwhelming 37 million results. Wikipedia defines it as: "a system for managing a company's interactions with current and future customers." Many sales directors and managers think of it as a "strategy to keep customers happy," or a "tool to help salespeople manage business relationships."

At its heart, however, CRM is actually very simple. It is a database, with tools attached that can make it useful to salespeople and their managers and executives, including a user interface.

In other words, by definition a CRM is not designed as a tool to improve sales team effectiveness. It is simply a catch-all for customer and sales data, with a user interface that can be either easy to use, or extremely frustrating.

It is only when the CRM database is integrated with the right set of tools and interface that it becomes the effectiveness tool it should be. Many commercially available CRM suites are designed for reporting and management, and fail to support the sales team in improving performance.

When the CRM is combined with the right tools, however, it becomes much more than a database. It becomes a sales effectiveness platform.

HOW TO CHOOSE A CRM

The most common mistake organizations make is assuming that they should purchase a CRM package based on the size of their organization. But a 100-person inside sales team in a high-volume transactional setting has vastly different needs from the same size sales team in a complex B2B sales environment. Likewise, a 10-person team in a transactional environment has more in common with the first team than it does with a 10-person team in a complex environment.

In other words, it is better to choose a CRM and its associated tools based on how you sell, rather than how much you sell.

The first three questions discussed in this paper are designed to guide you to a clear understanding of your organization's unique CRM needs. The remaining six questions will help you evaluate whether a particular solution is right for you.

QUESTIONS ABOUT
YOUR ORGANIZATION

01. B2B OR B2C?

The database for a B2B environment will collect and display different data than the database for an otherwise equivalent B2C environment. For instance, in a B2B environment, the focus will be on the prospect's organization, with the contacts linked to each business. Also, the existence of buying committees in B2B sales requires CRM tools that allow you to link by deal, as well as to organize them into charts according to their role, attitude and influence in the buying decision. In a B2C environment, a decision is much more likely to be made by an individual or a very small group of people, and the focus will remain on individuals rather than organizations.

"Sales teams are managed by numbers, rather than being coached on behaviors"

George Brontén

02. TRANSACTIONAL OR COMPLEX?

The more complex your sales environment is, the more important each action by your sales team becomes. In a transactional environment, collecting and storing data may be a sufficient job for the CRM to do.

As complexity grows, however, so does the importance of the CRM decision. In a complex environment, the CRM should support and reinforce your sales process, by guiding salespeople through the process, reinforcing best practices, and providing resources such as playbooks and content when they need it. It should provide useful coaching insights to the management team. And it should provide accurate forecasting and process optimization insights to the leadership team. In addition, of course, it should be capable of storing complex information in a useful format, including organizing buying team data, tracking interactions among multiple members of the sales and buying teams, and recording qualifying data in a useful and consistent format.

03. PROACTIVE OR REACTIVE?

In a proactive sale, the salesperson actively courts and engages a prospective customer according to a well-defined ideal customer profile. In this scenario, assuming that you have a relevant and helpful solution that aligns with their business objectives, you have a greater possibility to influence and shape the prospect's worldview and decision-making process. At the other end of the spectrum is the customer that already knows what they want and makes the initial contact. Responding to an RFP is an example of a reactive sales process. CRM tools need to be designed for support the sales strategy(ies) that make sense for your sales team(s).

QUESTIONS ABOUT THE CRM

04. PACKAGE OR PLUGINS?

Most modern CRMs come with an assortment of tools that convert the bare database into a more-or-less useful tool for salespeople and their managers. Very few of these packages serve all the needs of any one organization.

As a result, many organizations spend millions of dollars customizing large-scale ERP and CRM systems to suit their needs. And still, many organizations fail.

When assessing a specific CRM for your needs, take a look at the tools that are included in the package. Will they serve all the needs of your organization? If not, are there plugins available to serve those needs?

In some cases, the answers to this question will rule out a particular CRM purchase. In others, the CRM itself may still be the right choice, when modified by the right plugins.

05. EFFICIENT OR EFFECTIVE?

By centralizing data and making it available at the tap of a finger (or mouse), CRM can vastly improve salesperson efficiency. But does efficiency translate to effectiveness? Not always.

Efficiency has often been defined as doing things right, while effectiveness is doing the right things. A highly efficient organization can be highly ineffective, if the focus is on doing more activities without attention to whether they are the right activities.

The right CRM solution for your organization should focus on helping salespeople, managers, and executives understand which activities return the desired results, and reinforce those activities.

06. MANAGING USING A REAR-VIEW MIRROR?

Most CRM packages focus on lagging indicators, such as won opportunities and pipeline size. This is like trying to drive while staring in the rearview mirror. While rearview insights are valuable for future planning, they do nothing to help you navigate and achieve success in the present.

Another issue is the lack of trending reports and the focus on data snapshots in the form of pie charts, speedometers and such. This makes it difficult to spot trends in order to coach and make proactive decisions.

The right sales effectiveness platform will allow you to build a best-practice process and framework onto your CRM that provides leading indicators by which to manage your team. For instance, when a sales manager can see that a salesperson is not completing milestones on a particular sale, they can intervene immediately with coaching and resources to get the sale back on track.

The same functionality allows leaders to quickly identify key performance trends that need attention.

"Companies introduced CRM systems before they had the operating instructions for the sales force"

Authors of 'Cracking the Sales Management Code'

07. HOW DOES IT LOOK?

It's easy to fall into the trap of thinking that aesthetics are not important. After all, what difference does it make as long as the tool does the job it's designed for?

However, study after study confirms that the visual appearance of a tool impacts the user's effectiveness. A study by Sales Performance International in particular says that a visual overview of the sales process produces significant improvements in sales performance. Further, most humans find it easier to digest visuals than text. All of which means, the way your CRM tools look will impact their effectiveness for your organization.

08. IS IT EASY TO USE?

Poor ease of use is one of the top complaints salespeople have about their CRM. Often, they view it as a pointless reporting tool that sucks up their time. And the harder it is to use, the less likely they are to do so.

The right platform for you must evoke a different sentiment from salespeople. It should help them better understand how to achieve their goals, give them the tools they need to do so, and ensure an active and collaborative sales environment. When the platform is easy to learn, easy to use, and provides value to the salespeople, user adoption will soar.

09. ART OR SCIENCE?

The ability to sell is really the ability to help buyers buy - and it is both an art and a science. Most CRMs treat it as though it were only an art. They provide the tools for collecting data and logging activities, but leave the process of selling up to the individual salespeople.

The right platform for your organization will support both the art and the science of sales. It will provide salespeople with a framework on which to develop their skills while advancing individual sales. It will support a collaborative relationship between coaches and salespeople. It will provide accurate pipeline and forecasting data to sales leadership. And it will enable continuous improvement across the organization.

SUMMARY

Purchasing a CRM for your organization is an important decision. You can't afford to default to the generic industry package without first evaluating what your organization needs in order to achieve effectiveness. You need a complete sales effectiveness platform that will support a thriving environment and ongoing sales growth. We hope the questions in this paper will help guide you to making the right choice for your organization.

"A CRM system consists of a database, tools and a user interface. Anyone can build a database. The difference lies in the tools and the interface"

George Brontén

HOW YOU
SELL MATTERS

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