

# 3 REASONS CRM IMPLEMENTATIONS FAIL

November 10th, 2015 • IT Toolbox • Joe Scioscia

Customer relationship management (CRM) is significant to companies' ability to effectively manage several facets of the business, including sales, marketing, customer relations, and product updates. However, according to a study by Merkle Group Inc., 63% of CRM initiatives fail, costing companies thousands of dollars in out of pocket expenses, which negatively impacts future revenue due to missed sales and opportunities.

There are three reasons for these failures: flawed communication of goals for the CRM system by company leaders, lack of organization-wide use, and inability to integrate with existing tools and applications.

Below, I further examine the contributing factors of failed implementations, and offer solutions to ensure a successful CRM experience.

## Communication

A CRM system offers companies a myriad of benefits, as it serves as the central hub for all things customer, marketing, and sales related. But CRM is only valuable if communicated and used properly. Otherwise, it can be an expensive investment with little payoff.

When the benefits and capabilities of a CRM system are not effectively communicated, it causes issues in terms of expectations and responsibilities. Sales personnel, for example, believe CRM tools are just a way for their managers to track their activity and measure their success. But comprehensive CRM programs offer much more than a way to manage appointments. They help to automate the sales process by targeting prospects, issuing follow-up alerts, and tracking the status of customer conversations. In order for sales teams to fully embrace CRM, managers must better explain how employees can use it as a tool to enhance—not

hinder—their sales.

One way to communicate the benefits of a CRM is to position it as a tool that allows for the seamless delivery of customer service. For example, if a customer or prospect calls and the original team member they spoke with is unavailable, another team member can quickly pull up the notes from the last discussion and efficiently answer any questions the caller may have, allowing for a quick resolution by an informed team of experts.

## Lack of Organization-wide Use

To successfully implement a CRM solution, managers must make the tool an important part of everyday interactions with their sales team. By doing this, sales representatives will begin to understand that it's not just a tracking tool but an integral part of the sales process. CRM systems today provide information on top opportunities, open customer cases, calls, and appointments. It



is important as a sales manager to reference and review this data during meetings, and highlight and praise the sales representatives that are using it to reinforce that CRM is a strategic tool for management, as well as for sales representatives.

In order to encourage organization-wide use, stress that the CRM system will help sales reps better manage their time. Sales reps may have hundreds of accounts and prospects, so keeping CRM notes updated to record the last time the sales representative spoke with a contact, and what they spoke about allows them to keep the conversation moving forward, rather than rehashing what was already discussed. In addition, tracking the date of last contact allows sales reps to quickly filter their account database to see which accounts require immediate attention.

Another way to ensure widespread adoption is to introduce the CRM system as a company help desk tool. CRM systems offer “case tracking,” which allows sales and customer service representatives to monitor billing issues, shipment problems, complaints, and any other customer issues. Once entered into the CRM, case information can be accessed by management and other employees, allowing the team to collaborate on the status in a central company database.

### **Lack of Technology Integration**

Many CRM tools don't allow users to seamlessly access their enterprise database. If users are required to enter duplicate information in multiple places, then they fail to see the value of the CRM tools and instead view it as a burden. If the CRM system is connected to the back office database, sales reps get much more than content management.

They gain full access to customer information, product information, order status, order history, and sales analysis –helping them do their job more effectively.

The best way to ensure a successful CRM implementation is to know what you're purchasing and why, and this goes back to executives understanding their employees' needs. To guarantee that the CRM system will meet the needs of sales representatives, have them test the prospective systems and provide feedback before implementation. This will allow users to see the CRM system not only as a way to track but more importantly, as a tool that informs users of what they need to close the sale. Understanding and adopting the full capabilities of the CRM system will lead to a higher level of customer service, increased revenue for the company, and in turn, increased commissions for the sales reps.

