CRM Trends:
Are You Playing It Too Safe?

*If you haven't considered these
CRM applications, you may be.*

Most managers feel that a Customer Relationship Management (CRM) system is strictly for keeping records as a sales function. But the reality is that your CRM system can, and should be, much more than that.

Companies typically implement CRM systems to capture customer information as well as manage and gain visibility into customer interactions. However, we are now seeing an evolution of CRM that is driving up its value for all areas of the company, not just sales.

A Case in Point: The Evolution of Microsoft® CRM

According to Paul Ledbetter, Sr. Manager of Microsoft's Worldwide Industry Supply Chain, "The market is starting to appreciate that Microsoft's approach represents a new category and that we've outgrown the historic definition of CRM and ERP. This is especially true in the Supply Chain (manufacturing, distribution and retail) with the growth of omni-channel and the declining loyalty of shoppers who select based on price, availability and ratings.

"When Microsoft leverages data scientists to incorporate analytics and BI into our CRM and ERP products, the acronyms no longer apply. Add cloud infrastructure, mobility, attractive UI and apps and visualizations through fantastic graphical interactive reporting, and our ERP and CRM systems of five years ago are essentially unrecognizable.

"Aggressive development of vertical solutions and IP by our channel partners drives our ecosystem of products further away from simply a label of CRM or ERP. It's exciting to see this evolution and customers share our excitement when we show our latest results and vision for the months ahead."

Customer Relationships Are More than Just CRM

Today, customers have more power and influence than ever before and, thanks to social media, the customer's experience with your business can literally make or break you—sometimes overnight. Management has realized that CRM can help improve the customer's engagement and overall experience by expanding the role of CRM into all areas of their company—and outward to their partners and their partners' customers as well.

The goal of every company should be "ease of doing business." Customers demand it, or they will take their business elsewhere. Today's savvy consumers have already done their research before ever knocking on your door (or website), and they expect you to quickly jump onboard and solve their problem—not just sell them a product.

The challenge that many companies have in doing this is that Sales, Marketing and Services still tend to operate in silos—each having its own set of priorities. However, the good news is that IT is playing an increasing role in driving a single-platform approach to addressing CRM needs that helps ensure integration between business systems.

There is no longer a need to play it safe—CRM systems of today are platforms built for extensibility. They include not only all of the functionality required to support Sales,

Marketing and Services, but can also be extended horizontally and vertically, supporting multiple devices and multiple deployments, with an architecture that is easy to integrate with other applications within the enterprise.

So the only questions is: Where to begin? There seems to be two driving factors behind CRM investments.

- First is the renewed interest in traditional CRM processes such as CPQ (Configure-Price-Quote) and the customer experience. The revisiting of these areas appears to be driven by continuing pressure to demonstrate business benefits from CRM.

- Second, there are a number of hot areas such as mobility and cloud adoption.

If you are not addressing these factors, you may be playing it too safe.

Let's discuss the following trends that are increasing the value of companies' CRM systems, to the benefit of the customer as well as the company.

1. Mobility and cloud adoption

2. Configure-Price-Quote (CPQ) technologies

3. Customer engagement and the customer experience

CRM Trends: Mobility and Cloud Adoption

Zdnet[1] identifies cloud adoption and mobility as "two of the biggest trends in software."

There is no doubt that mobility is a huge game-changer. According to *PwC's* 18th Annual Global CEO Survey[2], 81 percent of CEOs see mobile technologies as being strategically important to their enterprises.

If a sales manager or rep can't access CRM or the sales tools they need while on the road, it's likely that you won't be doing business with them. Mobile solutions can provide significant competitive advantages by reducing stops in the sales cycle. That's why nearly all analysts are predicting that mobile will remain of high interest for years to come.

And as far as cloud adoption, well, cloud is now seen as mainstream. In 2015, the most common deployment model is a combination of cloud and on-premise, and many major CRM application vendors are promoting their cloud solutions above their on-premise offerings.

As a matter of fact, Gartner[3] is predicting that by 2020, 10 percent of $1 billion-plus organizations will run CRM applications in the cloud.

Is CPQ Tactical or Strategic?

Management has traditionally viewed CPQ benefits such as accurate pricing, faster quotes, automation of sales processes and data for forecasting as tactical advantages. However, this tactical view may cause them to miss out on the very real strategic advantages that CPQ can facilitate. **Read more**.

CRM Trend: Configure-Price-Quote (CPQ) Technologies

According to *Information Age*[4], CPQ isn't an add-on, it's a disrupter. By delivering measurable sales improvements, adding quoting intelligence and enabling the launch of customizable products on a global scale, along with scalability across channels, industries, selling strategies and pricing scenarios, CPQ's ability to transform enterprise businesses is real. That's why it's one of the hottest technologies for 2015[5].

However, these benefits aren't the real reason why CPQ is the most important CRM application today. The real business value of CPQ lies in the demand that exists for it and not from the businesses implementing it. For instance, CPQ lets users:

• Engineer- or configure-to-order the product they want from the manufacturer or distributor

• Receive on-demand product information, guiding them through the sales process

• See the product they have configured or engineered (visual confirmation)

• Calculate accurate pricing for highly configured products

• Receive immediate, complete quotes from the manufacturer or distributor

Microsoft's Paul Ledbetter says, "This morph of CRM and ERP into a new offering is extremely visible through the eyes of CPQ functionality. A year ago we started noticing customers' confusion. They were asking, 'Is CPQ from an ERP solution (inventory, price or availability) OR should it be supported on the marketing, sales and service side with CRM?' The answer ultimately is both as these solutions continue to blend together and become seamless via integration of functionality.

"This is largely based on today's customer who we know is researching products from their phone at their desk (or unfortunately, even while at a stoplight). Product combinations are becoming complex, and 'you might also like' suggestive selling is commonplace. As a consumer, we want a product with favorable ratings from others, a very competitive price point and immediate delivery. CPQ is on the front line of this empowerment."

Paul is right. What makes CPQ such a powerful CRM application is that it empowers consumers to buy the way they want. According to *DestinationCRM*[6], companies adding CPQ to their CRM environments are "turning around declining margins, increasing revenues and outselling their competitors."

> *"Companies choosing to replace multiple and often competing manual CPQ systems with a single enterprise-wide system are seeing a reduction in sales cycle times and an increase in win rates."*
>
> *- Louis Columbus, Forbes Contributor*[7]

CRM Trends: Customer Engagement and the Customer Experience

Customer experience encompasses all aspects of a customer's exposure to your company—from their preconceived perception (perhaps from their research or from your company's ads) and the initial contact (in whatever form that takes) all the way through to the final "thank you" and beyond.

A large part of your customers' experiences has to do with the multitude of ways you engage with them. Customer engagement could include (but is not limited to) printed literature, social interactions, website or chat, field sales, direct mail and in-person or telephone conversations. Is what the customer hearing and seeing consistent across all of these channels? Inconsistent or unhelpful information erodes customer confidence. More importantly, does every customer-engagement opportunity focus on the customer's problems, desires and needs (and not just your need to sell product)?

A recent McKinsey survey[8] found that customer engagement was the number one concern of global companies. Indeed, this is likely the reason that two of the other CRM trends (mobility and CPQ) have risen in prominence.

Take a look at how your business engages customers. One way of improving the customer experience is by integrating traditional systems of record with systems of engagement. We've seen the evolution of IT systems from back office (what we would call systems of record) to what we're seeing today—mobile applications that I would classify as systems of engagement.

For instance, this presentation on Mobile CPQ for Highly Engineered Custom Products shows how the integration of traditional systems of record (such as CRM) with systems of engagement (such as mobile selling systems) can reach customers where they are, delivering a better experience for the customer and a better outcome for the company.

Today, it's imperative that organizations support customers across multiple channels and devices with real-time, personalized information when and where they want it. Add-on solutions can be applied to your CRM system to address customer needs in a personalized way while at the same time improving customer engagement.

Warning: Piecemeal Applications Can Be Hazardous to Your Health

Finally, a word of warning. As described in this *MetaOps* article[9], "Smart companies don't have software initiatives; they have business initiatives that drive software purchases." When you don't have an overall business strategy, you unsystematically collect IT solutions. (Read more to see the many ways this can harm you.) All of this underscores the need to select a CRM platform that can easily extend to integrate applications that you'll need to ensure an experience that will keep customers coming back for more.

The Bottom Line: Don't Play It Safe!

Technology today is more than just software; it needs to be the strategy underlying every business objective. Your CRM system should hold your master view of the customer. It can be linked and easily integrated with all other software; however, you have to make a conscious decision to connect it all. Look at your customer journey and build your CRM strategy on that structure. Choose the right add-ons and utilize the analytics available to learn more about your customer.

For instance, house all call center data in your CRM system. This data will allow you to do things like tailor responses to customers based on existing knowledge about them from previous e-mails, chat sessions, phone calls, etc. On the flip side, it will assist agents in answering customer questions and improve the quality of information they need to get from customers. This connection inside CRM will assist you to capture customers from whatever channel they choose to utilize. CRM systems can now provide coaching on the right leads to follow and the right mediums to reach prospects, dependent upon customized knowledge of each prospect. Of course, all of this is being fed by big data.

For an infinitely more powerful system, integrate your CPQ solution to CRM. Complex information related to your products is shared and used by all of your team members. Salespeople are empowered to cross-sell and upsell on the spot. CPQ improves the buying experience for your customers by selling the way your customers want to buy—across any application, any channel and any device. It becomes easy for customers to make decisions at the point of sale with instant pricing and visual confirmation of configured products. CPQ creates consistent customer experiences that are targeted, personal and valuable.

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End Notes

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