

AbilityCRM Special Report: CRM – Worth the Investment?



A mortgage lender in Kansas implemented a CRM solution and experienced a 304% ROI (return on investment) over three years.

Would a similar investment make sense for your organization?

Many business leaders still question the value of implementing a CRM software strategy. Upgrading or changing your CRM system can be a big decision.

Every business wants improved processes, greater visibility into their sales pipeline, predictability, and increased revenue. The right strategies plus proper execution leads to greater profits.

Value begins with the executives. When the major stakeholders agree on the value and communicate to their staff effectively, the true ROI of a CRM software strategy is realized.

Success is always on the other side of inconvenience.

This special report looks at the three primary executive stakeholders and the value propositions they look for in making a CRM decision.

Three Key Points of View

CEO, CFO, and CIO

For small and medium sized businesses

Usually, in small and medium sized businesses there are three key people involved in making a CRM software strategy decision. As they understand and agree upon the value of a CRM software strategy and take a leadership role in its implementation, the investment will benefit the organization in several important areas.



A Mortgage lender in Kansas saw a 304% ROI over three years. This included the direct benefits of increased sales through seamless and closely monitored sales and marketing workflow and the ability to avoid new administrative staff hires. Other indirect benefits included increased account manager productivity because managers reduced the time needed to review and manage individual account activity.

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CEO

A well assembled CRM software strategy addresses key Chief Executive concerns for benefits and costs. Typically, CEOs want to access certain data about their customers and their business.

Key Performance Indicators (KPI) CEOs look for may include:

- How effective is the sales team?
- What is our cost to acquire a new customer?
- How effective are we at winning new business with existing clients?
- What conversations are we having with our customers and prospects?
- What is the sales forecast for the month, quarter, and year?
- How do the wins / losses compare with last year or last quarter?
- How effective is the customer service group on solving problems?
- Is the company effective in its marketing programs?
- How do we evaluate the life time value of a customer?

“Executives were unable to see what percentage of the leads were becoming sales, or if, in fact, the leads had been lost. We were simply flying blind,” said one sales manager.

With answers to questions like those above, the executives can make confident decisions that will have short and long term implications for their business.

The usual challenge is that this key information is not easy to access because it is located in many different databases. These data “silos” have appeared over time, not by design, but out of necessity because they served a purpose at that point in time. How many of us use spreadsheets to manage quotes, proposals, sales forecasts, budgets, plans, and customer service data? We even see email software used to capture customer and prospect information. Often the information technology team creates a database to capture specific information that a department leader needs to monitor.

All executives understand the soft costs associated with the inefficiency of their staff when they do not have easy access to all of this information. The CEO can justify the decision of consolidating this information into a centralized CRM software system by knowing that the resulting solution will provide a clear view into defined Key Performance Indicators (KPIs) required to lead business growth.

A well implemented CRM software system builds corporate value by systematizing the work intensive processes that lead to greater efficiencies.

CFO

Return on Investment (ROI) is the focus for most CFOs. It can pose a challenge for a CRM evangelizer. This challenge is not because of the lack of ROI. It is because of the many indirect benefits associated with implementing a CRM software system.

Some of the key benefits a CFO will receive from a CRM software strategy include:

- Direct visibility into the sales forecast
- Reduced effort; CRM ensures that clients are quoted correctly the first time
- Retention of client information when a sales rep leaves the company
- Improved customer service and increased accountability that come from capturing all conversations, emails, and support
- Improved efficiency from non-duplication of customer data. Entering data into the CRM or ERP system will populate the other system.

Improved visibility into your company's data and processes allows your predictive analytics to become more meaningful. These analytic capabilities support comprehensive drill-down and roll-up of information that make it much easier for users to quickly get the sales, marketing, and support information they want.

Another benefit CFOs can expect with the implementation of a CRM software strategy is the creation of a formal documentation process to replace many previously undocumented processes. Once the system is operational and adopted they can experience more predictable and manageable business operations that include more consistent pricing, quotes, and orders.

Lease or Buy?

Many companies are taking advantage of implementing a CRM software strategy by investing through a lease program. Here are some of the benefits of structuring a three-year lease that includes the software, implementation, customization, integration, and training instead of paying for the initial purchase outright:

- Lower out of pocket money to get started
 - (Example) - Instead of investing \$65,000 for software, implementation, customization, integration and training, over a three-month period to have your new system set up, you invest \$2,088 per month. In 90 days, your investment is \$6,264.00 instead of \$65,000.
- Peace of mind as you build and fine tune your processes
 - After six months, you have invested \$12,528.00 instead of \$65,000. Your personnel are now comfortable using the new tool and you start to see the business efficiencies you expected.

CIO

While a CRM software strategy and specific benefits are powerful to the CEO, CFO and the Sales organization, the daily support of the solution depends on the efforts of the Chief Information Officer and their staff.

A CRM software strategy can reduce the challenges of an information technology professional in several ways.

From the beginning, the solution will:

- Integrate with the current or future ERP or other existing databases and technology systems
- Transfer specific data fields across the organization's other database systems
- Allow quick access and compile information into custom reports efficiently
- Provide the ability to modify rules of the system as needed

Implementing a proven solution provides increased stability and more flexibility over time than a custom solution.

CRM Software is Flexible and Convenient

Contemporary CRM software systems allow users to access their information from standard browsers over the Web and from handheld devices, like Blackberry® and PC phones. This makes deployment simpler and often less expensive because the right user interface is matched to the right kind of user.

Finally, the centralization and access of data retrieval and archiving is simplified. This not only saves time and money but also reduces the risk of lost data on individuals' PCs if staff members lose their PC or leave the company.

“When we started our CRM initiative,” says Harlan, “we thought it would help us in one way, and as we become more involved with the reality of customer relationship management technology, we are finding more ways that it can improve our business.”

[Doug H. Harlan](#)
Executive Vice
President
and Co-founder
Harlan Bakeries

Summary

Is CRM worth it? The 'worth' of the investment in a CRM software strategy can be measured in many ways.

You will find it in increased revenues, reduced cost, and many other tangible and intangible benefits.

A wise Customer Relationship Management software investment will help you answer these questions:

1. How can I consistently demonstrate to my customers that I care about them?
2. How does my business have to change to make my investment effective?
3. Am I looking at the lifetime value of my customers, and if so, how can I protect my relationship with them for a lifetime?

The real question that today's business executives and leaders must ask themselves is, "What is the cost of doing business without a CRM software strategy?"

Contact AbilityCRM today to understand the value of CRM to your business.

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"In fact, many organizations report that one of their first CRM insights is how poor their data quality is and the effect of this on their ability to truly reap the benefits of CRM."
IDC 2007

[Read the IDC report](#)