



Fact Sheet

Client (or Customer) Relationship Management Systems (CRM)

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Is CRM yet another three-letter computer acronym, or a valuable route to maximising the relationships you have with customers and prospects?

In reality - it's probably both: poor implementation, leading to lack of forecast benefits in some larger firms has somewhat damaged its reputation.

Our E-Business Advisers discuss how your business can properly utilise CRM to gain competitive advantage:

1. What's the purpose of CRM?

The main purpose of any business is to sell things or services to its customers - success as a business depends on that simple premise. CRM systems harness computer technology to improve on just that.

They allow businesses to better understand the needs of their customers, any trends in buying patterns that are emerging - and address those needs and trends before their competitors can.

A corner shop owner might well have this kind of relationship with customers - but larger firms have a tendency to lose this immediate contact with their customers as an organisation as they grow.

CRM helps address this.

Although CRM is often simply seen as software, in reality, it is actually a business strategy.

It involves putting in place policies and practices that promote the collection of customer information and the usage of that information by staff throughout the firm, with the intention of maximising the service to the customer and hence increasing sales.

CRM software facilitates that collection and usage.

2. How could my firm utilise CRM?

The good news is - you probably already are, to an extent.

Many smaller firms have an ongoing relationship with their customers - individuals within a small firm often know that a particular customer is likely to re-order by a certain date.

Unfortunately though, if that staff member leaves, that knowledge is lost.

Also, as a company grows, this knowledge tends to get fragmented into different databases.

A CRM system allows the collection of information that many different departments in a business have about the firms' customers into a central database store, and makes it accessible to all the departments that need it.

It might well involve the integration of several databases.



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Obviously, with the importance of the Internet, it is vital that any CRM system includes this as key element of the strategy too.

For example, marketing /sales staff could create an email campaign to invite all those customers within a particular region to a trade show, targeting those customers who have bought a particular product range - information probably held on the accounts and perhaps stock systems.

Another example may be that a company's accounts department might have information that a particular customer is very slow at paying - but the sales team may well not know this.

There may be issues for the client that could be addressed by the sales team to ensure that payment is more prompt - it might be possible to offer settlement discounts at ordering time to prompt quicker payments.

Because a CRM system can be complex, (sometimes involving multiple areas of information and multiple pieces of software, all tied together in a single interface), it's often thought to be hard to set up.

Because of this perceived complexity of CRM, smaller companies often see it as too expensive or not suitable for them.

However, even the smallest company can implement a CRM strategy, which can be facilitated by software.

There are several simple, reasonably cheap off-the-shelf software packages that are very effective in helping firms serve customers in the best possible way, and in making the best use of information that has been collected.

The most common CRM systems in usage in small and medium sized firms are:

ACT! - also sold as a standalone product, Sage (the accountancy software firm) has integrated this product into its Line 50 and Line 100 products

Goldmine - a range of software products designed to facilitate CRM

3. Useful Links

www.mycustomer.com - Provides examples of information & good practice in CRM

www.act.com - Web site of the ACT! product range

www.bcentral.co.uk - Microsoft UK small business web site

www.goldmine.com - Web site of Front Range Solutions, who produce Goldmine

Disclaimer: we have no commercial links with these companies or their products, and their appearance in this fact sheet is not an endorsement. This Fact Sheet does not constitute legal advice.