SIX CRM MISTAKES TO AVOID

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THE BOTTOM LINE

Whether you’re buying a customer relationship management (CRM) application for the first time or considering a change or upgrade, mistakes can cost you adoption, time, credibility, and – of course – money. Based on our analysis of hundreds of CRM deployments over the past few years, Nucleus highlights mistakes to avoid and why.

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You’ve been tasked with a new CRM initiative – here are some common mistakes to avoid.

MISTAKE 1: PAVE OVER COWPATHS

Whether you’re deploying CRM for the first time, changing applications, or making a big upgrade, there are likely processes and habits in place that fall into “we’ve always done it this way” category, and hinder your ability to take advantage of CRM to truly drive top and bottom-line improvements to your business. Before you start planning a deployment (and certainly before you do any process mapping with developers or consultants), now’s the time to take a hard look at your customer-related processes and identify potential areas for improvement.

Although digital transformation is the current buzzword, it’s not for everyone – if you’re not ready to boil the ocean you should at least look at throwing out the old bath water. Looking to your peers for inspiration can be helpful, and it’s important to remember that your peers aren’t necessarily in your industry. There may be changes in your customer engagement strategy that can benefit from recent vendor investments in areas like micromarketing, e-commerce integration for business-to-
business selling, and cash-to-quote automation, and you may find role models outside your vertical.

**MISTAKE 2: BE A SPECIAL SNOWFLAKE**

Everyone’s business is unique and different – and exactly the same. The best way to kill the return on investment from any CRM project is to decide your customer engagement strategy is so special that it needs a highly customized (read: custom coded) solution to support it. In the old days (say, 10 years ago) companies built highly customized CRM because there were few options with the depth of functionality and configurability to meet their needs. Although you don’t have to go 100 percent out of the box (we do see some companies do it successfully), you can take advantage of vendor investments and experience to create a solution that supports your unique needs.

Using industry-specific versions of many leading CRM products is a good place to start. This can enable you to reduce custom coding, leverage the best practices of others, and reduce both the time to value and ongoing cost to support.

Selecting a partner can be very helpful in this regard as well. If they’ve implemented similar solutions for similar companies, you can take advantage of their subject matter expertise and existing templates and tools to reduce cost and support complexity.

Finally, look for CRM products that provide a high level of configurability and, ideally, those that provide business users with the tools they need to build out custom applications without custom code.

**MISTAKE 3: MAKE MOBILE AN AFTERTHOUGHT**

A number of years ago Nucleus published a study that found that adding mobile capabilities to CRM drove an average increase of sales productivity of 14 percent. That number has only gone up since CRM providers have built out their mobile toolkits and capabilities. Understanding your vendor’s mobile strategy, the level of developer skill needed to build custom mobile applications, and any limitations from a licensing or responsive design perspective are a good place to start. This is one of those areas of caveat emptor: mobile capabilities and ease of development should be explained not with PowerPoint, but with real demos, proof of concepts, and customer examples.
MISTAKE 4: IGNORE INTEGRATION

Integration of CRM happens at a number of different points: between CRM pillars and point applications, between CRM and back-office applications, and, increasingly, between channels of customer contact (such as digital commerce, social, the service or sales rep, and the contact center). Although you may not be looking to integrate your current project with other systems today, it is silly to assume you never will, so it’s worth exploring what those options would look like even if it’s out of view on your roadmap.

Application programming interfaces (APIs) are great, but only part of the solution. You’ll also want to explore your vendor’s partner ecosystem to learn what integration partners are out there, how many ecosystem applications exist and what investments they (and your vendor) have made in easing integration, and what platform tools and capabilities your vendor provides beyond core CRM to support integration efforts. Getting an understanding of what sandbox environments are available and their relative cost can also help you have a better picture of what your integration budget might need to be down the road.

MISTAKE 5: UNDERESTIMATE CLOUD

A few years ago, many companies still had valid reasons to reject cloud CRM: concerns about data security, lack of functional capabilities, questions about scalability and reliability being a few:

- Today we find companies that go cloud spend 20 percent less on security because they can leverage the cloud vendors’ investments and be at an equal or higher level of security with their data.

- Many cloud vendors and their partners have made significant investments in functionality, particularly around both vertical and horizontal functionality and “edge” CRM applications like configure, price, quote (CPQ), and we’re increasingly seeing companies replace aging complex CRM programs like Amdocs and Oracle Siebel with cloud options.

- Increased investment in data centers and a focus on consumer-grade experiences for users have made even the largest CRM deployments (in the exception of a few regions where network capabilities are limited) operate on cloud with no scale or reliability challenges.

Beyond breaking through these barriers, cloud simply delivers more value: our recent study found the cloud ROI multiplier had risen to 2.1 times compared to on-
premise deployments – up from our previous analysis just a few years ago. Cloud
CRM delivers greater ROI not just because of lower initial and ongoing costs but
because of the ability to gain greater benefit over time without the cost and
disruption traditionally associated with application upgrades or changes – making it
a good bet for most companies that plan to change, grow, or face new market
challenges in the future.

**MISTAKE 6: ASSUME YOU’RE FINISHED**

The “fix it and forget it” world of software deployments is over. With many
companies moving from Waterfall to Agile, and many vendors driving application
change and development capabilities down to the business user, it is unreasonable
to expect a static CRM deployment once you go live. The advantage of current
technologies is that you can recreate parts of the wheel, relatively cheaply and
painlessly, as your business needs and challenges evolve, and not break the bank.
Selecting an application that gives you this flexibility will be increasingly important
to competitive advantage in the customer engagement space, as new interaction
channels emerge and the lines between business-to-consumer and business-to-
business transactions blurs. Key signs of such flexibility include not just developer
tools and declarative environments but user training investments, communities, and
peer experts that can interface with and inspire your internal team.

**FINAL WORDS**

The final theme for CRM success is remembering that whatever technology you
deploy has to support human interactions – be it between customers and sales
people, marketers, service agents and customers, or other groups – and addressing
the human factors is the critical piece of any CRM strategy. Understanding the
barriers to adoption – individual, hierarchical, structural, and cultural – and the
strategies and tactics to address them will be critical to success no matter what CRM
path you choose.