



# CRM EVALUATION

Unravel the full power of corporate knowledge, choose the right system and avoid nightmares.

CRM, Customer Relationship Management, focuses on developing and maintaining stable customer relationships, thus reducing churn-rate (Churn-rate = the amount of customers or subscribers who cut ties with a service or company during a given time period).

The fundamental question that top management is to answer is:

- "What is causing the loss of customers? "
- "Why my customers prefer my competitors? "

## **The CRM question**

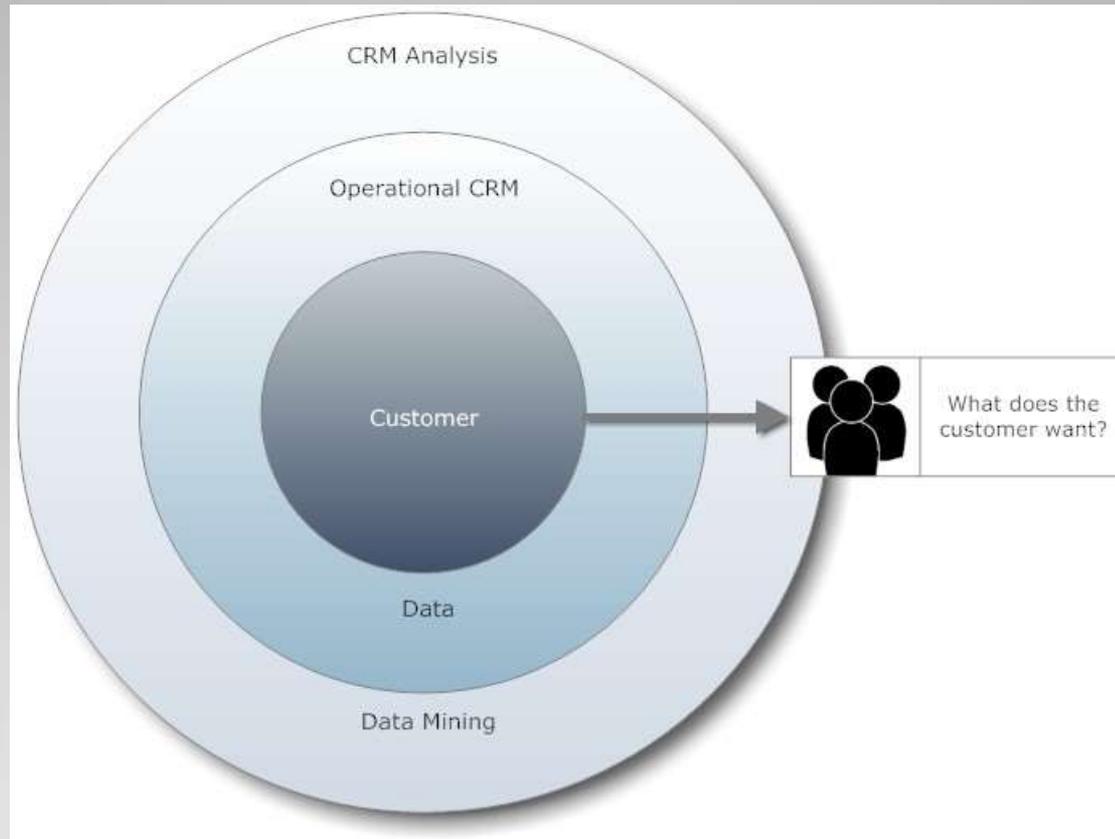
A CRM module is much more than a “module” or “computer program”. It is something which must be integrated with the existing ERP system thru an integration project.

A data-warehouse must be implemented to answer top management fundamental questions:

- How can we retain customers when competitors make special offers and reduce prices?
- Which customers are likely to leave us(customer profiling)?
- How can we define profit margin for a specific customer?
- What is the difference between our products and competitors products?
- Can we anticipate customer decisions, identify customer behaviour and understand well in advance which products a specific customer is likely to buy?

# Goal: better customer understanding

Typical CRM →

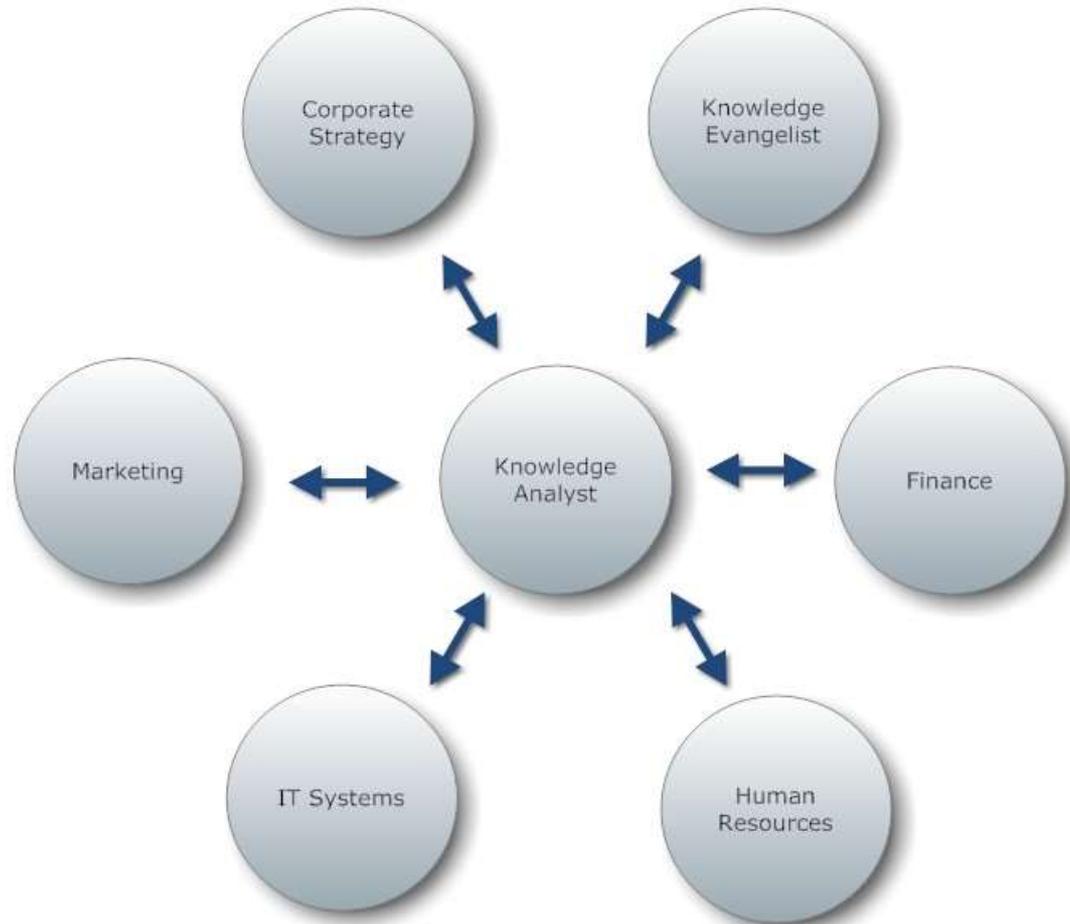


## **KNOWLEDGE MANAGEMENT**

KM gurus often say that we should better understand what, how and why before we can state “why”. In practice that means that we should establish an audit-group to unravel corporate knowledge level. There are many theories which describe how this can be done. An audit-group is normally made of:

- A corporate strategist who defines goals and perspectives for the analysis
- A knowledge evangelist who helps to concretise the KM-view according to corporate goals
- Financial, marketing, IT and HR experts who deal with specific problem areas
- A knowledge analyst who gathers all requirements and wishes in specs that can be used to evaluate technological solutions under the basis of corporate goals

# Audit-group



## **Audit-group**

The assembling of audit-group must be done before initiating the evaluation process. In other words:

- No one starts building a house by analysing tools or techniques
- Always start with a vision about how the house should look like and what it should contain
- CRM vision should include a well-defined model that makes possible to interact with customers all thru customer life cycle
- Audit-group is there to allow CRM-programmers to deliver what has been requested by corporate requirements.

## **The typical selection process**

This is what normally happens:

1. A comprehensive request for qualification (RFQ) or a request for proposal (RFP) is analysed by knowledge analysts
2. RFQ and/or RFP is sent to potential CRM vendors
3. Feedback is analysed and the shortlisted vendors are invited to submit a proposal/offer
4. Selected vendors are organised to show customer-orientated demos to show product functionalities and knowledge analysts analyse each product
5. Chosen vendors are invited to bid
6. Knowledge analysts review demo outcomes and the respective bid, compare prices and contract terms
7. Finally, 1 supplier is chosen.

## **Advantages with this approach**

1. RFP is a complex and time-consuming exercise. System requirements are often taken from departments /branches wish lists. Therefore specs do not necessarily deal with company business needs
2. CRM-vendors often do not have a solution which clear matches with customer requests. Sometimes knowledge analyst do not know or understand the shift in company core business. How competent your knowledge analyst are (this is always a good question..”
3. Many CRM vendors are too busy in analysing RFPs and corporate information need. It may take weeks to reply to RFPs. Sometimes knowledge analyst cannot evaluate this feedback. They must wait for demos to understand bidders feedback. In the demo session, bidders may exaggerate system functionalities and downplay system shortcomings
4. Knowledge analysts often do not have a tool and / or a methodology to compare the various bids. Bids will also be differently structured and that make evaluation even more complex
5. It is fairly difficult for a company to get a comprehensive view out of a CRM-demo, that the vendor would always try to manage on its own. Vendors conducts demos according to their criteria and sales practice. CRM pre-sales consultants are getting more and more sophisticated
6. CRM-vendor representatives very seldom know 100% of the product they sell
7. System integration costs are often hidden by vendors.

**What  
then?**



## **Situation**

- There is no wizard who magically possesses the complete strategy and methodology to evaluate and choose CRM systems.
- There is no error-proof knowledge analyst or CRM-vendor.

## Solution

We can stick to the following rules to reduce the risk of choosing a wrong CRM-system and a wrong CRM-vendor:

1. First knowledge analysis, then analysis of CRM-systems
2. Right specs – no CRM strategy without business-orientated requirements (...and does your system already have the CRM-functionalities you need?)
3. Not too complex – keep project simple, but start with the MUST-HAVE requirements
4. Corporate business competence – knowledge analysts should know the corporate business they are to analyse
5. Knowledge-based processes – therefore we need:
  - A set of technical criteria
  - Vendor evaluation according to these criteria
  - A decision support tool to compare evaluations vs. criteria
6. CRM is always a project – never a plug and play solution
7. Structured evaluation processes, evaluations programs and common sense should be used in parallel. None of them is good in itself
8. Never let CRM-vendors control demos
9. Check vendor's competence accurately – each CRM-project is a different one
10. Check integration requirements with existing ERP system or legacy application system.

## **ERP ABBATE UK LTD can help businesses in the following activities:**

- Proper setting of CRM-requirements
- CRM systems evaluation
- Choice of a CRM system
- Market analysis – refinement of customer-related information
- Customer segmentation
- System integration.

## **Our clients traditionally operate in these business segments:**

- Chemical-adhesive industries (like artificial leather coating, adhesive tapes, paper mill and label printing), with complex product configuration and production planning / control
- Engineering Process Construction (EPCs) industries, with complicated bid preparation and project management
- Machine-tools industries, with complex products
- Retail FMCG (Fast Moving Consumables Goods) companies.

## **Advantages:**

- Requirements assessment and solution design
- Proper Request-For-Proposal (RFP) document
- Goals set-up according to corporate requirements
- Independent evaluation and selection of CRM vendors
- Evaluation of CRM integration costs.

Do you need help in building and shaping your CRM solution?

# Contact us!

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