



Are You Wasting Your Time with a CRM System?

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Customer Relationship Management (CRM) systems have been around for more than 10 years and are likely to stay despite an often-questionable return on investment.

First, let's first take a look at what CRM systems are supposed to achieve.

The basic purpose of CRM systems is to create the "transparent customer" and automate the sales process as much as possible. In the words of a salesperson of a well-known CRM system supplier: "After implementing our CRM system, you will know the customer better than he knows himself."

In one of his earlier corporate positions, Charlie was part of a project team tasked to select and implement a CRM system in a multinational company. The idea was to find a system that could be implemented worldwide, making global customers more transparent and improving international cooperation between salespeople.

The project never made it further than three countries and after investing 4 years of hard work, the CRM system was eventually shut down and replaced with a simpler system.

Why do CRM projects often fail to deliver the promised results?

In our opinion, the ambitious goal of CRM systems – to automate the selling process, making the customer transparent – is impossible to achieve. Why? Because of the nature of customers.

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Don't get us wrong – we are not against CRM systems per se. In fact, they can be quite useful and efficient if used properly. However, we want you to consider important realities that can make or break the system's efficacy. Let's have a closer and more practical look at the issue at hand.

The CRM protagonists will tell you that you have to enter as much customer information as possible into the system. In fact, many CRM systems are programmed so that you can't close a file until you have entered all key information. The sales manager usually decides on the compulsory data. Aside from the fact that this process entails a lot of work and tempts salespeople to enter fake data if actual details are unavailable, the information for input may be historical data, i.e., the situation of the customer could change considerably and, consequently, the data previously acquired could become invalid or even misleading.

We've noticed that salespeople can become totally engrossed in tons of customer data to be entered in the system. They seem to develop a sense of security with the illusion of a transparent customer. This is a risky scenario, as it decreases flexibility and attention to customer changes – and change, as we know, is inevitable.

Can we truly know our customers? Is it really necessary to know them inside out to help them buy?

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Think about what you really need to know to assist your customer in his buying decision. Usually, small but crucial pieces of info are already sufficient. You'll probably need to gather personal or contact information, a bit of buying history, and some filter criteria (e.g., region, industry segment, etc.). It may also be useful to keep notes about your conversations with clients, especially if you deal with many prospects. Simple and relatively low-cost systems can handle these tasks.

We feel that salespeople shouldn't have to spend hours and hours entering historical data into a system that attempts to help us know the customer better. We suggest that salespeople use their valuable time to have meaningful conversations with their customers instead, to assist these buyers in making a decision as quickly as possible – for the benefit of both buyer and seller.

How do potential clients decide? We have observed in numerous discussions with buyers that they usually want to decide on their own. Typically, they welcome assistance from salespeople only if the buyers can't move forward or if the assistance offered provides true or perceived additional value.

Keeping that in mind, you might want to reconsider the kind of information you really need to help your buyers buy. Choosing the data to acquire will make your system light, usable and efficient, and will achieve what it's supposed to achieve: higher sales productivity.

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