

# Leveraging Your CRM

BY SARAH C.M. GONNELLA AND MICHELLE KELLY

**C**RM, the acronym for client (or customer) relationship management, has evolved in the last 15 years but still confuses many business professionals as to its translation and definition. The words *client (or customer) relationship management* seem to make sense but the true purpose of a CRM tool still seems a mystery to many business owners.

The simplest form of CRM is a stack of business cards or sticky notes reminding you to call a client. Many firms take it a step further and purchase a CRM tool to maintain a contact repository for marketing information. Others recognize and utilize its analytical and data-reporting capabilities as well. Those that truly understand the strategic input it brings develop a tool to target marketing efforts, generate sales, and customize client services. In its essence, CRM is the ability to leverage intelligent connections among people, companies, relationships, experience, and expertise through technology to deploy your business objectives.

The key phrase in that definition is *business objectives*. Although difficult to accomplish, you can have CRM without technology, but leveraging CRM intelligence should be done with defined business objectives or goals. Technology enhances CRM, makes information readily available, and streamlines processes through automation. However, sound business objectives require buy-in throughout the organization. When deploying or implementing a CRM system, there are three main areas to keep in mind: marketing strategy, business development/sales, and customer service.

## Marketing Strategy

When thinking about your business objectives related to CRM, it's important to define or segment your audience. Various departments in your organization may see your audience quite differently from another. Segmenting your target audience allows marketing to develop a strong and differentiated value proposition to tell the client or prospect exactly why they should purchase your services. Using one integrated set of analytical data throughout the company and identifying your high-value and

high-potential clients can help executives make key decisions about how much to invest in a particular client set.

## Key Metrics

If you have an integrated system or can pull financial data into the picture, you can take it a step further. Marketing efforts can be expensive. So as a marketer, think like the chief financial officer. Top clients can be identified in your CRM system by project frequency and profitability. When you do a marketing event or effort, what is the return on investment (ROI)? By tying your marketing plan to your CRM program, you can track your promotional efforts to determine what changes need to be made in each subsequent year's planning session.

What other key metrics would be important for targeting existing clients? Can you easily identify whether business has increased or decreased with a client or contact? It's also important to expand your list to those clients who previously used your services and you'd like to provide services to again and to find out what they like about your competition. Discovering this information will allow you to determine what your customers really value so you can leverage statistical information within your CRM to support what differentiates you from your competition.

## Business Development and Sales

Most firms have a sales process or strategy of some form, but some firms still have disparate systems with offices unable to share data. Have you ever called upon a client to find that another office just called them yesterday, or had different offices responding to the same RFQ? Not good. Tracking activities and logging potential opportunities in one integrated system can eliminate multiple people pursuing the same opportunity and reduce redundant entry by capturing project initiation data.

Integration can alleviate surprises when contacting a client. If there is an issue, your firm needs to know what is going on and how the situation is being resolved. A CRM system that is integrated with accounting, project management, and other critical business operations provides benefit and cost savings that eliminate duplicate data entry and inefficient use of time. Additionally,

identifying the person responsible for maintaining or building the relationship within your firm provides a single source (or “client champion”) for the contact. Leveraging this existing relationship is also a great way to cross-sell and encourage collaboration amongst your team.

### Reporting

The reporting function of a CRM database is critical to evaluating your business development/sales process. You can use this information to strategically choose which projects to pursue. Depending upon the system used, report metrics can be segmented in multiple ways, such as:

- department, market, type
- opportunity lead/project manager
- where in the stage an opportunity was lost
- short-list versus win
- win/loss percentage by quantity of proposals submitted or by revenue
- promotional time spent by department
- success against identified competitors
- pursuit cost versus project revenue

Knowing the history of past pursuits can help future go/no-go decisions and improve your win rate. Additionally, this quantitative data can provide an opportunity for more qualitative discussion for the team. Capturing information all the way through the proposal, interview, and outcome of a project provides insight on effectiveness and the ability to analyze sales team performance. The challenge is that it takes a dedicated effort by a team member(s) to consistently keep the database updated. However, keeping your business objectives in perspective, how valuable is the data? Tying this data to incentives is a great way to encourage updated information.

### Customer Service

Imagine your competitors with a tool that could help them stay in touch with clients more effectively, stay on top of project deadlines, and manage critical client correspondence. In the boom years when there were tons of projects and firms were growing as fast as they could hire people, CRM seemed like it was necessary just as a data tracking and forecasting tool. In today’s economy, it is critical to keep clients happy and have the ability to remain as the top choice for clients when new projects are being planned.

An August 2010 study conducted by SMPS found the following reasons that clients move to select other companies with whom to partner on projects:

- 3% move away
- 5% develop other friendships
- 9% leave for competitive reasons
- 14% are dissatisfied with the product or service
- 68% quit because of an attitude of indifference toward the client by some employee

## Sample Reports

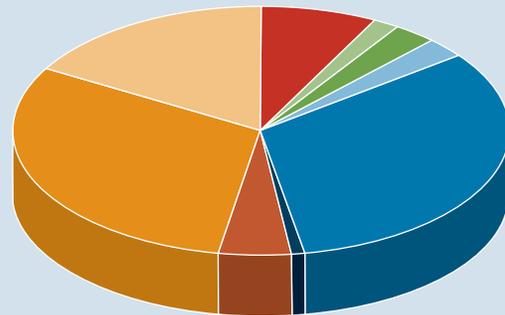
You can examine sample CRM reports in MySMPS. On [www.mysmps.org](http://www.mysmps.org), click on the Marketing Resource Center tab, then select “Sample Documents” and “CRM Report Samples.”

## Marketing Strategy Example

An example of leveraging an integrated system includes providing the “Client Champion” (or your firm’s primary contact) a report identifying when business has increased or decreased over a period of time for a client. Criteria important to identify could vary from number of projects, to volume of business, to time frame. This automated report would indicate when the Client Champion should take action. Additionally, this information provides marketing with insight for future campaigns.

## 8 Tips for a Successful Implementation

Read Sarah Gonnella’s blog post on MySMPS for more tips on a successful implementation. On [www.mysmps.org](http://www.mysmps.org), search “Gonnella,” click on her name when it appears, and then select “View Sarah’s Blog” on the left side of the profile screen.



2011 Technology Survey Results  
CRM Technologies Currently Used

- ACT!
- Axiom ajeraCore or ajeraComplete
- BST Global Enterprise
- Cosential Enterprise
- Deltek Vision
- Goldmine
- Salesforce.com
- None
- Other

Source: 2011 SMPS National Technology Survey

In fact, a 2001 Bain & Company study published in *Harvard Business Review* found that a 5% increase in client retention can increase profits by 25 to 95%! Many firms do not proactively manage their clients' satisfaction or try to understand how clients feel about their employees or the work they do, yet it is six to seven times more expensive to gain a new client than it is to retain an existing one.

Your CRM system can help track critical data and communications that will facilitate better customer service. Here are some questions to ask each person in your firm who connects with your client (this includes principals, marketers, project managers, and finance) when evaluating customer service.

- What are you doing to make sure those high-value and profitable clients are well maintained?
- Do you know the last time a client was contacted or the last issue a client had with your firm?
- Who is responsible for staying in touch with the client—the project manager, business developer, principal? And how often?
- When you deploy a client satisfaction survey, do you track that information so you can evaluate if you have improved?
- Better yet, what is your follow-up process to ensure a concern is resolved?

Developing processes surrounding customer service and utilizing a CRM system to track the information can help others in your firm know what is going on with a client. Utilizing automation also can alert others when there is an issue. Effective customer service starts with effective internal communication.

### CRM Can Be a Success!

While a CRM system can be a robust tool to measure and assist in the implementation of business objectives, the system won't work without the total buy-in of top leadership and a support team to implement and update the tool. Clear expectations must be established to determine how it will be utilized and measure

business objectives. Getting the team to understand the value of contributing to and maintaining the CRM system takes time. If the benefits are not clearly stated and/or realized, support will wane. A successful CRM is not an elusive goal if careful planning and execution are committed to by the employees and executives of an organization.

A true solution requires an upfront discussion to identify the who, what, where, when, why, and how questions and the most important question: What do you need? There are several components to leveraging a CRM system, but the first step is a well-thought-out plan that includes understanding the company's goals and future growth strategies. As with all technology, a system is only as good as the people who design and manage it.

*Editor's Note: This is the next in a series of articles on marketing technologies, authored by members of the SMPS National Technology Committee.* 

### About the Authors

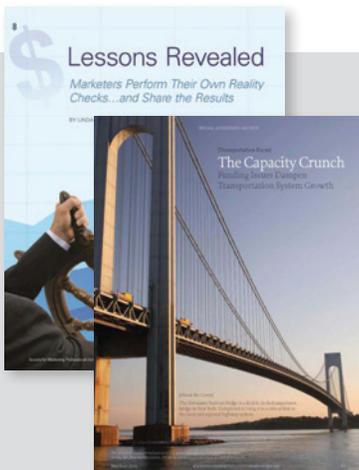


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**This is their first contribution to *Marketer*.**



## Breaking News

**Marketer** Contributing Editor **Linda Mastaglio, ABC**, won a 2011 MarCom Gold Award for "Lessons Revealed: Marketers Perform Their Own Reality Checks and Share the Results," the cover story of our February 2011 issue.

At the same time, she won an Honorable Mention for "The Capacity Crunch," a technical article that appeared in the March 21, 2011, issue of *Engineering News-Record* (ENR). The article discusses the dampening effect of funding issues on transportation system growth.

Linda has been writing professionally for over four decades and has won many national and international awards for communication excellence. The owner of her own communication consultancy since 1996 ([www.twi-pr.com](http://www.twi-pr.com)), she has also written and edited books and owns a publishing company that develops stimulating art products for senior adults ([www.twipublishing.com](http://www.twipublishing.com)).