



10 DIRECT WAYS CRM WILL GROW YOUR COMPANY'S SALES

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If you've ever wondered how CRM can help your business directly increase revenue then this article is for you.

As a sales business development and CRM (Customer Relationship Management) applications consultant, I am often asked by corporate executives to clarify exactly how a CRM system can result in tangible economic rewards for their company. Essentially they want to know if CRM is just software hype or can it really help grow revenue, enhance customer satisfaction, and increase profitability. The answer to this question is a resounding Yes with the qualification that a CRM solution needs to be planned out well and rolled out strategically. All too often, these key components are overlooked, in which case the CRM initiative is almost certain to not achieve the anticipated level of success. Many articles and books have been written on how to execute a CRM initiative but let us assume for now that this is done well and focus specifically on **how CRM can help you increase revenue**. Here are 10 direct ways in which a well planned CRM implementation can do exactly that.

1. Increased salesperson follow-up effectiveness and organization!

An important attribute for a successful salesperson is the ability to effectively follow-up on sales leads and opportunities in a timely manner. Simply put...do what you say you're going to do. A good CRM system will give the salesperson the ability to **easily** capture, manage, schedule, and view tasks, appointments, emails, and notes in **one** centralized location. It will also provide the ability to set reminder notifications so critical activities and appointments don't fall through the cracks. More often than not, this capability alone can justify a business's investment in CRM.

2. Increased efficiency of sales and marketing representatives!

Sales and marketing personnel spend a good deal of time meeting, networking, calling, and communicating with prospects, existing clients, partners, vendors and others. In the process they acquire an array of disparate information and generate future activities, appointments, and commitments. CRM will provide them with the ability to quickly access account and opportunity activity history and share this information with other team members. A good CRM system will also automate routine activities such as trade show follow up communication, lead routing, sales stage progression, quote creation, etc.

3. Use quota's to benchmark sales success!

Studies have shown that the use of sales goals and/or quotas both for the organization and for individual salespeople has a significant positive influence on sales performance. Goals and/or quotas help us to benchmark expected levels of company and individual performance. Shortfalls in meeting sales and marketing goals prompt us to rethink our strategy and refocus our efforts to get us "back on track". When gauged against historical, external, and internal performance, goals and/or quotas become powerful success tools. CRM can provide an enterprise with the ability to easily manage and track goals and quotas in a many areas such as lead generation, closed sales, quotes outstanding, contacts made, and more.

4. Accurately forecast sales pipeline

All too often sales managers come up on the end of the sales period and find they have not met their planned sales commitments. Unfortunately, very little can be done to remedy the situation at the time. CRM can provide the sales management team with the ability to easily predict future sales in a number of powerful ways such as revenue by month, by product, by sales stage, by region, and by salesperson. This can provide valuable insight into what working and what not, bottlenecks in the sales process, poor performance, etc. If sales projections suggest company goals will not be met, this can be identified well in advance and potentially remedied.

5. Replicate and institute proven sales methodologies throughout your sales organization!

A good CRM solution will allow your organization to institute an automated and proven sales process that replicates the practices used by your top performers. Standardized and automated activity creation, sales stage progression, and close probability forecasting will make it easy for sales representatives to implement the process in their day to day activities and will provide the organization with a consistent method of tracking performance and forecasting the sales pipeline.

6. Build a database against you competitors and share across your organization!

Every salesperson accumulates important competitive information on just about every sales opportunity. Most of the time, this information could be of value to other sales and marketing representatives in the organization also if it was shared. Typically however, this competitive insight is not shared except perhaps within the team and even then in a poorly organized manner. CRM can provide the ability to capture this competitive insight and make it generally available to all business development members. Information such as competitive strategies, SWOT analysis, win/loss history, pricing, and product information can help give your company the competitive edge.

7. Identify product sales and competitive trends

CRM can make it easy to compare historical sales results with current results and empower business managers with the information needed to make changes based on marketplace trends and the competitive environment. Declining win/loss ratios for a specific product line, for example, may suggest new entrants to the marketplace, lower pricing, or poor quality. The ability to capture why a sales opportunity was won or lost can provide key insight into company strengths and weaknesses.

8. Effectively nurture prospective and existing customers!

Without CRM, nurturing prospective customers is typically quite difficult because it requires the management and analysis of a wealth of information such as product line interests, purchase history, business/decision roll, etc. CRM can allow salespeople to easily capture this information and execute automated campaigns that keep you in front of a prospect so that when they are ready to buy they think of you first.

9. Analyze marketing and lead generation results!

Marketing dollars are limited and we want to spend them effectively so that we can create the most value for our company. CRM makes it easy to associate sales leads with the marketing activities that generated them making it easy to identify what marketing activities are most effective in helping your business grow.

10. Share account and opportunity information throughout your sales organization.

Dispersed multi-region sales teams often work (or would like to work) on the same customer account but perhaps for a different division or section of that account. The ability to easily

share historical sales and activity history with other sales account representatives can give your business the ability leverage these relationships to open new doors and create new sales opportunities.

Consider the value!

Consider the value of acquiring just a few of these capabilities within your organization. Would these capabilities increase your sales and marketing success by 10%, 20%, or even more? For most businesses, even a modest 5% increase in revenue generation will return the investment in a well planned CRM solution in 3 to 4 months. A 10% increase typically results in a payback period of around 2 months. The point is, the value in CRM is there. However, it is worth investing the resources to roll out a CRM initiative strategically so this value can be realized. This means planning and training. If rolled out correctly, a good CRM system can help your business achieve new levels of revenue growth.

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