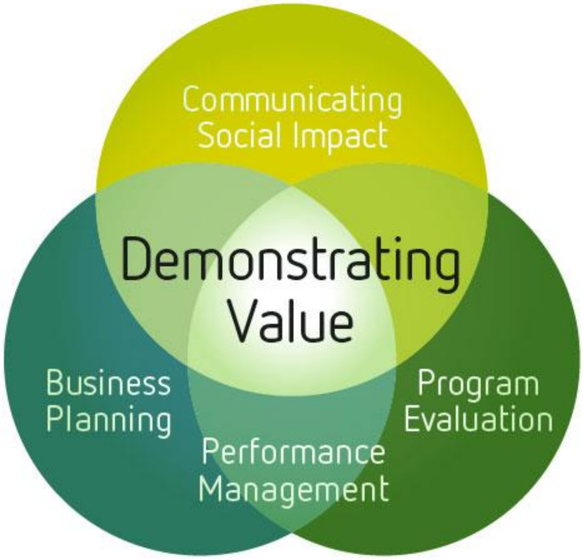
Keeping It All Organized

SYSTEMS FOR UNDERSTANDING & MANAGING CUSTOMER RELATIONSHIPS

December 2013



Acknowledgments

This guide was developed by Claudia Bierth and Bryn Sadownik as part of the Demonstrating Value Initiative at Vancity Community Foundation.

Contents

Introduction

Client Relationship Management (CRM) systems are a mix of policies, processes and strategies used by organizations to manage contacts and track their interactions with their stakeholders, including customers, suppliers, volunteers, employees, funders, donors, clients and others. Keeping these contacts organized can be a challenge, especially as organizations grow in size, so many seek to develop more formal systems for tracking this information using CRMs. Yet selecting and effectively using CRMs can be a challenge, especially for organizations with limited resources. There are many different options. Which one is the best for you? This short guide presents some guidelines for selecting and using CRM systems.

Key Decision Factors

Web-based or In-house?

CRM systems have conventionally been installed on an organization's computer system as a desktop application that is run on a network. Increasingly, web-based systems (also called 'cloud computing') are being offered as an alternative. In this case, you do not own the software; rather you subscribe to it by paying a monthly or annual "service based" or "pay-as-you-go" fee. This approach is attractive because of its lower cost of entry and the advantage of bypassing the set up of potentially costly infrastructure. Other reasons for choosing this model include:

- Rapid implementation, although this can vary, depending on the vendor.
- Rapid transmission of information across organizational lines and locations.
- Ability to access web-based CRM from anywhere provided you have Internet access.
- Automatic upgrades.
- Scalability (ease in which to increase capacity of the system as you grow).

The main drawbacks are:

- Loss of control over where the data resides.
- Dependency on network connections.
- More complexity in integrating the CRM's data with other applications.

In-house systems may be designed to integrate with other office/accounting software you may have.

Examples of systems are shown on the next page (inclusion on the list doesn't represent a product endorsements)

Examples of web-based CRM solutions:

- **Salsa:** designed for the non profit market. www.salsalabs.com
- **InfusionCRM:** designed for small to medium enterprise market. www.infusioncrm.com
- **CenterBase:** can be in-house or web-based. www.centerbase.com
- **FreeCRM:** free/low-cost $ www.freecrm.com
- **SalesNexus:** focus on small business online contact management, offers much flexibility and customization. www.salesnexus.com
- **Salesforce.com:** one of the most popular web-enabled CRM systems, accessible from any browser, customizable in many ways, and available to nonprofits for no fee through the Salesforce.com Foundation

Examples of in-house CRM solutions:

- **Prophet CRM:** Microsoft Outlook based CRM solution that runs on a peer-to-peer network without the need for MS Exchange Server. www.smallbizcrm.com/outlook-based-crm-prophet
- **LeGrand CRM:** Designed for small businesses that use QuickBooks for their accounting systemwww.legrandcrm.com
- **ACT! By Sage:** Contact and customer manager, easier and less costly than a full CRM solution. www.act.com

Will it replace multiple data systems currently? If not, how will you integrate the data?

Some CRM systems are designed to manage a lot of different functions within an organization and are integrated with other functions (inventory, sales, customer relationships, surveys, fundraising, volunteer management, etc.) while others are very specific. When you develop your CRM system, it's useful to consider what functions you want it to perform and, if you will use it alongside other systems, whether you can integrate the data from multiple sources. Your options include:

Replacing multiple tools with a single application suite

If you want to replace your current systems or merge data sources, you may want to check out larger suites such as salesforce.com or Blackbaud. There are also many industry-specific solutions that are already set up to address the particular need of your line of work.

Maintaining multiple systems but integrating data between them

If you don't want to give up the functionality of an existing application or don't have the resources to adopt a single solution, it is often possible to integrate data between applications. This can be done a few ways:

- Programming custom feeds that will synchronize the data between applications. For example, organizations that utilize Blackbaud or Kintera to support them with their online presence integrate them directly into their Raisers Edge donor systems.
- Developing a central datamart or data warehouse, an independent storehouse that communicates individually with each application and works as a hub for reporting and data transfers. However, the implementation of such a system is rather complex and expensive.

Open Source?

Why open source?

A significant benefit of open source CRM systems is related to price, as they are often free or low cost. Customization is also cheaper with an open source system, since proprietary CRM software can be difficult and expensive to customize.

Downside:

The downside to open source CRM software is that a hidden price tag sometimes exits, since support is not always readily available and it often comes at a cost. Open source software choice is still limited and a proficient IT person/team is needed in order to really benefit from it.

Open source examples:

- **CentricCRM:** Adaptable for small or mid-sized corporations or businesses with complex sales environments. www.concursive.com/show/concoursesuite
- **vTiger**: Comprehensive CRM feature set for small and medium businesses, including a Helpdesk, product database, strong Outlook integration, and mass emailing. www.vtiger.com

How to select a CRM system

The selection decision will have a major impact on your success. The key is to systematically select a system by being clear about the following key questions.

1. **Where are the gaps of your current system?** What are the data/information you are currently tracking and what is the technology/approach to track them? Do you have an integrated approach?
2. **What do you need from your future CRM solution?** To determine the CRM features and capabilities, identify the larger organizational requirements, the needs and expectations of the customers/stakeholders, where current customer/stakeholder

management processes need to be improved, and how staff requirements can be reduced.

3. **Define the data to collect and report:** What data do you need, how can you collect them and who will be the users of these data?
4. **What is your CRM software budget?** Find the right balance between affordability and functionality (e.g. choose web-based system over a hosted CRM system).
5. **Do you qualify for a free CRM system version for non-profits?** E.g. Salesforce.com and CiviCRM are available license-free to nonprofits, but still may require significant customization to handle the broad range of nonprofit needs.
6. **Cost Calculation (one-time and ongoing):** Calculate total costs over three to five years (including training, support, and maintenance as well as direct software costs). Plan to review the decision in a couple of years, as the enterprise grows.
7. **Broader CRM systems:** Look for tools that increase your overall outreach and impact rather than those that focus on a certain group of stakeholders.
8. **Do you have the right technology staffing?** With no IT staff to cope with demands of an in-house CRM software package, a web-based CRM solution might be better.
9. **Technology infrastructure – CRM system integration:** How will the CRM software integrate with existing ERP (enterprise resource planning) and accounting packages (e.g. solutions that allow you to connect to and share data with other systems via "open" - public, free, or nominal cost - methods)? Do you have a good customer support program to assist with the implementation of your CRM solutions?
10. **Data profiling:** Spend time deciding how to profile the companies and contacts in your database and check whether this can be properly handled by the CRM software.
11. **Compatibility with current email/contact management program**: (e.g. MS Outlook) Can the CRM system be fully integrated?
12. **Buy-in of your colleagues is essential**: Ensure that your colleagues are included in the decision process and encourage your staff to use the product in their private capacity to make it a way of life.
13. **Request a CRM system presentation:** Ask a salesperson to simulate your working environment as well as possible (e.g. fielding calls from prospects, creating their new record on the fly, generating reports etc.).

How to avoid failure

CRM initiatives often fail because:

- The focus is on the implementation of the software rather than on first considering the sales processes and customer interactions that need to be improved or redesigned before software implementation. There is also a lack of focus on providing staff with the resources, context and training to make the best use of the new system[1].

- Data collection is not systematized and integrated or consolidated in one place. Organizations often track and collect information in an informal way and a series of different places that make it hard for the staff to access it and analyze the correlation of the different data (e.g. Excel, Outlook, NW List serve, and even paper!). The systems don't "talk" at all - or not easily - to each other and, therefore, people who access data get different results as they are running different queries.

Being aware of these pitfalls before implementing a CRM initiative can save you a lot of time and frustration in the future.

[1] Rigby, Darrell K.; Frederick F. Reichheld, Phil Schefter (2002). "Avoid the four perils of CRM". Harvard Business Review 80 (2): 101–109.

Appendix: Sample of CRM software options

The following is a list and web addresses for CRM software solutions. The summary description is taken from the vendor's website and does not reflect our own review. Inclusion on the list does not reflect our endorsement of this software. A number of resources exist that review and compare CRM software, for instance Techsoup (for non-profits) (www.techsoupcanada.ca/en/search/node/crm) and Business software.com (www.business-software.com/crm/)

Free / Low Cost CRM Software

ebase

www.ebase.org

Non-profit focused

ebase® supports nonprofits by providing the tools to manage relationships with the people that support and sustain an organization. ebase® can be used to manage contact information, membership and financial data, volunteer data, event information and outreach campaigns.

Metrix Client

metrix.fcny.org

Non-profit focused

Metrix is a centralized contact management system for non-profits, designed to help organizations track funders, clients, events and more. Metrix consists of a user interface designed in Microsoft Access and a Microsoft SQL Server database. It is compatible with the free version of SQL Server, the Microsoft Desktop Engine (MSDE).

Zoho CRM

www.zoho.com

Business focused; web-based

Zoho CRM offers businesses a complete customer relationship life-cycle management software for managing Sales, Marketing, Customer Support and Inventory activities in a single system. This web-based system is simple to use and includes features for automation, customization, integration and collaboration.

Sumac

www.sumac.com

Non-profit focused

Sumac is a complete non-profit software solution that manages everything from contacts, donations and communications, to memberships, events and volunteers. It helps non-profits enhance rapport with their community, maintain organizational data memory, increase fundraising revenue and accomplish their mission. Sumac integrates with everything in the office environment and the software's modular architecture allows organizations to add features as they grow.

Other CRM Software

Blackbaud (formerly Convio)

www.blakbaud.com

Non-profit focused; web-based

CRM and an array of companion services help achieve outreach and fundraising success in direct marketing, events, planned giving, major gifts and advocacy. The full suite is easily configurable, scalable and extensible to the unique business process requirements of any organization and is both reliable and secure. Luminate CRM gives organizations a complete view of constituent relationships and powerful analytical capabilities to support direct response and business intelligence.

CiviCore

www.civicore.com

Non-profit focused; web enabled

CiviCore makes client tracking simple and affordable, working with organizations to create databases that make it easy to enter information about clients and produce reports for funders and program managers.

Relenta

www.relenta.com

Business focused; web-based

Relenta is a social CRM, email, contact and task manager that uses a simple user interface to keep all contacts, messages and activities on the same page, allowing organizations to avoid data fragmentation. Free and paid versions are available.

Maximizer

www.maximizer.com

Business focused; on-premise, web-based, or cloud-based options

Maximizer CRM offers simple, easy-to-use CRM software, Cloud CRM, Mobile CRM, or Contact Management solutions for sales, marketing and customer service to ultimately boost productivity and revenue. Maximizer CRM can meet the needs, budgets and access requirements of entrepreneurs, medium and small businesses and divisions of large enterprises.