
Contents

Apples to Apples: What All CRM Solutions Need to Do Well.....	2
How to Leverage Your Customer Database for Marketing Success.....	4
SaaS-ifying CRM and the Resources Supporting It.....	7

Introduction

Whether you're just starting out a business venture on your own, or have been in business for years, customer relationship management (CRM) plays a vital role in organizations of all shapes and sizes. CRM technology is rapidly growing, and with thanks to the Internet of Things (IoT), it is easier to tie everything together, keeping track of business processes and customers.

This white paper discusses the latest CRM features that satisfy KPIs, ways to gather customer data in order to market to them correctly, and when as well as how to take CRM to the cloud. All three topics mentioned will help you get the most out of today's CRM systems.

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Apples to Apples: What All CRM Solutions Need to Do Well

By Timothy Landers

Customer relationship management (CRM) software companies have recently announced a new wave of state-of-the-art software that complements the Internet of Things by working together with enterprise resource planning, Voice over IP, and Amazon Web Services technologies. As a result, expectations have grown significantly among businesses seeking more capable CRM features and functionality. In fact, the list of features in recently released

CRM software solutions is impressive, including:

A map with travel instructions	Remote synchronization	Mailing labels
Dialing capabilities	Calendar integration	Stand-alone and multiserver setups
On-premises solutions	Customer contact hyperlinks	Customer contact information pages
Customer contact and account notes	Reporting options	Mobile access
E-mail integration	Customer company Web sites	Web browser interface
Real-time alerts	Letterheads	Daily schedules and to-do lists
Automated e-mail campaigns	Social networking pages	On-premises or hosted CRM
Customer contact groups	Customer contact history	

In addition, advanced CRM features include integration into other popular applications, such as Microsoft Outlook for e-mail or Facebook for social networking, and synchronization with remote, mobile, and other applications. Each CRM solution also contains unique features that set it apart from its competitors.

The Most Sought-after CRM Features

In a side-by-side comparison of the top CRM software solutions performed by Marketing Charts, the four most sought-after CRM features—as taken from more than 5,000 surveys of potential CRM software buyers—were:

- Contact management (45.2%);
- Note-taking capabilities (28.1%);
- Reporting and analytics (25.9%); and
- Integration (24.4%).

Technically speaking, feature 1 indicates a demand for the CRM solution to track customer communications; feature 2 indicates a demand for allowing businesses to capture free-form text notes on conversations, research, and interactions related to customer nuances (distinctions); feature 3 indicates a demand for displaying meaningful data from queries and searches for use in referencing customer contact information; and feature 4 indicates a demand for sending and perhaps receiving e-mails as a primary method of internal and external communication.

Essential Key Performance Indicators

From a key performance indicator (KPI) perspective, every CRM solution should provide two comprehensive functions: The capability to analyze potential and existing customers to engage new or retain existing customers and to increase potential sales revenues.

All CRM solutions should therefore provide:

CRM analytics. Tracking customer actions is necessary to measure the effectiveness of CRM efforts in mission-critical customer interactions. This information yields new sales as well as customer satisfaction, but CRM analytics proves that customers are equally profitable. For example, when a potential customer responded to an initial e-mail communication but never responded to follow-up e-mails, calls, or chats, the time the sales person spent was returned void. However, the potential customer that responds consistently and eventually purchases products or services results in a profitable return on investment for the business. Therefore, a strategic approach using CRM analytics can be enforced to optimize the productivity of sales efforts as well as potential revenues.

The capability to parse information to identify opportunities. All CRM solutions should therefore manage:

Opportune customer contact times. Differing from analytics, the CRM solution must provide a means for determining when a customer should be contacted, what follow-up information is required, and for quickly referencing customer preferences as required to maintain customer relationships. For example, a potential customer asks to be contacted on his or her mobile phone within 24 hours of a new commercial business being listed for sale in the 10021 zip code, but when a residential listing for high-net-worth individuals is listed in the 91010 zip code, the contact would like to receive the seller's terms of sale immediately at his or her offices in Dallas, Texas, by text message. Although complex, this feature ensures the serviceability required to simultaneously increase a business' customer base and revenue potential.

Summary

An apples-to-apples comparison of the numerous CRM software solutions empowers potential CRM software buyers by highlighting key features that satisfy KPIs. As a result, potential CRM software buyers are well informed and can select a high-quality CRM solution that embraces their objectives and offers the greatest value for the best price.

About the Author

Timothy Landers, a principal at Universalinet.com, has an MBA in Technology Management and is a Project Management Institute–certified Project Management Professional with more than 15 years in the IT industry. He has written more than 28 courses for corporate training and higher education as well as product manuals and professional certification exams. Timothy is an analyst with Studio B.

How to Leverage Your Customer Database for Marketing Success

By Cindy Waxer

There once was a time when dog-eared ledgers and Excel spreadsheets helped business owners keep track of customers' preferences and buying history. But those days are long gone as point-of-sale systems, customer relationship management tools and marketing automation technologies churn out reams of in-depth, transactional data. To aggregate and manage this data, savvy marketers are building robust customer databases. Populated with details ranging from a customer's name and mailing address to buying history and credit score, they're helping marketers better target customers, boost sales and drive customer loyalty.

While customer databases aren't exactly new, they are becoming easier and more cost-effective to build. "It's now more practical for many more companies to build these databases," says David Raab, CEO of Raab Associates, a New York-based marketing research firm and consultancy. "It used to be just the elite of marketers who could build them."

Nor must marketers rely heavily on IT expertise to get their customer databases up and running. Rather, Raab lists the continuing maturation of customer data platforms as one of the top 4 marketing tech trends to watch in 2014. "Marketers will have an increasing number of ways to build consolidated, multi-source customer databases without waiting for help from their IT departments," he wrote in a recent blog posting.

Yet nearly 50 percent of marketers agree that data is the most underutilized asset in their organization, with less than 10 percent saying they currently use what data they have in a systematic way, according to a Teradata Data-Driven Marketing Survey 2013. What's worse, about half (48 percent) of all marketers are still just using data on an ad hoc basis, while about a third (33 percent) have embedded it systematically or even strategically into their standard processes. In the next 12 months, 56% of marketers expect to be using data to systematically drive their marketing.

Luckily, there are steps marketers can take to glean the greatest value from their customer databases. Here are 3 ways to get started:

1. Collect the right data

There's no shortage of information marketers are capturing about their customers and storing in robust databases. There's transactional data which features a customer's buying history and provides marketers with important insight into future buying behavior. All customer databases feature basic demographic information such as age, gender, income, and mailing address. And psychographic information can shine a light on a customer's hobbies and interests – factors that may influence purchasing patterns. The challenge, however, is avoiding a data deluge. "There's a lot of noise out there," says Chris

Osborne, vice president of data and analytics at Transcontinental Media, a publishing, media and marketing company in Montreal, Quebec. “There’s simply too much data to collect.” The solution, says Osborne, is to bring a data specialist or analyst on board when deciding what types of information should be stored and sliced within a customer database.

“When a marketing team is starting to think about their objectives, they need to have a data specialist in the room – someone who knows the data world and who can tell them the five pieces of data they absolutely need to collect and how to measure its value.”

In addition to identifying what types of data should populate a database, Osborne says that “involving a data person upfront in the planning can ensure that the data wrapping and data flow is executed properly so that post-campaign, the reporting and metrics that you need will be there.”

2. Get your data ready for prime data via segmentation

A customer database is more than simply a repository for email addresses and transactional data. Rather, savvy marketers know how to divide their data into customer segments – clearly defined groups of customers who share interests, buying history, salary range, or any number of other defining characteristics. Whatever the case, only by segmenting customers can marketers truly leverage their customer database to target and communicate with consumers effectively.

Writes Arthur Hughes, vice president of the Database Marketing Institute, in a blog posting: “To create these communications, you must have several things: a database with data about the customer that can be used for personalization, a segment containing that person, a marketing plan for the segment, and an automatic system to produce the communications that uses all of the above.”

But that’s not all. Data must also be clean and accurate if marketers are to successfully segment and target consumers. “You need to have proper processes, rules and standardizations in place to cleanse and load your data and ensure proper quality-control metrics,” advises Osborne. “Things like cleaning your data on the way in, address correction, setting up business rules – all of these standard operational elements need to be put into place.”

3. Train your sales and marketing teams.

When it comes to driving adoption of a customer database, Osborne warns that marketers shouldn’t expect a “Field of Dreams” scenario where ‘if you build it, they will come.’ “Training is a big deal,” he says. “It’s about giving people the tools they need, and

they access they require, to leverage a customer database properly.”

For example, marketers should encourage sales representatives to add information to a customer database based on their interactions. Perhaps a sales rep visits with a customer and discovers that he is no longer interested in a particular product. By entering this information, and updating a customer's profile within a database, sales and marketing can work together to ensure that a customer is receiving the right offer through the proper communication channels.

About the Author

A Toronto-based freelance writer and content strategist, Cindy Waxer covers small business, technology, finance, and careers for publications including Technology Review, The Economist, TIME, Fortune Small Business, and CNNMoney.com.

SaaS-ifying CRM and the Resources Supporting It

By Chad Van Derrick

I love that word, SaaS-ify. But what is it, and what does it really mean? Yes, sometimes my youngest child can easily “sass-ify” a situation but that’s a little different. And yes, I’ve seen everything from socks to whisky get the “SaaS-ify” treatment, lightly tailored to your preferences and delivered to your door automatically each month for a lovely, but seldom low, recurring payment. So what does SaaS-ify mean in the context of IT, and how can we use it to our advantage?

Defining SaaS

Software as a Service (SaaS) originated over a decade ago under the application service provider, or ASP, moniker, and is now quickly dissolving into the collective cloud term. Whatever the label—cloud, on-demand, online, outsourced—the meaning and result are the same: to take a resource that you would normally own and virtualize it using a shared resource that appears to be under your control. This can be done to any resource: hardware, software, services, or people.

Gaining Predictability, Flexibility, and Scalability

A key component of SaaS is that this resource or collection of resources is now paid for as an expense, rather than a capital expenditure, making it easier for departments to purchase. Plus, for a customer relationship management (CRM) platform like Salesforce.com, the per user per month recurring pricing model is easy enough for predicting costs at least a year out. There’s no need to worry about the cost of server replacements or the salary for the database administrator—it’s all included.

This apparent flexibility translates to the capacity of the hardware, software, and services as well. Businesses can easily scale up or down depending on need, and that results in faster deployment as well. Do you have a bunch of summer interns that you’d like to have enter CRM data? Under the traditional on-premises model, you’d have to go back and negotiate with the vendor for additional licenses, have purchasing approve the expenditure, get IT involved to update license keys on the server, and eventually deploy the software to the interns’ desktops so that they can actually do some work during what is by now their last week on the job. Under the SaaS model, you simply log into your platform and purchase more licenses and then, depending on the vendor’s terms, call and cancel them when the interns go back to school.

Scalable Doesn’t Mean Extensible, and It Comes at a Price

Just because we can SaaS-ify doesn’t mean we should. That credit card statement can quickly add up with all those subscriptions, and the company could quickly be paying far more than if it just bought and hosted the software itself. Plus, sharing resources means that

it's more difficult to customize and integrate the platform and your data in a way that meets your evolving requirements. This makes it much more difficult to turn CRM into a competitive advantage.

Then there's the little issue of data security. Who owns your data? How secure is it? Do the vendor's hosting methods comply with relevant federal and state laws? How easy is it for your company to extract your data in an easily usable format? These questions are seldom asked. Even if they are asked, the answers often change during the term of your agreement.

When to SaaS-ify

As a general guide, I advise keeping mission-critical applications in-house and outsourcing the rest. The same rule of thumb applies to people, although here we have the option of striking a seamless balance within a function, between employee and freelancer, to maximize skills within budget. I like to think of CRM as mission-critical, but truly there are few companies using it to that level. Still, considering costs and depending on the industry and market, hosted CRM usually only makes sense if your company is just the right small to medium-sized business (SMB). Financially, large enterprises are best advised to go with on-premises solutions.

For SMBs, there's also the little matter of growth. Today it might make sense for the company to use a SaaS solution, but a year from now the company might be ready for an on-premises solution. For that reason, I especially like CRM platforms that offer both on-premises and hosted options, such as SugarCRM and Microsoft Dynamics CRM. Just make sure that it's easy for all the data, including activities and relationships, to migrate from one option to the other. Lastly, remember that you could always pay someone to SaaS-ify an on-premises product and host it for you. There are always options, so be sure to do your due diligence and thoroughly evaluate flexibility and costs.

Now if you'll excuse me, my socks for the day have just arrived.

About the Author

Chad Van Derrick has led scores of successful CRM implementations for global finance and professional services firms. He is Managing Director of [Latitude 76](#), an international technology consulting firm that grows clients' revenue through predictive technologies, and has consulted to such blue-chip companies as Fidelity Investments, Cushman & Wakefield, and IBM. He is a contributing writer at [Studio B](#) and tweets at [@vanderrick](#).