

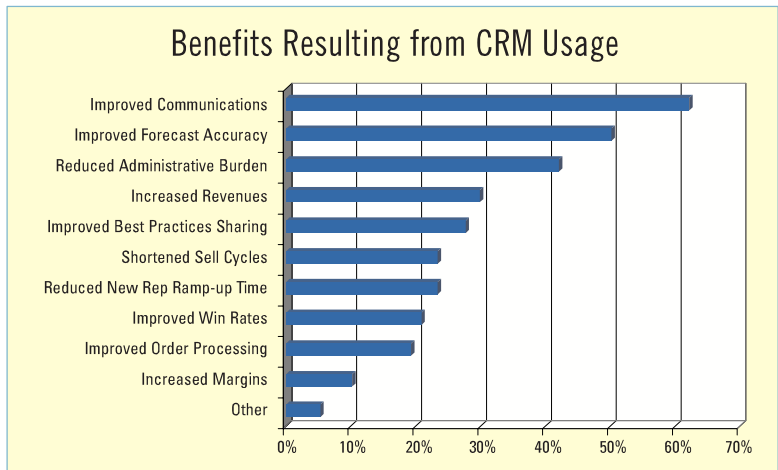
What Does CRM Really Do to Help Salespeople?

More than 70 percent of firms show positive results from using CRM systems

A FEW MONTHS AGO I sat in on a CRM system evaluation meeting for a manufacturing firm. The project lead was presenting and comparing the results of four different applications, and was highlighting the reasons the team was recommending one choice over the others.


After listening to the discussion of the technical merits of the various systems, the CEO asked, “I am sure your selection is the right technology choice, but tell me, is it the right business choice? What will we be doing better after we install this system that justifies the time and money investment required to take this project forward?”

Those are great questions, ones every project team should explore. To get some perspectives on these issues, let me share some of the data CSO Insights recently gathered as part of a recent survey of 457 firms that implemented a CRM system.



I have normally found it difficult to put a hard number value on improved communications; other items on this list are easier to translate into real dollars. For example:

- We profiled a manufacturing firm that reduced its inventory costs by 8 percent by improving the accuracy of not just the dollar amounts of the deals forecasted, but the product mix as well.
- A consumer products firm documented for us that it increased revenues per rep by 51 percent over 18 months through a CRM initiative that reduced the administrative burden on reps, freeing up several hours a week for real selling time.
- An events-planning firm reduced the ramp-up time for new reps by 30 percent by implementing a best practices sharing capability in its CRM framework.
- A technology firm reduced its order error-processing rate from 23 percent to virtually zero, saving millions on service allowances to retrofit units in the field after they were shipped.

These are just a few of hundreds of successes we have benchmarked over the past two years. This proves that CRM can represent real value. As these types of results are achieved by more firms, we think CEOs will finally see that the promises made in the 1990s regarding how technology will reinvent how we sell have become a reality. 

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We asked participating sales executives to assess the impact that technology was having on their sales performance. A consolidated review of their responses found that 71.9 percent stated that CRM was improving their performance, 18.2 percent said it was having no effect, and 9.9 percent didn't know.

Initially we see that for more than seven of 10 firms there is a plus side to their CRM initiative. But these figures prompt a follow-up question: What exactly is different as a result of using this technology? To get a more definitive answer we asked these execs to get specific about what “better” looked like now that the CRM applications were in the hands of their salespeople. The figure highlights their responses.