SMB Series

Effective Customer Relationship Management Software for Small to Medium-sized Businesses

Effective CRM solutions for small to medium sized businesses

Executive Summary

An effective CRM solution for small to medium sized business involves challenges. The important findings of this paper include:

- Improving business efficiencies and driving increased revenues should be the primary selection criteria followed by high user adoption rates.
- Users should consider cloud implementations for lower overall costs and reduced impact on IT organizations.
- An integrated suite of applications can improve the customer experience by getting departments to collaborate seamlessly.
- How easily a business user can make changes to the CRM system without the need for programming skills is another important consideration.
- Implementations should be completed in days.
- And finally, the CRM solution chosen should have the ability to grow and adapt as a company's needs and situation changes.

Introduction

Small to medium sized (SMB) companies have many choices of CRM software options, yet choosing a solution that actually meets their needs is a tremendous challenge. SMB have needs that are as great as any large company but do not possess the financial resources. Enterprise CRM solutions are far too expensive and complex for the SMB firm. Simple systems designed for the smallest businesses do not have the power and depth of features that are needed. Many CRM products designed for the SMB offer only part of the solution that may be needed and have limited capabilities for a 360-degree view of the customer and company-wide CRM initiative. This paper reviews the challenges faced and benefits received when a SMB company selects and implements a cost-effective, integrated CRM solution.

The unique needs of the SMB

A SMB company (or division of a large company) is defined many different ways. One way is in terms of company revenue. The SMB organization has sales of $10M-$1B. Another way to define it is in terms of the number of CRM users. In this paper we define SMB as those companies with 5-1,000 CRM users.

The SMB has challenges of the large-scale enterprise, but without the luxury of large company budget. For the SMB, the cost and time to implement systems is critical. It is not unusual for highly customized CRM projects to take many months to implement with costs of $500K and above. These are prohibitive for the SMB.

The SMB has a particular need to be "quick on its feet" – able to react quickly to changing business needs. This ability to out-maneuver a SMB company's competitor is its primary competitive advantage. Any CRM solution a SMB company implements, must meet this challenge also.

It is imperative for the SMB organization to be able to change and adapt their CRM system as their business grows or as the market or competitive environment changes. If the company is limited in its ability to change, then it will not be able to maintain its competitive edge. Ease of customization simple enough for business users to implement is one consideration that will help a company keep pace as well.

Cloud vs. on-premise CRM

In the past, CRM was implemented by IT departments as an on-premise application. The process was expensive and time consuming and when end users wanted changes to the application, delays were inevitable. Staffing, maintenance and upgrades also figured into the IT infrastructure decision making. But the advent of hosted or cloud computing has changed the nature of how CRM applications are implemented.

Now vendors host the system in the cloud, so SMB firms no longer have to make expensive hardware or software investments. Companies are billed monthly per user and depending upon the vendor, lower overall cost of implementation can be achieved if the CRM application is easily customizable by business users. A robust software engine designed for customization can also drive down implementation costs.

The purchasing process

The purchase decision process has also changed dramatically. In the past expensive on-premise versions required the IT department to spend months analyzing proposals from vendors. Depending upon the CRM application, they would also have to figure out the time to integrate expensive add-on applications to deliver a completely integrated solution that would get departments across the company seamlessly collaborating.

For a CRM to be effective, sales, marketing, customer service and operations should all be involved to maximize a company's investment in the system. Today's purchasing decision for the SMB is more likely to be made by a company president or line manager. The primary driving reason for purchase is end user adoption rates and how the system will improve business efficiencies and drive increased revenues.

CRM systems – the competitive advantage for the SMB

The SMB is often where the competitive pressures are most extreme. SMB organizations need to effectively focus on its customers to get the most from each customer relationship. Sales especially need an easy to use and navigate CRM if they are to adopt the system and boost productivity.

The lead generation process needs to convert these leads successfully into customers. With those SMB organizations that utilize channel partners, they need ways to channel leads to them in a timely manner. They need a system to coordinate with the partners to identify and close new business quickly.

Moreover, SMB companies need to be able to manage their customer support costs and enable customer support over the web to increase customer satisfaction and influence retention rates. Mobile CRM solutions are growing exponentially in importance as more of a workforce is mobile and needs access to the CRM system on the road.

CRM drives business productivity

Recent benchmark studies reveal that CRM applications account for:

- Revenue increases of up to 41% per sales person
- Decreased sales cycles of over 24%
- Lead conversion rate improvements of over 300%
- Customer retention improvements of 27%
- Decreased sales and marketing costs of 23%
- Improved profit margins of over 2%

An effective CRM solution can deliver these business productivity increases. The crux is in choosing the right application for a SMB company.

Choosing the right CRM software

There are many quality software companies that offer CRM applications. However when reviewing the capabilities companies need to be aware of these common limitations.

Search for complete cloud solutions

The cloud arena has received much attention in the press and is a good approach for many companies. Benefits include a lower initial cost of getting started and the reduced impact on a company's internal IT resources.

Unfortunately, most products in the cloud market have major limitations. Some are strong in sales and marketing but not in customer support or help desk. Some are strong in customer support, but weak in sales and marketing or project management. Others don't provide access for the company's customers and partners.
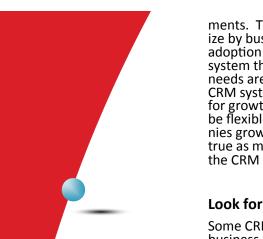
Moreover, many cloud CRM applications require expensive add-on products from multiple vendors to round out their functionality. This increases the CRM cost and complexity requiring companies to managing multiple invoices and coordinate system upgrades. A complete cloud solution needs to offer a single system that delivers all the functionality a company needs.

Chose a simple-to-use system that drives end user adoption

It may be that a company's needs are quite specific and a system that has limits in other areas will provide good value. One of the most poorly understood facts about CRM implementations are that unless it's simple to use, end user adoption will fail and the benefits will never be seen to a company's bottom line.

Plan for easy customization and growth

Keep in mind too that such a system may require significant customization to actually meet a company's require-

ments. The easier a CRM is to customize by business users, the higher the adoption rate. Users who can adapt the system themselves to meet their unique needs are more likely to keep using a CRM system. Also, make certain to plan for growth, as the system chosen should be flexible enough to grow as companies grow and change. This is especially true as more departments come to use the CRM system.

Look for ease of integration

Some CRM systems are good for one business unit but have little capability for another. As a result some companies have two systems, one for business units like marketing and sales, and another customer support which aren't well integrated. Look for systems that can provide a solution that is well integrated and equally strong across a company-wide initiative. Avoid needing to purchase expensive add-on modules or applications as use of the CRM grows. Plus built-in integration with back office applications such as QuickBooks may be important. Compatibility with Outlook is another feature to consider.

Look for lower cost of implementation, ease of customizability, strong support services

Solutions from value-added resellers while highly customized and specific to a particular industry are expensive and often require an additional degree of customization contributing to long implementation. Without a strong support strategy and team in place, a delay in implementation or downtime after the software has been released to the end user could result.

Demand stability, experience and longevity in the SMB

Make certain the solution being considered is from a company experienced in the SMB. Select a vendor who has implemented many CRM systems for companies in this market. That experience can make a difference between success and failure of a CRM initiative.

Watch pricing and scalability

Many large enterprise vendors are entering the market with a watered down version in an attempt to match pricing points but have little experience with a SMB solution. Others, in an effort to match pricing of competitors offer less

expensive versions of their software and users have discovered too late that to get all the functionality they need that cost per user has skyrocketed well beyond initial budget considerations.

On the other hand, vendors that have focused on the smaller businesses for years are trying to serve the SMB with a less scalable version. They primarily have offered 'contact management systems' which are too small for company-wide implementations and can't offer robust system insights into a 360-view of the customer. They can't match the needs of selling into larger accounts either.
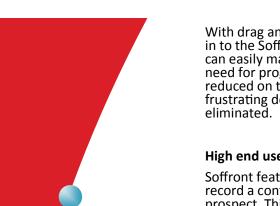
Conclusion

SMB firms face special CRM challenges, yet their need for effective, robust CRM systems is great. It takes much time for a firm to navigate through the choices available but it's critical to find one that meets the need of a company. Key things to remember include:

- End user adoption rates and how the system will improve business efficiencies and drive increased revenues should be the primary criteria for selecting a CRM system.
- Cloud CRM system benefits include a lower initial cost of getting started and the reduced impact on a company's internal IT resources.
- A totally integrated application should be used across an organization to get departments collaborating seamlessly to improve the customer experience.
- Business users need to be able to easily make changes to the CRM system without a need for programming skills to adapt it to their usability needs.
- Implementations are to be completed in weeks, not months and should reduce Total Cost of Ownership (TCO).
- The CRM solution should grow as the company's needs and situation changes.

Soffront Software: Meeting the challenges in the SMB

A completely integrated cloud CRM

Soffront offers a totally integrated cloud CRM. Applications include sales automation, marketing automation, customer service and operations as well as customer and partner portals. SMB companies see the advantages immediately with an application that can be used across an organization to get departments collaborating seamlessly. No additional add-on products are required.

With drag and drop customization built-in to the Soffront's CRM, business users can easily make changes without any need for programming skills. The load is reduced on the IT infrastructure and frustrating delays for end users are eliminated.

High end user adoption rates

Soffront features one click updates to record a contact with a customer or prospect. This can boost productivity 85% over other CRM systems which may require as many as 20 clicks for the same activity. Ease of navigation; single view screens to view an account record; and all communication viewable in a one screen are factors that drive end-user of adoption of Soffront's solution. Soffront is easily adaptable to unique business models and changing workflows with drag and drop customization built-in.

Lower total cost of ownership

Soffront's a fully featured integrated CRM suite offering with sales automation, marketing automation, customer service, help desk, project management and other modules work together to deliver maximum productivity with minimum IT involvement. Soffront offers the most extensive suite of integrated CRM modules for the SMB. Soffront's experienced implementation team can help integrate with all types of back office applications. All of this translates into lower cost of total ownership.

Lower implementation cost, ease of customizability

Soffront's engine is extremely robust and designed to be easily customizable, so Soffront implementations are completed in days. With implementation costs well below industry norms, Soffront is well positioned to serve the SMB. After the successful launching, Soffront customers are well supported by the most skilled engineers, 24 hours a day, 7 days a week. Soffront's pricing is some of the most competitive in the industry, giving users a high return on their investment.

A CRM pioneer in the SMB

Few companies can match Soffront's length and breadth of service to the SMB. Soffront has been serving this market since 1992 and offering cloud based solutions for the last seven. With a large number successful SMB installations in over 15 countries, Soffront brings a degree of expertise Soffront well needed by the SMB. A single subscription price of Soffront's integrated CRM offers customers a fully functional system to boost business-wide productivity and improve the customer experience.

Customer Testimonials:

"Soffront is the central nervous system of the business… we were able to see ways to save time and become more productive in every area of our business. We witnessed a quantum leap in our efficiency." Monroe Diefendorf, Jr., CEO, Diefendorf Capital Planning Associates.

"We selected Soffront primarily for two reasons: speed of implementation and cost. The entire system was available online, and we did not have to purchase any hardware or third party software to get started." - Mark Herrington, Manager of client hardware installation and support, Central Service Association.

"You don't need to be a developer to make this system hum. Soffront's newest version is quite possibly the best CRM that I have ever used." - Evan Rosenfield, Director of Marketing, American Security Programs, Inc.

For more information, please visit the Soffront website, www.soffront.com. Or call the company headquarters in Fremont, California at 1-800-763-3766.

SOFFRONT
CRM that does 3X more