



# mareeba

## White Paper

Why work  
with  
an independent CRM consultant?

## Introduction

If you've ever worked for a software company, or know someone who has, then you'll be well aware how much pressure software vendors are under to hit their sales targets. As the end of each financial quarter looms the stress of making the numbers increases. Those that succeed are well rewarded - companies through higher market valuations and profits, and individuals through commissions, bonuses and stock options. For those that fail, markets and employers are unforgiving.

Against this background, it's perhaps no surprise that the software world is rife with hype, half-truths, and pushy salespeople desperate to close the deal. These commercial realities go part way to explain why many organizations have struggled to realize significant value from their investments in CRM technology. The Gartner Group famously noted that 65% of CRM implementations failed to meet expectations, and this gloomy assessment is supported by a raft of other analyst reports. However the good news is that we know from experience that those who get it right can use CRM technology to very significantly increase performance and profitability.

While CRM projects fail for a variety of reasons, the gap between the vendor's goal of 'selling' software and the user's objective of generating value from their technology investment can often be an unbridgeable chasm. The CRM consultant, perhaps more traditionally associated with software selection, is increasingly taking on a much broader role from project conception to delivery, to bridge the gap between raw CRM technology and profit creation for the client. This paper sets out how CRM consultants are helping organisations deliver considerably more from their CRM systems.

## Unlocking the potential

*The CRM consultant can play a key role in defining the initial compelling vision which sets out how CRM technology can significantly improve business performance*

Identifying how CRM can benefit an organization is not always as obvious as it might seem. From our own experience, we've found many of the key profit generating aspects of the projects we work on weren't necessarily envisaged before we became involved. The CRM consultant can play a key role in unlocking the potential of a project. By drawing on their experience and analysis skills the consultant can identify the achievable ways in which CRM technology can generate the greatest returns for each client. This articulation of the vision can in turn help secure the backing and resources that are generally essential for project success.

## Building the foundations for success

*Involving a CRM consultant in the early stages is a very cost effective way of ensuring everyone goes into the project with a full understanding of what's involved and that the project is resourced for success*

Great CRM projects don't just happen, they require good planning to limit the risks and maximize the returns. While it may be tempting to rush into purchasing a system, this can result in having to live with the wrong technology (or vendor), or failing to implement the system in a way that yields positive business benefit. Effective planning doesn't have to be time consuming, and experienced consultants can quickly help clients formulate a solid business case, identify key functional requirements, suitable technologies, reliable vendors, and perhaps most importantly help with project budgeting. A lot of organizations over-pay for systems, while many others under-budget and fail to achieve their goals through lack of resources.

## Making the right choice for you

*With choice comes both opportunity and risk, nothing will destroy a project quicker than picking the wrong technology or implementation partner. The CRM consultant will continue to play a vital role in helping companies work with the best CRM technologies and partners*

There's never been a wider range of CRM software available. Enterprise vendors have extended their offerings to small and mid-sized companies, the array of software as a service (SAAS) providers ever increases, Microsoft continues to make its CRM presence felt, and open source vendors are having a growing impact. This complexity of choice is amplified by the fact that many software packages are sold through a network of resellers and implementation companies, some of whom are top-flight, but many of which are mediocre, and a significant few are downright incompetent.

The key is to make a selection that's right for you. What works for one organization may not work for another, even though they might be outwardly similar businesses. An implementation partner who might work perfectly with one type of project, may struggle with a different approach. The cornerstone to effective vendor selection is to define and document detailed requirements before entering the selection process. This enables you to identify which product best meets your needs, provides a basis to compare pricing from competing vendors, and significantly speeds up the downstream implementation.

The requirements gathering process can be difficult simply because unless you are well versed in the nuances of CRM technology, it can be challenging to identify what's likely to be important to you when you ultimately become a user of the system – you don't, after all, know what you don't know. A consultant can use their experience to short-cut a potentially highly time-consuming activity and quickly deliver a set of requirements that will form the basis for effective vendor selection.

The vendor selection stage is traditionally where CRM consultants are often most visibly involved in a project (though we hope this paper clarifies how CRM consultants generate client profitability through a much broader range of activities). While the ultimate purchase decision will always be the client's, the CRM consultant can ensure that they are selecting from the most appropriate technologies and vendors for their needs and budgetary aspirations. The consultant can often make considerable savings at this stage by ensuring the client isn't paying for unnecessary bells and whistles, on the basis there's little point in purchasing a top of the range system if the requirement is amply met by a more cost effective application.

## **Negotiating the right price**

*The CRM consultant can generally create very significant cost savings for their clients through their involvement in the negotiation of pricing and terms*

While many of our clients are skilled negotiators, the CRM consultant can generally help them negotiate more effectively through our knowledge of vendor margins and historical precedent. Where an experienced consultant can add significant value is their ability to review implementation estimates and identify where savings can be made in the number of man days to deliver a project. It is not uncommon for us to reduce the overall cost of a project by over 30%, allowing our clients to achieve considerably more with their budgets. A consultant can also assess vendor contractual terms and identify potential pit-falls which can result in substantial savings over the life of the business relationship.

## **Navigating the perils of CRM implementation**

*Well conceived projects can still founder during the implementation process. The CRM consultant can perform a critical function in ensuring that the system delivers the anticipated benefits*

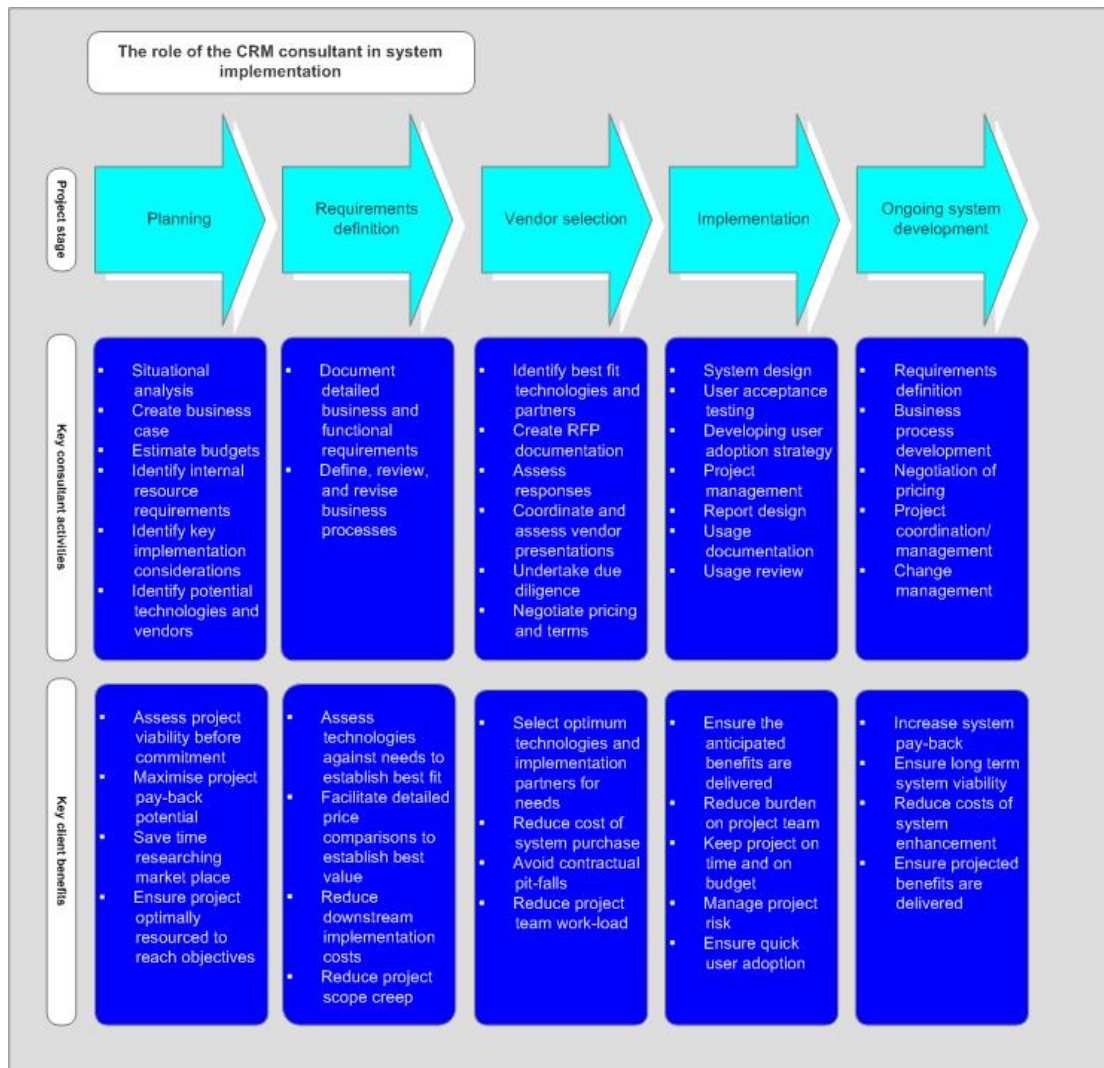
The CRM implementation process can be a rich source of pit-falls that can de-rail a project. Areas such as process and system design, data imports and integration, user acceptance testing, and user adoption can be demanding in the hands of a skilled practitioner and particularly perilous for those undertaking a project for the first time. Users on the other hand can be particularly unforgiving, and if a project fails to deliver what they were expecting, when they were expecting it, it can prove extremely taxing to gain their support.

The CRM consultant can ensure the delivery of the CRM vision, by either acting as an advisor to the client project team (many of whom may not have worked with CRM technology previously), or by performing the project management function. This involvement can significantly reduce the burden on the project team and considerably reduces the risk of project slippage or budget overruns.

## **Reviving existing systems**

*The CRM consultant can play a key role in achieving greater value from existing systems. For those contemplating replacing a system, the consultant can play an important role in independently assessing the continued viability of the existing technology*

While outright project failures are a rarer phenomenon these days, a lot of CRM deployments fail to generate the anticipated returns on investment. For most organizations the instinct is to purchase new technology, however many systems can be revived without the cost of buying new CRM software. A consultant can give an independent assessment as to whether a system is salvageable, and if so, can quickly identify how the technology can produce higher operational value. The consultant can also diagnose why a project has failed and can help the client avoid the costly repetition of past errors. There is often considerable hidden value, even within successful systems, and a consultant can generally find ways to significantly increase the returns from any existing CRM investment.



## In Summary

The CRM consultant can add significant value through the whole chain of a CRM deployment from initial analysis through to delivery of a live profit enhancing system and its onward development. While it might be assumed that selecting the right vendor is all that's required to be successful, the vendors are generally focused and resourced to sell software not deliver client value. The independent CRM consultant, with no software to sell, is becoming an increasingly important catalyst in delivering CRM technology's long overdue potential.