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Success Through Diversity,
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SMPS

Is CRM Hype or Hope?

BY CRAIG PARK, FSMPS, ASSOC. AIA

In the past few years, client relationship management (CRM) has emerged as a powerful business trend. In virtually every major business magazine and trend-watching web site, you will find articles dedicated to its theory and practice. Numerous vendors are ready to tell you (and sell you) the features, benefits, and effectiveness of their CRM tool. Solid evidence, however, is harder to find.

I wrote my first article praising the potential of CRM in 2001. Then, with the economy rapidly tanking after the dot-com demise, the issue of building and growing client loyalty was an imperative. Today, CRM continues to represent one of the most dramatic changes in the history of business. That change is the fundamental need to create a *client-centric business philosophy*.

Service companies have come to realize that they have to “sell the way clients want to buy.” They are implementing CRM in response to the macro-economic change from being a seller-

built in direct client involvement is destined for failure. After all, who knows more about what the client needs: you or the client?

Vertical solutions

Simple contact programs like **Outlook**, **ACT!**, and **Goldmine** that once met the needs of the small- to mid-sized design or engineering practice, often no longer suffice. More complex CRM solutions such as **Siebel** and **Oracle**, used by the multi-billion dollar construction conglomerates, also often fall short on their promise. In many ways these programs are generic solutions that meet the needs of any professional service firm—from accountants to attorneys, or on the larger scale, any *Fortune 500* business. Yet each still needs to be customized and few are designed to meet the unique needs of the building industry organization.

We are seeing the end of the generic CRM market and entering an age of specialized solutions. Today, there are CRM products specifically designed for the A/E/C industry, such as **Deltek Vision**, **Wind2 Award**, **BST Enterprise 8.1**, and **Cosential SmartEnterprise**. These vertical market solutions include a set of comprehensive resource management tools that range from finance and project management, to human resources and client data. Such products also can provide a more complete picture of the *client experience* by measuring performance and productivity in all aspects of the business process. This, in turn, provides valuable information for future pursuits.

Within the A/E/C industry, there are many different types of clients, with varying business models and selling strategies to match. Eventually, specific types of specialized CRM software will be available to support each different model. Don't be



How to Earn CEUs Toward Recertification

To earn one CEU toward Certified Professional Services Marketer (CPSM) recertification, go to www.smeps.org/certification/recert/mktrquest.htm to access questions about this article. Answer the questions on a sheet of paper titled “June 2005 *Marketer*: Is CRM Hype or Hope? (1 CEU).” Retain this document and submit it with your other CEU documentation by your CPSM recertification date.

If you have questions about this program, please contact SMPS National at 1.800.292.7677, x232.

driven economy to a buyer-driven economy. Initially, the needs of CRM were database driven, used simply to catalog and retrieve trends and key indicators about client interactions. However, businesses soon realized a CRM system that doesn't

Numbers

27%—marketers who say their work week exceeds 50 hours. Sixty percent report working more than 40 hours a week.

Sources: *Aquent/AMA Compensation Survey of Marketing Professionals 2005*

surprised to find a vendor saying it will give you a perfect solution for your specific niche.

Users are demanding more and more knowledge-management functionality. CRM providers will need to deliver knowledge about client needs on demand—anytime and anywhere. Lead tracking systems were great but limited in scope. What are needed now are knowledge management systems, sales coaching systems, and intelligent solution-delivery systems to take us to the next level of true client service.

CRM technology

Ironically, I have spent years saying that CRM is both a philosophy and a business strategy—not a system or a technology. Now that CRM is becoming embedded in our day-to-day operations, technology has truly gained a place of significant importance for success.

Client-centric solutions demand an increasingly personalized experience. To deliver that experience, the amount of data necessary increases proportionately. The sheer volume of data, and the need to process it through real-time analytics, means that the hardware, CPU power, memory, and storage capacity become crucial issues in determining whether or not CRM applications are stable and truly useful. Industry analysts forecast that by 2010, we will have 30 times the data we had in 2004.

One way companies are addressing this technology demand is by turning to hosted solutions from application service providers (ASPs). This is a growing trend. Letting the software provider host your data at its site minimizes local hardware needs and often provides a quality of service (QoS) and level of support

and security far beyond the abilities of most IT departments.


Pioneered by Cosential in our industry, companies like **Salesforce.com**, **NetSuite**, **Salesnet**, and **RightNow** have expanded their initial CRM offerings into full suites of analytical tools that reside off site but can be accessed by your staff anywhere through an Internet connection. The predictions are that the hosted market will grow dramatically as its cost-effective reach spreads. If you're considering CRM, check them out. This is not just an incremental innovation but a major step toward the grail of ever-present service.

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The future of CRM

CRM will continue to be more common as a business strategy for successful companies in our industry. Developing easy, simple, and engaging client interactions will garner input and provide valuable data allowing true customization of your response to their needs. The biggest challenge remains one of effective change management: communicating the value of CRM to your entire organization, and having them embrace it.

Software applications will develop that are uniquely targeted to meet your company's needs for addressing client solutions. Collection, analysis, and measurement of return will become the key indicators of success. Technology will evolve while technical and organizational challenges are overcome. Relevant, customized, client-centric information will be accessible anywhere through hosted software and effective delivery.

In any strategy or technology, change is certain, but the core philosophy remains: CRM is a journey, not a destination. Developing a vision and mission for your company that is client-centric is the ultimate goal, and CRM is but a tool. 

CRM Resources

✚ ACT!:	www.act.com
✚ BST Enterprise 8.1:	www.bstglobal.com
✚ Cosential SmartEnterprise:	www.cosential.com
✚ Deltek Vision:	www.deltek.com
✚ Goldmine:	www.frontrange.com
✚ NetSuite:	www.netsuite.com
✚ Oracle:	www.oracle.com
✚ RightNow Technologies:	www.rightnow.com
✚ Salesforce.com:	www.salesforce.com
✚ Salesnet:	www.salesnet.com
✚ Siebel Systems:	www.siebel.com
✚ Wind2 Award:	www.wind2.com



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