



# Unlocking CRM Success: Strategies for Implementation and Sustainable Growth

In today's dynamic business landscape, customer relationship management (CRM) systems are indispensable, offering companies large and small the means to better connect with customers and supercharge their growth. These systems go beyond simple data management; they build stronger relationships, increase loyalty and propel organizational success. However, despite their potential, many CRM initiatives hit roadblocks, with up to 60 percent failing to meet expectations.<sup>1</sup> This discussion aims to uncover why and offers a human-centered approach to CRM success. It's a process of setting achievable goals, aligning them with your business strategy and taking small, meaningful steps toward implementation to ensure lasting impact and fulfillment of your organization's vision.

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## What Are CRM Programs and Why Are They Important?

Customer relationship management programs are the quintessential holy grail that enterprises, regardless of size or sector, relentlessly pursue. Show me a business that has customers, and I'll show you one that has goals and objectives for increasing sales with existing customers, acquiring new customers and managing customers from a support and service perspective. However, CRM goes far beyond the mere management of customer interactions; it cultivates enduring relationships, enhances customer loyalty and drives growth through organizations.

Decades of comprehensive studies and surveys by analysts such as Gartner, Forrester and IDC underscore the pivotal role of CRM in shaping successful business. These investigations converge on a few critical insights:



CRM has the greatest potential for increasing sales and improving customer experience.



Between 1/3 and half of all CRM implementations fail to go live.<sup>2</sup>



CRM solutions promise not only efficiency improvements but also a broader return on investment (ROI) than any other category of business solutions.



Of the ones that do go live, 90% fail to meet the expectations of the sponsors responsible for them.<sup>3</sup>

1. See Scott Edinger, "Why CRM Projects Fail and How To Make Them More Successful," Harvard Business Review, citing CIO Magazine, Dec. 20, 2018, accessed June 14, 2024, <https://hbr.org/2018/12/why-crm-projects-fail-and-how-to-make-them-more-successful>.

2. Ibid.

3. Ibid.

## Why Do So Many CRM Programs Fail To Achieve Results?

When expectations are out of line with realistic goals, CRM initiatives are often killed before they have an opportunity to produce any benefits. I often say that large, high expectation programs “collapse under their own weight,” meaning the expectations were too large; even the slightest bit of doubt can kill the entire initiative. Yet, the pursuit of CRM excellence is not a futile task. The best way to achieve results in any longer-term initiative is to start with the big picture in mind, set incremental, realistic goals you can achieve, and deliver on those goals to maintain momentum on the bigger picture initiative. We'll explore these concepts in greater detail in this article and show you how to either put a failing implementation back on track or resurrect one that's live and not meeting expectations.

Starting with a well-defined big picture and setting realistic incremental goals is the best way to put a failing implementation back on track or resurrect a system that is not meeting expectations.

## Reimagining CRM Success: Strategies for the Future

### What Are the Critical Success Factors You Need in Place Before Launching a CRM Initiative?



#### 1. Setting Realistic Achievable Goals That Align With Business Strategy

Aligning CRM initiatives with a company's broader business strategy is crucial to ensure that CRM transcends a mere technological upgrade and becomes a strategic tool for generating business value. Successful CRM initiatives go beyond setting ambitious or vague goals, like “increase revenue by 20 percent” or “improve our Net Promoter Score by 10 percent.” The most successful CRM initiatives don't just look at “What are we trying to achieve?”, but look at “How are we going to achieve it?”, by focusing on realistic, achievable objectives and concentrating on one or two CRM aspects at a time, such as enhancing upselling during customer service interactions or streamlining call center operations.

If goals are around sales efficiency, strategies might include sourcing better leads, improving lead assignment or instilling greater accountability and discipline in managing the sales pipeline. In marketing, goals could involve enhancing automated customer interactions or offering more targeted content, with a clear understanding of the current state to accurately measure improvements.

The essence of effective CRM strategy lies in setting specific, attainable goals, developing clear strategies for achieving them and avoiding the temptation to overextend in the initial implementation phase. For example, if the goal is to improve sales efficiency, set sales goals for Phase 1 to achieve 90 percent participation by the salesforce and 80 percent of all deals being run through the CRM implementation. This way you can publish progress dashboards and organize efforts around getting to the goal.



#### 2. Focusing on Change Management and Fostering Organizational Buy-In

Success in CRM requires the engagement and commitment of the entire organization, from the C-suite to the frontline employees. Cultivating a culture that values customer relationships is crucial for leveraging CRM as a tool for growth. Change management is crucial for the successful implementation of a new CRM system, as it significantly impacts an organization's operations and financial success. For these and many other reasons, having a dedicated set of resources and an approach planned and executed around successfully rolling out the changes associated with a CRM implementation are critical. Not doing it is like successfully putting a new engine in a car and forgetting to lubricate it with oil. It may start up and run for a few minutes but will overheat and seize up without the oil, permanently damaging the engine.

The buy-in process starts by identifying and communicating the benefits of the CRM to all impacted parties, ensuring they understand the changes, their roles and how the system benefits both them and the organization. Involving stakeholders in the design, testing and training phases is critical to ensure the system's adoption and effectiveness. Moreover, achieving CRM success requires the engagement and commitment of the entire organization, which highlights the importance of fostering a culture that values customer relationships.

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### 3. Emphasizing Data Quality and Analytics

Emphasizing data quality and analytics is essential in CRM, as the system's effectiveness hinges on having high-quality, actionable data. This involves not only ensuring accurate customer information across various aspects (e.g., contacts, preferences, orders) but also implementing advanced analytics to derive insights on customer behavior and trends for personalized interactions.

Many companies view a CRM implementation as an opportunity to consolidate and improve scattered customer data. It's crucial to assess the existing data quality and plan for its enhancement in alignment with CRM implementation phases. While CRM systems offer tools for data cleaning, leveraging specialized platforms like Collibra and Informatica can provide more comprehensive solutions. Like CRM itself, data cleanup does not all need to be done in one "big bang" phase, and should be done in a way that correlates to the specific functionality you are implementing and that data that goes into it.

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It is also important to think of data as a corporate asset that needs to be protected and maintained. This is why implementing even a rudimentary data governance process into your organization, if you don't already have one, is critical to ensuring that there is a process in place to promote data hygiene. One-time fixing or cleaning of data without ongoing tools and processes will result in failure over time.





#### 4. Prioritizing Customer Experience

Prioritizing customer experience in CRM systems is crucial for success in today's competitive, customer-focused business world. A well-designed CRM solution enhances every customer interaction, from personalized communication to seamless service and proactive problem-solving, thereby building trust and loyalty with the brand. This approach not only meets but often exceeds customer expectations.

Moreover, a focus on customer experience boosts the customer's lifetime value, encouraging repeat business, the willingness to try new products and positive word-of-mouth, while making customers less sensitive to price. Ultimately, centering CRM strategies around customer experience creates a cycle of trust, loyalty and value, securing long-term business success and a competitive edge.

Making customer experience central to the CRM strategy creates a cycle of trust, loyalty and value, securing long-term business success and a competitive edge.



#### 5. Breaking Implementation Into Phases To Build on Success

Many CRM implementations fail because they stick to monolithic approaches, conducting only one large, aggressive first phase with ill-defined second or third phases. When the first phase fails to go-live or fails to meet expectations once live, the subsequent phases often get deprioritized or scrapped altogether. CRM programs tend to have a greater chance for success when each phase has a defined business goal in mind and has a limited effort, complexity and timeframe to implement.

One way to phase an implementation is to implement tools with a small division or group to help in identifying potential issues early on. Once you've achieved an implementation on a smaller scale, it will be easier to roll out functionality to larger groups in phases. One thing to note is to have the up-front plan in mind and make sure the requirements of the groups are taken into consideration for each phase of the implementation.

Adopting agile methodologies for CRM implementation also leads to more successful outcomes by breaking the implementation into smaller, more manageable phases. Not only does the adoption of this strategy mitigate the risk of overall failure, but it also facilitates the demonstration and celebration of incremental achievements to follow with subsequent phases that build on the success of a prior phase. For example, if Phase 1 is a full salesforce adoption of the CRM tool, Phase 2 can be increasing lead flow through marketing automation or implementation of an integrated customer service function that allows inbound calls to potentially result in upselling through a new lead generated from customer support to sales.

Getting agreement up front on how you are going to roll out a CRM solution is one of the most important things you can do to sustain progress and keep the momentum going, as well as measuring the success and communicating those successes at all levels to keep the wind at your back on your CRM journey.



## 6. Partnership With the Right CRM Vendor

Selecting the right CRM vendor is a crucial decision that significantly influences the success of CRM initiatives. This decision extends beyond simple comparisons of features and prices. It requires businesses to identify a partner genuinely invested in their success. A suitable CRM vendor brings to the table not only a proven track record and a commitment to innovation but also offers continual support to help businesses navigate potential challenges and fully leverage the CRM system. Such a partnership ensures the CRM solution is not only technically compatible with the business’s operations but is also strategically aligned with its goals, thereby maximizing the impact on customer relationships and overall business performance.

Furthermore, a partnership with the right vendor instills a culture of ongoing improvement and adaptation within the organization, enabling it to stay ahead of market trends and evolving customer needs. In essence, choosing the right CRM vendor establishes a long-term collaborative relationship that is instrumental in achieving CRM excellence.

## Future Trends in CRM

Looking ahead, CRM systems are increasingly leveraging AI and machine learning to provide predictive insights and personalized customer experiences. Companies that stay ahead of these trends are likely to see even greater returns on their CRM investments. Innovations such as chatbots, sentiment analysis and AI-driven customer segmentation are set to redefine the CRM landscape, making it imperative for businesses to stay updated and adaptable.

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