

# EXECUTIVE QUESTION AND ANSWER

Presented by Innoveer Solutions  
and PTC

# Q&A

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**AH:** Why did PTC originally decide to invest in CRM?

**GW:** PTC, like most companies, defines CRM in several different ways, making a distinction between our service and field sales business units. Our services side matured quicker than sales in respect to CRM, and in 1995, we decided to automate our customer-facing functions to better handle technical support and software maintenance contracts. We then extended the system, so that our research and development (R&D) environment could interface directly with it and quickly gather accurate customer feedback.

On the sales side, when the market began to fall out in 1999, we realized that better insight into sales forecasting, as well as faster communication between our salespeople, would enable us to automatically generate quotes and orders and gather accurate feedback on order statuses.

The goal of these CRM initiatives was to provide an improved interface for our mainstream customers. Over time, it became a means for better facilitating product improvement, as well as increasing overall customer satisfaction. That led to increased CRM benefits and improved communication between our R&D and technical departments.

**AH:** How did your CRM system automate and tie your different processes together?

**GW:** Prior to our CRM system, technical support would have 25 open calls from 25 different customers, and R&D would open 25 separate requests. We also never looked, in detail, at our workflow processes. We literally used sticky notes, e-mails, and a homemade bug-tracking system to communicate between internal teams. Now, we have a conduit to effectively communicate information with minimal change in the way our departments conduct business, and feedback from customer calls about product issues now feeds directly into R&D.

Our CRM system has also completely changed the way we run reports. Our reports used to be a compilation of information pulled together from three geographies. Now, the system provides all relevant information that our directors require at any time throughout the quarter or throughout the year. R&D has its own tracking system, separate from the sales system, and we are now looking to further improve R&D reporting to improve call backs for service requests.

**AH:** How is your overall CRM strategy, even though you might not be defining it as such, aligned with your overall business strategy?

**GW:** The two are very much aligned. PTC started a CRM Steering Committee about two-and-a-half years ago, and through this committee, we look at interdepartmental business requirements, and then tie those factors into our overall CRM strategy. Now, the Steering Committee

focuses on ensuring that our CRM system meets the objectives of both our sales and service teams. We gather feedback about what our departments want to accomplish, and use those goals and business requests to define our future, enterprise-wide CRM direction, manage system issues, and make system changes without affecting our different groups' business policies.

**AH:** What would you recommend other companies do to bring user acceptance to the appropriate level?

**GW:** I don't think there is a sales force out there that easily accepts a system to monitor and keep track of what they are doing. There are two key factors to consider. First, you must have very strong executive sponsorship, and second, you must provide real value to the people who are using the system – not just token value. When we first deployed our CRM system, all it did was keep 'track of us,' and it did not offer our sales team the benefits that would help them be more successful and achieve their target goals. Now, based on our recent enhancements, our user acceptance is much higher.

**AH:** Is it difficult to envision these types of issues prior to implementing a CRM system, especially since people have less experience with CRM than they do with inventory or database systems?

**GW:** That is definitely true. We have been using inventory and purchasing software for ages, but CRM has too much of that Holy Grail feel to it. People think they can really accomplish end-to-end sales and support for a customer, but the reality is, you probably have four or five different types of customers, and you have to prioritize and set goals that will accomplish the most for your organization. We have sales, maintenance, and technical support customers – all with very different goals. The CRM Steering Committee provides a forum for the business units to align their various goals.

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**AH:** Do you have specific advice for technology companies implementing or enhancing their CRM systems?

**ML:** It is important to really understand the capabilities and restrictions of your CRM application, what you are trying to accomplish, and the associated costs. This way, you can have a solid grasp of how much customization is necessary. Initially, many people who had been at PTC for a long time wanted to design the system in the way they thought it should work, that is, customize it. Now, we have basically removed all customization, after finding out that the out-of-the-box system is more suited to what our team is really trying to accomplish. Today, we are more focused on user acceptance, and we have realized that it is a lot easier to use and manage an out-of-the-box solution.

**GW:** That is important for organizations to understand. The further you are from an out-of-the-box software package, the harder it is to deploy quickly. It is a good idea to define your business needs and primary business goals up front before selecting your CRM software.

**AH:** Do you have any other more general pieces of advice for people in your position?

**GW:** I would highly recommend that organizations understand all of the associated costs involved in their CRM programs up front, and start small. CRM is very complex and involves many departments, so we try to complete as much of a detailed design as possible with our consulting partner before conducting a vendor selection. This gives us a solid understanding of what we are able to control and accomplish.

I actually got a lukewarm reception when we first engaged Innoveer in our eight-to-ten-week assessment phase because we had a decentralized budget; therefore everyone wanted to know who was going to pay for the consulting. The other problem was that many people thought that they knew what was needed, and as a result, thought that it was unnecessary to work with a consulting firm.

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However, we have found that if you do not put forth this kind of effort up front, you will not achieve your desired goals in the most effective way. The benefits of working with a consulting firm, such as Innoveer, are huge for any company that is new to CRM or looking to gain the most from their existing system. By bringing in a consulting firm, you bring in all of the experience of people who have built all of these 'neat' systems, and you end up with a detailed design and successful program plan.

### **ABOUT INNOVEER SOLUTIONS**

INNOVEER SOLUTIONS, an award-winning customer strategy and solutions consultancy, provides advanced customer management services to healthcare and high-technology companies, among others, in the areas of planning and strategy, technology implementation, and optimization. The company's deep industry knowledge, broad technical skills, and Multishore methodology enable organizations to address their critical customer-facing issues and achieve an integrated view of all customer information. With an exclusive focus on customer management since 1998, Innoveer has worked with more than 300 organizations to increase their overall business growth, improve internal efficiency, and enhance the customer experience.

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### **ABOUT PTC**

PTC provides leading product lifecycle management (PLM) software solutions to more than 35,000 companies worldwide. The company's Product Development System works seamlessly across critical product-development processes, enabling companies to bring winning products to market faster. PTC solutions for electronics and high-tech manufacturers, designed to meet the product lifecycle management requirements of electronics manufacturers, include product development process and data management, electronic verification and collaboration, environmental regulatory compliance (RoHS, WEEE, etc.), and 3D mechanical design. PTC's more than 3,000 high-tech customers include the top 30 largest electronics manufacturers across the globe as well as many of the world's most innovative manufacturing companies in the aerospace and defense, automotive, consumer, industrial products, and life sciences industries.