

CRM ASSIMILATION: BEST PRACTICES

Business Logic and Cost—Not Just a Standardization Mindset—
Must Drive any CRM Assimilation

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WHY ASSIMILATE?

Why combine CRM systems and what exactly can organizations accomplish? For many, standardizing on a single CRM system will produce numerous marketing, sales and service benefits, including deeper account penetration, greater organizational efficiency, more effective campaigns and a better customer experience. But this is not always the case, and “assimilation” may not be the best business goal.

Broadly speaking, when business divisions have similar practices, they may be good candidates for CRM assimilation. Conversely, groups with different ways of conducting business may benefit more from retaining their distinctive approaches. Accordingly, the best question to ask at the beginning of any CRM assimilation discussion is “Why assimilate,” and the answer must be driven by a solid business rationale.

Based on Innoveer’s extensive CRM experience, assimilation projects most often succeed when they are designed to achieve one or more of these business results:

- **Growth:** Refine sales, marketing and service practices to sell more—or sell more effectively—leading to increased revenue
- **Efficiency:** Improve organizational efficiency to reduce the cost of doing business
- **Satisfaction:** Create higher levels of customer satisfaction by creating a better customer experience

Ideally, a CRM assimilation project will aim to achieve all three goals. Conversely, however, if a project cannot reliably achieve at least one of these business outcomes, then the business case is clear: don’t assimilate.

THE RISE OF DATA INTEGRATION

The case against always assimilating CRM systems is relatively new. Until recently, any business—and especially large organizations with many divisions and different CRM systems—that wanted a global view of sales, marketing and service operations would optimally standardize on a single CRM system. Doing so was typically the best way to create a solid, worldwide business intelligence (BI) program; gain more accurate and complete views of sales forecasts, accounts and pipelines; create more cost-effective and

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KNOW THE BUSINESS RATIONALE

One organization approached Innoveer to help it create a CRM assimilation strategy for its multiple divisions, which operated in a largely disconnected fashion. After investigating the underlying business rationale, however, Innoveer found that the business leaders' primary goal was simply to improve reporting capabilities. Furthermore, the different divisions had very sound reasons for doing business differently.

As a result, pursuing assimilation—essentially, to create a single, worldwide sales report—would not be worth the cost. Management agreed, and instead, Innoveer helped the company integrate its existing CRM applications, using a service-oriented architecture (SOA). The result was a cost-effective technique for accessing real-time information about sales, without the onus (and in this case, unclear benefits) of undertaking a large CRM assimilation project.

THREE RATIONALES FOR ASSIMILATION

successful marketing campaigns; and generate extremely accurate and in-depth activities and reports.

Today, however, organizations have a much easier technique for achieving those capabilities: sharing and accessing required data by using SOA, to create lightweight, long-lasting integrations between different CRM systems. Using data integration, rather than full CRM assimilation, business groups can now coordinate—rather than have in conflict—multiple CRM platforms, including both on-premise and software-as-a-service (SaaS) applications. Many SaaS vendors even offer out-of-the-box data integration capabilities. As a result, business groups can use the CRM software that best satisfies their marketing, sales and service needs, while sharing data in a manner that meets the overall company's requirements.

As noted above, assimilating CRM systems—when backed by a solid business case—may create enormous upsides for an organization. Based on Innoveer's experience, organizations should pursue CRM assimilation when it is clear they can achieve one or more of the following objectives:

1. Growth:

The number-one reason to assimilate CRM practices and systems is when it will enable the organization to sell more, or sell or service more effectively, thus leading to increased revenue. For example:

- Are salespeople leaving business on the table, and with improved information-sharing, could they better manage accounts, increase account penetration and reduce conflicts between various sales teams?
- Can the marketing group design optimal territories or customer segments to target?
- Are customer service representatives pursuing valuable opportunities to cross-sell additional products and services to existing customers?

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But there is a prerequisite for proceeding: the different business groups inside an organization must have similar business models, meaning that they sell similar products or services to a similar group of customers.

For example, at one pharmaceutical company which faced industry consolidation, executives suspected that standardizing business divisions' CRM processes and systems would eliminate overlap, increase account penetration, enhance marketing effectiveness and thus improve sales. Working with Innoveer, the company identified a strong business case for assimilating its CRM systems because its divisions operate in a similar manner, and largely market and sell to the same customers. As a result, its business groups are now moving onto a single CRM platform to drive increased revenue.

2. Efficiency:

Sometimes, and certainly not in a majority of cases Innoveer sees, an organization will have multiple sales, marketing or service groups in different geographies which have a suitably consistent approach to doing business, but do not coordinate activities or outreach. In these cases, assimilation can make sense for driving greater centralization, tool-sharing and economies of scale, resulting in increased efficiency. But once again, the only way to achieve that efficiency is if the groups involved already have similar business models.

For example, a major high-technology company had multiple business units based in different countries that were using different CRM applications and operating independently. But the company's business model was centralized enough that business leaders, working with Innoveer, predicted that it could achieve much greater marketing, sales and service economies of scale—and thus efficiency—by standardizing on a single CRM application. As a side benefit, using a single tool also

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enables the organization to more easily gather information about its customers and improve its BI program.

3. Customer Satisfaction:

The third rationale for CRM assimilation, which often relates to the previous two, is improving the customer experience. For instance, perhaps an organization's customers must currently interact with customer service teams based in multiple geographies or within different business units, and the inconsistent experience results in poor customer satisfaction levels, leading to account churn. In this case, creating a more unified and seamless customer experience may make good business sense, provided—as with the previous rationales—that the underlying business groups share a similar business model and customer-base.

For example, Innoveer helped a consumer electronics manufacturer, which sells directly to consumers via telephone, retail outlet and e-commerce channels, improve its customer satisfaction levels. Previously, a different business unit controlled each channel, using a completely different CRM system, with no information-sharing. This resulted in poor customer satisfaction when for instance, a consumer could not return an item purchased online to a retail location. To improve the customer experience, as well as organizational efficiency and revenue, the company opted to standardize on a single CRM platform, which led to increased customer satisfaction levels as well as revenue.

PLAN PROCESSES BEFORE TECHNOLOGY

As with any customer-facing endeavor, organizations pursuing CRM standardization need a good plan. What makes for a successful assimilation strategy—meaning one that leads to more effective and coordinated marketing, sales and service operations; increased opportunities to cross- and up-sell; a single opportunity and sales pipeline; better lead and opportunity management; and more accurate operational intelligence for business leaders?

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Start by specifying business goals. Also, study existing customer-facing practices, to determine how to best improve them. Then identify the right technology for supporting the specified business requirements. Finally, create a project timeline that delivers new capabilities in phases, with each stage tied to achieving a specific business goal.

CRM ASSIMILATION STRATEGIES

When should an organization centralize multiple CRM systems? Let business requirements decide the strategy, and the benefits of choosing any one of these approaches should be obvious before proceeding:

	Full assimilation	Some sharing	No assimilation
Rationale:	Business divisions have relatively mature and also overlapping business processes and customer-bases	Data integration can support the information-sharing requirements for divisions with different business processes	Integration or information-sharing offers no benefits because the business processes and policies of business units differ and their customers do not overlap
Benefits:	Improve growth, efficiency and customer satisfaction	Improve sales pipelines and forecasts, reports and business intelligence, while retaining effective business practices	Retain distinctive capabilities, avoid inefficiency and maintain customer satisfaction

SUCCESS WITH CRM ASSIMILATION

CRM assimilation offers organizations multiple opportunities: to standardize, streamline and coordinate sales, marketing and service processes; capture new leads and business opportunities; unify reporting; decrease sales and service costs; and attract and retain more customers—all without eliminating any valuable business capabilities.

However, the path to CRM assimilation success begins by first identifying whether assimilation can improve existing customer-facing sales, marketing and service processes. Does assimilation offer the opportunity to generate more revenue? Will assimilation lead to increased efficiency and a lower cost of doing business? Can assimilation create a better customer experience and higher levels of customer satisfaction? If assimilation will help you achieve one or more of the above goals, then the case is clear: pursue CRM assimilation.

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ABOUT INNOVEER

INNOVEER SOLUTIONS, an award-winning CRM consulting firm, provides advanced services to life sciences, high-technology and insurance 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 400 organizations to increase their overall business growth, improve internal efficiency and enhance the customer experience.

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