Don't Make a CRM Buying Mistake
7 Points to Consider Before Selecting Your CRM Solution

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Customer Relationship Management is one of the fastest growing sectors of the computer software industry. In order to gain a competitive edge, companies of all sizes are looking for ways to improve how they market, sell and provide service to their customers. Many are turning their attention to Customer Relationship Management software as a tool that will enable them to effectively manage their customer relationships before, during and after the sale.

The rapid growth of this sector has attracted dozens of software solution providers many who have taken advantage of the popularity of "software as a service" or SaaS, as a vehicle to deliver their solutions over the Internet. SaaS has paved the way for the introduction of a myriad of new product offerings from specific vertical industry solutions to pure play CRM vendors that sell their solutions across all industry segments, (enterprise, mid-market and small business). In fact, there are now so many offerings that companies engaged in a CRM initiative have found the evaluation and selection process simply daunting. The challenge is simply trying to differentiate the products because so many of them make similar claims. First time buyers will perceive that the CRM industry is now a commodity differentiated only by price. But, just because these solutions appear alike, don't be fooled into thinking they are. There are some significant differences that you need to be aware of before making your selection.

I have created this white paper to help people feel more comfortable with the selection process and to ensure that they are looking at other important criteria that can impact the level of success they have with CRM software. If you are convinced that all CRM solutions offer the same features and functions then you will need to make your decision based on other criteria. Listed below are "7 Points to Consider Before Selecting Your CRM Solution".

1. Select a mature solution provider.
With today's economic uncertainty, it's extremely important to select a solution provider with a trusted reputation and long-standing track record for delivering high quality products and services in your industry. There are no guarantees today, but a company that has been in business for a decade or more with an established customer base is clearly a safer bet then the one that's just getting started. It's also a good idea to research the vendor's customer base and ask for references that can discuss the provider's commitment to quality customer service and product enhancements.

2. Know your requirements beforehand.
Don't make your selection of a CRM solution a beauty contest. Take the time to document the core requirements that you are looking for and make sure you fully understand the workflow of your internal business processes. Smaller businesses tend to lose sight of this during the evaluation process and become too focused on cosmetic appearance and price. As a result, they are often disappointed in the products inability to support the unique business requirements that were not part of the initial demonstration.

3. Where's my data?
Your customer information is your lifeline. Without it you're out of business. Don't be afraid to ask where your data is being hosted and by whom. Most vendors utilize a third party service to host your data. Ask who they use and check into the company's track record for performance and reliability. You may also want to inquire about backup and recovery along with their procedures for obtaining your data should you discontinue the service. This is one of the most important yet overlooked aspects of your decision process.

4. Scalability
Your business is going to grow. If you didn't believe this you wouldn't be in business. Consider selecting a solution that offers a comprehensive set of applications even if you are not planning on purchasing or utilizing them today. Switching to an alternative solution provider to attain additional functionality can be a costly and disruptive exercise in the future. In addition, you may want to make sure the solution you select performs efficiently at two to three times the current number of end users you plan to have. You may discover that the basic lower cost solutions designed for small businesses may not perform well when pushed to higher utilization levels.

5. Back-end integration
While this may not be your top priority, CRM is the front-end to all back-end processes and sooner or later you are going to want to integrate customer data with your accounting or ERP system. Make sure the vendor you select offers an application programming interface or API that enables back-end integration.

6. Select a partner not a vendor.
If you are making a decision to implement a CRM system because you're committed to becoming a more effective sales and service organization then you need to select a partner and not a vendor. A partner will provide you with a proven implementation plan and best practices to ensure that you realize the maximum value from their solution. A vendor will enroll you as a customer, then suggest you send an e-mail if you require help. CRM is not a toy and you will require professional training and assistance from time to time. Select a partner who has a solid track record for providing this level of support.

7. Stay away from free.
Nothing good comes out of free. Not good products and not good services. A world class product from a trusted solution provider who can protect your data with a reliable hosting service, provide a high level of performance, offer scalability and growth, enable back-end integration and partner with you to ensure your business objectives are met isn't cheap and doesn't come free. Selecting the right solution provider is an important decision for your business. Make the above criteria part of your evaluation process. You may discover that the difference between a top rated trusted solution provider and a low cost one may be just a few dollars a month.

About the author:
Larry Caretsky is president of Commence Corporation, a leading provider of Customer Relationship Management software. Caretsky has authored several white papers on the subject of CRM, including CRM an Executive Perspective, Getting Back to Basics, and a comprehensive guide titled, *Practices That Pay – Leveraging Information to Achieve Industrial Selling Results.* These articles may be found on the Commence web site at www.commence.com.