

# *Key Findings*

*July 19, 2004*

## **The Second Time's the Charm — Picking a CRM Vendor**

An old friend called me a few weeks ago looking for advice. Steve (he actually goes by another name) is the CEO of a small software company with a fresh infusion of venture money and plans to grow aggressively over the next year. Like any growing company, Steve needs to hire more sales people and to ensure that he and his VP of sales can do a good job of managing all those new hires as well as their pipelines. Steve knew he needed a sales force automation application.

Steve's situation was not uncommon but it wasn't as straightforward as it seems from this brief description. As a small company, Steve knew he did not have the time or the money to invest in a traditional CRM or SFA system that would be deployed behind his firewall. Steve told me he was comfortable with the idea of a hosted solution and I thought, "Great! That's one hurdle out of the way already."

### ***People, Process, then Technology***

As it turned out Steve was comfortable with the idea of a hosted solution from recent experience. Steve had already spent some money in haste on a hosted SFA application that was not meeting the needs of his inside sales people. As a result, he could not roll out the solution to his field reps.

"They won't use it," he said. "They tell me even simple things are hard to do with it."

It was the classic user adoption issue brought on by another classic mistake.

"What kind of requirements gathering did you do before you bought it?" I asked.

"None," Steve told me. I hired a consultant who said this was the thing to get." The truth is the package was not a bad product but it had been selected in haste and implemented without enough support from the consultant. I found out later that the consultant was pretty good at data cleansing and data conversion but was not a CRM expert or very knowledgeable when it came to SFA.

In my research I have found through several surveys that only about half of the companies that buy CRM actually go through the process of performing needs analysis but that single step is often the difference between success and failure of any CRM project. Implementing CRM without needs analysis is like driving cross country without directions — you can get

pretty far but if your heart was set on playing Pebble Beach and you end up in Vancouver, well...

## ***Next!***

Having spent some time and money on a solution that didn't meet his needs did not faze Steve very much. After all, one of the beauties of hosted solutions is that they have a very low cost of entry. But more importantly Steve was running out of time. His company's fiscal year started July 1 and he had planned to have an SFA solution in place for his sales kick off meeting in August. Steve's team was now under the gun; they needed to make the right decision and they needed to make it quickly.

I wanted to help Steve because he is a friend and also because I thought that with my knowledge of CRM and the hosted CRM market I could do a better job for my friend than the previous consultant. So we got to work.

I interviewed the major user groups including inside sales, the VP of sales, the VP of operations who would own the day to day operation of the system, and the director of marketing who would use the system for lead development. I also got input from some of the people who would be using the solution daily including some from overseas. From all those interviews we assembled a needs document and I then contacted three of the leading providers of hosted SFA solutions — that's when my learning curve began.

## ***A process invented by Goldilocks***

I am not going to name the three vendors because from my perspective each could not only do the job. As I started to examine solutions from the perspective of the users I got an education. It's one thing to take briefings from vendors and to discuss the pros and cons of various software options and sales methodologies but there is nothing like looking at a solution with the understanding that you will spend the better part of your work day interacting with it to sharpen your focus.

Of the three vendors that came to present their solutions to our needs document, no single vendor was a perfect fit though all came pretty close. Despite our requirements document, it quickly became clear to me that the primary issue was subjective; our users wanted a system that was "intuitive" though attaching meaning to that word was an elusive goal at times. The trouble with intuitiveness is that it seems the more intuitive a system is for the user, the more work there is for the administrator to get the system to work exactly the way the users want. Also, no system is truly intuitive initially. The question the users had to face was which system did they want to invest their time in until it became second nature?

## ***Things that I learned***

A plus for this evaluation was the fact that the solutions were all hosted and rather than simply watch some demos and hope, we were able to get evaluation sessions with each product. The team leader was able to try to configure the things he knew were challenging in his current system and that made a big difference in everyone's confidence level when it came time to decide.

One thing that I re-learned from this experience is how much most people don't like to change, even if the potential change is relative to a process that would only occasionally be invoked. I have worked in several areas of the software industry and I have always found

that the first generation of change — the one that moves you from a manual or paper based business process to a computer based one — seems to be the most difficult.

Maybe first generation systems are not very serviceable or maybe absorbing the twin ideas of computers in general and an automated process is simply too great a leap for many people. In reality, numerous issues contribute to adoption woes as we have seen in CRM, but the same can be said of the numerous successes. I have often said that you can't build a \$14 billion + industry out of products that don't work and vendors that don't care.

So we keep at it and over relatively short periods of time — not days or weeks but months and years — we make progress. The enormous productivity gains the US economy registered in the 1990s were a great example of an accumulation of small changes that added up to big benefits. But each of those small changes came because someone decided to embrace change and to try doing his or her job a little differently.

A week later than we had planned my client selected a hosted CRM solution they believe will meet their needs. They have a month to get the system up and running and in shape for their sales kick off meeting — a manageable task. But we've already decided that spending a little extra time in the selection process was worth it even if it means we won't have a fully live system for the sales meeting. Training can still be done and if there's anything we all learned throughout this process it is that making the right decision was more important than making one on time.

Who won? I'm not saying. As far as I am concerned all three vendors could have done the job. The important thing is that the users all believe they made a good choice and that will contribute more to success than a bunch of features.

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