

# CRM Discovery Kit

## Part 1: The Mid-Enterprise Guide to Choosing the Right CRM

(Five Things the Humongous and the  
Shrink-Wraps Don't Want You to Know)



**When it comes to  
choosing the right CRM,  
there are five things  
you should know.**

# 1. Be careful.

Everyone will tell you that CRM is a tool to improve the way you do business.

However, it's much more than that.

It's the beginning of a change in your relationship with your customers. And the beginning of a new relationship with a CRM company.

Of which there are three kinds to consider:

1. There are the humongous CRM vendors who sell complex, humongous CRM to the biggest companies in the world.

They design CRM for companies with large, flexible IT budgets, and a scope that will take years to realize. For them, humongous CRM works just fine.

2. There are the shrink-wrapped CRM vendors who sell limited-functionality CRM to small businesses.

They design CRM for businesses with simple processes, a timeframe of a few weeks and no need for customization. Shrink-wrapped CRM is all they need.

3. Then there are CRM people who design and build CRM for growing, adaptable mid-sized enterprises (companies and business units in the revenue range of \$50 million to \$3 billion).

Mid-sized enterprises can't spend millions or wait years to develop CRM. They also can't risk the shortfalls of 'junior' CRM.

If that sounds like your company, you have unique CRM needs.

Mid-sized enterprises need CRM that's comprehensive across all business functions.

But it must fit sensibly, and deliver quick wins and measurable business results that matter. Like increased revenues, improved margins and customer loyalty.

But in order to get there, you'll need to take a sensible approach.

Because CRM can create significant, precise business results. Or great headaches for your entire company if it doesn't fit.

## 2. CRM is not a destination.

This is a journey.

With CRM, you are changing the mindsets, attitudes, and behaviors of your people towards your customers. And in every interaction with your customers, you will understand them better.

You will know what they want.

Your customers will choose how they want to do business with you. And they will like that.

So get used to it.

But don't presume you'll get it right the first time, or all at once. Count on making adjustments. Iterations. Taking safe, manageable steps.

You'll be implementing not only new technology, but new workflow, processes and capabilities in a very complex environment.

It's a big initiative, with big potential.

To minimize risk, know in advance exactly what you want to achieve.

Make absolutely sure you — and the CRM people you choose to work with you — never take your eye off the prize.

(Not just a successful deployment, but achieving your most fundamental business objectives.)

# 3. CRM is not a software purchase.

If it were, it would be easy.

Humongous CRM vendors would prefer you to see CRM this way. As a piece of software. Because that's how deals get signed. That's how the real cost is hidden.

(That may be acceptable for some companies, like those with the largest IT budgets in the world. They can absorb the extra costs.)

Shrink-wrapped CRM vendors would also prefer you to see CRM this way. Because that's how it seems easy, fast, cheap. Two weeks and you're up and running, they'll say.

(But there's a catch. It's built for small businesses. It was never intended for complete, customized functionality across sales, marketing and service.)

Here's what we think.

Surprises just don't work for mid-sized enterprises — cost over-runs or functionality shortfalls.

Mid-sized enterprises need to buy CRM in a sensible, cost-predictable way. This means accountability on all fronts. Beyond deployment. All the way to results.

The kind of improvements among your people, processes and goals that you can clearly see on paper.

So consider this.

The cost of your CRM software does not matter. The cost of your CRM implementation does not matter. The cost of getting your people trained does not matter.

What matters is the total cost of getting measurable business results.

Because when you think about it, you are not buying CRM software to get CRM software. You're buying it to get results.

CRM is a results purchase.

# 4. You know your business better than your CRM company.

Don't let a CRM company try and tell you how to do business.

While they may have assumptions about how they would operate in your industry, they don't know more about your business than you. They can't understand what really works for you until they've spent a lot of time with you.

Of course, they'd rather not know what works best for you. That would mean they'd have to make their CRM fit to your business (instead of the other way around).

The humongous vendors and the shrink-wrapped vendors just aren't set up that way.

The humongous vendors will tell you that they have The Deepest CRM Functionality In The World. And that among thousands and thousands of features, there will surely be something that's meaningful for you.

Some companies can afford to take on that much.

Perhaps they don't need to move so fast. Perhaps they have a massive budget. Perhaps they want huge depth, because it makes them feel safe.

Meanwhile, the shrink-wrapped vendors specialize in limited-functionality CRM for small businesses. They'll tell you that's all you need. And it will be a bargain.

But remember — you get what you pay for.

For small businesses, generic contact management is often enough. Because they don't need or expect comprehensive, measurable business results. They just need a limited tactical tool for a limited number of users.

If you want to control the way you do business, make sure your CRM vendor has room for you in your solution.

Room for you to grow, to adapt. To stay dynamic. CRM to fit, on your own terms.

After all, it is your solution.

# 5. The CRM promise still holds true.

If you're considering CRM, you've heard the stories by now. Such as: only one-quarter of CRM initiatives make an impact to the bottom line.

If this is true, then what happened to the other three-quarters who failed? What did they do wrong? What did their CRM vendors do wrong?

You'll hear plenty of speculation.

They didn't prepare their employees. They didn't have executive buy-in. They ran into problems with existing systems. They ran out of money.

But here's what we think.

CRM fails when you buy the wrong size.

It's as simple as that.

Some companies get starstruck, and drown in CRM that's got thousands more features than they need.

Others take a piecemeal approach, and try to make do with multiple low-functionality systems that don't amount to much as a whole.

Your CRM vendor should design, build and approach CRM with one thing in mind.

The strength of your presentation to the board, one year from now. On the business results of your CRM initiative.

At Pivotal, we want you and your team to look good up there. So we build CRM that is designed from the ground up to 100% fit to your business.

Because when it fits, it works.

That's what we mean by delivering on the promise of CRM. If that sounds like what your company needs, you're in the right place.

## Recap

Part 1 of the Pivotal CRM Discovery Kit has explored the five things you should know about choosing CRM.

Be careful. CRM is not a destination — it's a journey. CRM is a results purchase, not a software purchase. Remember who knows your business best (you do). And finally, the CRM promise still holds true.

If you only remember one thing, make it this: Size matters. Choose CRM that makes sense for your company, and for how you do business.

## Did you know?

When you begin your CRM journey, there are two important people within your company who are likely to have strong opinions about how it should be done.

Find out how to keep them both happy in Part 2 of the Pivotal CRM Discovery Kit: **The Mid-Enterprise Guide to Building Impactful CRM.**

## 100% Purpose-Built for Mid-Sized Enterprises

At Pivotal, we've been designing and building CRM for mid-sized enterprises for nine years. More than 1,600 growing, adaptable mid-sized companies and business units have chosen Pivotal for our comprehensive products, our proven expertise and our sensible, results-focused approach.

Let's talk about what your company needs to accomplish. Because we'd like to help get you there.



Call today to get started.

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# CRM Discovery Kit

## Part 2: The Mid-Enterprise Guide to Building Impactful CRM

(The Art of Keeping both your  
CFO and your CIO Happy)



**Two important people  
in your company  
will have strong opinions  
about how to do CRM.**

# Keep them both happy.

Here's a familiar scenario.

Your company has fewer people and smaller budgets. Yet everyone is still on the line.

Marketing needs to prove its worth as a quality lead machine. Sales needs to inspire prospects and derail the competition. Service needs to go beyond solving problems and start generating revenue.

And your CEO says, "No excuses. Just make it happen."

This is when companies look towards CRM. And when that journey begins, two important people are likely to have strong opinions about how it should be done:

1. Your CFO needs reasonable costs, predictably managed. And the kind of

return on investment that can be seen in charts and graphs.

2. Your CIO needs to protect current systems, maintain productivity and think long-term. With minimal resources and disruption.

We believe keeping these two people happy throughout a CRM initiative comes down to one simple requirement:

*Choose CRM that makes it easy for your company to change and respond quickly.*

Because you'll need to.

At Pivotal, we built a CRM system that's a good corporate citizen. That's 100% designed to fit sensibly to what your company needs.

**We did it by following three CRM Guiding Principles.**

# 1. Breadth, not depth.

Let's make something clear.

Breadth refers to how comprehensive a CRM system is. If CRM has breadth, it has the right mix of functionality stretching across all the customer-facing teams in your company — sales, marketing, service and through to your partners.

CRM with breadth has the potential to contribute in every function of your company, even if you don't do it all at once. Breadth is important when you want your CRM to grow with you, to stay relevant and expand its role in your success.

Shrink-wrapped CRM was never designed to have breadth. It was designed for small businesses that need a tactical tool for limited use.

Depth refers to how much functionality a CRM system has. If CRM has depth, it has an almost limitless number of features. That's why CRM with depth is very large, very expensive and very complex.

Consider this carefully: the 80/20 Rule.

Most companies get 80% of the CRM functionality they need from the first 20% of features provided by large enterprise CRM.

It's like an iceberg.

Chances are good that you'll only ever need what you see above the surface of the water. But you'll pay for all of it. And you'll be weighted down by the massive amount of unnecessary features living in your system.

Instead, your CRM vendor should deliver the majority of what you need out-of-the-box.

The remaining, specialized functionality that makes your system yours should be quickly added through cost-effective customization.

That way, you've got everything you need. And nothing you don't.

## 2. Quick, easy customization.

A CRM system that's designed for mid-sized enterprises should facilitate customization by making it easy to change the way in which customer data is organized and used.

Think of a puzzle.

Most CRM vendors glue the picture to the puzzle pieces.

If you want to change the shape of the puzzle pieces to better suit your needs, it's very difficult to do so without breaking the picture.

Here's the mid-enterprise ideal.

The picture (customer data) should be kept separate from the puzzle pieces (how the customer data is organized).

This is important.

It means you can change the shape of the puzzle pieces — or how customer data is organized — any way you want, without disturbing the actual customer data itself. The 'picture' is glued to the 'pieces' only when the data is used.

At Pivotal, the secret to how we do this is called metadata, or data about data. We keep it separate, accessible and highly changeable. It's very innovative and very smart. Your CIO will love it.

It means that as your customers, offerings and markets change, your CRM system can adapt quickly. On-the-fly. With minimal cost and effort. So it's always relevant, aligned and meaningful.

# 3. Low total cost of ownership.

There is CRM out there that has been designed to reduce the strain on both budget and IT resources. You just need to know where to look.

First, look for CRM that's easy to integrate with your existing systems. You've invested a lot of time and money in them already, so make sure they're properly plugged in and contributing to your front-line CRM.

Second, look for CRM that's built on low-cost, well-supported platforms. At Pivotal, we've committed time and resources to find the most sensible mid-enterprise platforms. That's why we partner most with Microsoft® and Intel®, who both use open standards to ease interaction with the rest of your business.

Third, make sure that when your business needs and goals change, your CRM system can change cost-effectively with you. For instance, it should automatically send out customizations to your employees. And it should provide your IT experts

with the toolkits and industry standards that will enable them to make changes more rapidly.

Finally, your CRM should be designed as one complete, pre-integrated system across your sales, marketing, service and partner teams.

But it should be modular — which means you can easily purchase and deploy one piece at a time.

This approach is safer, easier and proven to generate quick wins.

If your company is a mid-sized enterprise, you probably don't sit still for long.

Customer demand will change. Competitors will come up with new tactics. You'll grow, and add more people and products to your team.

To keep costs predictable and manageable, simply choose CRM that is designed to keep pace with you.

# The Ideal Mid-Enterprise Design Model

In order to anticipate the change and growth inherent in mid-sized enterprises, the ideal CRM architecture should be what we call '3-tier', and 'metadata-driven'.

Simply put, it should separate your CRM system into three main layers:

1. The Presentation Layer, or the face of your CRM system.

This layer controls what your users see, and how they access the system (through a LAN, through the web or remotely).

2. The Application Layer, or the heart of your CRM system.

This is where your business rules do the bulk of their work, ensuring your core applications are all pulling their weight in the right direction. This layer contains the functionality and processes that make your system unique.

3. The Data Layer, or the brain of your CRM system.

This layer contains your customer, product and business data, and uniquely separates it from what is called 'metadata' — or data about data. Metadata controls the way in which data is used and organized.

When CRM technology is separated into these three layers, it is easier to tweak, adjust, change and customize.

One layer can be completely redefined, without affecting the other two.

When a CRM system is metadata-driven in addition to being 3-tier, customizability is greatly enhanced. All changes to the presentation, application or data layers are managed in one central location. Development environments are kept separate and only synchronized when appropriate. Therefore, the system can change easily without impacting existing applications.

Less risk, less fuss, less complexity, less cost.

Which is exactly what both your CFO and your CIO want.

### Recap

Part 2 of the Pivotal CRM Discovery Kit has given you sensible advice for keeping your CIO and your CFO happy through your CRM journey.

You want breadth, not depth. Make sure you can customize easily and cost-effectively. And ask the tough questions on total cost of ownership.

When it comes to technology, just remember your most important requirement. You'll need to change. Make sure your CRM can keep up the pace.

### Did you know?

For almost every company that embarks on CRM, there will come a turning point in the decision-making journey.

It's that moment of personal accountability when you make the distinction between delivering technology results and business results. You will ask yourself what we call the Big Question.

Find out the question (and the answer) in Part 3 of the Pivotal CRM Discovery Kit: **The Mid-Enterprise Guide to Measuring Results with CRM.**

## 100% Purpose-Built for Mid-Sized Enterprises

At Pivotal, we've been designing and building CRM for mid-sized enterprises for nine years. More than 1,600 growing, adaptable mid-sized companies and business units have chosen Pivotal for our comprehensive products, our proven expertise and our sensible, results-focused approach.

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# CRM Discovery Kit

## Part 3: The Mid-Enterprise Guide to Measuring Results with CRM

(How to Turn Technology Results  
into Business Results)



**It's not deployment  
results that matter.  
It's business results.**

# The Big Question

For almost every company that embarks on CRM, there will come a turning point in the decision-making journey.

It's that moment of personal accountability that makes you stop and think.

We call it the Big Question: Will this CRM vendor help us reach the business results we need?

This is what we call the Promise of CRM.

In order to make good on this promise, your CRM vendor needs to prove that they've institutionalized what matters to you.

Hint: this should be measurable business results — not just deployment results.

Here's what we mean by institutionalizing what matters.

Your CRM vendor, if they intend to deliver on the promise of CRM, should be able to offer

you a proven results methodology designed for mid-sized enterprises.

It should help you to understand the potential of CRM in your company, and then precisely guide you through a phased strategy designed to produce tangible, measurable business results.

Business results such as increases in revenue, margins and customer loyalty.

Many CRM vendors will tell you they have programs like this. But there's a catch.

For a business results program to be effective for a mid-sized enterprise, it needs to incorporate a complete series of critical milestones across your entire CRM experience.

**At Pivotal, we do it by following all three — not just one — of the following fundamental Results Rules.**

# 1. Know what you want.

Always begin by asking the fundamental questions about what you want to achieve as a company.

That's your starting point — your objectives. Not the technology.

Understanding your corporate objectives is the first step to make sure your CRM creates meaningful, impactful results.

At Pivotal, we use your objectives to guide every decision along the way, from technical design and deployment methods to your approach to user adoption.

You'll need to set goals and track your progress across the entire customer lifecycle — as you

reach out to prospects, convert them to customers and retain them for the long-term.

Think about what you'd like to improve at every step, at every touchpoint.

Response rates to marketing campaigns.  
Selling productivity and interaction quality.  
Upsell opportunities.

What's your top priority? Be specific.

Throughout it all, no matter where you begin, make sure that your people know what you're asking of them.

Because in order for them to succeed, they need to be clear on what they need to contribute to get the right results.

## 2. Don't try to boil the ocean.

Work towards quick wins. Build CRM in safe, iterative stages, delivering return on investment one step at a time.

Some CRM vendors may try to talk you into the alternative 'Big Bang' approach. You'll have one massive goal, and you may achieve it in 36 (or more) months.

This approach may be acceptable for the biggest companies in the world. For companies that move conservatively and don't need first-mover advantage. But it's not sensible for mid-sized enterprises.

At Pivotal, we believe CRM should be an iterative process. Enterprise-wide goals reached through manageable phases.

First, prioritize and focus on what needs improvement most urgently.

Second, set specific business goals that map to your most critical corporate objectives.

Third, implement the piece of CRM that gives your people the tools they need to reach those goals. Build metrics directly into the system, so you always have a real-time view of progress.

Once the viability of phase one is proven, and tangible results are achieved, repeat. Begin phase two.

Analysts tell us that when companies take this approach, they double their chances of meaningful results.

# 3. Set the baseline. Then close the loop.

Many CRM companies will tell you they'll build CRM to fit to your corporate goals.

But it's not worth doing unless you close the loop.

Once you've identified your phase one business objectives, make sure your CRM vendor baselines your performance. This is to assess your progress before, during and after deployment.

From the employee perspective, you might assess how many interactions each rep can handle, how many issues each rep can resolve, or how many deals are generated by certain campaigns.

From the executive perspective, the assessment points will be at a higher level. Measure changes in revenue per product or service, cost of lead generation and cost of service interactions.

It's also important to assess improvements in your business from your customers' perspective.

Look for improvements in lifetime value, retention, satisfaction and wallet share.

Combine all those perspectives, and you gain the full picture of your business trajectory (and CRM's impact on it).

This is institutionalized accountability.

With comprehensive, precise results measurement built directly into your CRM system, you will clearly see the numbers and charts on how your business is improving over time.

The intention of it all is to take you beyond a one-time software ROI assessment.

Because anyone can give you a report showing payback on a piece of software.

What you want is sustainable, meaningful business results.

### Recap

Part 3 of the Pivotal CRM Discovery Kit has given you the rules to institutionalizing 'what matters' — the achievement of the business results that are most meaningful to you.

Know what you want. Don't try to boil the ocean. Set the baseline, and then close the loop.

It helps to find a CRM company with people who deeply believe in the promise of CRM. Who know how to make it fit, and how to make it work. Like the people at Pivotal.

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