

HOW TO KNOW IF YOUR BUSINESS IS READY FOR

Can customer relationship management help your business to create happy customers?



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About SMB Group

As a research and analyst firm focused exclusively on small and medium businesses (SMBs), <u>SMB Group</u> understands how SMBs use technology to drive business growth. Over the past six years, SMB Group has conducted dozens of surveys and personally interviewed hundreds of SMB decision-makers to develop a deep, fact-based perspective about the drivers and challenges that they face in using technology solutions, and the business results they get from their investments.

Introduction

Successful business owners and decision-makers have always known how important it is to keep up with customers' wants and needs. Today's customers are more sophisticated and knowledgeable than ever before—making this even more important. Whether buying office equipment, groceries or consulting services, the average customer has access to exponentially more information about products and services than in even the recent past.

As the Internet, social media and mobile technologies change the very nature of how businesses and customers interact, you need to keep pace with changes in buyer behavior and expectations across the marketing, sales and service continuum.

How can you determine if your business is due for a sales, marketing and service makeover? Deciding when to upgrade and what to upgrade to can be difficult.

This eBook provides objective guidance to help you think through this decision and choose the best course of action for your business.

In it, we explore:

- The unique challenges that small and midsize businesses (SMBs, defined for this eBook as businesses with 20 to 250 employees) face to better align with the new customer buying journey
- How to assess your current sales, marketing and service approach to see if it's up to the job

 How cloud-based CRM solutions can help you to succeed even as your customers' expectations and behaviors evolve



Can Your Business Keep Pace with Your Customers?

Thanks to the digital revolution, customers can do much more research on their own. They can tap into an ever-widening range of digital content, ratings and reviews to educate themselves, get advice and improve the odds that they're making the right choice. What one customer experiences and shares can be massively amplified to potentially affect the attitudes of many others, for better or worse.

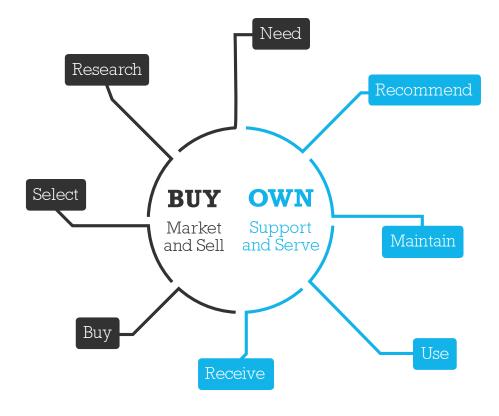
Buyers are much further into the buying process before they contact your business than ever before. CEB Marketing Leadership Council research shows that customers are already 57% of the way through the buying process before contacting a potential supplier; some will have completed as much as 70% of the decision-making process before reaching out to a vendor.

Selling to more knowledgeable customers can have advantages, such as shortening the sales cycle. But this knowledge also gives customers more power. They came to you pre-qualified but can walk away just as easily

Today's customers:

- Need to feel that you understand their needs, and that their business is more to you than just an exchange of money for goods and services
- Want a smooth, easy purchase process—regardless of the purchase channel they choose—once they're ready to buy

 Expect good service. If they have a good service experience, they'll buy from you again and tell their friends and co-workers about it. But they'll also spread the word about bad service—which is easily amplified in the digital world.



When "Good" Isn't Good Enough

Many SMBs use spreadsheets, contact managers, email marketing and other point solutions to manage their relationships with prospects and customers. And, if your business is very small and uncomplicated, this approach may suffice.



But as your business grows in size and complexity, using a tangle of disjointed solutions that don't "talk to each other" can stifle your business instead of helping you to grow it.

Think about it: As you add more customers, products and services, you have more to keep track of. At a certain point, pulling information from multiple sources impairs and slows down processes across different parts of the business.

Forecasting can become a tedious, labor-intensive process. You may see conversion rates slipping as new leads fall through the cracks and it becomes harder to generate new leads. Or perhaps your repeat and referral business is dropping off.

The common themes? You're wasting too much time on repetitive tasks and reconciling information across different systems. You don't have a clear enough view of the business, and it's difficult to automate and track customer touch points.

To create happy customers your teams need more than contact information. They need sales and marketing insights about customers.

Warning Signs that You've Outgrown Spreadsheets and Contact Managers

Losing customers when salespeople leave your company

Having trouble finding the latest customer information

Leads turning cold due to lack of follow-up contact and nurturing

Losing deals due to lack of customer/market insights

Inability to review deals without having individual conversations with sales reps

Don't know who your best customers are, and can't find your next best customers

Increasing customer complaints and decreasing customer loyalty

Inability to develop accurate forecasts

Trouble generating new leads

The SMB Dilemma

Your business needs to get ahead of this curve to attract new customers, grow revenues and keep customers happy so that they'll come back for more and recommend your business to others

Integrated, automated customer relationship management (CRM) solutions provide the tools to help you do more with less. 84% of SMBs strongly agree or agree that technology helps streamline and automate current business processes.*

With a solid CRM system in place, information and interactions across sales, marketing and service are integrated, providing a complete view of each customer and a clear view of the business. You can set up automated, coordinated marketing campaigns—from customized emails to landing pages, follow-up content and offers—to convert leads to prospects, generate referrals and get more repeat business from existing customers.

But, while they see the value of CRM, many SMBs are constrained by limited time, budgets and personnel to select, implement and manage a CRM system. You want the power that CRM can provide, but you need a system that will be easy to deploy, use and maintain.



Cloud-Based CRM Can Help Your Business Keep Pace with Customers

SMBs are increasingly turning to the cloud to harness the power of CRM without having to deal with the headaches and resource issues of managing a CRM system in-house.

Adoption of cloud-based CRM is growing rapidly, with 44% of SMBs now choosing the cloud. They're making this choice not only because they see it as more cost-effective, but because the cloud provides a plethora of other benefits, such as more flexibility, easier and faster deployments, and better security and reliability than they could achieve with internal IT resources.

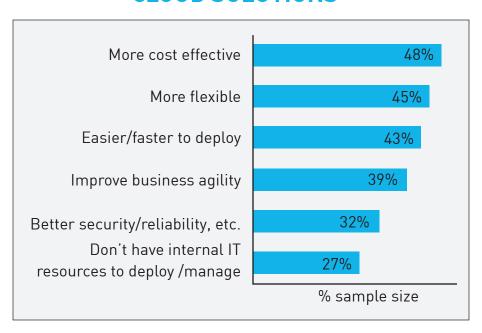
SMBs are also choosing cloud-based CRM systems to improve business agility. With a cloud-based CRM solution, you can:

- Offload daily systems care and feeding to the vendor.
- Automate repetitive tasks, such as the process to capture leads and nurturing a prospect along the sales cycle.
- Free up time and resources to devote to more strategic sales, marketing and service initiatives that will enable you to keep pace with customer requirements and expectations.
- Reduce the risk of human errors that can lead to missed opportunities, inaccurate forecasts and other problems.



of SMBs now use cloud-based CRM*

TOP REASONS SMBS CHOOSE CLOUD SOLUTIONS*



Support for Strategic Planning

Many SMBs spend so much time managing tactical, day-to-day customer interactions that they have little or no time left to spend on the strategic planning required to achieve better results.

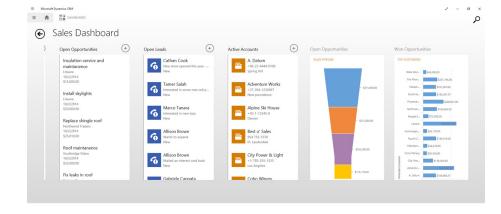
Integrated, cloud-based CRM puts customer records, order management, sales projections, service information and more into one centralized system, so you don't have to jump from one program to another to find or enter information. Streamlining these mundane tasks frees up time to focus on strategy.

With marketing, sales and service employees all entering notes on customer history, preferences and significant events into one system, you have a clearer, more accurate view from which to make decisions.

Cloud-based CRM systems can offer tools to support strategic planning as well, such as:

 Integrated reporting: Having to pull information from spreadsheets and other sources to create reports that are often outdated as soon as they're published makes it difficult to plan effectively. With cloud-based CRM, information is continually updated in real time, so you always have fresh, accurate data at your fingertips.

- Dashboards: Some cloud-based CRM solutions
 can be configured to provide live, customized visual
 representations in a dashboard view. This enables users
 to easily monitor the information most important to their
 role and limit extraneous data.
- Analytics: CRM solutions often have built-in business intelligence tools that can help you discover connections and dependencies you never suspected, and tools that help you to model new strategies before risking the consequences.

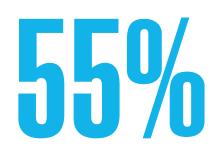


Anytime, Anywhere Access to Customer Information

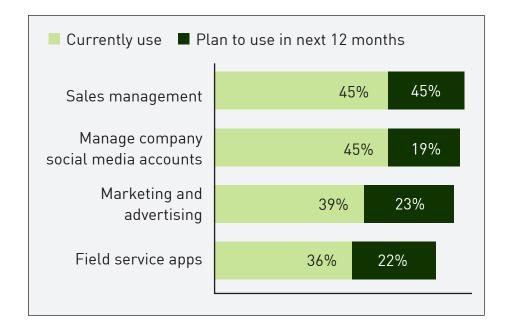
The term "workplace" is taking on a whole new meaning as employees embrace the convenience of mobile devices and solutions to do more—and sometimes all—of their tasks on the go. Not surprisingly, 47% of SMBs surveyed said that workers are doing more of their work on mobile devices.* As a result, mobile applications are becoming essential to helping sales, marketing and field service people do their jobs.

Cloud-based CRM systems should make it easy for employees to stay connected with prospects and customers regardless of where they're physically located or which device they prefer to use. Some cloud-based CRM vendors are even making mobile functionality as robust as that on the desktop.

As a result, 55% of SMBs now view mobile CRM solutions as critical to business growth. Whether used to enable sales and service people to more efficiently and effectively serve customers, or to find new ways to market the business, SMBs are finding that mobile CRM solutions help streamline and improve customer interactions.



of SMBs agree that mobile solutions are now critical for business*



Improved Productivity for You and Your Staff

The phrase "Work smarter, not harder" is more than just a cliché—it's the core of CRM's business value. Reducing marketing, sales and service cycles and costs enables employees to spend more time growing and less time performing mundane, repetitive tasks.

Whether in sales, marketing or service, handling tedious, repetitive tasks takes time and attention away from the things that really matter. In a cloud-based CRM system, you can streamline processes— from lead generation to prospect education to follow up with existing customers. This helps ensure that follow up gets done and employees have time for more valuable activities.

A well-sequenced lead-nurturing campaign initiated and tracked in a CRM system can prep and qualify prospects through the funnel based on prospect behavior. Cloud-based CRM should enable you to easily track lead-nurturing activities, such as email open rates, report downloads, webinar attendance and other indicators. Once a lead gets to a salesperson, the prospect is already knowledgeable and pre-qualified, and reps can focus on closing qualified leads. This shortens the sales cycle and helps you to scale sales initiatives.

Strong mobile capabilities also make it easier for employees to stay connected with prospects and customers at any time, from any location and any device. Although cloud-based CRM can't run your business for you, it can take care of the details. As a result, your staff has more time to focus on customers—and you gain the peace of mind to focus on the big picture.



Better Results from Every Interaction

The ability to attract new business and delight existing customers is key to achieving sustainable business success. Cloud-based CRM systems should include tools to improve the reach and effectiveness of marketing efforts and to maintain the relationship after the sale is made

Most businesses must continually attract new customers to grow. Marketing automation tools in CRM let you capture leads online and nurture them with sequenced and personalized follow-up emails to optimize conversion.

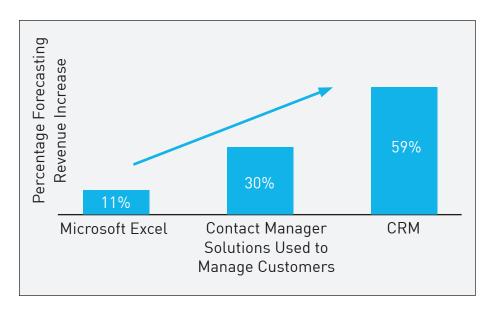
The benefits of automated, personalized communication don't end at the sale. Some cloud-based CRM systems include social media apps to reach out in new ways or to hear what your customers are saying about you. They can also offer functionality to stay in touch with customers post-sale, and to create automated campaigns that encourage customers to return, provide incentives for customers to tell others about you, or ensure your company stays top-of-mind through timely advice and updates.

Cloud-based CRM can also equip you to improve performance in the critical area of customer service.

A 2014 American Express study found that 58% of buyers who receive excellent service from a company will spend more money with that company. Since it costs about three times more to acquire new customers than to maintain existing ones, improving customer service can help you grow more profitably.

The CRM investment is paying off: SMB Group research shows that SMBs using CRM are almost twice as likely to anticipate revenue growth than their counterparts using basic contact managers, and more than five times more likely to forecast growth than SMBs using spreadsheets to track customer information.

SMBs Using CRM Are More Likely to **Forecast Revenue Growth**



From Getting by to Getting Ahead

Results are what matter, and all different types of businesses can use cloud-based CRM systems to improve their operating efficiency and effectiveness.

- A dairy goods producer experienced sudden massive growth, and it needed a more efficient way to manage customers in multiple sales channels. Cloud-based CRM let the company transfer inquiries from its web site, email and phones straight to the CRM system, routing leads to the right person to deal with everything from sales to service issues. Customer loyalty team members have access to any record, and the team leader can run weekly reports automatically to see where and how they could improve service.
- A pet insurance provider found itself in a state of chaos without CRM, with many workers wearing multiple hats and no effective way to target communications to appropriate pet owners. Cloud-based CRM allowed the company to improve customer service to achieve more than 98% customer retention and a 48% email open rate by delivering, for instance, dog content to dog owners and cat content to cat owners.

 A craft brewery implemented cloud-based CRM for its field sales reps in response to intense competition from bars, grocery stores and distributors. The unified, mobilefriendly system gives the company access to sales and inventory information, order processing, scheduling and account notes. This, along with other improvements, led to a 33% sales increase year-over-year.

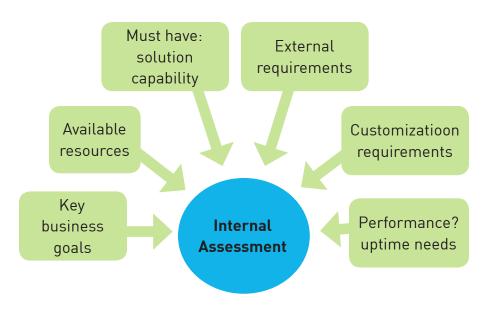


Start Your cloud-based CRM Search with An Internal Assement

As with any business decision, it's critical to conduct a thorough self-assessment of key business goals, resources, requirements and other considerations important to your company before evaluating something as important to your business as a new CRM solution. Every organization is unique, but here are some key factors to consider:

- What business goals are driving your cloud-based CRM search? Be clear about priorities and how you will measure success. More accurate, up-to-date customer information, better cost management, improved productivity and flexibility, and more informed decisionmaking are common goals.
- What internal and external resources will you need?
 Assess the budget and the internal and external business management expertise required to get up, running and productive, as well as how much training employees will need to use the solution.
- What solution capabilities are must-haves? In addition to core marketing, sales and service requirements, consider your need for discrete functionality, such as reporting, analytics and mobile access.
- What external factors are relevant? These include external regulatory requirements and/or customer, supplier and/or partner mandates.

- What are your customization requirements? Determine
 if, how and at what cost you can adapt the solution for any
 unique needs, as well as how easy it is to change things
 as your needs evolve.
- What productivity tools and other systems need to be integrated? The integration of other "must-have" tools, such as email or other business applications, should be straightforward.



Tips for Choosing a Cloud-Based CRM Provider

The good news is that you have many options when choosing a cloud-based CRM solution—putting you in the driver's seat as you weigh alternatives. The bad news is that having more choices can make the selection process more confusing and time consuming.

But there are steps you can take to streamline the process. Web sites, reviews, articles and analyst reports can help you narrow the playing field early on, and trusted local advisers and consultants can help you create a solid short list.

Many SMBs prefer to work with a local provider that can spend time with them on site to really understand their requirements and goals.

When you start interacting with cloud-based CRM providers and their partners one-on-one, remember that those who take the time to really understand your needs before they start pushing their solution are more likely to become true partners to your business, not just vendors. Strong pre-sales support also helps speed and smooth deployment.

Vendors that are easy to do business with during the sale are usually also easier to work with once you are a customer.



DOES THE PROVIDER OFFER...

- ✓ Easy access to clear product and pricing information?
- √ Live/local representatives available to answer your questions?
- ✓ Realistic demos and/or trials?
- √ Clear, comprehensive contracts that spell out contract length, terms, service levels, data protection and security, who owns the business data, and what happens to the data should you terminate the contract?
- ✓ Planning and implementation services to help you get up, running and productive guickly?
- ✓ References for customers that have similar. requirements and can speak with you about their experiences?
- ✓ Performance and uptime guarantees?
- √ 24/365 service and support?

Summary

The rules of the game are changing. Today's SMBs must figure out how to succeed in a sales, marketing and service environment that is increasingly more complex and competitive than their predecessors could have ever imagined.

Ad hoc, one-off activities—such as a direct or email marketing campaign, buying new lists, or creating a Facebook page or a Twitter account—may provide some temporary benefits. However, they will not yield the results you need to create and sustain business growth.

In contrast, an integrated, automated, cloud-based CRM solution provides the foundation necessary to manage and segment new leads, convert them into customers, delight customers, and grow repeat and referral business in a recurring, scalable manner—so that you can grow your business more efficiently and profitably.

You have many choices when it comes to selecting a cloud-based CRM solution to meet your needs. Take the time to thoroughly assess your requirements and define your desired outcomes in order to find the best solution to help your business create happy customers.

There is no "one size fits all" cloud CRM solution for all SMBs. But many have found that Microsoft Dynamics CRM Online is the best fit for their organization.

Click here to learn more about Microsoft Dynamics CRM Online Start a free trial!

