Talk to users of customer relationship management (CRM) software, and you begin to see why it's recovering its reputation – if it's done properly, says John Dwyer

the biggest risk in any customer relationship management (CRM) system installation, according to Steve Butler, IT manager of civil engineering products manufacturer Tensar, is what he calls 'feature creep'. And he's not alone.

Tensar makes the polymer products that stabilise embankments in road, rail and other building projects, and two thirds of its £30m sales are outside the UK. For this company, every project is a collaboration between sales staff, project engineers, contractors, distributors, companies and government agencies. Before it installed its Accpac (now Sage CRM MME) system, keeping tabs on all of these was done by paper trail, so the rationale for the system was automation.

However, despite initial caution, Tensar ended up with a large system specification. Though Accpac had advised bite sized chunks, "we completely ignored it, thinking 'we know what we want eventually. Let's get it all'," says group marketing manager Tim Oliver. That meant Tensar spent time getting things to work that had no chance of delivering it early successes.

Says Butler: "It was very volatile in its first year [because] we tried to accommodate everybody's requirements." That gave Tensar quantity without quality: "It meant a lot of ad hoc corrections had to be made to the system [and] that was a full time job."

Nevertheless, Tensar's business now revolves around its CRM, which distributes enquiries to the right people,

Meanwhile, Sheffield-based Modular Construction Solutions (formerly Omar Woodbury), which had similar needs, seems to have found earlier success. This £20m turnover company makes log cabins for country parks and modular housing, now the core business, and its sales process is also complex.

IT manager and financial controller Paul Ingall says that the firm's CRM now tracks the relationships among architects, quantity surveyors, structural engineers, the main contractor, and the customer housing associations or developers on every project. With over 100 live sales opportunities together worth hundreds of millions of pounds, the value of that is simple: "If you can pull off a report of all the opportunities that are out there and chase them," says Ingall, "that improves the percentage chance of getting those opportunities."

Easy on the features

In 2003 Modular installed a Syspro ERP system from McGuffie Brunton; adopting Syspro CRM was the logical next step, and its installation was problem-free because Modular kept the features down. Ingall also points out that if he'd kept adding 'nice to have' functions, the sales people would have had "a ridiculous number of fields to fill in."

Again, the benefits are undoubted: "Access to information", summarises Ingall. The managing director can see an opportunities list and pull off reports; CRM pre-

Being ready for oppo

holds all project records, handles new product development, complaints and ISO9000 records. Indeed now, as the sole source of information about the sales pipeline, CRM is even integral to forecasting. "It's become central," confirms Oliver. For example, customers with questionable credit status are known so no-one wastes time chasing them. Similarly, people who used to spend their days processing paper are now better employed chasing projects and drumming up sales.

Initially, Tensar believed the system would pay for itself in the first year. It didn't but, says Oliver, "Had we taken it in bite-sized pieces we'd have achieved that." And Butler adds: "We'd probably have benefited if we'd tried to keep it simpler. We tried to bite off more than we could chew to start with."

However, Oliver says the system has now paid for itself. His hottest tip is to get a project team together that goes across the company. "It was the saving of the project that we managed to get buy-in from all the managers that mattered right at the beginning. They were on the project team and they were part of it – it wasn't being done to them."

vents duplication of effort, with sales people in adjacent areas kept informed of ownership; and colleagues able to progress sales with the benefit of call history. Ingall's key advice is to "make sure you approach the purchase in a methodical way."

For some, however, CRM implementation has to be a journey. Poole-based Hugh Symons Group (HSG), which assembles and distributes IT, mobile phone and mobile computing systems for its resellers, has 600 employees and international sales of £120m. It has been replacing its ERP and subsidiary systems since 1999, and is now rolling out CRM-powered customer websites, with plans to have 30% of turnover on line.

An Oracle E-Business Suite, including ERP and CRM, from Inatech of London, is ridding HSG of duplicated and inconsistent data created by disparate sales order processing, customer website, contact management and warehousing systems. Already, says sales and marketing director Dan Belton, "it has freed up resource to allow us to focus on [generating] new business."

For Belton, CRM is about having a whole view of your customer. "If someone rings up and complains
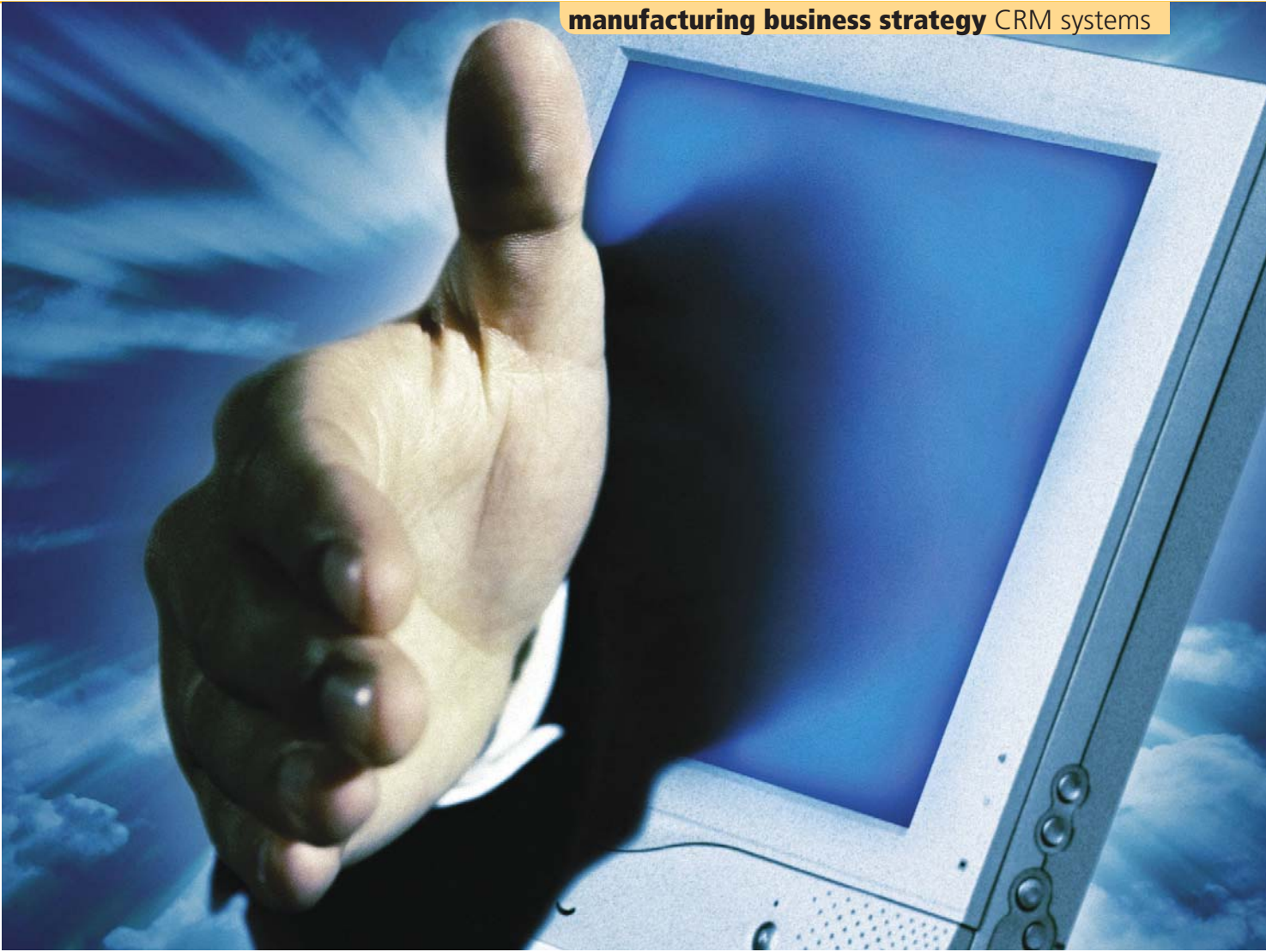
ortunities' knocks

about a credit control issue, you don't want a cold call the following day or a mail shot offering special credit terms," he points out. Nevertheless, he describes the implementation as hard. Business processes in larger organisations may stay stable throughout CRM installation, but in SMEs like HSG, people and processes change constantly, making it difficult to match IT.

Indeed, the system is still growing: "We always viewed it as an iterative process," says Belton. No-one should install such a system and regard it as finished, he advises. Oracle's services and support are good and the upgrades improve the system, he adds, but they also often mean extra training or further process changes.

Belton admits that, once they had addressed the main business issues, he and his colleagues became over-enthused by extras the system might deliver. There is inevitably a lag between putting a system in and achieving the benefits that only fully trained users can provide. "It's about expectations. We got caught up in the total improvement we were going to effect 'overnight' by implementing it," he says.

Before we close, it's worth noting that you don't have to choose CRM software from your ERP supplier. Brother UK, which makes printers, fax machines, labelling and industrial and domestic sewing machines at its Ruabon, North Wales, factory, didn't.

It went for a SalesLogix CRM system from London-based Touchstone, instead of an add-on to its SAP system. Brother sales and marketing director Phil Jones says that SAP could have done a fantastic job, but the company wanted a simple, Windows-based graphical user interface that the sales people could relate to.

Brother's CRM journey began because its own key accounts probably hid 12,000 distributors and resellers bidding against each other. Now Brother's CRM system assigns reference numbers to each sales opportunity. It knows who is ordering what, so multiple-bid price erosion can't happen. The firm also knows where all its products are going: "We can therefore map which products are going to be more successful in which channels," says Jones. "We're 100% joined up... I'm 100% in control of my business." ◼

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