

A Falcon White Paper

The Pitfalls Of In-House CRM/SFA Efforts

For any sales organization, the future is clear: you simply must acquire and utilize an advanced and highly efficient system to automate the call center, sales, marketing and customer service processes. The key question is *"How to find and implement the best automated Customer Relationship Management/Sales Force Automation (CRM/SFA) system for your business?"*

Business Options

You can buy low-end, inexpensive contact management software. These packages are generally bought "off-the-shelf." But it is now universally recognized that these inflexible, stand-alone products simply cannot provide the database, connectivity, and user interface capabilities necessary in practically any sales organization.

Consequently, any business seeking a solution that addresses the needs of an entire organization is actually faced with one of two choices:

- You can attempt to create, implement and support your own in-house CRM system,

- or -

- You can consider a proven solution, designed and built by CRM specialists, that provides a flexible, integrated sales, marketing, call center, and customer service system.

In this paper we discuss the risks and difficulties associated with an internal automation project. We encourage you to consider these facts before choosing your company's route to Customer Relationship Management (CRM).

Contact Management

In an effort to increase productivity, many companies supply their sales forces with contact management packages. They soon realize that what their salespeople need to succeed is not an electronic scheduler, but a solution that will allow communication with the company and each other.

In-House Automation Liabilities

In recent years many companies have launched aggressive internal efforts to develop CRM solutions. But industry studies show that in more than 90% of all cases these internal efforts have failed. Furthermore, most of these reasons are completely ignored when evaluating the feasibility of an in-house project.

Time Investment—

The sheer scope and complexity of most integrated automation projects are generally much too large for businesses. Even in small companies, a CRM development effort can take from 10 to 100 years of personnel man-hours. This can drain the energies of sales, marketing, call center, customer service, MIS, and administrative departments for years on end by sidetracking these groups and limiting time spent on business.

Needs Of Only Few Are Met—

Many internal development efforts start by creating a system for a single workgroup or division. This approach assumes that if the system works for the pilot group, it can be applied to the larger organization. But this concept harbors a fatal flaw. Isolated pilot systems designed for individual workgroups invariably contain “built-in” connectivity problems, database limitations, and functions heavily skewed to the particular needs of these workgroups. The typical results of these pilot systems are isolated, non-compatible islands of automation that in the end cost far more to integrate than they are worth.

Company Resources—

Any software development effort demands the expertise of a vast array of business and technology specialists. Few companies can afford to marshal the internal resources or personnel to see a huge project such as this from start to finish. Even the largest corporations must import consultants, specialists, and technicians to complete the job. Because of these factors, most outside experts warn against starting an internal automation project.

Project Scope

Because many developments begin within a single department, the scope of a project is usually limited to a small portion of the company. This is often due to budgetary constraints of the department.

The end result is a system that lacks the enterprise-wide functionality and integration that successful automation requires.

Cost Justification

The costs of a failed in-house development project are very high. Often, missed opportunity and the potential for losing critical business information will exceed the investment in a proven crm system.

Internal Politics—

The political infrastructure of a company is almost always overlooked, yet is one of the greatest causes for in-house development failure. An individual's perception and decision making ability are often swayed because of alliances with certain people in a corporation. Concerns for job security often lead to decisions being made that benefit an individual, as opposed to the entire company. To see that enterprise-wide changes are made with the company's best interest in mind, an objective third-party is almost always required.

Personnel Changes—

Many times, the software development for a project is left to just a few people. Often, these people are not available to provide support once a project is completed. Personnel can change assignments, departments, or even leave the company. Projects of this nature may be completely abandoned due to lack of support, training, and technical updates.

Perceived Success

Even for those in-house efforts that seem to succeed at first, most are abandoned within a year or two. Databases are later found to be incapable of handling a growing volume of sales force and customer information. Distributed members of a marketing team find they cannot communicate. Management reports are inadequate. Leads grow cold. Sales are lost simply because customer's inquiries are not pursued in a timely and aggressive manner.

Many companies have been through this frustrating and costly internal development curve — and now recognize the advantages of investing in a proven CRM solution provided by industry experts.

Essential Requirements For Customer Relationship Management

The implementation of a successful enterprise-wide CRM system requires a broad base of procedural and technical expertise.

Process Understandings

Sales and Marketing	Management Information Systems
System Analysis	Field Sales Management
PC/LAN Management	System Compatibility Issues
Data Communications	Specialized Reporting
Direct Mail	Client Management Automation
Telemarketing	Distributed Application Design
List Management	Inquiry Fulfillment/Integration
Project Planning	Executive Information System Design
ROI Projections	Continuing Upgrades
Cost Analysis	Customer Service/Support
User Training	e-Business

Technical Understandings

Graphical User Interface	High Performance Data Storage/Retrieval
Relational Databases	Multi-Location System Access/Security
System Connectivity	Integrated Application Testing
Software Code	PC/LAN Hardware Configuration Expertise
Data Conversion	Distributed Application Design
Software Customization	Unattended Data Communication Design

Each of these issues is highly complex and can be a difficult task to develop and implement. When all are tightly integrated on an enterprise-wide scale, the magnitude of the project becomes so great that only a specialist in the field of crm should consider the project.

Why Try To Build Your Own Bank?

Your company needs reliable financial and legal services —but you would never consider building and staffing your own bank.

Multiple Technologies

When planning in-house development systems, most project teams fail to realize that many technologies beyond sales, marketing and software development are necessary to implement a successful solution.

A team must have a high degree of expertise in areas from accounting to database development. It is very rare to find the right blend of skills required for crm all in a single corporation.

Nor would you think of establishing a law office and hiring a permanent staff of attorneys. So, why should you attempt the difficult and risky task of developing and implementing your own CRM system? Experience shows that the very best systems are planned, developed, and supported by specialists in the field of CRM.

The Cost Of Internal Failure

There are many risk factors to consider when contemplating the possible failure of an in-house automation system.

- Wasted time and investment
- Internal discord and dissent between departments
- Potential loss of critical sales and customer databases
- Idled sales personnel
- Cost of reinvesting in a workable system
- Customers angered due to poor follow-up
- Broken lines of communications
- False starts, missed opportunities and lost sales
- Lost training time due to stop-gap measures implemented
- Demoralization caused by trying to reinvent the wheel

Notes From A Study At Harvard

The following conclusions were drawn from a study of CRM & SFA conducted by researchers at the Harvard School of Business and published by the Harvard Business Review.

Language Barrier

Not only do individual departments speak different languages, they also have different goals. While the Sales Department may request a system that will help them follow up on leads, the MIS Department may design a system that emphasizes ease of maintenance.

On average, sales and marketing costs average from 15% to 35% of total corporate costs. So the effort to automate for more sales efficiency is absolutely essential. In cases reviewed, sales increases from advanced sales, marketing and call center technology have ranged from 10% to more than 30%.

A successful automation effort requires expertise in computer hardware, database, data communications and software, as well as sales, marketing, call center, and customer service.

Marketing and MIS professionals rarely speak the

same language, and this schism often leads to miscommunication, false starts and project failures.

In other cases, internal automation teams tend to load the sales force down with reams of reports, much of which is irrelevant to the true selling mission.

Hidden Costs

Factors that are not obvious at first but have significant financial impact later on are known as “hidden costs.”

Most internal developments begin as cost-saving measures, as opposed to implementing outside technology. They fail to realize the hidden costs of training, support, implementation, and others. When left unplanned these costs can become so great they lead to the abandonment of a project due to a company’s financial limitations.

Most firms attempt to reduce the risk of launching a full-scale internally developed CRM system by installing pilot programs into small departments. But this pilot approach fails to reveal the cost, complexity, and potential liabilities of developing an enterprise-wide solution from within.

Many development efforts fail to foresee the “hidden costs” of internal projects, including: replacing existing CRM “islands,” compatibility, ongoing customization needs, expert CRM consulting, and end-user training and support.

Automation of sales, marketing, call center, and customer service functions is critical if a company is to succeed in today’s competitive marketplace. But companies must fully understand the costs and benefits before selecting a route to more efficient sales operations.

The Staffware eCRM and Falcon Solution

Companies seeking an alternative to the severe risk and expense of internal development efforts have found the solution in the flexibility and power of Staffware eCRM and Falcon.

Staffware eCRM is the **first** and **only** Process-driven CRM on the market. It is the international leader in integrated sales, marketing, call center, and customer service automation with almost two decades of CRM/SFA.

This powerful family of integrated sales, marketing, call center, and customer service applications are designed to boost sales force efficiency, maximize the conversion of leads into closed

business, maintain close relations with customers and reduce the overall cost of sales and marketing.

Staffware eCRM offers all the power and flexibility of true database marketing in a system that is simple to learn and easy to use. Staffware eCRM goes beyond simple contact management to connect and energize an entire sales, marketing, call center, and customer service organization.

A true enterprise-wide solution, Staffware eCRM automates these important sales and marketing application areas:

Field Sales	Call Center
Inside Sales	Account Management
Direct Marketing	eCommerce
Telemarketing	Management Reporting
Customer Support	Sales Cycle Activity Planning
Sales Management	Work Group Activity Monitoring
List Management	Criteria-based Targeting
Marketing Campaign/Event Management & Analysis	

The Most Direct Route To Automation Success

Now there is an alternative to the time-consuming and expensive process of internal system development. True business solutions are a blend of services, support and software. MarketForce consultants can analyze your requirements, refine and implement a solution tailored to your needs, and provide all installation, training, and support.

For more information on the Staffware eCRM and Falcon Computer Solutions, Inc., call or write today.

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