



Web Based CRM Tutorial

Part 1: Creating a Contact Management System

**Chic McSherry
CEO
Iport4business**



Contents

INTRODUCTION	3
BASIC REQUIREMENTS FOR CONTACT MANAGEMENT	4
WHAT DO YOU NEED TO KNOW?	5
FINALLY	8
ABOUT IPORT4BUSINESS AND THE AUTHOR	9



Introduction

Many organisations have a need to store information about contacts and relationships with other organisations and/or individuals. In the software business, this is called Customer Relationship Management (CRM) and is often extended into tracking sales and service calls. This is the first in a series of four **Essential CRM** Tutorials to walk you through the main considerations in setting up a CRM solution to track sales for your business, either as a web based CRM solution or as an on-premises solution.

It is primarily aimed at the smaller business new to CRM or implementing a Sales Lead Tracking system for the first time, however even those with a great deal of experience will find some of the tips and ideas useful.

Let's start with a little clarification therefore: what we mean here by "Contact Management" is the personal contacts, not the transactional contacts. In other words: the people and organisational contacts and not the emails, letters, telephone calls etc that are often lumped into "Contact Management".

Knowledge about these contacts: your customers; staff; suppliers and business partners, is critical to every business or organisation and so this is where we will start.

Basic Requirements for Contact Management

For quite some time in the late 90s, the "Next Big Thing" being touted in IT was Customer Relationship Management (CRM) systems. To read the hype, you had to wonder what organisations did before CRM was coined. Yet every organisation, commercial or not for profit, has to manage the relationships it has with other organisations and individuals: be they customers, associates, affiliates, members, employees, consultants etc.

And they had to do it long before CRM software was developed.

But that's not to say that software can't help out and even improve the process.

At the heart of every good CRM solution is a powerful relationship management model. In fact, you can easily say that most of what we do when designing CRM applications revolves around managing relationships between different data sources, no matter the origin, and presenting that data to the user in an easy to use format.

This relationship management capability goes to the heart of contact management. Many contact management systems start with the premise that organisations have relationships with other organisations. That is not strictly true: individuals within organisations have relationships with individuals in other organisations. And it is these individual interactions that need to be tracked and managed as well as the macro relationships of Customer and Supplier.

The organisational relationship management is still important, of course, but the intricacies of the individual relationships cannot be overlooked either.

So, to start with in any contact management CRM system you need to ensure that you can build up and manage potentially complex relationships between your company and the variety of contacts it has in the customer base. In many cases, for example where you sell one product to one kind of client, this is very straightforward as each and every data set takes on the same general format. However that isn't always the case and quite often companies will deal with a variety of client types all requiring different data to be stored. In systems where there is only one template for a customer this leaves a lot of redundant fields.

The type of sales organisation that you are also has a bearing on this: do you consider yourself to be a Hunter or a Farmer i.e. is new business your focus or is repeat business from a customer base how you make your money. Hunters tend to focus attention relentlessly on decision makers and one or two influencers whereas farmers often have to build a large network of inter-dependent contacts so that they can successfully cross and up-sell to them.

What do you need to know?

At its most elementary, CRM software comes with a basic ability to store your customer's name and (multiple) address(es), phone numbers, main contacts, etc.. However, most businesses want to store more information about customers, partners, membership etc than a mere name and address.

In order to facilitate this you need to be able to group together meaningful data about the organisation or individual (let's call these data Classifications) into an overall picture of the organisation or individual (let's call that a Profile) so that information can be shared meaningfully. Some of the common organisational data that is usually stored is:

URL – to store the web site address of the organisation

Main business type – a drop down list to describe the business in general terms. You could also use a Standard Industry Code (SIC) here but in our experience these are not accurate enough on their own. Many organisations with a manufacturing SIC code, for example, also distribute and resell.

Business description – to better describe in free text the organisation and what it does.

No of employees – in many cases, the number of employees will give an indication of the size (and perhaps suitability) of the organisation as a potential client.

Turnover – as above but this can often be difficult to find out.

Sales relationship – a way of categorising the relationship from a selling perspective e.g. Prospect, Target Account, Existing Customer, Prior customer, etc.

You should be able to add new Classifications and options to these CRM Profiles at any time. You may, for example, want to store and record the **Products** used or purchased by an organisation and in good CRM software this should easily be added to the Profile and will then be available to all users.

Similarly you should be able to restrict or govern access to certain Classifications (i.e. make them Read Only under certain circumstances) in order to protect the integrity of the data. It is extremely easy to have an expensive and painstakingly collected database ruined by allowing open-ended access to it by a bunch of salespeople! No matter how well trained they are, mistakes can and do happen so the ability to validate and control input is critical. For example, any Classification that you wish to search on should not be created as "free text" but should rather be a drop down list to eliminate the basic, but prevalent, error of typos.

Of course it is crucial that this Profile information is updated constantly. Some of it is easy to get -- web addresses and telephone numbers -- but some is not so easy. Things like turnover and number of employees are not always easy to find out as many organisations treat that information as private and sensitive. Large corporations, of course, publish it and therefore it is easier to get hold of.

The temptation is always there to try to gather as much info as you possibly can but it is far better to gather the kind of information that is a) relevant to your relationship with that client and b) possible to maintain and update accurately. The latter point is crucial. In our experience, a rolling program of “data cleaning” should be instigated on your contact management system to make sure that you are as up to date as possible. Things change. Stay on top of it.

Also, one of the best sources of information that you have is your customer service and/or sales teams. They are talking to customer and potential customers all the time and collecting information as they go. Make sure that they are primed to ask key questions whilst on the phone or face to face. In fact, getting really sensitive information is extremely easy face to face and is the time to get valuable details on turnover etc.

In the same way that you collect Classifications about an Organisation to build up a Profile, you will also want to collect specific information about Individuals. This could be professional information such as their Title, Department, Direct Phone Number etc. It could also be personal such as Date of Birth, Marital Status, Dependants etc. You will also want to know procedural data such as whether they are a decision-maker or an influencer in the sales process. In some cases, there is no need for an Organisational record at all and the Individual contact point is the only important one (Business to Consumer). When storing data against individuals you should always allow for a flag or marker which can be set if that person asks that you not contact them. In these days of Data Protection that is not only a legal requirement, but it is also a mark of professionalism on your part.

The key to designing a good Profile rests in knowing what you want to do with that information in future. If you are looking for buying trends on product lines then adding comprehensive product purchasing info to the profile would make sense. If you want to manage a sales team effectively then setting up Account Managers and Territories as part of the Profile would be useful. If you want to track conversion rates from marketing campaigns then include markers or flags relevant to these in the Profile so you can establish where the customer came from.

A good CRM system should allow you to build up a comprehensive and flexible Profile of all patterns of contact points between your business and its customers. You may also want to consider the capability of allowing multiple Profiles: for example, you may want to store different information about prospects than customers so is your CRM software choice flexible enough to cope with that? Or what about storing different profiles for SMEs and Corporate clients?

Many CRM solutions have one, flat, inflexible template relating to data (a legacy of the old Database models that they were built on rather than the newer and more flexible Relationship model) so you have to factor this in during your selection and set-up process.

One last key point: although this guide focuses on building up Classifications and Profiles within your CRM system, it is also possible to link into your existing finance software. For example, let's say that a key piece of information was a customer's outstanding order value. Ideally therefore, you should be able to link your CRM software into your finance software to automatically read that data in and display it when you load the organisation's Profile. The same can be said for any of the other data sets: name, address, email details, telephone etc.

But that is an ideal position: there are many excellent CRM implementations out there that are completely stand-alone and your own circumstances should dictate the right choice as far as integration goes.

The objective of this systematic data collection is to build up a large database of client and prospect information that can be “mined” for additional business. The key to this is good reporting or query tools. Ideally it should be possible to use any Classification in the database to report on so that you can extract details in a wide variety of ways.

Reports may also be a misnomer – in many systems you can use the “reporting” as an on-screen enquiry tool and the actual output can be to other tools such as Excel as well as paper. In fact, Excel can prove to be an excellent tool for outputs as once data is in there it can be manipulated and merged into mailshots or emailshots.



Finally

The preceding covers the raw and largely static data that you may want to track about your key contacts. But what about the day-to-day interactions that your team have with customers and suppliers? How do you store these?

We would strongly recommend that each contact point be associated with a specific activity (and not just "telephone calls" or "emails" i.e. a folder based approach where things are communally "dumped"). The logical grouping of these contact points engenders a much more structured approach to managing contacts. For example, sales, service and project related contact points should be stored under the relevant transactions to which they relate otherwise chaos can ensue. By creating transactional entries you can also assign them to other to action therefore developing a chain of responsibility. This is particularly useful when your sales team are geographically dispersed.

The next sections of this Tutorial series will explore these transaction types relating to the Sales Opportunity Management process.



About iport4business and the Author

The author of this series is Chic McSherry, CEO of iport4business. Chic started his first IT company 20 years ago – a reseller business most recently involved with Sage and Microsoft Dynamics - and he has been deploying CRM solutions since 1994. In 1999 he developed an Enterprise Information Portal with CRM at its heart. That software is called iportprofessional and has been sold successfully, winning several innovation awards, both here in the UK and in the USA. In 2004 he created a separate company to market the product called iport4business and established a US office in Houston, Texas. In 2005 he launched iportinstant – a web-based CRM product based on iportprofessional which has a growing user base due to its simplicity and low cost (\$10 per user per month). A fully functioning 14 day free trial CRM system is available from the iportinstant web site.

Contact details

Chic McSherry
CEO
iport4business
UK : Suite 2, Airdrie Business Centre Airdrie, ML6 6GX
USA: 5847 San Felipe, Houston, Texas, 77073
Tel : 01236 439447 (ext447) (UK)
Tel : 713 821 1401 (USA)

www.iport4business.com
www.iportinstant.com