



## Process Solutions

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## Relationship Management: The Ultimate Unstructured Process

After years of mapping processes there are a few things I've learned. Two things in particular stand out. Thing one: always start with marketing and sales processes. And, thing two: those processes will always take longer to map out than most of the others.

The reason for Thing One is that these processes are the head end for all other operational processes. So, you cannot understand what happens next without understanding these first. The reason for Thing Two is that these processes have the greatest interaction with customers (or prospects) and as such must be extremely flexible to address a broad range of situations.

This means that any tools to automate these processes must themselves be extremely flexible. In this Column, I would like to explore both the process and technology sides of these two sets of activities. Any proper discussion should start with some basic definitions. Right out of the gate, we discover that even simple definitions can be problematic. I have had many a debate over the years about where marketing ends and sales begins.

### Marketing or Sales?

I have formulated my own definitions with which you are welcome to disagree. Simply put, my definition of marketing is any activity designed to generate new sales opportunities for the organization. Sales is any activity which has as its purpose the conversion of a sales opportunity into an actual sale.

The confusion with these definitions often comes when we start looking at who is doing the work. For example, in many organizations, salespeople make telephone cold calls (calling on someone whom they have never contacted). These calls are usually directed by a list that is purchased from list vendor. In other words, they have a list of "leads" that they are contacting in order to determine if any of them are interested in purchasing their products and/or services. Until the lead (which may or may not be qualified by the criteria used to create the list) indicates they are interested, there is no specific sales opportunity.

Therefore, cold calling is a marketing activity. However, once someone at the other end of that call expresses some interest, any subsequent contact is sales because it is the act of converting a sales opportunity into a closed sale. So, you begin to see the challenge with separating marketing and sales. Of course, there are other examples that are much clearer: magazine advertising, outdoor advertising, radio, or television. With these forms of marketing, the medium provides no intrinsic chance of conversion from lead to a bona fide sales opportunity. In other words, the prospect must take action in order for the conversion to take place.

The Internet opens up a whole new can of worms as prospects may come to your website and evaluate products (marketing). Then, click through and purchase those products (sales); all without your interaction. Suffice it to say that online marketing and sales has complicated the process even further.

Somewhere along the way, the process clearly passes into the sales realm. The complexity does not end there. If the sales process is about converting sales opportunities into actual sales, what about all the various activities that get you there? In some organizations, a sale is made at the click of a mouse. In others, there is a needs analysis followed by a quotation. In some, there can be an extremely complex estimating and proposal development process that can involve technical people, purchasing and even executive management.

One might easily assume that these sub processes are not part of the sales process, but their highly interdependent nature would suggest otherwise.

### **Tools of the Trade**

Fortunately, the makers of the software designed to support these processes (however you choose to break them down) recognize these complexities. Most of these “tools” fall under the heading of “Customer Relationship Management” or CRM. In reality, the best of them go well beyond simply managing customer relationships. They also manage a variety of activities associated with virtually every process we’ve discussed and then some.

In fact, after a prospect is converted to a customer, the fun is really just beginning. Good tools must be able to track all aspects of an organization’s relationship with its customers. This includes capturing order information, evaluating buying patterns to assist with recommendations for other products and/or services, and tracking all interactions with each customer regardless if it comes via the phone, website, email or social media outlet.

This is a tall order and only a few of the best products in this category even attempt to take on all of this. That is not necessarily a bad thing because you may not need all of that functionality anyway. It is always a good idea to keep in mind the goals of the project when selecting the right software tools.

As a bit of a gadget freak, I often find myself going right to the best, fastest, most feature rich toy on the shelf. Sometimes, I need to remind myself what I’m using it for. Does my smartphone really need a subwoofer? I have a sound system in my car and at home for such things. CRM software is like any other gadget. If it is going to be filling a lot of technological roles, it will need lots of capabilities.

However, you may already have software systems that overlap the capabilities of the more sophisticated CRM systems. For example, your enterprise software (the one that does your accounting and various other functions) can often manage the quotation and order taking processes. And, your email system may have a rudimentary task management and scheduling system.

### **Introduction to CRM**

Then why would you need a CRM system? The answer, simply put, is that a good CRM system doesn’t manage individual functions (okay, it does) as much as it manages the entire process. As we discussed earlier, there is an often fuzzy transition between marketing and sales and only CRM software is designed to provide the interconnection of these processes in a way that provides both a tracking mechanism and a positive feedback loop to evaluate performance at each stage of the process.

Over the course of my career, I have had the opportunity to use various CRM systems as both a salesperson and a manager. It is important to note that these two roles provide a very different perspective on the tool. Here’s a brief look at each perspective:

#### ***The Salesperson***

A good CRM is a great way to stay organized, but a lot of the information you need is in your organizer (whether that is a portable device or your PC) in the form of emails, contacts and

scheduled events. If you're really organized, you might even use some sort of task list. When the CRM first shows up, it is a huge imposition. Most of the information one needs is already stored elsewhere. Finally, most salespeople don't really like having the intimate details of their sales activities stored where anyone can see.

**The Manager**

"I was blind, but now I see!" I look at the forecast report and I can see where our money is coming from. Then, I go look at the activities for those big opportunities. Are they on track? Are there obstacles or delays forming? It's all right there. No more need to interpret obfuscating responses from evasive salespeople. This system would be perfect IF all the salespeople used it properly.

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| <b>Platform</b>  |
| Client/Server  |
| Cloud Based  |
| Hosted   |
| Email Support  |
| Email Client Plug-in   |
| Mobile Client:   |
| Android  |
| iPhone   |
| Windows Mobile   |
| <b>Campaign Management</b>                                       |
| Telemarketing Scripts  |
| Email Blaster  |
| Email Blast with Customer Specific Data Embedded                 |
| Lead Conversion  |
| Mix & Match Any Sequence of Activity Types                       |
| Multi Criteria Selection Filter for Leads or Accounts to Include |
| <b>Data Management</b>   |
| Lead Import  |
| Website Integration  |
| Inventory / Item Master Import/Synchronization                   |
| Quotation to Order Conversion                                    |
| Order Export to ERP System                                       |
| Accounts with Multiple Addresses                                 |
| Ability to Associate Contacts with Multiple Accounts             |
| Employee Expense Tracking  |
| Client Specific Price Books                                      |
| Split Commission By Percentage                                   |
| Tiered Pricing Using:  |
| Cost Plus Percent  |
| Gross Margin Percent   |
| Cost Plus Dollar Per Unit  |
| Tiers Based on Order Volume                                      |
| Tiers Based on Customer Volume in Specified Period               |
| MS Word Mailmerge Capabilities                                   |
| Unlimited User Defined Fields In:                                |
| Accounts   |
| Contacts   |
| Campaigns  |
| Opportunities  |
| Products   |
| User Defined Field Type Support:                                 |
| Text   |
| Attachment   |
| Combo List (User Entered)  |
| Combo List (From Table)  |
| Checkbox   |
| Radio Button   |
| Yes/No   |
| <b>Opportunity Management</b>                                    |
| Associate Competitor Companies                                   |
| Track & Categorize Multiple Buying Influencers                   |
| Associate Multiple Quotations with Opportunity                   |
| Associate Multiple Salespeople                                   |
| <b>Mobile Computing</b>  |
| Record Phone Calls   |
| Record Meeting Notes   |
| Record Emails  |
| Lookup Product Information/Inventory                             |
| Enter Quotations   |
| Enter Orders   |
| Real-time Data Access  |
| Offline Use with Batch Sync Mode                                 |
| <b>Activity Tracking</b>   |
| Activity Types:  |
| Phone Call   |
| Email  |
| Visit  |
| Letter   |
| Fax  |
| Mailing  |
| Web Inquiry  |
| Activity Assignment  |
| Workflow Creation  |
| Customer Service Incident Tracking                               |
| Email Reminders Auto Generated for Follow-up Activity            |
| User Dashboard With:   |
| Upcoming Activities  |
| Sales Month/Quarter/Year to Date                                 |
| Forecast Attainment Percent                                      |
| Accounts Overdue for Contact                                     |
| Open Opportunities   |
| Expiring Quotations  |
| Product Price Changes  |
| <b>Security</b>  |
| Restrict Users By Account  |
| Restrict Users By Screen   |
| Restrict Users By Field (Including hide)                         |
| Customer Login Security Management (Simplified Setup)            |
| <b>Reporting</b>   |
| Forecast Report  |
| Activity Report  |
| Won/Lost Report  |
| Mailing Labels   |
| Flexible Report Writer   |
| Subscription Based Auto Report Generation                        |

**The Reality Between**

For a salesperson, taking time out to document conversations and to store emails is a waste. It is their business to interpret the outcome of each communication and evaluate what is needed to keep the process on track towards the final sale. If they can get away without this extra work, they will. Of course, for the manager, this activity detail is the blood that flows through the system. Without it, the data contained is just dead bones. To use a sports analogy, it is like knowing the starting lineup, but not having the box scores that tell you how the game was actually played. Knowing who won or lost is not enough information to determine why.

So, as a manager, I had one simple rule: if it's not in the CRM, it didn't happen. If it didn't happen, you can't talk about it, take credit for it, or use it to show you were actually working for a living – NO EXCEPTIONS! Making this rule immutable was essential. Invariably, a salesperson would get off the phone after a breakthrough call and want to run and tell me the good news. Before they could start, I would ask, "is it in the CRM?" If not, they had better go finish the phone call before coming to me.

**Picking the Right System**

Assuming that you are prepared to work through the inevitable struggle to get the right people using the system consistently, all you need is the right system. If you're not prepared for this battle, don't start the project. You will waste money and time on the effort.

In my experience as a consultant, I have helped numerous companies select an appropriate CRM system for their business. There are so many systems that it is difficult to know them all. For example, I wanted a basic CRM to manage my own sales efforts for my startup company. I am using Gmail, so I wanted something that has tight integration. I started by going to the Google Apps marketplace for business account subscribers. There, I found a number of choices. What was most important to me was tight integration with email as I use email more than anything for communications. Zoho was supported and I have experience with that tool. Forgoing my "gadget freak" tendencies, I ended up with Insightly. I had never heard of it before, but it has great integration with email and seemed to be able to do the basics. I would not use it if I have a sales force, but it's okay for me. Its feature set is extremely limited. To the left is my list of major features for any CRM system. If you would like a copy of this list that you can actually read along with contact information for most of the major CRM vendors, send me an email.

In my selection process, I always ask the client to weight each of these features. There are a few products that have almost all of these features and not surprisingly, they score well. They also tend to be the most expensive. Some of them, like Pivotal (which is now renamed) have been around a long time and have accumulated many features. Some, like Microsoft's CRM have a lot of money behind them, so they have been able to play catch-up.

By weighting the features that are important to you, we are able to find more affordable solutions that have what you need. As with any software, sometimes the feature set is not as critical as the usability of the system.

I had one client that selected two finalists for a full length demonstration. They were really impressed with the first product they saw and felt it would do the job. Then, they saw the second product. It, too, was capable of doing everything they needed. They ended up selecting the second product purely because of the terminology it used. It fit their culture better and felt more like "their" tool.

### ***Deployment***

The business world seems to be quickly moving into the cloud. There are still plenty of companies that prefer to have their data on-premises. Many CRM products are agnostic about how their product is deployed (cloud or on-premises), so it is less of a consideration.

It can become a bigger issue if you are trying to integrate with existing systems. Sometimes it can be a challenge to integrate cloud based systems with on-premises system and vice versa. One system that you must integrate with is your email. The more seamless the integration with email, the better your data will be.

### ***Enterprise Resource Planning System Integration***

Increasingly, ERP systems are offering some or all of the features of a full blown CRM system. In several cases, some of the leading CRM systems have been acquired by an ERP software company and fully integrated into their product even though they are still sold separately. Sophisticated quoting modules or product configurators that use complex rules to ensure that various product options will be compatible are standard fair in many ERP systems and are also included in some CRM systems. If your ERP system doesn't have these and you need them, a well-integrated CRM may be just the answer. If you are going to record orders in one place, make sure the appropriate data finds its way to the other.

### ***CRM & the Internet***

Many firms are increasingly turning to their real estate on the worldwide web for both marketing and sales initiatives. Many CRM systems are lagging behind in their integration with these systems. Some of the ecommerce products are beginning to encroach into the CRM functionality space.

It is important to be able to manage keyword contribution to sales and link building to ensure that your website is delivering good natural search traffic. Some sales opportunities will come from emails and phone calls instigated by these online marketing initiatives and others will culminate in click-and-buy sales. Examining all of your marketing and sales activities together is very important if you are to determine where best to invest your capital (both financial and human).

### **What Next?**

Like every other software category, CRM systems are evolving. They are evolving because the processes that they support are evolving. Mobility is increasingly important as is support for more automated web-based activity. At the same time, the traditional methods of selling have not gone away. Many products and services are still sold by building personal relationships and helping to identify needs that the prospect didn't even know they had.

While some sales cycles are getting shorter, others are getting longer and more complex. In uncertain times, large capital expenditures get more scrutiny with more data available to evaluate choices and options; there are often more landmines in the sales battle for mindshare. Having the right tools to navigate that battlefield can be the difference between winning and losing.

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