

WHAT'S HOT IN CRM

The answer is CRM owners, market leaders and hosted applications, says Rob Brickle.



Rob Brickle: market for on-demand CRM has soared

I thought it time to debate the key issues in CRM – like who in the organisation should own the implementation, which industries are leading the way, and what's happening with hosted CRM solutions. So...

Which division should run CRM implementations?

The best returns from CRM come from aligning business, CRM and IT strategies across all departments and not just leaving it for one group to run. In fact, it's best if the business departments who actually use the software take ownership of the project, with IT and the CIO playing important advisory roles.

What this really means for the IT department is it's seen to be working in partnership with the business – not taking control or even worse dictating. How often in your personal memory has IT taken the lead and ownership of a project, only to be blamed for its failure when the system doesn't deliver the benefits or the functionality the business required?

Vendors can be guilty of helping fuel this as they encourage the spend through the IT function.

What industries are leading the way in CRM implementations?

As in most leading-edge technology implementations, financial services and telecoms are setting the pace in CRM.

Other sectors on the CRM bandwagon include consumer goods makers and retailers and high-tech firms. But this tends to be very business-to-consumer – which is fine and maybe that is the space for CRM technology, as opposed to CRM processes or customer management strategies generally.

So which industry, if any, is behind the curve? The answer is heavy manufacturing. As a rule, the further an industry is away from the end customer, the less important CRM is. And I would agree with that up to a point. Heavy manufacturing businesses are much more likely to be in a business-to-business environment than business-to-consumer. I know because we work with a number of them.

It is interesting to watch the way some of these organisations behave, and I would say that some are very close to their customers and indeed 'walk the talk' in terms of customer intimacy. CRM technology, however, does not do a great deal for them.

For these organisations CRM is much more about behaviours, processes and the way in which they engage with their customers and act on information as a result. And finally...

What are advantages of hosted or on-demand CRM versus on-premise and vice versa?

In the last few years, the market for on-demand CRM has soared, particularly among small and mid-sized companies, largely because of fears about the expense and complexity of large-scale on-premise CRM implementations.

Indeed, on-demand CRM is often a good choice for companies that want to implement standard CRM processes, are able to use out-of-the-box data structures, have little or no internal IT support, and don't require complex or real-time integration with back-office systems.

While we continue to exist in the current economic climate, this could provide the stimulus for even more organisations to follow.

However, on-demand CRM software is not always as simple as the vendors would have you believe. For instance,

customisation can be problematic and hosted CRM vendors' API tools cannot provide the degree of integration that is possible with onsite applications.

Getting a hosted CRM system working shouldn't take as long as a traditional software package, but larger and more complex rollouts can still take a year or more. Whilst the hosted option reduces the need for inhouse technical support, upgrades can still sometimes be technically tricky.

In addition, some companies with particularly sensitive customer data, such as those in financial services, defence and healthcare, may not want to relinquish control of their data to a hosted third party for security reasons.

AMR Research predicts that even during 2009, hosted applications will account for only 12% of the total US CRM market.

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