

CRM SELECTION SURVIVAL GUIDE

Your six-step guide to finding the best CRM for your business

GUIDE HIGHLIGHTS



Compiling and prioritizing
your CRM requirements



Creating your vendor
shortlist and producing RFIs



Evaluating vendor demos,
RFPs, RFQs and more



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Written by experienced CRM project managers, this guide outlines the six steps you should take when selecting a new CRM

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STEP ONE: REQUIREMENTS GATHERING

In this guide, we are going to look at all of the essential elements involved when purchasing a CRM system for your business. By following these simple steps, you are assured of selecting the most appropriate software to accommodate your business needs.

Before we get into the intricacies of this stage of the scheme, we will look at what this process entails, how to carry it out efficiently and why it is important to provide sufficient time to do this property.

This process enables you to bring together all of the key elements of the project and define why you need the CRM, how it will work and why it will help the business.

“It is well worth taking the time to get this stage right as once the groundwork is done, everything else should follow on much more smoothly”

ACCURACY IS PARAMOUNT

Defining your CRM requirements accurately is important for the following reasons:

- **Funding can be allocated correctly** – by gaining the attention of management early on; funding is much more likely to be allocated. You need to show how the company will benefit from the new system and how it can be achieved.
- **Purchasing risks are minimised** – the likelihood of purchasing an incorrect system is far less likely when the function of the CRM is understood before technology is singled out.
- **Costs can be reduced** – by ensuring that suppliers provide quotations tailored against a detailed specification, costs are far more likely to be accurate.
- **Project delivery is faster** – a detailed specification lends itself to a much faster implementation.
- **Cash flow is protected** – requirements are gathered together before you start spending.
- **Project adherence** – your project is far more likely to come in on time and on cost as requirements should not change. The chance of ‘scope-creep’ is removed.
- **User understanding** – this will be enhanced as those that will use the system will better understand why it is needed.

HOW TO CARRY OUT THIS STAGE OF THE PROCESS

It is well worth taking the time to get this stage right as once the groundwork is done, everything else should follow on much more smoothly. As well as putting together a list of requirements together in a document, formulated in a document or spreadsheet, you also need to link into the processes that the new software will integrate with. The full value of the CRM system will not be utilized if it is not used correctly and does not fix a path towards defined objectives.

You will find it much easier if you make a note of the outcomes you wish to bring about and then work towards the processes required. Look at each element in detail, working out how each element should be supported, the functional needs and migration of current data plus integration demands going forward.

Your introduction could begin with a summary of current systems, problems occurring such as poor workflow and delayed internal processes and the desired outcome. Then move towards details of the processes necessary to achieve each objective. Look at the related functional requirements, ending up with a document that will bring about the purchase of the most suitable CRM system from the most satisfactory supplier.



STEP TWO: CARRYING OUT INITIAL RESEARCH

With so many CRM systems on the market, how do you choose the most suitable one for you? By putting in place some initial research, you can be sure that whichever you opt for, it will do the job superbly, save time and increase productivity.

DEFINE YOUR GOALS

To kick off your research, you should begin by looking at your business goals. If you don't know what you want the CRM to do, then you may end up going in circles. How do you want the system to improve your customer service offering? Should it look at making overall performance more efficient as well as keeping notes with regard to customer liaison and product details? For example, will entering new customer information into the system be much faster and will accuracy and enhanced when it comes to producing Sales Confirmations and orders? Will the amount of records that you deal with stay the same or are you looking to expand once the new CRM is in place?

CLARIFY COST

You should also take time to look at likely costs. Depending upon the size of your business, your budget may be restricted. If you already know suppliers that can supply the CRM and with whom you have an ongoing relationship, your research may start with them. Don't forget to look at training costs, set-up fees and annual costs for maintenance etc. Most essential, will the new CRM link in with your existing systems or will other equipment and software need to be upgraded?

WHAT OTHERS DO

Always choose an experienced vendor that is either known to you already or who has been recommended. Whether you carry out the bulk of your research online or via trade magazines, it might also be worth finding out what companies similar to yours use. If they can provide you with leads, you might save a lot of time. Your research is not complete without looking at reviews, both of vendors and their CRM systems. These are a great way of getting an idea of user feedback and satisfaction ratios.

THINK ABOUT YOUR USERS

Another question to include within your research is whether or not you need your CRM to be accessible via mobile devices such as tablets. Will your sales representatives in the field need to get into the CRM whilst making sales calls on location? If employees will need to gain access off-site, then a mobile version will be essential.

“Your CRM will be a long-term investment so don't rush into purchasing until you have answered and evaluated all questions”

Also opt for a system that appeals to your employees with a practical and clear user-interface and which is user-friendly. It would be a real waste of money if some employees steered clear of the new system due to it being too unfamiliar and causing them to be worried about using it. Reassure them that it will come complete with a full training package and that the vendor will be on call to assist with queries and teething problems. By doing this, you will lose far less productivity time and obtain excellent results even in the early days.

FLEXIBILITY IS ESSENTIAL

Whichever CRM you favor, make sure that it is flexible, adaptable and will integrate with all current systems that are used to raise sales orders and invoices. Don't make the mistake of going with an off-the-shelf package which only fulfils a few of your needs.

With the onset of many cloud-based systems, you may want to look at these alternatives compared to having to purchase new hardware and software. Cloud-based CRMs can be implemented quickly and frequently upgraded whereas on-premise systems tend to require more customization. Which one you go for will depend upon your needs and preferences.

Think of this research period as time well spent. Your CRM will be a long-term investment so don't rush into purchasing until you have answered and evaluated all questions.



STEP THREE: CREATING A VENDOR SHORTLIST

By the time you get to the stage of sending out RFIs you will be ready to start narrowing down suppliers to create a final shortlist. Depending upon how many vendors you may have on the original list, you will want to reduce this to a manageable amount. If you aim for a figure of 10 or less, then you will be well on the way to making your final choice.

But some people do struggle at this stage and find that they have difficulty shortening the list. If you find yourself stuck at this point, here are a few pointers to help you on your way.

STICK TO YOUR KEY REQUIREMENTS

Make sure that everything you need is provided by the new system. Go through each supplier list and tick off the areas that meet your needs. If some fall short, remove them. You may need to be ruthless about this but it will save you a big headache in the long run. Where you have duplicates of the same systems, reduce this down to just one. Remember to concentrate on the core software offered and not the various add-ons. Where there are too many supplementary additions required, you may be better off just excluding these.

IDENTIFY YOUR TECHNOLOGY REQUIREMENTS

Select the systems that match what you are looking for and remove the rest. Many companies make the mistake of going with older technology that is on the brink of becoming out-dated. This is a definite no-go area as once it ceases to be supported you will be forced into a major upgrade situation. On the opposite end of the scale, also be wary of brand new technology that has not been proven in everyday use for a good period of time. Similarly, if vendors are brand new to the market, be extra careful about checking their credibility before selecting them.

LOOK FOR VENDOR REFERENCES

If they have a good history behind them and highly rated customer feedback then they should remain on the list. Also look for case studies on their website; where they have worked with similar companies to yours, give them a gold star! Where proposals have been sent to you by vendors that are new to the market or start-ups, be extra careful and carry out additional checks if needed.

You may wish to carry out a due-diligence scan at this stage or later. This is important as you need to do background checks, ensuring that everything stacks up including the financial backgrounds. The more information that is provided on the provider's website, the easier your job will be. Where websites are too basic and provide very little in the way of information, you may want to strike them off the list.

Don't get too bogged down with prices at this stage but do look at lead times. If the vendor can't deliver to suit your project deadline then there is no point in keeping them in the running. The total cost of the system can be weighed up once you are close to reaching a decision. Also remember that top price does not always equal quality; don't be fooled into thinking that the more you pay, the better the final system will be.

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By making a plan and sticking to it, you will have far less trouble reducing down your original list of software suppliers to a manageable list.



STEP FOUR: THE RFP AND DEMO PHASE

Now you come to the Request for Proposal (RFP) and demonstration stage. If you are unsure where to start with sending out RFP's, then we have a few guidelines to assist.

To begin with, make a list of all the things that you need the CRM to do. You don't want to get bogged down with watching unnecessary demos so use your RFP to narrow down a few systems that will work for you.

FOCUS ON COMPANY NEEDS

Focus on the needs of the company and don't get confused with what you might like. Take the time to determine your priority needs and keep to them. Try and keep the RFP compact as too much detail will just confuse everyone and may even put vendors off. You don't need to hire a consultant to prepare this list for you; they may be biased towards certain providers and after all, no-one understands your business as well as you. The users of the CRM should also be called in to help determine the primary needs.

COMPLETED RFPS

Ideally the RFP should be sent out to no more than ten suppliers. Once you get the completed RFPs back, you should take the time to sit down and analyze them in detail. You may want to put together a team consisting of key stakeholders such as investors, directors, financial managers and those that will use the CRM. You can then sift through each of the RFPs and make decisions about which one should go forward to a further short list. Use this time to put together a Vendor Ranking System with a list of requirements that can be prioritised. Keep the focus on functionality and don't get lost in a maze of features that are too generalised.

REQUEST DEMOS

After you have done this, you can move forward to asking for specific demonstrations. When doing so, make it clear to each supplier what you are looking to achieve. Based upon the RFPs they should then provide you with a bespoke demonstration of their CRM software. Think about asking each of them to prepare an either an online or on-site demo that will show exactly how your requirements will be met. Ask them to refer to specific functions shown on your RFP list.

This demonstration phase is vitally important as it will be up to each vendor to take the time to present to you an example of exactly how the CRM would work for your company. How much time they spend upon it is up to them, but before each demo takes place, make sure that you understand the details. Will it be online or on-site? If on-site, will it be at your premises or theirs? Who needs to be in attendance at the demo?

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From your point of view, having the final decision makers present at each demo will save valuable time later as they will be cognisant of all essential key facts.



STEP FIVE: EVALUATING VENDOR DEMONSTRATIONS

After the demonstrations have been conducted, you will most likely need to go back to the vendors with questions about functionality and how the system will work for you. You then need to rank each vendor, putting together a final vendor selection list of just one or two.

SCORE EACH ONE

But when it comes to evaluating the vendor demonstrations, how do you judge and score each one? Is there an easy way to rank each demo in order that you can isolate the best CRM system for you? In order to avoid going with a CRM that will fail due to poor usability, or wasting money on unnecessary features, you have to take the time to ensure that the solutions offered will integrate fully with your existing systems.

Don't rank the demos according to their presentation; concentrate on how well they will refine your business processes - a CRM might have fantastic marketing automation capabilities, but if all of your key requirements are sales-based then all that extra functionality will be redundant.

MAKE YOUR DECISION BASED UPON INFORMATION PROVIDED

The client's demonstrations should have provided you with plenty of information upon which to base your decision. You could make a list of key software features that are 'must-haves' and then score each one accordingly. A simple system is to rate them on a scale of 1 to 5 with 5 being perfect and 1 being not suitable at all. Here are just a few ideas but you can add your own:

- Will the CRM get rid of bottlenecks when it comes to workflow?
- How will it improve the processing of various transactions i.e. raising a new Sales Confirmation order, Invoices etc?
- Will reporting capabilities be improved?
- How flexible is the software – can it be attuned to suit your business needs
- How will the new CRM bolt onto your existing systems? Does it integrate well with your email client, for example?

If the vendor is one that you have used before, think about your current relationship. Do you fit well together and can you imagine working with them for the next couple of years? For the CRM to work well, the whole team needs to work in harmony, including your employees i.e. the end users

Any professional vendor will understand that their demonstration needs to show that productivity will be improved in an immediate and measureable way.

“A CRM might have fantastic marketing automation capabilities, but if all of your key requirements are sales-based then all that extra functionality will be redundant”

USE POCs WHERE NECESSARY

Once you have whittled the list down to just a couple of suppliers, you may want to consider asking for a POC (Proof of Concept). This is a simple feasibility study that will help to verify that the concept will work in principle. Keep the costs to a minimum during this stage. If a vendor tells you they can do something, ask them to show you how. They may need to create technical links to your existing system so that the prototype can be tested. Now is a good time to get users involved. Get them using the system and trying it out in real time. If they have any problems or queries, they should make detailed notes. This is an essential stage of the process as once the CRM is in place and purchased, it needs to work well and improve the company systems, saving time and money.



STEP SIX: SENDING OUT AN RFQ

So your final vendor selections have been made and you are in a position to send the RFQ out to a small number of vendors. Detailed preparation is essential so do not try and rush this. Have in mind what details you require in order to finalise the deal and make the purchase.

HOW MANY SUPPLIERS ARE YOU GOING TO SEND THE RFQ TO?

Most of the time, RFQs are sent to between three to seven vendors, but this choice is down to you. Decide on whether the RFQs are going to be open, by invite only or even sealed bids. Generally, inviting suppliers that you have already qualified in the 'evaluation' period is the best way to go.

How you prepare your RFQ depends on your company and how you wish to run the process.

BASIC RFQ DOCUMENT

Your document needs to include the following, with additional items be added at your discretion:

- Detailed description of the project along with background information
- Terms & Conditions
- Template for pricing – ask for RFQ to come back to you in the same format so that they will be easy to compare and analyze.
- If you have omitted to carry out the RFP process, you can include this now.
- Keep the process transparent by describing your awarding criteria. These can vary but may be based upon product functionality, price, ability to hit deadlines etc.

Once your document is complete, it can be sent out to all potential vendors with a deadline for completion and return.

You should also give thought on how you will convey the RFQ documents to each vendor; will they go by email with a receipt upon delivery or will you send them via traditional mail using a secure method such as Special Delivery? This is important as you need to have a guarantee that all potential suppliers have received the official documentation so that none will be missed out from this final process.

MANAGING YOUR RFQ

Whilst the RFQs are being dealt with by each supplier, keep everything out in the open so that all are treated in the same way. If a supplier asks a question, share the answer across the board so that all replies are being prepared in accordance with the same brief.

Ethically, you must not discuss prices until all RFQs have been received back. Bids and Proposals should only be assessed after your deadline. In the unlikely event that you do not receive back quotations in alignment with your financial objectives, you can go for a second round of proposals, the only change being that you would then provide price targets.

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RETURN OF THE RFQS

Once your deadline is reached, all completed and returned RFQs should be put to one side and opened together. Any those are received after deadline should be rejected. You now need to sit down and analyze the proposals in order to reach a conclusion on which vendor to purchase your new CRM system from. Management will have to be involved in this process and possibly stakeholders, depending upon the complexity of the information obtained.

This guide was written by Jane Tareen, Discover CRM Columnist, with contributions from Kathryn Beeson, Discover CRM Editor

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