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Business  
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Group

What Is CRM?  
It Has a Different Meaning  
to Everyone.



**Depending on who you ask, Customer Relationship Management (CRM) can be anything from a marketing-automation service to a back-end reporting tool. What exactly is a customer relationship? And how does having CRM help a business? The answer: It all depends on the use case. In this whitepaper, we'll take a look at the many uses of CRM.**

If you ask a dozen CRM vendors to define their products, you'll probably get a dozen different answers. CRM can take a staggering variety of forms, and every company has its own specific use case. Even within the same branch of manufacturing, companies may have similar products and workflows, and they will often have use cases that require completely different CRM implementations.

Let's start with the basics: A CRM system is a combination of workflows and software that manages customer relationships. While customer management is a key part of CRM, the system itself involves managing all kinds of business relationships.

While CRM can certainly help you keep tabs on your customers, it can also help manage leads and prospects. Companies with a complex supply chain may use CRM to manage supplier relationships. Examples of complex relationships that benefit from being managed include vendors, affiliates, and partners.

While it's fair to say that most CRM solutions use a combination of workflows and software to manage customer relationships, this statement only scratches the surface. In this whitepaper, we'll step back from the technical definitions of CRM, and focus on the bigger picture.

Let's start by clarifying one of the most persistent misconceptions about CRM: Even though they represent the first letter in the acronym, CRM is about more than customers. Many CRM processes exist to help a company keep tabs on customers, but they're hardly the only relationships that need to be managed.

What about leads and prospects? What about former customers that the business is hoping to win back? And what about suppliers and vendors? In a nonprofit industry, what about donors and volunteers? All of these relationships need to be managed, and CRM is the right tool for the job.

## What Is Relationship Management?

This term often creates some confusion. In CRM, this definition often includes processes and workflows, which might not be obviously connected. For instance, account management and business development are often strongly tied to CRM.

### **A comprehensive CRM system can play a role in a huge range of activities, including:**

- Marketing and salesforce automation
- Nurture and drip campaigns
- Many activities related to service desks
- Relationship-based reports and analytics
- Project management
- Order management
- CPQ (configure, price, quote)
- Partner management
- Customer portals
- Account management
- Workflow management
- B2B and B2C customer management
- Customer-loyalty management
- Vendor management

## What Is CRM?

Keep in mind that it's easy to see why there are so many different answers to this question. CRM is an exceptionally flexible, dynamic, and adaptable set of tools for managing a wide range of relationships. At the same time, some vendors of products that are similar to CRM (such as SaaS marketing-automation and service-desk tools) can muddy the waters even more—by presenting their products as standalone CRM solutions.

For the customer, this situation can make finding the right CRM solution extremely confusing. Finding the right vendor solution requires having a firm grasp on their company's use case, and creating a strategy for how the CRM will be used. The best way to build an effective CRM solution is to start

with the fundamental concepts. There's no better starting point than the key concepts behind CRM software.

## What Are the Cornerstones of CRM?

On a purely conceptual level, CRM software isn't hard to understand. The software allows a company to store information about every customer (or potential customer) it has, and to track every interaction it has with them. Every part of the customer relationship can be captured by CRM in some way, making it the perfect tool for managing every stage of the customer lifecycle.

### Most CRM software is built around four key capabilities:

- **Marketing Automation**  
Includes lead generation, email marketing, social media management, and campaign management
- **Salesforce Automation**  
Includes activity tracking, contact management, and deal tracking
- **Reports and Analytics**  
Includes business intelligence, forecasting, and commission management
- **Service Desk**  
Includes customer support and other post-sale activities

It's easy to see the value of CRM software, since it provides a framework for keeping customer data connected throughout a variety of departments, situations, and workflows. Most CRM platforms also offer a wealth of plugins and modules, provide tools for specialized workflows, enhance functionality, and add third-party tools and services.

## Is Software All There is to CRM?

Hardly. A complete CRM solution isn't about the software. Rather, it's about creating a comprehensive strategy for enhancing all customer relationships. The better those relationships are managed, the more effective the marketing, sales, administrative, and customer-service functions can become.

Simply installing CRM software and telling the staff to use it won't change anything. Every company is different—from how they qualify their leads to the number of stages in their sales pipeline. CRM implementation is often about adapting the software to the company's use case, and updating the company's workflows to take advantage of that software.

## Is it CRM?

If the CRM software isn't what defines CRM, what does? To understand the greater role that CRM plays in a business, it's helpful to think about things that aren't generally considered part of a CRM solution.

Project management is usually seen as an internal process that has no connection to customers, leads, or other outside relationships. Yet even in this context, CRM can sometimes play a role. For example, consider the unexpected connections between CRM and project management in a manufacturing company.

The prototype stage is clearly part of project management, but it's also fair to think of it as being part of the sales pipeline. By moving these deals forward, you can connect the processes of CRM and project management. Many manufacturing companies have a stage in the opportunity where the deal has been won, but the client wants to see a fully realized prototype before moving forward with the "big" deal.

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## What about Order Management?

While many businesses prefer a standalone ERP system, it might make more sense to build a CRM system from order management. For instance, in a transactional relationship with customers who are also distributors, it could be considerably more efficient to manage those orders through CRM.

Quoting is another process that's not generally connected with CRM. This situation is faced by many manufacturers: In a company that handles a high volume of complex quotes, the method for delivering them is likely to be a Configure Price Quote (CPQ) system. Quoting is also part of sales, so it often makes more sense to include the CPQ process as part of CRM.

When the deal is closed, those office machines often become assets. So, a CRM system is the ideal place to track sales-related data (such as support contracts, warranties, and expiration dates).

What about situations where a company is managing non-customer relationships? CRM is often overlooked as a solution for managing partners, agencies, vendors, and resellers. A real estate company might have many satellite branches, and those agents will need access to a centralized CRM. On the other hand, a software vendor may have a network of resellers who need access to a CRM-driven portal for registering leads and collaborating with salespeople.

CRM can also play a huge role in service desks. Do customers need login information to submit tickets? Do they want to see their past orders, or track the status of a current order? In an educational setting, the “customers” are students, so a CRM-like system might be used to manage courses or check grades.

In all of these situations, the goal is the same: Use all available data to create a 360-degree view of the customers. It doesn't matter what the source of the data points is. (Even third-party vendors can play a big role.) The important thing is that all of this customer data should be piped into a CRM system. The more robust the customer data, the better the relationship with customers can become.

## How Do Use Cases Shape CRM?

Every business has a unique set of problems they are hoping to solve by implementing CRM. Some companies simply need a tool for connecting their marketing automation to their sales pipeline, while others are looking to completely overhaul and streamline their marketing, sales, reports, and service workflows. So, the CRM solution should always be dictated by the company's use case.

Does the company need every bell and whistle the CRM software provides? Probably not. CRM software is designed to address a wide range of customer needs, but very few companies have use cases that would utilize of all these features. In many cases, even modules that are part of the software's default installation can be deactivated to create a more efficient and optimized process.

To create an optimal CRM solution, the most important thing to understand is the company's use case.

This solution requires building a profile of the company's processes, and looking for problem spots in their workflows. To sketch in the details of these use cases, I like to ask a series of simple-yet-probing questions:

- What industry are you in?
- What market do you work with?
- What is your sales process?
- What is your current workflow?
- What processes, tools, or systems do you use as part of your current workflow?
- What problems do you want this CRM system to solve?

These questions may seem simple, but the answers often reveal significant details about the use case. By helping the client walk through their current workflows, it becomes much easier to see where the real problems are, and what kind of CRM solution makes the most sense for them.

Many smaller manufacturers often aren't even aware they need CRM. Instead of having a standalone solution, they rely on a cobbled-together system of standalone tools, such as Outlook, Google Calendar, and Dropbox. These companies are able to manage their current customer relationships through sheer tenacity.

This approach might be somewhat manageable for a small, dedicated team, but every additional customer brings it one step closer to total collapse. It's simply not a scalable solution, and it severely limits the company's ability to grow and adapt. Even a minimal CRM solution could provide tremendous benefits.

It's one thing to craft a custom CRM solution for a small or mid-sized business, but what about a huge organization? The larger the manufacturer, the more complex the customer relationships become. So instead of a single CRM use case, there could be dozens.

For instance, in a company with thousands of employees, there might be a single use case just for managing opportunities that doesn't even touch leads or accounts—because the organization is so complex. There may also be distinct divisions within the company that handle completely different lines of business. Perhaps some subsidiary businesses have their own use cases, but they also need to share customer data with each other.

## Are These Appropriate Use Cases for CRM?

Absolutely. What could be more valuable to a behemoth of an organization than having uniformity of process?

By zooming out, we can even see some of the use-case problems in a gargantuan company.

When it comes to their customer data, do all of those departments, divisions, and subsidiaries speak the same “language”? In other words, do they manage their other business relationships in a consistent manner?

**Probably not.**

Bringing them together on the same CRM platform (or interconnected installations of the same CRM software) solves many seemingly intractable problems. The company’s marketers, sales reps, and administrators are now forced to use the same terminology for their processes, workflows, and reports. This consistency makes it much easier to share knowledge and resources, and makes cross-sells and upsells across divisions much easier to implement.

With CRM, the important thing to remember is there is no one-size-fits-all solution. Every use case is unique, and the best results happen when the CRM system is designed to take advantage of this individuality. CRM is about solving a problem, not fitting a company’s problems into a software straightjacket.

## CONCLUSION

Now that we've cleared up some of the confusion about what CRM is, it should be much easier to understand the different options that CRM vendors offer.

For instance, a company that presents a marketing-automation solution as a CRM system isn't really offering a comprehensive solution. It may be a piece of a larger CRM implementation, but it's not going to solve SFA issues or enhance reporting. This situation doesn't mean the vendor is trying to pull a fast one. It just means that their definition of CRM may not be what the customer has in mind.

Understanding CRM is really about having the knowledge to separate fact from fiction. CRM isn't limited

to any one software platform, and it's not defined by any one structure or strategy. It's about creating the right customer relationship management solution for the use case.

If you have any questions about CRM implementation—from the benefits of specific modules to the costs of developing a solution for your business—contact us at [FayeBSG](#).

# About FayeBSG

Faye Business Systems Group is a technology consulting and software company that helps companies grow by working with them to implement, customize and integrate innovative and effective financial and business systems. As a SugarCRM Elite partner and awarded the 2018 SugarCRM Global Reseller of the Year, FayeBSG is also a leading partner with Sage, Zendesk, Acumatica, Ytel, Hubspot and a variety of custom software solutions.

FayeBSG is known for their SugarCRM integrations with Sage 100, Quickbooks, NetSuite, Acumatica, Intacct, Constant Contact, Authorize.Net, HubSpot, Ring Central, Box, Jira, Ytel, and more. Services include project management, software implementations, consulting, training, custom development, and support.

Specializing in software implementations for a variety of industries, FayeBSG has customized successful CRM and ERP platforms for a variety of mid-market and enterprise businesses.