

Critical CRM Decisions:

Choosing Your CRM Systems Integration Specialist



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The 'scary' statistics

How confident are you of your CRM programme succeeding?

You are about to embark on perhaps one of the most important projects your company has ever undertaken. You want to improve the management of your customer relationships. You want to attain the fabled 360-degree customer centric view and achieve the ROI that follows.

You have a plan in place. You have management and user buy-in. You know you need to take a holistic view of business processes, systems integration, data movement and provision along with staff training. You have done the rounds of vendor selection and know the technology you wish to implement. You've done the costing. You've factored in that customisation is going to take somewhere between 5 and 10 times the out-of-the-box cost¹ of your CRM solution.

Now you just need to find someone to help implement it.

Do most CRM projects fail?

A few years ago, often-publicised figures quoted CRM projects as extremely likely to fail. Reports of anything up to an 80% failure rate were common². These days, those same surveys report a much-improved situation. The \$76.3 billion industry³, and those practising within it have matured. Lessons have been learnt, best practice formulated and now the majority of CRM projects do achieve their stated objectives, demonstrate business benefits and do bring a return on investment⁴.

Most projects that fail do so for entirely preventable reasons and more often than not these are nothing to do with the tool set chosen or the specialists chosen to perform the integration. Failure is more likely to stem from age-old internal corporate problems of vision, commitment and planning⁵.

However, choosing your CRM Systems Integration Specialist still remains an important decision and one that should not be taken lightly.

Aren't all Integration Specialists the same?

With well over 500 Systems Integration Specialists operating in just the CRM industry, choosing the right one for your programme is a daunting choice. Even if you already have your technology identified, you may still find a dozen or more 'Integration Partners' promoted by your software vendor.

Making the choice

With such a variety of potential CRM Systems Integration Consultancies it is hardly surprising to find there are pitfalls to watch out for. This paper aims to draw attention to these, helping you make an informed choice and enabling a selection process that benefits your project rather than the software vendor or the Systems Integration Specialist.

1 CRM Projects: A Framework for success

2 Gartner Group, 2000

3 Gartner Group, 2005 prediction

4 Joint research: Crmguru.com, Mangen Research Associates & Caribou Lake Customer-1

5 Why CRM Projects Fail: Common Strategic & Tactical Mistakes

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Systems Integration Specialist selection: Common pitfalls

#1 Systems Integration Consultancies tied to just one product

If you have already chosen your main CRM tool this may not be such an issue. Indeed it could be an advantage. If, however, you have yet to make a tool selection or are hoping your Systems Integration Specialist will help guide you though it, an Integration Consultancy tied to just one product is unlikely to give a fair and impartial view.

There are many small consultancies operating as extended marketing streams for particular CRM tool sets. Whilst this partnership works extremely well for the tool set vendor and the Consultancy performing the integration, it is not necessarily beneficial for you the end client.

It is unlikely that one CRM tool will provide your entire solution anyway. Evidence suggests that clients usually go to multiple vendors to realise the CRM challenge⁶.

However, if you have already made your tool selection, choosing an Integration Partner affiliated with the tool vendor can be a positive advantage. You can be assured the Systems Integration Specialist is well trained and experienced in the tool set and will follow the vendor's implementation philosophy.

#2 Systems Integration Consultancies with financial links to the product

A surprising number of both large and small CRM consulting companies have direct financial ties to the CRM vendors they are recommending⁷. Whilst this should not and may not influence their consulting advice, it is hard not to be cynical.

Several years ago, for example, Accenture owned over 3% of Siebel. It comes as no surprise then that Accenture had the lion's share of Siebel implementations – in the period up to Accenture's eventual sale of its Siebel holdings it gained a total of over 700 projects and more than 2000 trained Siebel consultants.

Another example, IBM Global Services is reputed to have invested more than \$50 million dollars in Siebel licenses and employs over 1000 Siebel consultants. This alliance has driven more than \$1 billion in joint sales for the parties⁸.

Strategic partnerships between vendor and integrator are common amongst CRM practitioners – and for good reason. These relationships ensure quality of the delivery, access to training, and knowledge of the product suite construction and configuration. But one should expect any corporation that has a tie to a tool set they are recommending – especially a financial one such as holding stock – to be upfront about it and offer full disclosure.

#3 Systems Integration Consultancies claiming 100% success records

Most of us would define a systems integration success as on time, on budget, and meeting all of the originally specified business objectives. However, the statistics for CRM projects show that many do still fail and for a variety of reasons. Even the largest and most experienced of consultancies have their share of failure with some high profile litigation action ensuing. A quick Google search for the term "CRM failure" produces around 50,000 hits. White papers on why CRM projects fail abound.

⁶ Gartner Group

⁷ Are CRM Consultants Objective?

⁸ Figures as at 2003

...a good Systems Integration Specialist will be able to advise, guide and manage the implementation and integration phase of your programme...

The consensus from these reports concludes that the majority of projects fail due to problems stemming within the client's own organisation – a factor beyond the scope of most Systems Integration Specialists.

So, if a consultancy does promote itself on 100% success, ask how they measure it. And be sure to ask their clients too. Did they meet every project deadline? Was all the original functionality delivered? Or were scope sacrifices a necessity due to time constraints?

If a claim sounds too good to be true, it usually is.

#4 Niche Recruitment Agencies parading as Consultancies

One of the prime reasons for choosing an Integration Specialist is undoubtedly to gain a supply of resources capable of implementing and integrating your CRM solution. However, resource placement should only be one role of the consultancy. A good Systems Integration Specialist will be able to advise, guide and manage the implementation and integration phase of your programme. Indeed, unless you have in house staff experienced in CRM implementation, that knowledge is crucial to the success of your programme.

There is a danger that consultancies, in the rush to place their staff, become little more than a recruitment agency targeted at a particular niche market.

Simply put, consultancies charge a premium for their skill. This is because they provide a shared vision and a consistency of training. Their employees enjoy a proven intra-relationship. In contrast, a recruitment agency will seek independent contractors to fill your positions with no first hand knowledge of their skill, training, and ability to work with the other members of the team.

A true integration specialist can deliver highly focused, well-trained, experienced teams with a track record of working with one another.

#5 Consultancies who are too small (or too large)

It goes without saying that a consultancy should be the right size for the task. A company that is too small is likely to lack the resource, experience and expertise to meet your challenge. One that is too large may simply not be able to give you the more intimate relationship that your project requires.

Typically, your project will rely on more than one Systems Integration Specialist. Look at the scope of each of the main integration areas and base your decisions upon supporting the whole. The CRM Integration market is highly specialised and fragmented.

Certain roles may be suited to small focused consultancies - at least you will have the reassurance that your project matters to the consultancies own bottom line. That can be a great motivator!

#6 Consultancies who do not share a holistic vision

CRM is about enabling your company to improve its customer service. It's about empowering your customers and tuning your business to be customer centric. The technical challenges of this vision stretch far beyond the chosen tool.

One report states⁹, "No single vendor provides more than 51% of the CRM horizontal suite functionality". Not one!

⁹ Gartner Group – Nov 2000

...for every pound spent on CRM, two to five should be spent on consulting and implementing services. Integration accounts for between one third and one half of those...

Your Systems Integration Specialist must be able to take a view beyond the main CRM tool.

Let's look at some of the key technical factors your CRM project will likely face:

- **Customisation** Your CRM tool may be a close fit but will probably not have been purpose built for your business and is unlikely to be a perfect fit.
- **Integration** Your CRM tool will need to integrate with your back office systems. Typically you will require ERP and finance system interaction. You may need CTI, email and web integration. A phased implementation of your CRM vision may mean many of your existing legacy systems remain but need incorporating in one form or another.
- **Data Manipulation** It's not uncommon to have to manage and cleanse legacy data to be fit for purpose for use by any new system.

So look carefully at how an Integration Specialist promotes their expertise. Do they have experience in all the product areas you are going to require? Or is their only stated knowledge the main tool?

Too many Systems Integration Specialists have strong ties to the main CRM tool but none at all to everything they are meant to be *integrating* with.

#7 Consultancies who differentiate on cost alone

Implementation of a progressive CRM solution will not be immediate or particularly cheap. Done correctly however, it can produce a significant return on investment. Cutting corners in the selection of the partners you will make use of in customising and implementing your main CRM tool however is a false economy.

Of course, that doesn't mean the most expensive consultancy is a guarantee of success either. Your project will depend far more on choosing the consultancy with the right skill set and experience, together with one that shares your vision of CRM.

One report suggests that as a rule of thumb, for every pound spent on CRM, two to five should be spent on consulting and implementing services. Integration accounts for between one third and one half of those.¹⁰

#8 Consultancies who promote one-size fits all solutions & methodologies

Your business is unique. You differentiate yourself from the competition in order to stay competitive. So why would a universal CRM solution fit your business model?

Whilst there are CRM tools that suit particular sectors better than others, they will still require customisation for your business needs. Do ensure that your tool set has a proven track record in your sector and is as close as possible to your requirements out-of-the box. Bare in mind that customisation will always be required.

Above all, try and avoid customising your business to suit the tool. Your customers want serving in the best possible way. Only consider tailoring your business model to the CRM tool's philosophy if it is obvious that this will better serve the customer.

¹⁰ Don't skimp: CRM integration is integral

...your chances of success are greatly enhanced by using proven strategies that have had a chance to mature best practice...

#9 Consultancies who won't stay with you for the long run

CRM is a corporate culture not a quick fix. Ideally, you will have implemented a phased approach, working with small manageable changes that quickly demonstrate the advantages to your staff, the improved relationship with your customers and a ROI to the business.

Bear in mind that the process is an iterative one. For a start, your initial phases will require supporting after roll out. Enhancements and fixes will be required. Then there will be further phases as you seek to incorporate wider functionality, achieve greater integration and exploit new CRM opportunities amongst an increasingly satisfied customer base.

Will your Systems Integration Specialist stay the distance? Are they interested in post implementation support? Or will they just move on to more exciting projects or the latest tool set to come on the market?

#10 Consultancies who promote 'the latest thing'

The software world moves quickly and tremendous advances have been made in the last decade in terms of software development. But all new developments have teething problems. Java may well now be the industry standard development platform, boasting open source, extreme interoperability, platform independence, object orienting and so forth, but its introduction was hardly trouble free.

The truth is, there is nothing 'the next thing' can do that cannot already be done by an existing, proven, relatively modern technology. And your chances of success are greatly enhanced by using proven strategies that have had a chance to mature best practice.

#11 Consultancies promoting a sledgehammer to crack a nut

The CRM solution that suits a huge media empire managing millions of customer records through multiple call centres - perhaps even with some outsourced to another continent - is unlikely to be best suited to a regional company with a few hundred thousand customers.

Similarly, a CRM solution targeted at medium sized enterprises is unlikely to scale to the needs of a large multi-national.

Select a consultancy that recognises your individual needs and promotes the tools most suitable to them.

#12 Systems Integration Consultancies who won't 'own' the integration

What do you want your Systems Integration Specialist to do? Are they simply providing developer resource whilst you try to find in house staff experienced and capable of managing the integration and implementation exercise? Or are you expecting the Integration Specialist to bring a wealth of experience and knowledge to the table?

There are integration companies who will own the implementation and integration exercise. Some even going as far as working fixed price or accepting penalties for late delivery.

There are others who will merely provide resource on a time & expense basis with no apparent regard or incentive to actually deliver anything.



Summary

Compared to the challenges of preparing your own organisation for a CRM evolution, you could be forgiven for thinking that making a selection from the 500+ CRM Systems Integration Specialists would be easy. Unfortunately it is not. Even if you already have a tool set chosen, you will still be faced with a tough decision.

Your project will have a much better chance of success if you select an Integration Specialist who:

- Demonstrates relative independence, adequate training and experience
- Shares your vision of CRM, with a holistic view
- Makes believable claims of success rates
- Utilises pragmatic proven products and methodologies
- Indicates a willingness to own the integration

About the author

Nick Holt is a practicing CRM consultant working in the Call Centre Industry specialising in product suites such as Chordiant and Ab Initio CRM solutions. With over 15 years experience of the IT industry, he has provided consultancy to government organisations, software vendors, direct marketing firms, the banking sector and several major blue-chip media corporations such as the BBC and BSkyB.

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