

Preventing Past CRM Failures

- **Risk: Scope, Focus, "Solve World Hunger"**
 - * "5 Priorities in 60 Days" instead of 20 Priorities in 18 Months
- **Risk: Lack of Buy In from Sales and Sales support**
 - * MANDATE TO PERFORM IS EVERYTHING
 - * Sales and sales support build it from templates and tools they already know
 - * Minimal IT Experts and Consultants
 - * Minimal make-work, interference, bureaucracy imposed by other departments
- **Risk: Value of CRM is Lost Due to Common Bureaucratic Failures**
 - * Too Much Busy Work for Sales
 - * Too Many Other Department's Agendas, Interference (even if well intended)
 - * Use only Minimal Standardization required to produce tightly defined outcomes
 - * Sub groups in IT oppose, drag heels, undermine, won't cooperate
- **Risk: High Cost of Prototyping, Customization, Figuring Out What you Want**
 - * Prototyping with Salesforce difficult / impractical (must implement nearly the entire system first)
 - * Cost of customizing can be devastating, especially Salesforce
 - * Discipline, Focus, Process Before and After can prevent many customizations
- **Risk: High Barriers to Switching, Years, Big Dollars Invested but Switching So Painful it is Not Practical**
 - * Design Competition, Low Barriers to Switching in from beginning
 - * Make sure non-proprietary database, other technology, easy to use other tools, move to other platforms
 - * Keep design simple, based on Excel-like templates, documented so easily portable
- **Risk: You are Captive to what IT Department wants to give you and support**
 - * Must get control of your own budget
 - * Must introduce competition to IT
 - * Cloud based prototypes can be up and running in two weeks
 - * RISK OFF OFFENDING YOUR IT DEPARTMENT: Can be managed, contained
- **Risk: Limited supply of expensive experts**
 - * Partner Risk: Need Implementation and Application partner in addition to software vendor?
 - * Common Partner Problems: Never say "No" to a dollar, take on too much low margin business, weak in critical disciplines of scope / change management, results focus, documented deadlines, cost containment, often understaffed, go out of business
- **Risk: Customizing CRM to get sales person buy-in**
 - * Root cause of many failures
 - * A mistake to accommodate rather than compel compliance
 - * Requiring compliance is easy with "who using what" reports, diligence
 - * Minimal clicks to do the job", designed by sales people takes away excuses, need to customize
- **Risk: Expectation Mismatch:**
 - * No discipline, rigor, enforced compliance = no spiffy reports
 - * Integration with other systems – difficult, costly, fragile, custom
 - * Are you up for the same cost (2-10X software cost) and commitment as Oracle, SAP or Siebel?
- **Risk: If software company unprofitable, where is it most likely to hurt?**
 - * Poor support but too expensive to change?
 - * Software not updated, can't use new technologies but too expensive to change?
 - * Price goes up each year but too expensive to change?
- **Risk: New Technologies, especially Mobile, Not Supported or Practical:**
 - * YEARS INVESTED IN SYSTEM GETTING SYSTEM RIGHT BUT IT WON'T WORK WITH CURRENT DEVICES
- **Risk: Cloud Based Systems:**
 - * Cost, barriers, complexity of security when connecting to on-premise or other cloud systems
 - * Vendor upgrades, changes system at their whim – no control
 - * What if company shuts down? (e.g. Skinny CRM daily backups are portable, in your possession)
- **Right Tool For Right Job:**
 - * Sales Force, Other Big CRM: When large scale, transaction volume, ability to standardize justifies cost and time to implement, customize, integrate
 - * Dynamix, Other Medium-Small CRM: Less cost but still requires complex implementation and high cost experts
 - * Skinny CRM: Fastest, Simplest, Least Cost path to best immediate results, best long term solution
 - * What platform can company support and enhance the best? (e.g. Microsoft vs. Salesforce as a one-off?)
- **Risk: Contracts negotiated by non-IT experts with cloud based providers**
 - * Do not get in a hurry. Salesforce contract changes painful, take long time, don't want to do
 - * Security breach? Data, account information leaked or sold?
 - * Duty to assist migration, provide data in migrate-able / usable form when decide to switch cloud vendor?
 - * Service interruption / Uptime Guarantee – who calculates, how and how much is rebated?
 - * Data loss?
 - * Service pricing, escalation: Can you reduce level of service / price if need to?
 - * Termination: Standard 30 days is not long enough?
- **Risk: Cost**
 - * Implementation and customization costs – often 2-10X cost of software
 - * Watch hidden, long term, switching costs
 - * Best to have a partner buying – with Salesforce in particular
 - * Cost per user is critical as more of organization uses outputs from CRM – can become so expensive it is not practical
- **Risk: Special Risks with Salesforce**
 - * Prototyping cost
 - * Territory Management: If implement, cannot go back

System Notes, Cautions

- Roll up of reporting from multiple groups / business units can be difficult. A Salesforce weakness.

Reporting: Critical Tool for "Best Sales from Every Dollar Spent"

- Measure Right Leading Indicators of Sales Success (Flex, Change, Customize till get it right)
- Easy, Simple, Flexible, Built by Business People
- Based on spreadsheets, rows and columns, everyone understands
- Non-proprietary database, easy to use other tools

Benefit of CRM + Document Management + Workflow + Sites for Customers, Vendors, Partners, Outside Experts

- e.g. Value of word searching PDFs
- e.g. Document Sets (world moving toward more MS Office and PDF documents for every transaction)
- e.g. Easily route \$500,000 invoice to traveling executive for approval on iPad
- e.g. Business people create site for customer, grant access with no IT wait
- e.g. Centralized, controlled documents when needed: Contracts, Change Orders, Specifications, emails

Continually Updated With Best Technology

- Risk of Double Keying If Not Using Current Technology
- Outlook: e.g. Contact List, Drag and Drop starts workflow
- Excel Services: e.g. Charts, Graphs
- Word: e.g. Quick parts, unique document id
- Visio Services: e.g. Visual Order Tracking
- PowerPoint: e.g. Easily find / share presentations
- Internet Explorer: e.g. Now drag and drop for most files
- One Note: Taking over the planet!
- When Internet Not Available: e.g. \$100 Engage solution

Cost To Own, Implement, Maintain

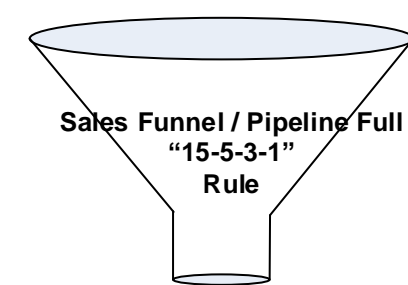
- Low license cost per user + easy, organization-wide sharing of documents / results / lists / applications = reduced cost barrier to effective results
- Can be supported by business people
- Minimal IT, Consultants Required
- Competition, low barriers to switching

Easily Move System

- In-house
- Duplicate for Another Company
- Dev / Test to Production

Simple and Fast Instead of Complex, Take Long Time

- Get to What You Need Quickly, Inexpensively:
- Build Prototypes Fast
- Built by Business People
- Interfaces: Minimum, Stable
- Based On Rows and Columns, Everyone Understands



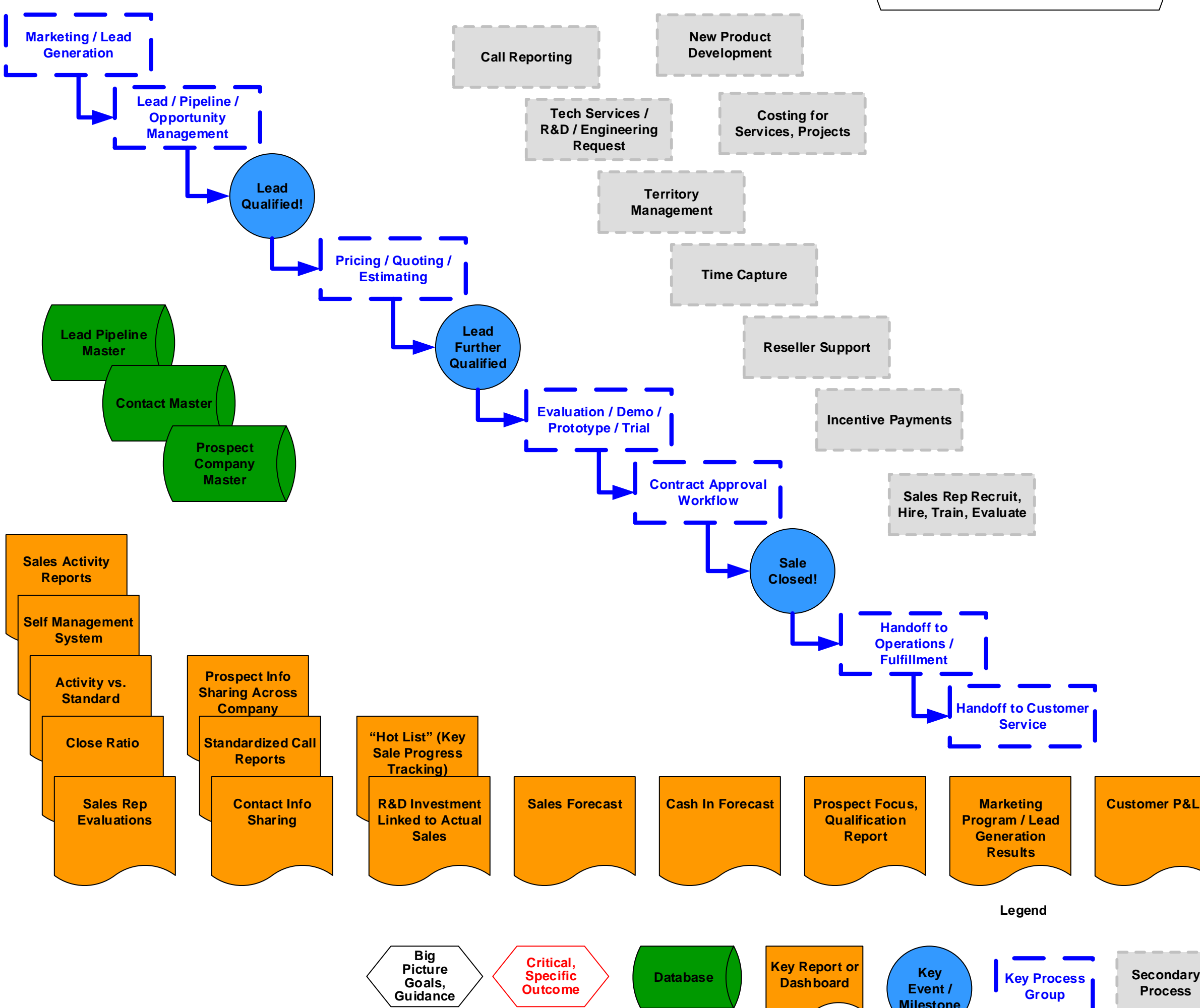
Workflow

- Simple, Stable, Transparent
- Built by Business People
- Integrates Easily

Buy In, Compliance From Sales People Through:

- They Build It with Rows & Columns (Excel)
- "Visual Record" Approach to Complex Data
- Minimum Clicks To Do the Job
- Mobile Makes Life Better, Sells More
- "Who Not Complying" Reports

Skiny CRM, Sales Support Processes, Key Outcomes For INDUSTRIAL, BUSINESS TO BUSINESS SALES



Sales Activity Management - the Pipeline

- Enough New, Qualified Leads
- "15 Qualified Prospects will produce 5 Demo / Evaluations, 3 Proposals and 1 Sale"
- Rigorous Qualification, Right Prospects, Right Niches
- Sales Activity and Close Ratio Measurement
- Best Possible Sales Results from Every Dollar Spent
- Prospect Action Confirmation

Sales Support

- Pricing / Quoting / Estimating
- Get Away from "Hero" Culture
- Sales People On Top Customer Satisfaction with Minimal Effort
- Success Stories, Customer Testimonials, Critical Sales Support Materials: Able to Post On Web Site Immediately, No Delay
- "Visual" Order, Project Tracking, Especially when Depending on 3rd Parties
- Commissions
- Territory Management
- Recruit, Hire, Train, Evaluate Sales People

Special Efforts, Promotions

- Big Sale Tracking
- Spiffs, Promotions, Events, Launches
- Cross Sell All Company's Products to All Major Customers
- Standardized Call Reports: Effective Prospect Information Sharing Across Entire Company
- Focus on Higher Margin Sales
- Increase Repeat Sales
- Increase Services Sales

Mobile Applications

- Sales Activity Reporting
- Pricing, Quoting, Estimating
- Expense Reports
- Deal Approval by Traveling Executives
- Critical Sales Support Materials

Customer, Reseller Web Sites

- Better Convenience, Faster Response Increases Sales
- Customer Self Service Reduces Costs
- Direct Order Entry by Customer
- Increase Barriers to Switching
- Customers Able to View Order Status, Increases Confidence, Reduces Calls
- Critical Sales Support Materials, Specs, Images: Able to Post On Web Site Immediately, No Delay

Email Marketing, Lead Generation, Prospect Action Confirmation

- Lead Generation with Ideal Prospect Profile
- Find Email, Contact Information
- Networking, Referral Marketing
- Prospect Action Confirmation with Click-Through Tracking
- Campaign Results Measurement

Grow By Acquisition

- Due Diligence: Vette the Sales Projections
- Consolidated Sales Forecasting System
- Customer P&L
- Services Costing
- Standardized Sales Activity Management
- Cross Sell All Company's Products to All Major Customers
- Standardized Pricing, Quoting, Estimating, Contracts
- Standardized New Product Introduction
- Consolidating Staff Functions, Processes
- Remove Duplication, Redundancy, Time Waste
- Vision, Mission, Values, Discipline: Win Buy-In, Loyalty from Acquired Employees
- Strengthen Differentiation, Customer Satisfaction, Competitive Position
- Executive Blue Book: Standardized Performance Measurement Across Multiple Business Units
- Confirm Field Compliance with New Processes

Miscellaneous but Important

- Contract-Approval-Handoff to Operations Workflow
- Retain Contacts When Sales People Leave
- Increase Sales from Account Manager / Customer Service People
- Change Orders: Get Paid for All Work
- Services, Project Costing
- Customer P&L
- Credit: Grant Good Credit ASAP

New Product Development, Launch

- Pool of New Product Ideas, Requests
- Prioritize, Filter
- Technical Viability
- Business Case, P&L Viability
- Buy-In from Marketing, R&D, Business Unit
- Best Use of Expert People for Development
- Prototype, Test, Customer Feedback
- Marketing, Training, Support Materials
- Product Release

Evaluation / Demo / Prototype / Trial

- Qualified Prospects Only
- Fastest Possible Results