



Contact Managers vs. CRM

The Differences

Executive Brief

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Which system is best? It all depends on your requirements.

	Contact Managers	Customer Relationship Management (CRM) Systems
General Description	Software program designed for the single-user (or a small workgroup) to maintain information about a client, such as name, address, phone numbers, and activities.	A business strategy that encompasses optimized business processes and technology to support those processes. Usually includes providing a single, shared view of the customer to sales, marketing and service departments.
Common software products	ACT!, GoldMine, Maximizer	Siebel, SalesLogix, Oracle, SAP
Number of commercially-available software products in 2005	30+	350+
Audience	Individuals or small office users on a small budget wanting to track contact relationships.	Companies which sell products and services to other companies (or individuals) and want to capture and share customer information across various departments.
Decision points	Focus is to automate data capture and tactical activities Immediate solution required Small or no IT department Little or no budget	View CRM as a strategy and necessary for business growth Require systems integration with ERP systems High customization requirements/unique business process Sell complex products with long sales cycles and many buying influencers
Key Features	Information is contact-based Simple flat-file database Data import/export (usually with Excel) Simple reports Robust end-user functionality "out-of-the-box" Limited screen customization	Information is company-based Robust relational database Complex systems integration capabilities Robust analytics Less robust end-user features/functions Extensive system customization, including workflow
Time to implement	Immediately	At least 3 months
Cost to implement	Around \$100 per user	\$1,500 - \$25,000 per user (includes services)
Benefits	Simple to use Extremely intuitive User Interface Less expensive Total-Cost-of-Ownership Reliable Salespeople love it	Usually customized to your specific business Robust customer information at your fingertips Advanced, integrated opportunity management, forecasting and strategic selling support High data capacity
Risks	Can outgrow quickly Silo system (i.e. data not usually shared) Does not support business-to-business relationships properly Data not secure	High project failure rates High costs and likely cost over-runs End-users often don't use it Solution sometimes over-engineered