



Top 10 reasons why CRM projects fail

Following a proven implementation methodology is essential for CRM success, but don't forget some of the lessons learned

Executive Brief

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1

Project does not show results quickly

Taking over a year to deliver a CRM project will result in a system that is outdated, because your business will have changed during that time. Consider dividing the CRM project into a series of 3-5 month phases and adapt the next phase(s) as the business changes.

2

Lack of sustained Executive Sponsorship

A senior member of the organization should be actively involved in the CRM project, from start to finish. This person helps ensure the CRM project achieves corporate goals and facilitates managing expectations at the executive level, including ongoing funding requirements.

3

Optimized business processes not integrated with the right technology

Installing CRM software without fixing or improving business processes will only speed up the mess. CRM technology must support your optimized customer-facing business processes, otherwise you'll change your business around the software, which will result in users abandoning the system.

4

No metrics in place to measure success

Metrics should be put in place to calculate and measure the "Return On Investment (ROI)." This helps set common expectations for project results across the company.

5

Too much irrelevant functionality

If a CRM system has too many functions, buttons, screens, etc. it becomes unintuitive to the end-user and they lose focus on that they're trying to accomplish. For example, if a user is strategizing to close a deal, or wanting to service a customer, they will lose momentum with what they're trying to achieve. Users get distracted with too many buttons and screens and will be less inclined to use the CRM system.

6

Inexperienced project manager

A seasoned project manager experienced in delivering CRM systems essential for success. The right project manager will help steer the project and team around the "potholes" and understands the importance of managing expectations at all levels

7

Lack of confidence in the data

The CRM system must contain accurate customer information. For example, if sales figures reported out of the legacy system do not match the corresponding sales figures in the CRM system, the users will not trust the data in the system in which they're compensated. Duplicate customer profiles and outdated information also contributes to users lacking confidence in the CRM database.

8

Inadequate end-user training

The CRM training provided to end-users should be around real-life scenarios versus explaining all the system's bells and whistles' Effective training means the users will be able to assimilate the CRM system into their daily work style, and hence will go a long way to them adopting and embracing the system.

9

What's in it for me?

End-users need to have 'skin in the game' with the CRM project. Working closely with the end-users to articulate the benefits to them is the best approach, as they will be more inclined to embrace the system. Consider tying incentive compensation to using the CRM system versus forcing the users to enter information. Consider 'pushing' more information to them (new leads, etc.) versus "pulling" information from them.

10

Expectations

CRM projects fail mostly because of unrealistic or unmanaged expectations – from the executive levels down to the end-user levels. From the outset, expectations must be managed, or even re-set, so that upon project delivery there are no surprises. Getting all participants on to a common understanding of the deliverables and benefits of CRM is essential to success.



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