

# Customer Relationship Management

Customer Relationship Management (CRM) is a popular buzzword, but if you are like most people you don't really understand what CRM is and if it can help your small business. Part of the difficulty in defining CRM is that it means different things to different industries. While it is impossible to fully cover what CRM software is in this paper, when finished you should have a better idea around the concept of CRM software and some ideas on how can use it.

## ***So in a couple sentences what is CRM software?***

CRM software is a computer application that stores all your contact and customer information. It has been said that CRM software should give you a 360° view of the customer. Unlike the simple list on contacts you can keep in Outlook, CRM software strives to give you a complete picture of your customer, from what contact or business you have had with them, to demographic information like age. In CRM software each of your customers gets their own web page where you can store any applicable information. The power in CRM software is its ability to track the information that is most applicable to your business through a single software product. Nothing about CRM is new, almost all the features in CRM software already exist, but the benefit is that CRM integrates all this information and makes it easily accessible.

## ***I have a long list of customer leads can CRM help?***

If you've ever attended a business-networking event you often leave with a stack of business cards. Perhaps you want to follow up with many of the people you met at the event. CRM software allows you to enter in all the customer information plus you can schedule follow-up tasks like an email or phone call for each customer. Some CRM software will even send this event to Outlook or Gmail's calendar so you can track it in a single calendar.

Now say a few days before you've scheduled the follow-up with your new lead you get some ideas about things to talk about with your lead. With CRM software you can open your lead's web page and type in a few talking points for your follow-up conversation. Now when you return to your lead's page you have all your talking points handy when you follow-up.

Another example is if you wanted to see all leads whom you haven't heard from within the past two weeks. In the past many of these leads might have slipped through the cracks, but because you are now recording all contact you have with them you can generate a list of the leads you haven't heard from recently and contact them again.

## ***How can CRM software help increase repeat business?***

Imaging your business has used CRM software for several years and recorded all past customer purchases. Now you could take that information and specifically target your customers based on prior purchases. So for instance, if you have a customer who just bought a bunch of wood flooring from your hardware store. You know because they just bought wood flooring they might be interested in a special wood floor cleaner you have and you decide to send out a flyer to the customer about your special wood floor cleaner.

This is just one example; CRM can help with targeted marketing for service businesses as well. As long as you know what you want to track you can use the information to help increase sales.

***But isn't CRM software expensive, something only large businesses can afford?***

No, thanks to open source software and software-as-services, CRM software is affordable to business of ALL size. Many fully featured open source editions are available for free: vtiger and sugarCRM are two popular examples. Salesforce is a software-as-service and can be used for as little as \$99 per user, per year. With many free options cost should not longer prevent small businesses from using CRM software.

***So can I just install a CRM product and it will start working for me?***

No, unfortunately like many software products CRM is often marketed as a silver bullet—something that will automatically increase your sales and revenue. If CRM software isn't fit into your business model and users aren't properly trained you will see little or no value from CRM software. On the other hand, if CRM software is customized to fit within your business and track metrics which matter to you, then you can easily see gains many times the costs of the installation of the software.

***In Closing***

Remember, CRM software isn't a silver bullet, you can't just start using the software and expect things to happen. Before even choosing CRM software you need to know what do you want to be able to track with your customers. Starting your CRM search with the right questions and knowledge is the key to using CRM as a sales multiplier.