TAMING THE CRM BEAST TO BOOST SALES

By Roger Premo, Matthew Ward, Santosh Raghunath

Many sales organizations around the world are stuck on an unprofitable and frustrating customer relationship management (CRM) treadmill. They implement CRM systems with high hopes that the technology will deliver improved sales performance. Often, they are disappointed, realizing little or no enhancement to sales.

Seeking to overcome this disappointment, leaders pin their hopes on the latest advances in CRM technology. They invest significant time and resources in upgrading their existing systems with other third-party tools. Or they switch to a new, cutting-edge CRM system with even more bells and whistles than the previous one. The results are rarely any better.

How can companies break free from this frustrating cycle?

Our experience shows that clients can dramatically improve sales performance by focusing on making process and behavioral changes that allow them to master the core components of their existing CRM systems. By taking this approach, several BCG clients have seen improvements in sales productivity ranging from 10% to more than 15%.

In practice, this means that their sales reps can spend more time building relationships with customers—and less time manually slogging through administrative tasks or trying to dig up new leads.

Many CRM Systems Devolve into Unwieldy Beasts

Organizations know that CRM tools play a critical role in capturing and analyzing data on sales metrics, customer profiles, and more. But in many cases, these same critical CRM tools have become unwieldy beasts, hobbled by inconsistent documentation and ad-hoc changes to fields and processes. The tool may be used incorrectly or incompletely, because employees no longer know the “right” way to use it.

Eventually, the situation becomes so dire that some sales organizations might want to unplug the CRM entirely. Some parts of the organization may argue for overhauling the existing system, while others may seek a fresh start and advocate deploying a totally new tool.

But given the limited success of the current CRM deployment, many companies are reluctant to accept the costs, risks, and complexity of rebooting or replacing the CRM system. As a result, sales organizations may be stuck with subpar systems that few employees want or even use appropriately, but that cannot be replaced or removed.

If It's Not in the CRM, It Didn't Happen

Sales organizations usually don't need new technologies to solve their CRM problems. They can achieve major improvements in productivity and unlock the potential of their existing CRM systems simply by establishing a common sales process across the entire organization, while still giving individual sellers and teams the freedom to use their preferred methodologies.

What distinguishes "sales process" from "sales methodology"?

- The **sales process** encompasses the stages of a sale and the key milestones (such as demo, quote, and legal) that are required to advance from one stage to the next.

- The **sales methodology** involves the positioning, spin, counteroffers, and so forth that a salesperson uses while interacting with current or potential clients. There are multiple valid approaches to sales methodology, including Challenger, MEDDIC, and Sandler.

Different members of a sales organization can use various methodologies, but everyone must use a consistent sales process for the CRM system to work as intended. Definitions of deal stages should be the same across the organization. For example, the organization could agree that a "stage two" deal means that the sales team has established the Budget, Authority, Need, and Timeline (BANT) for the opportunity at hand.

Whatever methodology sales teams use, it's essential that they adopt the same process definitions and confirm each milestone by actively logging every step in the process. Sales organizations can only track performance and identify opportunities for improvement if everyone uses the CRM system consistently and universally as part of the daily routine. They must be willing to adopt and enforce this common mantra for everyone, including senior sales reps: "If it's not in the CRM, it didn't happen."

These may seem like pretty basic ground rules, but our experience shows that they are absent or not enforced at many companies. When we ask different sales teams to lay out their sales process, we typically uncover multiple variants. When we review CRM opportunity records, we usually find empty fields and sparse entries—even for deals that have already closed.

Smoothing Behavioral Changes at the Front Line

Sales teams are likely to push back if they perceive an emphasis on CRM process hygiene as increasing their administrative work and costing them extra time. They may even be tempted to engage in passive disobedience by neglecting to log all their client interactions in the CRM tool, which undercuts the value of the entire system.

This resistance occurs because many sales teams have a narrow view of the value that CRM can deliver. They don't realize that value increases dramatically when the system is used scrupulously and paired with universal sales process standards. Leaders can help salespeople understand the value of the CRM system by asking rhetorical questions such as these:

- ***Would you like to receive more well-qualified leads?***
  Salespeople often complain that they receive poor-quality leads from marketing sources, but they rarely provide feedback to their marketing counter-

parts as to why those leads are not useful. With proper lead hygiene standards, salespeople can use their CRM tools to provide rapid feedback to marketing around the exact metrics (such as buyer title, size of account, and specific data) that make a lead valuable or worthless. Inputting this feedback into the system takes around 30 seconds on average and ultimately helps marketing to send sales teams better quality leads, thus minimizing the time that salespeople waste following up on leads that have no potential to generate a sale or become profitable accounts.

- ***Would you like sales forecast meetings to take five minutes instead of an hour?*** Sales teams waste countless hours every week responding to verbal or written requests from multiple managers about status updates to various deals in the works. Leaders should explain that if salespeople log all their activity in the CRM tool and detail their planned next steps, they will never have to manually produce a deal status spreadsheet for their managers. Instead, the managers should be able to instantly look up the status of any deal in the CRM system. Of course, old habits die hard, which means some managers may still email or call salespeople with requests for updates, but the sellers can simply remind the managers that they can find whatever data they seek in their CRM reports.

- ***Would you like more time to focus on targeted skill development that will help advance your career?*** In many sales meetings, managers spend most of their time asking for salespeople to detail and explain the actions they have already taken to make a deal happen. Once all salespeople are following the universal process and regularly inputting all their data into the CRM tool, managers can get all this information from a CRM report before their meetings with sales teams. That means that managers can use the meeting time more wisely to give sellers focused, advanced training and assistance on getting the most important deals to the next stage. Managers can also analyze data from the CRM system to see if there are specific stages where deals tend to stall for certain sellers or sales teams. If so, managers can focus their efforts on helping sellers hone their skills in those areas to get better at bringing deals all the way to successful conclusions.

Although salespeople may initially chafe at the need to comply with universal sales processes and strict data hygiene standards, these sorts of explanations should convince them that a little bit of upfront effort will ultimately deliver much greater time savings, make their jobs easier, help improve their productivity, and allow them to close more sales. Getting this buy-in and enthusiastic participation from sales teams is the crucial driver needed to make the entire CRM change effort work.

Using CRM Systematically to Unlock Sales Productivity

To improve CRM usage and unlock improvements in sales productivity, companies must overcome a complex set of technology, process, and behavioral challenges. In our experience, the most successful companies take six key actions around CRM:

1. **Build the value case for change.** Identify and define the business value that will be unlocked by making changes to CRM technology, processes, and behaviors. Experienced analysts can estimate how much additional revenue the company stands to gain by enabling its sales force to become more productive.

2. **Nail the sales process.** Establish a clear sales process that works for the entire organization. Make sure this process specifies which metrics will be measured and what data will be captured.

3. **Develop a plan to fix the CRM technology.** In some cases, companies may wish to implement a new CRM

system. In other instances, it can make more sense to clean up the existing CRM tool. The point here is to analyze the current state of the organization's CRM technology, then select the best option that will enable the organization to have clean CRM processes and high-quality data as soon as possible.

4. **Ensure broad buy-in.** Everyone from the CRO down to the business development reps needs to buy into the change and use the system consistently. If even a few salespeople are allowed to work around the CRM system and regress to using spreadsheets, they could cause a domino effect, prompting many other reps to abandon the system, and ultimately wrecking the entire change effort. Universal CRM usage is the key to making sure that all opportunities are properly logged and tracked so that promising deals don't slip through the cracks when salespeople switch territories or leave the organization.

5. **Be agile in implementation.** Start with one or a few teams or products, then scale implementation by continuously incorporating lessons learned from early efforts.

6. **Communicate continuously.** Starting with the value definition, ensure that everyone from salespeople to business leaders understands the value being unlocked. Distribute frequent updates on the progress of the change effort, including promulgation of sales processes throughout the organization and change management updates. Use quick wins from early adopters to boost morale and maintain engagement until the behavior change becomes widely adopted and permanent.

Many organizations will certainly encounter challenges in attempting to develop, define, and enforce universal sales processes and good CRM hygiene. That said, organizations that postpone action will find that their CRM problems only get bigger and more intractable as time goes by.

Instead, organizations should act now to prioritize the development of an organizational culture that embraces the ethos of "CRM first and always." Once they succeed in convincing salespeople to follow the universal sales process and track all their actions in the CRM tool, leaders must remain vigilant. They should continuously review adherence to the process and audit data quality to nip any problems in the bud and ensure that salespeople don't backslide into their old habits.

In our experience, organizations that persevere can unlock the benefits of CRM and achieve sales productivity gains of 10% or more. They can then build on this foundation by implementing more advanced CRM capabilities like auto-dialers, account analytics, and omnichannel task schedulers to boost productivity even higher and finally fulfill their expectations for the benefits that CRM should deliver.

About the Authors

Roger Premo is a partner and managing director in the Boston office of Boston Consulting Group. He is a global leader for the Software, SaaS, and PaaS sectors—specializing in driving growth strategies, accelerating business performance, and driving the business model transformation to SaaS. You may contact him at premo.roger@bcg.com.

Matthew Ward is a principal for the Marketing, Sales & Pricing practice in the firm's Los Angeles office. He has extensive experience in sales and marketing for technology (SaaS) companies and industrial goods. You may contact him at ward.matthew@bcg.com.

Santosh Raghunath is a consultant in BCG's Boston office. He has a strong background in technology, corporate strategy, startup marketing, and entrepreneurship. You may contact him at raghunath.santosh@bcg.com.

Boston Consulting Group (BCG) is a global management consulting firm and the world's leading advisor on business strategy. We partner with clients from the private, public, and not-for-profit sectors in all regions to identify their highest-value opportunities, address their most critical challenges, and transform their enterprises. Our customized approach combines deep insight into the dynamics of companies and markets with close collaboration at all levels of the client organization. This ensures that our clients achieve sustainable competitive advantage, build more capable organizations, and secure lasting results. Founded in 1963, BCG is a private company with offices in more than 90 cities in 50 countries. For more information, please visit bcg.com.