Chapter 1

Looking Over Microsoft CRM

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Personal Information Managers (PIM) and Contact Management Systems (CMS) were first introduced in the mid-1980s. Both PIMs and CMS systems enabled you to organize the names, addresses, and phone numbers for all your business Contacts. PIMs were superseded by Sales Force Automation (SFA) systems in the late 1980s. Products like ACT! and GoldMine initially combined scheduling functions with Contact Management. By the mid-1990s, these systems evolved into simple Customer Relationship Management (CRM) systems, attempting to involve not just salespeople but also customer service and management.

Microsoft CRM is the next generation. Microsoft CRM is based on a new technology called .NET (pronounced *dot-net*), pioneered by Microsoft. Not only does Microsoft CRM have functionality for both the sales and the customer service sides of your business, it takes great advantage of the Internet. This Internet focus is what really defines the .NET strategy.

Taking Advantage of Microsoft CRM

Microsoft CRM provides you with a lot of advantages over the more-traditional software that has been available. I cover some of these advantages in the following sections. But you need to properly manage your expectations. CRM Version 1.0 isn't yet a fully fleshed-out system. Some holes remain: Such things as sharing calendars with your Team and distributing literature are weak or nonexistent. But so much is good and fresh that the software is compelling. After all, as many in the industry say, "It's Microsoft, so it's inevitable."

Tracking your Contacts

I often hear company executives say their most important corporate asset is their database of prospects and clients. I couldn't agree more. Neglecting, for the moment, all the powerful tools within Microsoft CRM, the most basic thing is what pays off the quickest. And *that* quick payoff results from having one central, organized, accessible repository for all the information relating to your Accounts. Even if you never create any processes or rules, never connect the system to your Web site, or never automate your quotation system, you will be miles ahead just by organizing your data into one coherent database.

Microsoft CRM is an excellent choice for organizing a database and much more. But before I go on, I need to introduce you to some of the Microsoft CRM lingo.

Very simply, a *Contact* is someone you may need to get in touch with someday. Officially, Microsoft CRM has a Record type or object called *Contact.* A *Contact,* in this sense, is a person. It is a concept taken from Microsoft Outlook. In fact, Contact Records from Outlook are directly transferable into Contact Records in Microsoft CRM.

In a more general sense, *Contacts* can also be companies. Microsoft CRM calls company records *Accounts*. You want all these Accounts put into Microsoft CRM also. Companies (Accounts) and the people who work at each of them (Contacts) can be related to one another within the system.

You want to store other kinds of Accounts and Contacts in Microsoft CRM, too. The system is going to be your universal reference tool — your rotary card file, your personnel directory, and your Yellow Pages all in one place. You want to have Records for vendors, for employees, and for Competitors.

Sharing information with others on your Team

Microsoft CRM has powerful security and Record-sharing tools. If keeping certain Records or data confidential is necessary for your company, that's no problem whatsoever. Usually more critical than keeping data confidential, however, is your ability to share information with other members of your Team.

Defining a Team

You need to do a lot of structural work when first setting up Microsoft CRM. Someone, probably one of your senior administrators, or a combination of business and IT management, will set up your organizational *Business Units* (think divisions and/or remote offices) and will assign Users to those units.

Typically, the Users assigned to a particular Business Unit are also members of a *Team.* Each User in Microsoft CRM can be a member of one or more Teams. If you are a member of the Transporter Sales Team, you may also be a member of the Dealer Channel Team.

The concept of a Team allows for very convenient sharing of Records.

Sharing and assigning

You can easily *share* Records and Activities with members of your Team, and you should. Sharing a Record is like asking your buddies to help you when you need it. Rest assured: If you ask them, they will return the favor. By sharing and distributing the workload, you, your Team members, and your customers all benefit. While you're on vacation, Team members who have access to your data while you're away can still help your best Accounts.

You can also *assign* Records and Tasks. Assigning is a little more like telling another User on the system to handle the assignment. (It's more like delegating than sharing.)

Unsharing

Whatever you share you can unshare. If you turned over access to your Accounts while you were on vacation, you can retake control upon your return. In most work environments, this is a far better solution than sending your Accounts an e-mail telling them that you will be away for two weeks and that they should just relax until you get back. And it's certainly a better approach than not letting your clients know that you'll be away at all.

Communicating with the outside world

Far and away, the primary reason that companies lose Accounts is that the customer thinks no one is paying attention. Microsoft CRM gives you the tools to counteract this perception, which, with regard to your firm, is certainly a wrong one.

A handful of ways exist to communicate with customers, and Microsoft CRM handles most of them.

- **Scheduling Calls and Appointments:** Of course, you will be scheduling all your Calls and all your Appointments via Microsoft CRM.
- **Faxing:** You'll need OmniRush from Z-Firm LLC. OmniRush and other add-on products are discussed in Chapter 24.

- **E-mailing:** Outlook is obviously the champion of all e-mail systems. It is practically the de facto standard now. Whether you are operating in Connected or in Disconnected mode, you have the capability to almost completely integrate your e-mail with the Microsoft CRM system. This integration works well, except for the strange and unnecessary cryptic code that Microsoft CRM insists on putting in the subject line of outgoing e-mails.
- **Printing:** You can merge and print letters as long as you have Microsoft Word (which, as part of the Microsoft family of products, is well-integrated with Microsoft CRM).

Integrating with accounting

In the early years of CRM systems, many companies were reluctant to allow their salespeople access to accounting information. Fortunately, the pendulum has swung back, with the best thinkers realizing that it's helpful for salespeople to have more knowledge, not less. The Professional Version of Microsoft CRM contains (or will soon contain) the link that provides integration between front-office and back-office operations.

Microsoft CRM has several varieties of licenses and related capabilities. CRM has a Standard Version, a Professional Version, and a Suite (which combines the Sales area with the Customer Service area). Licensing is discussed in Chapter 29.

To me, the two most compelling differences between Standard and Professional are that the Professional Version has Workflow Rules and integrates with several well-known accounting systems. Workflow Rules provide a way to automate many of the routine functions in your organization such as following up with standard letters after an appointment or alerting members of your team to account-related deadlines.

If you prefer to have Microsoft CRM work for you, rather than you work for it, you should consider the Professional Version. In many organizations, the accounting link is equally important.

Why integrate with accounting?

Surely, no sales manager should want his people spending their time trying to close another deal with an existing customer when that customer has not paid for his previous six orders stretching over the last eight months. Nor would a discerning sales manager want a salesperson quoting a deal that would put a customer over his existing credit limit without taking the credit situation into account.

Conversely, before a credit manager calls an existing client in an effort to collect a past-due payment, it may be important for that credit manager to understand that the sales department is on the verge of closing a megadeal with that very same client. Although the credit department would certainly want to collect that money, understanding the current sales situation may affect how the credit manager's conversation is conducted.

History of relationship with Great Plains

Great Plains Software had a long and respected history of developing and supporting accounting systems for the *mid-market,* which generally refers to medium-sized businesses. Great Plains then began a relationship with Siebel Software with an eye toward integrating Siebel's Front Office (CRM) application with its existing accounting modules.

But Microsoft showed up at Great Plains' doorstep and acquired Great Plains. That signaled the end of Great Plains' relationship with Siebel.

Dynamics, Enterprise, Solomon . . .

Axapta, Great Plains, Navision, Solomon, and Small Business Manager are all systems owned and managed by Microsoft/Great Plains. The plan is to integrate the Great Plains and Solomon systems first.

Most competitors claim to have integration with one or more accounting packages. Most of the time, a third party does this integration, and that situation has some major disadvantages. If you are relying on three separate companies (your CRM vendor, your accounting vendor, and a third party developer) to keep your front-office and back-office operation coordinated, you could be in trouble.

One of the ongoing issues is what happens each time your CRM or your accounting vendor upgrades to a new version. That immediately requires an upgrade to at least one of the other packages, and traditionally this has been an issue in the industry: a lack of timeliness and coordination.

Microsoft has gone a long way toward solving this dilemma because it controls both ends and the middle. Look for a much-better-coordinated integration than has been available in the past.

Setting up business processes

Every business has processes. Sometimes, they aren't well documented, so they aren't obvious. Consider how your company handles Leads from prospective customers. This is a typical process, whether documented or not. This is the time, while designing and customizing your soon-to-be CRM system, to analyze all your processes and probably improve upon them.

Good process development has several basic principles:

- **Assigning Tasks:** The first principle is properly assigning responsibility. Each Task that needs to be done should have one primary person assigned to it, not a Team of people. And that Task shouldn't just be put into a Queue either.
- **Feedback:** Every step of every Task should be confirmed somehow. Amazon.com has this procedure down pat. If you're not sure about proper feedback, order a book from Amazon. When you place the order, you get an order confirmation. When the book is shipped you get a shipping confirmation. And you may very well get some after-the-fact follow-up (all in an effort, of course, to sell you more books). Their process is well done, and you may want to pattern your processes after theirs.
- **Escalation:** Just because a phone call has been assigned, don't assume that it will be completed. Plan your processes under the assumption that, even with the best of intentions, things fall through the cracks. Give each Team member a reasonable amount of time to accomplish a Task; and if it isn't completed, make sure that the next person on your org chart is notified. Continue escalating and notifying until something is done about the situation.
- **Reporting and Measuring:** It isn't a real process unless you can measure it and then improve it. Design into each process an appropriate report that allows the necessary analysis that leads to continual improvement. A good way to begin designing a process is to mock up the reports first. These reports help determine what data is necessary for proper tracking.

The Professional Version of Microsoft CRM has a powerful system of workflow rules. With this system, you can program the business processes you design. Workflow rules can access any of the data files within Microsoft CRM and can create Activities for your Users or can actually send out correspondence via fax or e-mail. These rules can notify you of overdue Activities and can escalate issues that are important.

Implementing business processes within the scope of workflow rules is the heart and mind of a good CRM system and is also probably the most underutilized area. Too often, companies relax after their data is properly imported and their users have gotten a little training. Properly implemented workflow rules will pay you back for your investment many times over. Do not neglect this powerful feature!

Accepting What the Software Doesn't Do

Microsoft traditionally enhances its products until, somewhere around Version 3.0, it figures that the product has just about everything everyone could possibly want. Still, Microsoft CRM has some troubling holes right now.

Calendar sharing

The first thing I like to do in the morning is check the schedules of every member of my Team(s). What's Joe doing today? Should I schedule some additional Activities for Jill? When can I meet with Ted and Mike?

Because Microsoft CRM is really an outgrowth of Outlook, sharing of calendars just wasn't high on the developers' lists. And, sadly, you really have little access to anyone else's calendar.

Furthermore, only Appointments are deemed to be important enough to actually be shown on your own calendar. Phone Calls or other random Activities, whether important or not, are not shown on your calendar unless you schedule them as if they are Appointments.

Literature distribution

It's hard to understand what the purpose of the Sales Literature area of Microsoft CRM would be other than to respond to prospects' and clients' requests for literature. As I imagine it, a prospect might call the sales department and say something like, "We're interested in possibly buying ten of your Mercedes Model 400s. Can you e-mail a brochure to us?"

You can't. At least not by using Microsoft CRM. Microsoft CRM has a klugey workaround that involves copying the literature from the literature storage area to your own local machine and then attaching it to an Outlook e-mail message.

Microsoft's official response to this is that hopefully this will be resolved in some future release. Come on, now.

Faxing

Microsoft CRM, by itself, can't fax anything. If faxing documents to your prospects and customers is important, there is a solution. A well-established third-party product from Z-Firm LLC, OmniRush, provides a major assist with faxing and e-mailing from Microsoft CRM. This product is discussed in more detail in Chapter 24.

Expense reporting

Expense reporting and analysis are natural extensions of any CRM system. This is another area that Microsoft has chosen not to address directly, but a couple of dealers may have expense reporting systems under development. Lead management is another. You can get late-breaking information on these and other third-party packages at www.ccc24k.com.

Coordinating Microsoft CRM with Your Success Plan

A disappointing number of CRM projects don't live up to their expectations. The first issue to consider is the one of expectations. And, the second issue revolves around planning.

If all your expectations are built upon what you heard from your salesperson or what you read in the promotional materials, you may be in for an unpleasant surprise. And, of course, the old axiom applies: If you fail to plan, you plan to fail.

Defining your goals: Perform a Needs Analysis

You may be tempted to wing it. Someone promised the sales staff that a system would be in place before the next annual sales meeting. That was 11 months ago. If you're thinking you have a month to buy the software and get it implemented, forget about it. Failure looms large. Your project should be done in bite-sized chunks with measurable goals at each step.

The first step in a project of the complexity that any Microsoft CRM implementation entails is to do a Needs Analysis. Most of the more sophisticated dealers will do this for you, although you should expect to pay for this. Some dealers offer a free Needs Analysis. You always get what you pay for.

A true Needs Analysis involves interviewing representatives from each department that will be using the system. It involves collecting a considerable amount of information on what is being done at your company today and how you want that to change. It involves determining what software may meet your requirements and does not presume that it is necessarily Microsoft CRM or any other preconceived system. A Needs Analysis includes detailed pricing, schedules, and assignment of responsibilities.

I consider a good Needs Analysis (or at least a detailed, written plan) to be an essential ingredient to a successful implementation.

Implementing a pilot program

Everyone is conservative by nature when thinking about spending money. So it is often a good idea not to bite off more than you can chew at one sitting. A pilot program is often a useful way to begin.

Typically, a pilot program involves a select group of Users, not the whole company. If you're going to go this route, make it a representative sample. Not just the brightest or most enthusiastic people. Not just people in one small department either. You need a representative sample across the board.

Most projects never get beyond the pilot stage. That's because a hundred or a thousand steps are needed to implement any project like this successfully. Invariably, as the pilot project struggles to the finish line, you find two or three nagging items that have not been conquered. And these unresolved items are what everyone is suddenly focused on. These unfinished items remain in some people's minds, a good reason to declare failure or to refuse to move on to the full rollout.

Before beginning a pilot, you must define what determines success; and if those conditions are met, full rollout should be automatically triggered. These parameters must be written down and known to all. Otherwise, going from pilot to full system becomes torture.

Making Microsoft CRM Part of Your Client-Retention Program

Out of the box, Microsoft CRM comes prepared to assist you with closing business with new customers. It has Records for Leads that are expected to grow into Opportunities. It has fields in the Account and Contact Records that are meant to assist you in organizing your efforts to make a deal.

With a little forethought and customizing, you can use Microsoft CRM to ensure that you keep the Accounts you already have. CRM vendors have put very little emphasis on this, but it is relatively simple and will actually provide the return on your investment that everyone is looking to generate.

Deciding Whether Microsoft CRM Fits Your Needs

Microsoft CRM is not for everyone, but it's inevitable that an enormous wave of companies will adopt it. It will probably achieve a critical mass, much like other Microsoft applications, and may eventually become the de facto standard for CRM.

Microsoft has primarily targeted Outlook users. If you are comfortably using Outlook to maintain your list of Contacts and to handle your e-mail, then it is likely that you will be a well-satisfied user of Microsoft CRM. The look and feel of Outlook has been transferred into the Outlook version of Microsoft CRM. And Microsoft has provided an import facility so your original Outlook data can be transferred into Microsoft CRM. Chapters 26 and 27 discuss this issue.

If your company uses one of the Great Plains accounting packages and you have the Professional Version of Microsoft CRM, you will enjoy having a well-integrated front- and back-office system.

If you are coming from one of the enterprise-level CRM systems, such as Siebel or Oracle, you will be impressed with the relative ease of Microsoft CRM. It's going to seem like a user-friendly friend.

If you are a salesperson who operates more on your own than as a member of a Team, you will be right at home. The security built into the system will provide you with a sense of well-being, while you may have just enough ability to coordinate Activities with other members of your Team when you are compelled to do so.

On the other hand . . .

If your experience is with some CRM package (such as ACT! or GoldMine) that was built for small-to-medium-sized businesses, you may feel as if you are taking a giant step backward. Your first issue will be to get your existing data into Microsoft CRM. As of the release of Version 1.0, there is no way to do it. Microsoft has promised to release an import facility soon. Several third-party vendors are also promising to do so.

Some of the basic calendar and literature management functionality that you are used to is just plain missing. If you are used to looking up other people's schedules, you will need to learn a new way of handling this. If you want to automate your marketing, you may be disappointed here as well.

If you don't have good, fast, and reliable Internet access, this Internet-based system may be more of a hassle than a help. This access is critical not just if you are working at home or from a hotel, but even if you are sitting in your company headquarters ten feet from the server.

If you have ten or fewer people using the system, you will probably find it's just too expensive and technology-intensive to set up. Start with something smaller and less expensive. Grow into it.

Using Microsoft CRM Successfully

It's just as easy to have a successful implementation as it is to have a flop. It just takes a little more time, thought, money, and commitment. The tool, Microsoft CRM, won't let you down. It's up to you to consider the following:

- **Have a Needs Analysis done by a competent dealer.** Spend the money. It's well worth it.
- **Make sure that every User finds an advantage to using the system.** Otherwise, you won't get good acceptance or consistent use, and this will inevitably lead to the collapse of the system. You have to sell your Team on it. Solicit ideas from Team members. Have each of them invest in the effort.
- **Plan your technology infrastructure.** Microsoft CRM demands a series of servers and good Internet connectivity. You may need to update your operating systems and install SQL and Exchange Servers.
- **Organize your existing data.** You probably have your data in more places and formats than you realize. Take a survey of all your Users so you know where all the data is. Plan to clean it all by eliminating unnecessary Records and by collecting as much missing information as possible.
- **Install your Microsoft CRM software and customize it with regard to any additional fields and Reports you need.**
- **Set up your organizational structure with Business Units, Roles, and Teams.**
- **Import all the data and train your Users almost simultaneously.** As soon as training is complete, you want your Users to have immediate access to their own data so they can start using it before they forget what they learned in class.
- **Don't take your eye off your data.** As soon as you turn your back on it, it will turn itself into garbage. It's the entropy effect. Put someone in charge of data integrity.
- **Plan to continually improve the system.** The truth is that the system will never be done and will never be perfect. It's a development process that evolves and changes as your organization changes. It will never be done, and it will never be perfect. But it will quickly be an enormous improvement over a disorganized system. Do not lose sight of where you came from.