FivePaths

The Six Elements of Successful CRM Selection and Implementation

How to stay focused and cover your bases when choosing and setting up a customer relationship management system.

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If not chosen or implemented well, a CRM system may feel more like an expensive mistake than a useful tool. Below, we'll offer tips and strategies for ensuring that your CRM system offers the features and support you need and is implemented in a time- and cost-efficient way.

Your Organization: Systems Expert

A CRM system is a software tool that helps manage interactions with constituents. To be successful, a CRM system must track and report information about the people you engage with in a way that helps you further your goals. For this reason, an organization's specific needs and workflows must be a critical factor when selecting and configuring a CRM.

A common assumption during implementation is that organizations do not have a vital role to play in CRM implementation. Organizations often feel that they must leave this job to the technology experts. However, technology is only one critical part of a CRM solution. A CRM combines an organization's business rules with technology for managing information to support those rules. Only the organization knows its own business rules best. Therefore, every organization implementing a CRM is an "expert" in this process, and must work closely with its technology partner.

Take Your Time

Your team will want to invest some time in determining your requirements, as well as in choosing and implementing a system. Budget enough time to make good, thoughtful decisions, informed by complete information. Rushing through this process will often make the project much more costly and time-consuming in the long run.

CRM Selection and Implementation: Steps and Considerations

A big part of a CRM system's ongoing success is choosing well in the first place, but implementation — the process of getting a CRM up and running — will also greatly impact its value to your organization. The details of this process will vary depending on the system you select, as well as on the agreement between your organization and the vendor. Yet most selection and implementation processes will involve the following steps and considerations, which we will address in detail below.

1. CRM review and selection
2. Project management
3. Vendor contracting and software licensing
4. CRM system customization
5. Data migration
6. Training and support

CRM Review and Selection

There are dozens of CRM solutions to choose from. Check out a variety of systems to get a good sense of what features are available and to assess how easy the systems are to use. Narrowing in on appropriate CRM systems is critical to maintaining a timely and cost-effective project.

Unsure of where to begin? A great (and often overlooked) resource for narrowing in on CRM systems are organizations doing work similar to yours that have already gone through the process of selecting and implementing a CRM. These organizations will often have overlapping requirements, and can offer valuable advice about tools they reviewed as well as pitfalls to avoid as you proceed.

Trade associations often provide terrific technical assistance for specific industry verticals, including best-fit technologies for your particular sector. NGOs in the United States can likewise benefit from the Nonprofit Technology Enterprise Network (nten.org). NTEN — often in collaboration with fellow nonprofits Idealware (idealware.org) and TechSoup Global (techsoup.org) — offers a variety of technology resources ideally suited to nonprofits and libraries.

Project Management and Communications

Implementing a CRM can be a time-consuming and costly process, with many elements often occurring simultaneously. Ensuring strong project management and following a detailed communications strategy can help to keep all participants informed of their responsibilities and upcoming steps in the process.

Strong project management requires that the organization identify a staff person in charge of this task. Typical tools of a project manager to help keep the project on track include:

1. Calendar. Keep track of meeting dates for all participants, as well as major project milestone dates, including the final launch of the CRM system.
2. Work plan. This is typically the part of the contract that specifies what will be built or configured, what vendor support will be provided, what the overall timeline and cost should be, and the basic obligations of both the vendor and the organization.
3. Budget spreadsheet. A list of vendor costs, software fees, and other costs per month during implementation
4. Task lists. A list of tasks for individual staff to complete, such as reviewing CRM functionality, making decisions on reports, testing, and so on.

Both the CRM vendor and the organization should take care to follow both the contract and work plan. The organization should ensure regular vendor communication, including the addressing of any organizational questions. A weekly or fortnightly formal communication is reasonable in keeping up-to-date with the progress of the CRM implementation. The organization should follow all costs closely to ensure the project is on track financially.

Vendor Contracting and Software Licensing

Once you have identified a CRM system that is a good fit for your organization and selected a project manager to oversee the process, you're on to the next step: contracting and licensing. Each of these is vital in setting expectations for what kind of CRM system will be implemented, how it will be supported, and the costs involved. Don't underestimate the importance of this; CRM implementation projects that are not supported by clear contract and licensing terms often result in significant cost increases and missed timelines.

Contracting

The contract phase of setting up a CRM involves an agreement (and possibly negotiations) with a CRM vendor or outside consultant regarding setup, services, and support of your CRM system. Whether you are signing a contract provided by the system vendor or negotiating your own, bear in mind that a good contract is not just a legal agreement but part of a detailed work plan that will impact how your system will be set up and run.

Some vendors will require that you exclusively contract with them to implement and support the system; others may allow for support from unaffiliated third-party consultants. For organizations with the proper staff and skills, some CRM systems may be implemented in-house with no outside technical support.

Licensing

Often incorporated into the vendor contract, licensing is a written agreement outlining the CRM system vendor's rules regarding intellectual property, fair use, and costs. A license will describe what the organization can and cannot do with a CRM system. Some CRM vendors retain all ownership rights to the software, protecting their code from being modified by outside parties. Other CRM systems are "open source," allowing users to modify the code extensively with minimal restrictions. Maintaining CRM software license requirements may require one-time or ongoing payments, or it may be free. Take care that you understand your CRM vendor's licensing terms, and make sure you have them in writing.

Key Elements to Contracting and Licensing

There are several factors to consider when contracting and licensing software.

1. Always negotiate a contract. Never begin a CRM implementation without an agreement on a contract. All contracts are negotiable. Clearly articulate what you need; ask for changes if anything is missing.

2. Know all costs. Every contract should clearly specify what the costs are for complete system installation, and what licensing and support costs are required going forward.
3. Determine a timeline. Clarify how long the project will take and identify a delivery date.
4. Clarify communication. Agree on a point of contact with the vendor or consultant, as well as how updates will be communicated. Ensure these updates will address any changes in cost, features, and timeline expectations.
5. Identify a process for quality control and testing. Most CRM systems will require some unexpected modifications and updates during implementation. Clarify what the process is for identifying these changes, and how much of this cost (if any) will be borne by the customer.
6. Establish a data-migration plan. Moving customer information into a new CRM system can be a time-consuming and technically advanced task. Identify the vendor or consultant's role in this process.
7. Know customer responsibilities. All customers must be involved in the CRM implementation process. Agree on testing periods, data-migration responsibilities, milestones for customer approval and sign-off, and training opportunities.

CRM System Customization

Some CRM systems require only basic setup and preparation before organizations can begin using them, while others require some to substantial customization before they can be implemented. In most cases, the development work will substantially affect the final CRM product, and will be the most significant cost component.

CRM developers require a clear understanding of an organization's business rules. The organization should clarify any informal or undocumented processes that affect the customization of the CRM, and clearly explain these to the developer. The organization should also review the work of the developer at regular intervals to ensure that the task is being completed to satisfaction.

Elements to consider during software development include:

1. Explain what, and why. Conversations with developers require a focus not only on what features should be built, but why they are important from the organization's business perspective. Leaving out the "why" can lead developers to make incorrect assumptions about how features should work, resulting in costly overruns.
2. Get involved. Organizations should review features in development, even if other parts of the CRM are not yet ready. This helps avoid mistakes from growing into costly budget items or missed timelines.

3. Track accomplishments. Ask the vendor to document the features he or she has worked on, and what has been accomplished in each case. This helps organizations understand the costs of specific features, as well as what it might cost to continue working on them. It also helps confirm that the vendor is on schedule.
4. Clarify change requests and bugs. Be sure to identify issues that appear to be "bugs" (something broken that the vendor should fix within the budget) and "changes" (work that may or may not cost the organization extra). Reach an agreement before proceeding to work on these.

Data Migration

Many organizations have information stored in older systems that they wish to move to the new CRM. This information is oftentimes organized differently from the new CRM system, requiring some effort to relocate. Focusing on migration strategies early on can help ensure a smoother transfer of information down the road.

Vendors require a close partnership with the organization to properly understand the groups or individuals responsible for migrating data. Having a good grasp of the organization's ability to understand and manipulate their own data allows the vendor to offer tips and tools for how best to prepare for migration into the specific CRM tool, as well as to determine the optimal division of labor between the organization and vendor.

Guidelines to consider during data migration include:

1. Find the data. Information is often scattered among various organizational staff and systems. Locate the useful information required to populate the CRM and identify who maintains it, what it contains, and how accurate it is.
2. Improve the data. Many organization move inaccurate data into their new CRM tool, creating just another problem for users. Work to identify existing inaccuracies, correcting these when possible prior to importing to the new system.
3. Identify available migration tools. Some CRM systems and vendors offer tools and services to help transform data to fit the new CRM, and even to automatically move it into the system. Understand these tools and services early on and identify what work the organization must do to make use of these tools.
4. Test before migrating. Make sure to run a "test migration" using the new CRM. A test will help ensure that the information transfers correctly and allows the organization to make corrections before the final transfer takes place.

Training and Support

CRM software offers a wide range of tools for users to learn and master. Many users will require multiple exposure to documentation and training in order to gain the critical skills required to succeed with the new CRM. Some CRM systems provide written documentation, videos, and other self-paced trainings, while others offer single or ongoing in-person group and individual trainings.

During training, remember:

1. Identify all training options early. Give future CRM system users a head start by introducing them to an overview of how they can learn to use the new CRM tool. Understand what is free and what is fee-based. Review trainings for quality and to prepare users for future training.
2. Plan for gaps. In many cases, the available training materials will not cover every CRM feature the organization plans to use. Identify any gaps in training, including written materials, video, or live webinars. Plan for how these gaps may be filled, whether internally or via external consultant.
3. Learn in context. Be sure to practice CRM skills using real data the trainee can recognize and understand.
4. Train the trainers. Document all processes and tips gathered from trainings to facilitate future training of other staff.