

Customer Relationship Management

a business philosophy

INFO*trac*
for
AccountMate[®]

The ability to sustain a strategic advantage over your competition is hard to achieve. Most business experts state that an competitive edge can be attained by differentiating your company from the competition. The various way of creating this lead are through pricing strategy, your core product/service offering or through the customer service relationship.

Trying to compete on price is very difficult for most companies to achieve. Very few businesses can create the scale and efficiencies needed for long-term survival. Staying ahead of the competition through product leadership is also extremely difficult in the long run as the flow of information, product development and capital is almost instantaneous in today's economy.

According to research firm, CRMGuru, customers speaking about why they choose one company over another rarely stated (20% of the time) that it was because of price or functionality of the product. Instead the majority of the reasons had to do with the service the company gave its customers – they took good care of their customers.

Customer Relationship Management (CRM), then, is more than just a set of technological tools... it is a business strategy, describing a philosophy that places the customer at the heart of an organization's processes, activities and culture in order to acquire, grow and retain profitable customer relationships.

Businesses are recognizing that the knowledge they have of their customers is their most valuable asset. Their ability to understand, predict and respond to a customer's needs and requirements is critical to the relationships they develop and maintain. It will ultimately determine their long-term success. The Customer Lifetime Value (CLV) proposition, or how much profit has been accumulated over time, will be determined by how the knowledge and information accumulated on the customer is managed and used.

CRM provides real time intelligence to coordinate customer interactions across multiple channels, departments, lines of business and geographies. It helps organizations maximize the value of every customer interaction to deliver superior performance.

Typically, customer information is fragmented and duplicated across multiple business units and communication channels such as email, phone and the Internet, resulting in an incomplete and possibly inaccurate view of the customer. By taking a customer-centric approach, customer data is consolidated into a single environment. This approach helps to clarify customer needs, qualify opportunities and determine the appropriate action(s) to take. Organizations implementing CRM have the ability to prioritize, respond and distribute leads in order to drive efficiency, accuracy and quality in the lead management process.

Integration of a CRM solution with other company applications creates a comprehensive platform for understanding the customer and implementing business strategy. Contact

Managers, by comparison even when 'connected' in their own rudimentary fashion to other applications, fail to provide the reporting tools or detailed analysis on customer data found in an integrated CRM solution. By their very limited nature, typical contact management programs do not permit the required level of integration with the accounting system or 'backend' of an organization. True integration provides streamlined access to customer information, purchasing

trends, year to date sales, profit and margin information, and other account information such as order status, accounts receivable and accounts payable.

INFOtrac for AccountMate offers substantial evidence of the inherent advantages made possible when CRM functionality is leveraged through its integration with an accounting solution. Such integration perfectly demonstrates how data and knowledge sharing within an organization can improve decision-making, business planning and prioritizing of customer interactions. With a unified approach towards customer relations, this integration allows organizations to do more with fewer resources, while profitably growing their business.

Businesses wanting to expand their client base must also focus on keeping and growing their existing clients. Applications that provide the ability for the business to build individual customer profiles or 'views,' have allowed leading organizations to assess the true value of their clients and establish how they may be able to generate more business. Increasing the amount of business provided by a good client becomes as important as increasing market share. CRM is based on the premise that the proper management of an organization's relationship with a good customer can result in increased growth and profitability. As such, effective CRM solutions provide the framework to achieve this result.

CRM solutions help employees meet customer expectations with prompt service response, order accuracy, product availability and billing accuracy. Creating satisfied and loyal customers ensures more repeat business, lower customer acquisition costs and better financial performance. Customer satisfaction leads to increased business and profitability. The benefits of streamlining processes and providing more complete customer information enables organizations to have more profitable customer relationships while decreasing operating expenditures.

Utilizing a best practices approach with performance measurement and accountability, CRM internally provides employees with relevant tools for scheduling, organizing and managing their time to improve productivity and efficiency. A CRM solution also allows an organization to measure and review results to determine return on investment (ROI).

CRM is therefore more than just the ability to provide a comprehensive information management system. CRM is about helping companies gain a competitive advantage by being the best at understanding, communicating, delivering and developing existing customer relationships, in addition to creating and keeping new customers.