KPMG

CRM Technology

Unlock the value of CRM through user adoption

Achieving CRM CROI

CRM (customer relationship management) technology is an important enabler in the process of unifying the front, middle, and back office, providing the crucial opportunity to track data throughout the customer lifecycle.

User adoption of a new CRM platform is a crucial element of success when looking at CRM return on investment (CROI). A low user adoption rate is one of the most common challenges organizations face when looking at their CRM systems as a source of transformational CROI. Yet many companies do not achieve a high adoption rate because of a lack of planning, not building their system to meet the needs of the user base, poor engagement plans, or a lack of trust or buy-in from frontline management and executives.

User adoption rate has a big impact on the CROI from a CRM technology implementation. High CROI starts with convincing your user base to use the technology to enhance their ability to serve the customer and ultimately improve their own performance.

User adoption becomes natural when users can see the value of CRM themselves. A healthy user adoption rate supports a continuous positive feedback loop of end-user engagement, and operational excellence. Simply put, as adoption improves, data volume and quality should improve. The end user will see the immediate benefits of their data entry in the form of useful insights that facilitate success.

The results cascade into a network effect, bringing more users into the realm of regular usage of the tool by virtue of the consistent success of routine users of CRM. Conversely, if the end user doesn't trust the data or find value in the tool, they will use CRM at a bare minimum (usually to satisfy CRM usage and deal crediting parameters). Better data at higher volumes results in more reliable and actionable insights, allowing accurate forecasting and opportunities for well-informed

decisions which put the customer at the heart of your strategy. These decisions should guide the end user on a journey and allow the business and individual to improve the likelihood of reaching their objectives, resulting in sustained levels of system adoption and ongoing reliable insights.

The concept of a continuous loop of CRM usage and strategic insights is not complicated but achieving this level of operational excellence is often a challenge. Historically, organizations have spent limited effort and resources on adoption and change management during an implementation. A survey of more than 200 professionals revealed 41% didn't understand the challenges of gaining acceptance for their new CRM in advance, therefore missing out on putting plans in place to mitigate the challenges. The same survey also showed 29% had large cost overruns on their implementation project, indicating they had not budgeted sufficiently beforehand.[1]

Implementation success is difficult to define, and in fact, many program leaders we know have considered it a 'tax' on their project. Without well-defined benefits of CRM presented to the user, the user base will lose interest in CRM, or worse, view the tool solely as a way for management to track performance. Their focus will become "do as little as possible" to still secure deal credit, and ultimately compensation. This hinders the potential of the system to provide trustworthy customer insights. Fortunately, there are several different tools that, when used properly, can influence adoption over the course of time.

Drive end-user adoption and reap the results of a customer-centric approach

Connecting technology across the front office results in a unified view of the customer, allowing you to build your engagement strategy around them. Before any planning takes place, it is important to identify and align to business objectives. For example, a company may have a stated goal of improving cross-sell across the sales organization by 5 percent over the fiscal year.

How can that organization use CRM to help achieve that specific objective? In an ideal scenario, the sales team understands how to employ the full functions and features of CRM to share knowledge of the customer and therefore improve their cross-sell opportunities. This scenario is predicated, though, on a high user-adoption rate of the CRM.

A CRM adoption strategy has several major components to it, each contributing to the overall success of the technology as a widely used and effective tool that drives achievement of stated growth objectives.

Senior leaders must set the tone for a customer-centric culture and prove they have bought into a new CRM system by adopting it themselves. They must also plan carefully in advance for changes in employee behaviors. Providing adequate training and constant support for users is essential, while letting them influence functionality is key to truly understanding their needs. The same survey of more than 200 professionals mentioned above found 30 percent believe one of the biggest problems they encountered during their CRM implementation or upgrade was not supporting their users' input when selecting a system.

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CRM user adoption can be achieved by pulling on several different levers in a deliberate manner based on the situation. The items below summarize those levers that should be considered when it comes to a CRM user adoption strategy.

- Executive buy-in, usage, and leadership communication is critical to the adoption of the CRM platform.

   Company leadership needs to make it abundantly clear that the source of customer truth in terms of marketing, sales, service, or any other application of CRM capability will be CRM data. They must also use the platform to manage their business and drive performance communications with their employees.

   For example, if a sales manager uses the data and insights provided by their CRM tool to manage their sales territories, teams, and individuals, do you think sales professionals will follow suit? Our evidence would suggest there is a close relationship between the two.

- Organizations must identify various adoption levers to drive user adoption.

   Levers could include enforcement of standards (e.g., CRM pipeline is the only pipeline), rewards-based reinforcement, or using gamification tools to focus on a salesperson's targets around compensation and recognition as an example. Other levers include using internal social networks to drive usage.

   Adoption levers should not be used to achieve simple "usage metrics," but to drive intelligent use of the system directly linked to advancing business objectives. These levers should almost certainly be underpinned by a system with features that supports the business users in their effort to increase their own performance and output.
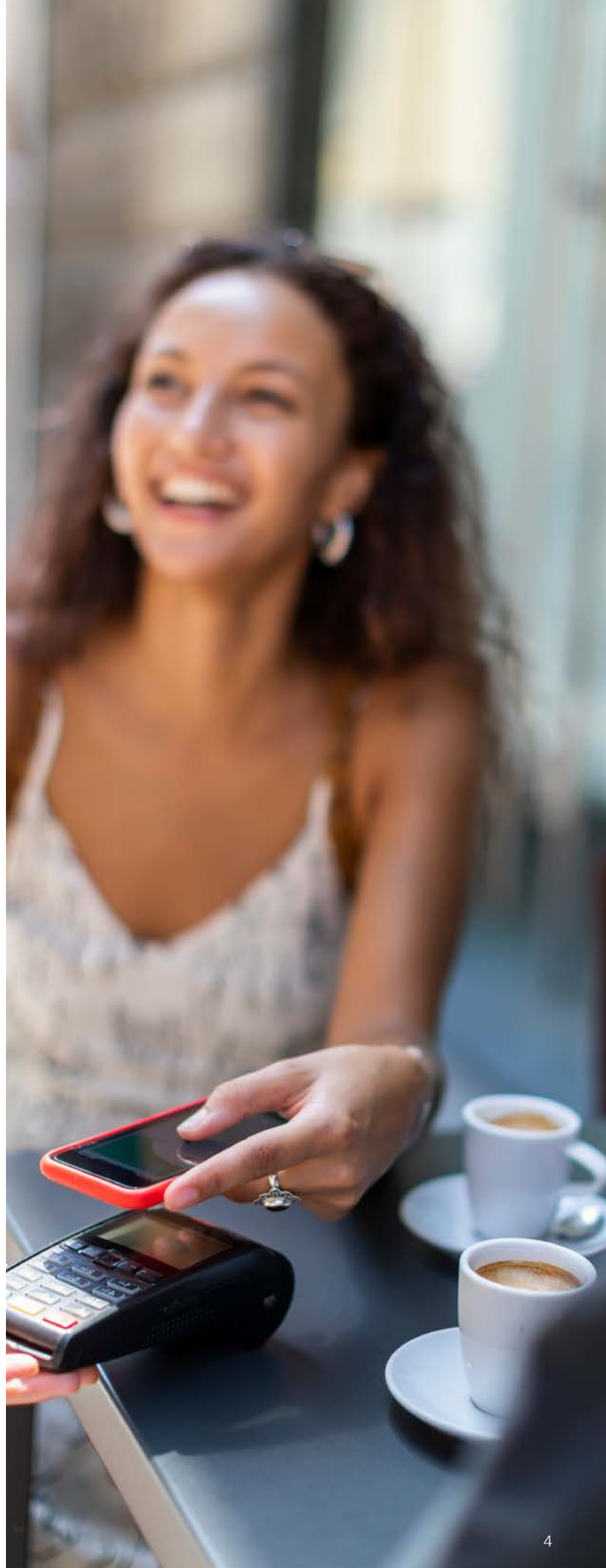
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- Continuous business involvement in the planning and development process is necessary to ensure the product matches the needs of the user base.

  CRM implementations often stray from building to the core needs of the business. Friction is created when upper management expects the business and frontline leaders to use CRM, and the tool does not provide actual functionality driving business outcomes.

  "That's not what we asked you to build" is an unfortunately common and awkward moment during a CRM program. Protecting the user's experience will ultimately reinforce the overall customer experience strategy and will allow the customer-facing elements of your business to do what they are meant to—better serve the customer.

  Arming your user base with the right features, providing the right information at the right time, will ultimately drive improvements in your customers' interactions with your marketing units, sales staff, and service teams.

- The need for an engagement plan directly aligned to win themes and long-term business objectives is probably the most critical and the most often overlooked aspect of an adoption strategy.

  Win themes are those key business objectives and outcomes that we can align directly to CRM system capabilities, ideally in parallel with an implementation. Win themes should be achievable with the direct use of CRM as an enablement tool. Over time, win themes should mature into the business's transformation plan.

  Any update to the CRM system should be directly linked to the overall transformation of the business, again, based on stated objectives. Once the win themes are established, the business must be engaged according to a journey-based engagement plan. This is the final critical exercise associated with CRM transformation.

  Engaging the user base in a manner that matures from a feature-based overview of the system to a day-in-the-life, benefits, and behavioral change management interaction over a sustained period of time will build the skills and confidence in your users to use CRM to improve opportunities to serve your customer base.

Achieving long-term benefits of a CRM transformation

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Many organizations make the mistake of treating a CRM rollout as a one-time exercise. Basic change management measures are taken, several key communications are distributed on a mass basis, and focus is placed on general feature-based training.

Creating excitement early on yields an uptick in early adoption, but without a direct and sustained engagement with the user base explaining exactly how to use the new tool and the associated features to achieve those win themes and business objectives, the luster quickly wears off.

A coordinated approach to rollout that addresses classic change management needs around communications as well as a long-term engagement and transformation plan directly linked to day-in-the-life features for the user base will drive the value of the CRM system home, ultimately resulting in the expected CROI over time. As organizations continue to mature their CRM technology, the realization that CROI is not automatic will become commonplace. Catching the third wave of CRM technology will take a coordinated and deliberate effort by organizations to understand where their CRM strategy is falling short, renew the expected business objectives, align key features of their platform to business objectives and win themes, and create an engagement plan aligned to expectations.

The framework required to be successful needs to be applied and run in parallel to the software development lifecycle in new applications, or thoughtfully approached in systems that are live today. There are many different levers and approaches to achieving these benefits over a period of time, but all strategies include a methodology that must consider an ongoing and enduring effort requiring planning, structure, execution, and follow-through.

30%

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Source: IDC Future Scape: World Wide Customer Experience Predictions, 2019

How KPMG can help

KPMG works with organizations in every sector to take a strategic approach to CRM implementation, bringing our business transformation expertise to ensure a clear road map to success. We can help create win themes and a user engagement plan based on deep-dive analysis, and continue to work with companies long after implementation to respond to ongoing adoption needs and concerns.

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