



# Harnessing CRM for productivity

Supply chain customer relationship management (CRM) solutions, when applied in an effective manner, not only enhance productivity but also help maintain return on investment...

The world of supply chain customer relationship management (CRM) is fast changing. FrontRange Solutions (popularly known as Goldmine) recently announced their decision to stop developing or enhancing the Standard Version of their popular contact manager, which served the low end of the market, traditionally the small businesses (less than twenty people) as the product did not support Microsoft Vista nor Office 2007 and these supply chain customers were left with no path for the future with this technology.

Some suggest that when a door closes, a window opens. Larry Caretsky, President of Commence, a well-respected contact manager is using the Goldmine marketing decision to his advantage by announcing a competitive upgrade program for small businesses currently using the Goldmine contact manager. It has not taken long for frustrated Goldmine users to jump on the new bandwagon. According to Nicole Reed, Customer Service Manager at Commence, "FrontRange announcement has triggered a number of calls from Goldmine customers who are asking about migrating to the Commence product. Ninety percent of the supply chain clients have less than fifty employees and they are concerned about trying to plan a migration path for their business".

Caretsky welcomes the addition of these customers. "We've been servicing the small business supply chain sector for twenty years and we offer a robust contact manager along with a suite of CRM applications for sales, marketing and customer support. The product is available for deployment in-house or via the web and already supports Microsoft Vista and Office 2007. A good portion of our business comes from companies that have outgrown traditional contact managers such as ACT and Goldmine. These companies need more than a simple contact man-

ager, but not the cost and complexity of higher end CRM solutions," he elaborates.

He further adds, "We are positioned right in the middle of the two, which has served our business very well over the years. Our solution is more comprehensive and flexible than Goldmine yet intuitive and affordable."

Where many CRM solutions have traditionally failed is in the one-size-fits-all approach. Even today, mainstream providers such as Microsoft and SalesForce.com have a business objective that attempts to sell their solutions to as many companies as possible regardless of size or industry. The fallacy in this methodology to provide a generic set of features that services a broad range of customers; effective Customer Relationship Management does not come in a box. The way a manufacturer sells and services his customers is uniquely different than a bank or an insurance company.

## CRM for Supply Chain Industrial Sector

**Connection Controls:** The ability to connect multiple companies to multiple contacts and track third-party contacts such as consultants or engineers, who may be associated with a customer or prospect. The capacity to link vendors to multiple suppliers and service providers including manufacturers and representatives is critical. These folks do not work for the company, yet are instrumental in the sale and support of the manufacturer's products.

**Activity Reporting:** Manufacturers are demanding that distributors provide monthly reports that help identify how many sales calls were conducted for their products and whom they may be competing against. Few CRM solutions provide the ability to link every sales call or activity to a specific manufacturer, vendor, or product. Monthly reports must be generated and sent to the man-



ufacturer, which helps to foster a stronger business relationship between manufacturer and distributor.

**Domain Experience:** Few CRM solutions providers have a professional services team with an extensive level of knowledge with the processes, workflow, and utilisation of CRM within the supply chain industrial sector. Unlike other CRM providers that utilise third party resellers for the implementation, training and support of their products, manufacturers and distributors must seek support services that are provided by experienced account managers.

As Caretsky says, "There have been very few challenges with data integration especially with CRM SaaS (Software as a Service) utilised web-services, which is the newest technology for integration of disparate systems. Web-services enable the integration of enterprise resource planning (ERP) and accounting data directly to the CRM system. Traditionally, the integration consists of pushing order, invoice and payment history into the CRM system. The information is then made part of the customer record and is immediately accessible to any employee who is authorised to access this information. The information is mapped into a structured format within Commence. This makes the integration much easier, only requiring the mapping of data from the ERP or accounting system into the structure."

### **Supply Chain CRM Roi**

Return on investment (RoI) could vary from weeks to months depending on the commitment to the utilisation. As the best Supply Chain CRM solutions are web-based, there is no hardware or software requirement and

as such nothing to implement. Supply chain customers who take advantage of the flexible but structured sales methodology report improvements in data collection along with more timely and accurate reporting. Since these are modular solutions delivered over the Internet at a fixed monthly fee, prices start at \$39.00 per user per month to a full application suite at \$69.00 per user per month.

While capable of serving a single user, these alternative supply chain CRM solutions are scalable and capable of supporting thousands of end users. Typically, however, most clients are made up of small to midsize companies with an end user community that consists of sales marketing and customer support personnel. Typically these customers have between 20 and 250 end users utilising the product and services.

### **There is still fear for Supply Chain CRM**

Engineer managed supply chain organisations often argue, "We don't need CRM." It appears that these supply chain companies are afraid of CRM or feel that it is too big of a monster to tackle. CRM vendors serving this market have changed their approach and have focused their pitch on contact management and sales assistance tools. This method appears to be more effective and less frightening.

Perhaps as the Goldmine customers are stranded and the Salesforce.com customers questions the efficacy of the product, smaller industry sector savvy companies will capture the much deserved market share. **#2.0**

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