

You will never hear a company say that it does not want to find more efficiency or strip out more cost from its business. Nor are you likely to hear anyone decry the value of better customer service. Yet the changing economic climate is making these goals more important than ever.

Companies want swift progress toward a leaner, more customer-centric structure, particularly in light of the credit crunch and a gloomier outlook for the global economy. Technology investment is seen as crucial to making effective changes rapidly, but companies are often all too aware that they must choose solutions carefully, with one eye fixed on the strategic goals of the business.

The greater involvement of senior management in the choice of new systems seems to suggest that technology investment is becoming more closely aligned with strategy.

'The current economic conditions mean that there is a need to invest in new solutions, and also a need to change the way people communicate with organisations. In the past, the finance director set the goals and the IT department bought the solutions. Now FDs can understand the software better, so they are more involved in the buying, and there is often input from the MD, too,' says Nick Williams, Senior Commercial Development Manager for Sage (UK) Limited.

'FDs are more empowered, and the goals they set will depend on the economic climate and the company's strategic vision. They now have the ability to give all departments one version of the truth, so they are in a position to build more consensus around budgeting and planning,' he adds.

This capability derives largely from investment in customer relationship management (CRM) systems, but Williams is not necessarily calling just for greater IT spend.

Sage, which is a leading supplier of business software to the SME market as well as larger organisations, sees the desire of customers

The hub of the matter

The challenge for companies today is to generate efficiency and cut costs while improving customer service. Many companies have much of the technology to achieve all three, but are often not using it to full effect. According to business software firm **Sage**, with suites of powerful yet user-friendly technology now available, this could soon change.



to maximise the value of their data, for which CRM seems ideally suited. Williams notes, however, that companies can often start by getting more out of their existing systems.

'A lot have invested in CRM but they leverage only 30% or 40% of what the systems can do. Also, CRM is often still not aligned with strategic goals. Now, companies are looking to strip out cost and leverage existing technology investments like CRM at every stage from customer contact to delivery,' remarks Williams.

The new complements the old

Even with an application such as spreadsheets, of which users generally access only 10% of their capability, there is significant value to be unlocked. For Williams, the key message here is that companies must focus less on the capability of the technology and more on how it is used. This starts with viewing systems such as CRM from a strategic perspective.

'The tools are there to deliver more value from CRM, and there are new solutions coming to market all the time, but they must be aligned to corporate strategy. Too often we see the old-fashioned ways of using customer data simply done by new systems, so there is a need to educate finance directors about the potential of the products,' says Williams. 'At Sage, we always say a company should leverage what it can internally, so it knows what it needs to upgrade.'

A company that can successfully bridge the gap between front and back office systems, doing away with its internal silos of information, has much to gain from CRM, provided that there are the right levels of communication and engagement within the organisation.

Joined-up thinking is the key to unlocking value and ensures that a system's capability is not unduly constricted.

'Often customers who have deployed new back office systems stay focused on the performance of the back end. We say, let's improve the front office by adding a CRM system and integrating that with ERP systems to give management a clearer picture of their organisation,' adds Williams.

Though there are still some enterprises that view CRM mainly as a contact management system, Williams firmly believes that the advantages of linking it to other systems within the organisation

will soon become clear, even if it is competitors that first uncover the added value by, for instance, identifying which customers are really profitable by looking at the sum of all interactions, be it through sales, finance, complaints or customer support.

A suite of integrated systems linking ERP with CRM and business intelligence (BI) software offers a range of advantages. In sales and marketing employees are better able to build a true ROI view of marketing activity, to align customer activity to sales, to identify opportunities for upselling and cross-selling. They are also able to forecast faster and more accurately, and to quantify the average revenue and cost per customer to know where to focus resources.

'Software is no longer the inhibitor, it is the enabler.'

For IT users, such suites maximise the value of existing investments in business information, adding value to data that surpasses the cost of collecting it, and deliver the right information to the right people at the right time, and in the right format.

Adding the BI and dashboard elements allows senior management to get a concise view of the business.

Three-piece suites

Sage has brought together the elements of CRM, ERP and BI into a range of suites targeted at all tiers of client, from start-up company to large multinational. Sage 50, Sage 200 and Sage 1000 plug the gaps between these three sets of systems but do more than leverage and integrate data.

'They enable a company to focus on the sources of profitability and allow it to get closer to its customers,' notes Williams. 'They empower managers, who can see the implications of different actions and who have a clearer view of customer relationships and how they affect profitability,' he adds.

Both SME's and large corporates now have at their fingertips the high-end functionality they need to support greater efficiency, cost reduction and customer-centricity. Perhaps

the most important benefit, however, is that this capability is accessible without the complexity typically associated with such implementations.

One key difference is that the BI element contains the definitions of many pre-built report structures. Companies can draw on the power of BI, but can sidestep the initial configuration stage, which is often perceived as complex and time-consuming. Sage has focused on its customers' reporting needs and done much of the hard work for them, which Williams believes is a step change in the capability of tools for the SME market.

The result is that the relatively simple implementation of a suite such as Sage 1000 can have an almost immediate impact on the performance of a business and yield a quick return on investment.

The Sage suites are also designed to accommodate trends that will clearly come to have a greater bearing on many enterprises, notably the anticipated demand for mobile CRM.

Already the ability to access enriched customer data and sales functions through mobile handsets is crucial for some organisations. Increasingly, standard business models are giving way to corporate structures that do not rely on core teams in a network of offices. The importance of mobile or remote workers is growing, so the mobile CRM space may ultimately grow well beyond its present niche.

For Williams, the tools available on the market are now more than capable of addressing most companies' needs in regard to CRM, so the focus for corporates must shift away from the capability of the technology and towards a more strategic view of how CRM, BI and ERP can function together to deliver significantly greater value.

'Software is no longer the inhibitor, it is the enabler,' stresses Williams.

Powerful business management software is now within reach of most organisations. The responsibility now rests with them to use it in the most effective way possible. ■

Further information

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