

CRM for professional services –
turning the potential into reality



aspective
a Vodafone company

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The chances are that you've at least considered implementing Client Relationship Management (CRM) in your business at some point during the last three years. It's been a hot topic for businesses throughout the highly competitive professional services sector; from accountancy firms to legal partnerships, architects, marketing and PR consultancies to IT service providers. Maybe you've even made an investment in a system, but been disappointed with the results.

It seems the honeymoon period is over for CRM. Some CRM providers have quietly backed out of the professional services arena, having entered with all guns blazing then found that their manufacturing and FMCG packages and experience have not translated well into the service environment.

**"A few years ago, CRM had a bad name because the focus was on the technology as opposed to ensuring buy-in through creating a culture of data ownership, collaboration and standardised business processes."
Martin Joy, CIO, Control Risks**

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It's time to look again at the possibilities for your business

CRM in professional services has not always delivered on its promises. However, the potential benefits it can deliver are as compelling now as they were in the first fanfares of publicity. In challenging economic conditions, every contact, business opportunity and bid is more important than ever to professional services firms. A properly implemented CRM system can deliver competitive edge and make the difference between a lacklustre business performance and a sparkling one.

With the complex relationships and networks of contacts that many professional services firms depend on to generate new and incremental business, systematically identifying and following up opportunities is crucial. A CRM deployment tailored to this environment can transform business performance, from strategic planning and delivery to cross selling through truly effective marketing and opportunity management.

For professional services firms looking for industry-leading performance in challenging market conditions, it's time to take a new look at CRM and understand the reality of what it could offer your business.

In this paper, we'll explain the tangible benefits that a good CRM deployment will bring to your business. We'll demonstrate how it could change your day-to-day business tasks and interactions for the better. We'll tell you what clients in professional services companies who've already forged ahead with a new approach to CRM have to say about the process and results.

So that we don't get too abstract with all this, we'll use the examples of two fictional professional services firms to show the consequences of embracing or ignoring the potential of CRM. Read about their progress in the boxed text.

The WIN Group and Inominatus Consulting are management consultancy firms. Both have been established for a decade and have had moderate success building up business with a few blue chip clients and some smaller ones too. Both firms can see tougher times ahead and want to underpin and grow their existing client base and billings. WIN Group recently implemented an industry-leading CRM application customised to meet their needs. At Inominatus, senior execs are cynical about the benefits of CRM and the subject has dropped off the strategic agenda in favour of cost-cutting and pursuing an aggressive business development approach.

The real challenges in PS

The chances are, your organisation doesn't have a distinct and separate sales and business development function. Or at least, if it does, its work is inextricably linked with that of your practice partners or senior execs who are constantly making new contacts, entering impromptu discussions about future work and networking in social situations away from the office and any sales support infrastructure.

It's all too easy for a significant proportion of these opportunities to be lost, because the individual in question hasn't the time to follow up, doesn't get round to picking up with their colleague who specialises in the area concerned or simply forgets about it. Furthermore, if a senior level staff member leaves the company, you lose not only their skills but all the contacts they made and the detail of their discussions and thinking about maximising business from them.

At The WIN Group, senior consultant Faye Brown has just finished lunch in a restaurant with a long-standing contact at a major client plus two of his team members whom she hasn't met before. She is heading straight to the airport for her flight to a European conference. In the departure lounge, she uses her BlackBerry to make brief notes on the meeting and transfers the names of the new contacts from their business cards into the CRM application. The info is instantly transmitted back to the office, along with her outgoing emails.

While she's away, another colleague in a different business area receives a call from the same client. Scanning Faye's recent notes, he's able to identify that the proposed piece of work is being initiated by one of her new contacts' departments. He mentions the recent meeting to the caller, who consults with Faye's new contact. Because of the trust already established, Faye's contact recommends that they proceed with the work straight away without inviting rival suppliers to bid.



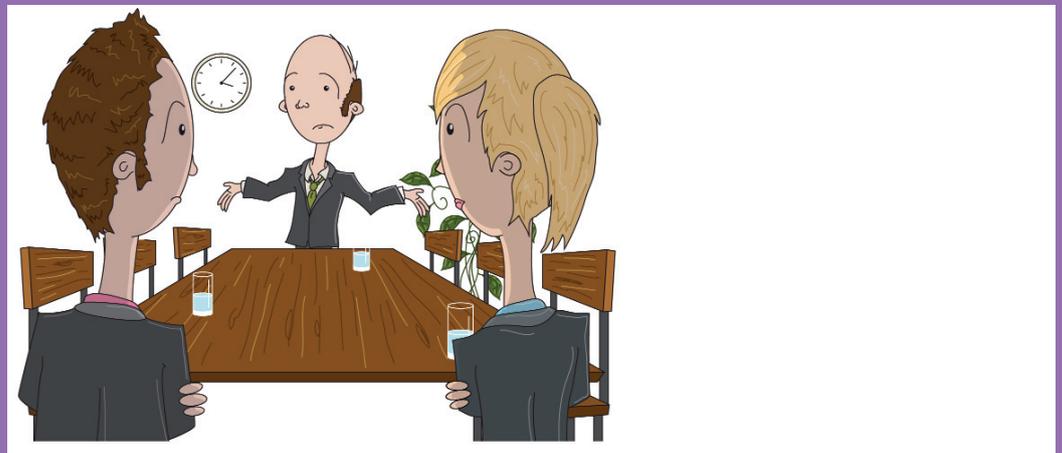
At the other extreme, it's entirely possible that several colleagues within your organisation have a business relationship with one individual in a client or prospect. It can be hard to know "who knows whom" and to keep up to speed with different dialogues or meetings that have taken place, formally or socially. There's always a danger of embarrassment when two colleagues unwittingly make the same approach, with the client or prospect potentially forming the impression that your company is rather disorganised and lacks good communication internally.

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Or perhaps if the client realises that several of your team are courting them, they could play them off against each other or use information gleaned from one individual to improve their negotiating position with another. Either way, it's a problem when client-facing staff members aren't up to speed with the full picture of a business relationship that could involve many individuals, opportunities and work in progress.

Steven Helm, a senior exec at Inominatus, has had a bad day. Under pressure to deliver results and with so much of his income dependent on meeting new business targets, he thought he was onto a winner when he clinched a meeting with the marketing director of a major retailer. When he arrived, the logistics director was in the office too. Steven started his presentation only to be interrupted by the logistics director. It turned out she had worked extensively with two of Steven's colleagues a couple of years previously and wanted to discuss the project's results.

Steven didn't even know that work had been undertaken, never mind what it had covered or how the business relationship stood. He tried to bluff his way through her questions, which didn't go down well. The marketing director was not impressed by his lack of knowledge and Steven left the office with the distinct impression that neither he nor anyone else at Inominatus would be high on the retailer's list of credible consultants for the foreseeable future.



The right theory, the wrong practice

A couple of years ago, some forward-thinking professional services companies were swift to recognise the possibilities of a CRM system in addressing these complexities. Often working with opportunistic CRM providers, flushed with the success of their large-scale implementations in manufacturing or retail clients, they quickly installed the software and eagerly awaited the resulting business improvements. The problem was that CRM packages designed for other industries did not fit the specialised requirements of the professional services sector. Users struggled to adapt to unfamiliar front-ends and the IT department was frustrated by poor integration with existing systems. Because the new installation did not fit the services firm's working practices, it was discredited and fell out of use, meaning that the investment cost was never recouped.

It's no wonder that in the professional services industry, experiences like these have led to a widespread perception that implementing CRM is just too complex, risky and painful.

A couple of years on, things have changed in the CRM marketplace. Software vendors have taken the time to gain a deeper understanding of professional services sector needs, and specialist consultancies have forged strong service relationships with clients in the industry who are keen to reap the benefits of CRM whilst avoiding the problems. There's now a core of specialist sector knowledge and select CRM packages which are designed to integrate with the professional services working environment. If you can identify the right supplier to work with in meeting your specific business needs and processes, there's never been a better time to review the business case for a CRM package - or to revisit your CRM strategy, if your current system isn't delivering what you need.

Unique opportunities for professional services firms

As we've seen, there's no shortage of negative perceptions in professional services firms about adopting CRM. Let's redress the balance by looking at some of the particular opportunities for your professional services business:

- Cross-selling and up-selling – ensuring that your clients are fully aware of the complete range of services you can offer, and are actively encouraged to take them up
- Making better use of the full range of marketing channels at your disposal – avoiding duplication, targeting the right person with the right information, following up and measuring success and managing the volume and frequency of contacts
- Systematically identifying business opportunities rather than depending on a haphazard situation where word of mouth and individual recollections account for most new business
- Overcoming a culture where different teams, individuals and specialisations operate almost as separate businesses – a “silo culture” – by making sure that relevant information is accessible all around the business
- Making the most of the goodwill, trusted personal relationships and high quality networking that goes on by recording and capturing it to build a complete picture of the client's status
- Cutting down the time it takes to clinch new business deals, reducing the amount of admin and research, cutting out duplication and putting vital information at your fingertips immediately, in or out of the office
- Responding quickly to changes in client situations, the external market and economy to communicate about how your organisation can help and support clients and prospects as their needs change

At the WIN Group, Head of Marketing Peter Sandford is a popular man. Since the launch of the CRM system, he's focused his team on using information about contacts and potential business gathered from consultants in all disciplines. He's been able to plan out a three month event programme designed to revitalise lapsed relationships and involving the relevant WIN staff who have been in touch with the client companies previously.

Senior execs have been delighted with the campaign results which have led to two new projects, one of which looks like being the start of something very big. Consultants are pleased to find the marketing team well informed about their client contacts and taking the lead in arranging relevant, professional events to bring them back together.

Keeping one step ahead of the game

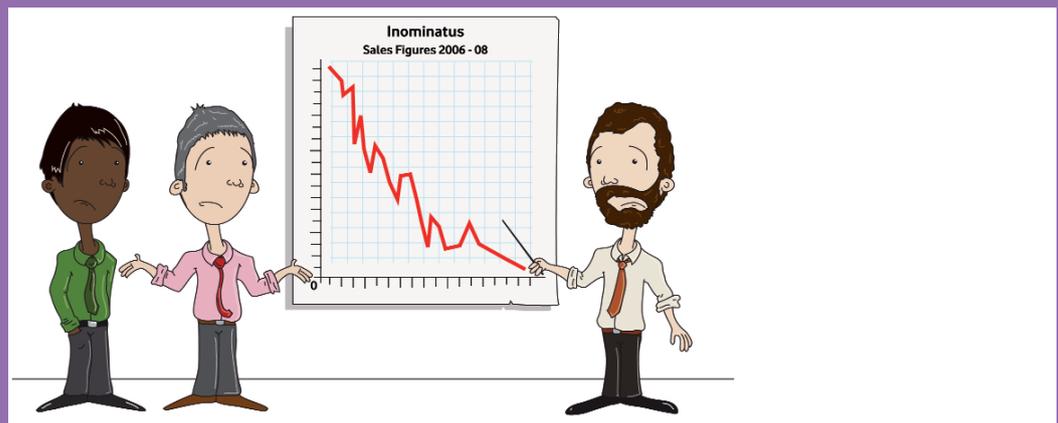
Ultimately, making the business case for CRM comes down to one crucial factor: Will the investment be justified in incremental sales and profits? It's a competitive market, no matter what your discipline. Differentiating yourself and winning business over your rivals is the key to success. By using your contacts and client information effectively, you can improve efficiency, ensure that your professionalism is maintained and make sure you take action to follow up and initiate contacts at the most appropriate time.

Very crucially, you can use the information you hold to plan more effectively and underpin decision making at every level around the business. Proper CRM data management gives you high quality, immediate business intelligence which can inform strategic planning, operational decisions and help prioritise business development and the most profitable activities. Reviewing and analysing past performance and identifying trends can reveal business opportunities that you could not have spotted from an ad hoc appraisal.

The senior team members at Inominatus are in disagreement. They've been reviewing disappointing sales figures for the previous quarter and are trying to work out what to do differently in the next quarter. There are several suggestions, including focusing on two particular client sectors, launching a marketing campaign and discontinuing the current practice of offering free one-day workshops to new clients in hope of follow-on work.

They've no clear record of how many of the free days' work have been carried out so it's difficult to know whether they've led to increased business or not. The marketing campaign sounds like a good idea but it's expensive in the short term and the team can't decide how best to target it. Focusing on the two particular sectors could be good, but there may already be quite a lot of contact going on in this area.

If only they had some up-to-date data to support the decision-making. As it is, they're going to reach a bad-tempered conclusion during a highly charged meeting – it's pretty much down to a battle of wills.



Winning the support of your team

As a team of intelligent professionals, your staff will almost certainly be quick to understand the potential business benefits of a new CRM system. So you would think that they'd be sure to embrace the new system enthusiastically. Sadly, for some organisations, an initially positive reception from the team who will use the system has turned to frustration and negativity when they begin to make use of it in their day-to-day activities. Cumbersome new applications with unfamiliar input screens that require additional work to launch and access quickly become sidelined under the constant pressure of tight schedules and busy workloads.

It's vital that your CRM system is easy for staff to use and fits well with existing systems and interfaces that they're comfortable with. One highly regarded solution is Microsoft® Dynamics™ CRM, which works natively within Microsoft Outlook™. It is as easy to use as Microsoft Outlook itself (unlike many other packages that integrate or synchronise with Microsoft Outlook from the outside). This makes a huge difference to user acceptance, and means there's no in-depth training needed and staff can access and update information as easily as they can look at their email.

“User adoption is an awful lot more effective when the supporting system feels familiar and easy to use, so this was a key priority for us.”

Martin Joy, CIO, Control Risks

A well-designed application like Microsoft Dynamics CRM will benefit individual users from the outset, so it's certain that they'll quickly absorb it into their working day. Staff can set up alerts so that they know when other employees have had contact with a key client and scan the details of the interaction. They can schedule reminders to follow up or review an account at suitable intervals. They can easily locate documents or meeting minutes relating to clients or projects they're working on, even those created by other users and departments. This saves time previously lost in searching files or requesting documents and – importantly – reduces the frustration and hostility that can sometimes arise when different teams in the organisation need information from each other and cannot or will not respond quickly or fully enough. Many professional services organisations report an improved working atmosphere and greater sense of shared purpose and motivation amongst their staff as a result.

Crucially, team members can access all the features and functions they need from their usual device, whether it's a handheld BlackBerry® smartphone or Windows Mobile™ device, a laptop or a desktop computer. The application incorporates an easy-to-use workflow approach that can boost productivity and ensure you don't overlook any cross-selling opportunities.

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Working from home, consultant Rajeev Kamal sets aside an hour every Friday morning that he reckons is one of the most useful times in his week. He devotes himself to following up on contacts. He clicks on the familiar Microsoft Outlook application where the firm's CRM application resides to find the week's reminders of people he wants to call. Before he picks up the phone, he can see the status the last time he met them and whether any other WIN Group colleagues have been involved in the account.

If he needs to, through a link to The WIN Group's time and billing system, he can look at the hours invoiced and profitability of work done for the client in question, or check the likely billings for potential new work. He can also look at his colleagues' availability for follow up meetings or even to book them out.

The benefits extend throughout the internal community. With Microsoft SharePoint™ easily integrated along with the CRM application, your staff can share the documents they choose with clients and collaborate to update them. That means there's a single, accurate version of crucial joint materials like project schedules or programme plans, where both parties need to input.

The technology behind the vision

Combining client management and knowledge management applications is the ultimate goal for most professional services firms. Microsoft Dynamics CRM is designed to do just that, as it integrates fully with Microsoft SharePoint Server. This allows you to extract the most useful and up to date business intelligence based on current, live customer situations and data from past projects and performance metrics.

Making sure that the application you select will integrate with existing systems will be of high importance to your IT team. When the specialist consultants have gone away, your in-house IT staff will usually be left to manage and maintain the new systems. Using a respected vendor product like Microsoft Dynamics CRM means that there's never a shortage of skills to support it, nor is it likely to become obsolete, with the investment of a global software developer at stake. It also integrates effectively with the most widely used office systems, for billing, timesheets, email, database, performance reporting and analysis, document sharing and spreadsheets and uses trusted and proven technology protocols.

We chose a Microsoft Dynamics CRM solution from Aspective. It offered intuitive Microsoft navigation, scalability, powerful reporting tools and quick and easy access to centralised client data, as well as tight integration with our existing Microsoft architecture.”

Martin Joy, CIO, Control Risks

The right expertise to plan and implement

A good CRM specialist will have a balance of industry sector knowledge and technical skills in its team. Understanding the way your business works and how you want to use CRM is the first step. A service provider with strong experience in your sector will be able to offer insights from other projects that could save time and avoid common – and less common – pitfalls. They'll have a deep knowledge of the software solution, and should be able to demonstrate a good relationship with the software vendor. This means they'll have the back up of the vendor team when creating bespoke code or tackling unusual issues or requirements.

“Aspective was easy to work with throughout the entire project. Its consultants were very knowledgeable and assisted us with addressing key integration needs.”
Greg Cook, IT Technical Lead, HgCapital

With a major project like this, it's all too common to find that the CRM specialist either rushes in with a pre-determined solution that never quite fits with the individual company's needs, or spends so long teasing out the fine detail of requirements and specifications that costs spiral out of control and the benefits are slow to be realised. An experienced supplier can find the right balance between attention to business-critical details and delivering a solution that is quickly up and running and delivering commercial benefit.

You'll need to establish a high degree of trust with your chosen supplier too. Any client management system includes confidential and competitive information so you'll want to be sure that it's being handled sensitively. You'll also want to be sure that teams and individuals across your business are going to be comfortable with the supplier team they're talking to and working with during the implementation. That means they must be credible and knowledgeable in the sector, as well as flexible and commercially focused, making sure that your day-to-day business is unaffected while they are gathering requirements and setting up the system. It's worth asking about previous clients and seeking insights into how strong and mutually satisfactory the working relationship was.

The new pragmatism in professional services CRM

There's no question about the potential commercial benefits of CRM for a professional services business in any specialist field. The key word there is "potential". It's all theory until you shortlist and ultimately select a supplier. And the pitfalls are daunting, if you choose a CRM specialist whose experience in your sector is limited or who lacks the skills to adapt the application to fit with your way of working.

A good CRM implementation could advance the performance of your professional services business, optimising your opportunity management, marketing, business intelligence, customer service and operations. Ultimately it can give you the power to set strategy and deliver the best profit margins, harnessing reliable and current data from all around the business.

The executive team at The WIN Group has put aside a day to work on strategy for the next financial year. Reports have been run for discussion, showing the pipeline of business for the next few months, up to date as of the previous evening. Billed hours and revenues have increased, and the number of projects in progress with both new and established clients is on the up. The mood round the boardroom table is upbeat.

Michaela McKnight, executive sponsor of the CRM project, now in use for a year, delivers her verdict: a significant proportion of the incremental revenues can be directly attributed to more effective opportunity management via the CRM application, which has been adopted throughout the business. Her colleagues are extremely pleased with the return on investment of time and money to bring in the system. Armed with trustworthy business intelligence, tracking trends and highlighting growth areas, the team gets down to a well informed discussion of how to achieve their new growth targets.



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At Aspective we're proud of our track record with professional services firms. We have worked with organisations in a variety of sub-sectors and established our credibility beyond doubt. Our approach is highly pragmatic: we recognise the need in challenging business times to deliver results fast and with minimal disruption. We use the knowledge accumulated from previous projects to inform and de-risk new programmes, and combine this expertise with rapid and systematic requirements-gathering to make sure the final implementation is readily adopted by users throughout the business, whether client-facing or in support functions.

"We are now in a stronger position to go to market. Our business processes are robust – we can audit clients better, and our cleaned-up data is more robust."
Andrew Knorpel, Partner, asb law

"Now we can track data and information in a much more detailed and cohesive manner. The information relating to our key contacts and prospective deals is pulled directly from Microsoft Dynamics CRM and provides something more concrete for us to build our business relationships on."
Steven Batchelor, Associate Director, Hg Capital

Aspective can transform the potential of CRM into the reality of a more competitive, professional and profitable professional services business for you. Talk to us to find out more.

About Aspective

At Aspective, a Vodafone company, we offer an insightful approach to improving sales, marketing and service performance. We enable our clients to make the most of their investments in systems and data. We are focused on our customers' success, trusted to deliver impartial and pragmatic advice, and committed to recommending the most appropriate choice of technologies and implementation models.

Aspective has built strong relationships with the world's leading CRM, Field Service and BI vendors and has been named Microsoft's Global CRM Partner of the Year 2007. Our comprehensive end-to-end solutions approach is backed by a team of more than 100 highly experienced consultants and a range of flexible support offerings including the option of a fully managed service.

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Aspective Limited

One London Road

Staines

Middlesex

TW18 4EX

Tel: +44 (0)1784 410420

Fax: +44 (0)1784 410444

www.aspective.com



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a Vodafone company