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CRM 2013: Manufacturing Success through Mobilized, Integrated, and Flexible Deployments

As the most crucial foundational element of any contemporary professional sales organization, the Customer Relationship Management (CRM) deployment has great potential as an enabler of overall corporate success. Yet many enterprises in the manufacturing sector and other industry verticals fail to take full advantage of best practices that can help maximize overall sales effectiveness.

This Research Brief provides end-users of software applications with a series of valuable takeaways for improving their CRM utilization based on findings from multiple Aberdeen research data sets. Here, the data will validate the importance of CRM deployments that are flexibly configured from both a user and corporate IT perspective; fully mobilized for anywhere, anytime, any device sales team access; and successfully integrated with other enterprise applications that contain or leverage valuable customer data.

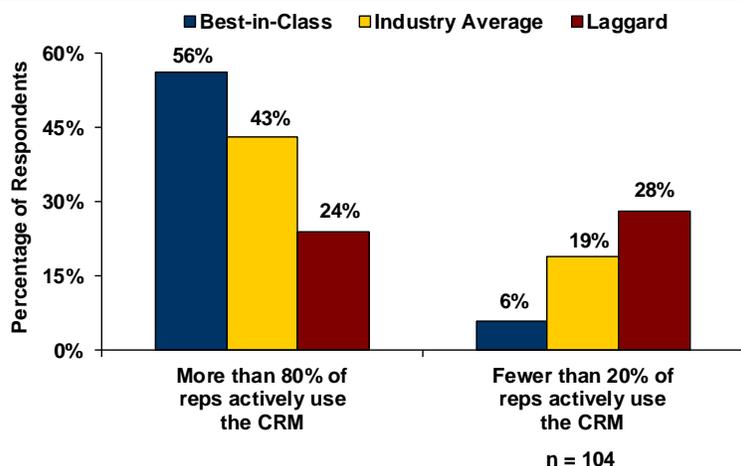
Research Brief

Aberdeen's Research Briefs provide a detailed exploration of key findings from a primary research study, including key performance indicators, Best-in-Class insight, and vendor insight.

Setting the Stage for CRM Adoption

There are few Sales Operations professionals likely to tell you that driving higher adoption rates of the CRM system is an easy task. The conventional wisdom among business-to-business (B2B) companies has long held that salespeople are not technologically savvy, and they are hard-wired not to share details of their prospects, accounts, or opportunities. Designing easy-to-use CRMs and using both carrots and sticks to increase adoption are traditionally the ways companies attempt to increase the overall use of the deployment.

Figure 1: Top Performers are More Active with CRM



Source: Aberdeen Group, July 2012

Is CRM adoption an appropriate means to a relevant corporate end, or merely a self-fulfilling exercise that benefits report-hungry senior executives? Figure 1 effectively answers this question: among 104 companies participating in Aberdeen research to be published in Q1 2013, "Grab the Low-Hanging Fruit: How Best-in-Class Companies Leverage a 360-Degree Customer View," the top-performing firms clearly demonstrate a much higher propensity toward extensive sales rep use of CRM. The V-shape results in Figure 1 showcase how Best-in-Class organizations (defined in the sidebar) are far more likely than under-performing sales teams to report widespread CRM utilization.

The 360° Customer View Best-in-Class

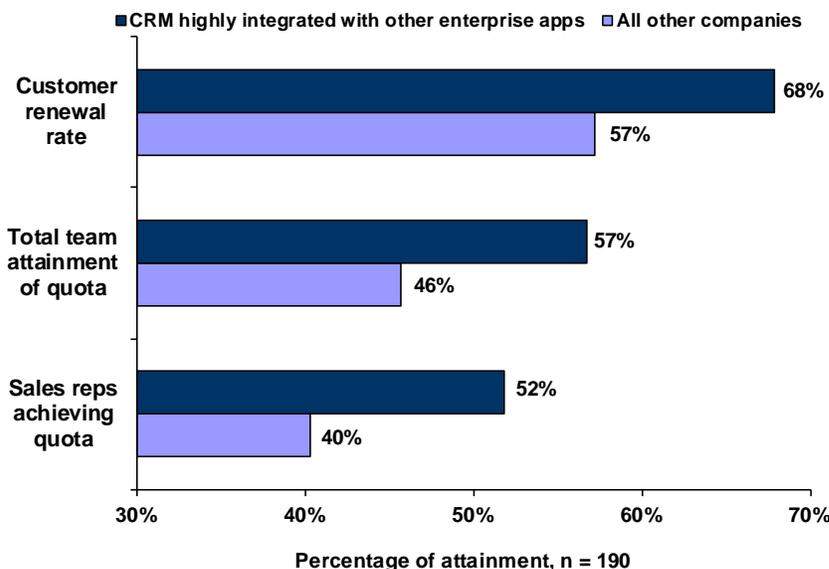
In June and July 2012, Aberdeen surveyed 104 sales organizations to understand their sales effectiveness best practices. The performance metrics used to define the Best-in-Class (top 20%), Industry Average (middle 50%), and Laggard (bottom 30%) among these sales teams were:

- ✓ 94% customer retention rate, vs. 81% among Industry Average and 19% for Laggard firms
- ✓ 11.6% average year-over-year increase in overall team attainment of sales quota, vs. a 0.3% decrease for the Industry Average and a 0.7% decrease among Laggard respondents
- ✓ 13.2% average year-over-year decrease in (improvement in) the average sales cycle time, vs. 1.0% and 1.9% respective increases in (worsening of) sales cycles for Industry Average and Laggard respondents

Integrating CRM throughout the Enterprise

While many different kinds of corporations are represented by this Best-in-Class audience segment, the 13% representing the manufacturing industry did not display a significantly larger CRM adoption rate when compared to other industry verticals. This niche, however, potentially stands to benefit more than most other sectors because manufacturers inherently tend to be larger, more complex organizations with a higher number of other enterprise applications deployed, with which CRM can potentially be integrated. They also require more precise forecasting due to their complex supply chain and logistics needs. Indeed, Aberdeen research focused on the manufacturing environment and published in *SaaS CRM in the Enterprise: How to Service and Support High-Performing Cloud Deployments* (June 2012) found that organizations that tightly integrated CRM with other corporate applications performed better than those that did not (Figure 2).

Figure 2: All Stakeholders Win When CRM is Integrated with Relevant Enterprise Applications



Source: Aberdeen Group, May 2012

Perhaps none of the comparative performance metrics in Figure 2 is as telling as the 19% higher customer renewal rate (68% vs. 57%) that better-integrated organizations enjoy. This is because customer data — as well as some information about prospective customers — lives in any number of different enterprise databases and silos. Disparate systems such as marketing automation, enterprise resource planning (ERP), contact center, or help desk typically include customer records that may not necessarily offer the same version of the truth regarding the demographic, “firmographic,” or financial history of an account. This is particularly true in the manufacturing space, in which highly complex product development and delivery cycles include a high number of customer “touches” by the producer / seller of the goods.

Account records differ from one solution to another, let alone when compared to the contact record in CRM. As a result, we know from Aberdeen’s research published in [Leveraging the 360 Degree Customer View to Maximize Up-Sell and Cross-Sell Potential](#) (September 2011) that organizations that successfully create an accurate and accessible single view of the customer achieve better results around the customer retention and sales performance metrics shown in Figure 2. These companies benefit from working smarter, not harder because they maintain longer, more fruitful customer relationships rather than having to reinvent the wheel by replacing lost revenue from accounts that leave the fold. After all, if complete and accurate customer information is at employees’ fingertips, they can market, sell, and support customers dynamically with the right message, at the right time, for the right person. Understanding the holistic 360° relationship between buyer and seller is crucial for optimizing the customer experience.

Hitting the Road: Mobilizing the Contemporary Seller

Unlike some of the customer-facing business functions mentioned above, the sales team is far more likely to work remotely spending time pitching new business, visiting manufacturing plant sites, and traveling to customer locations to maintain the business relationship.

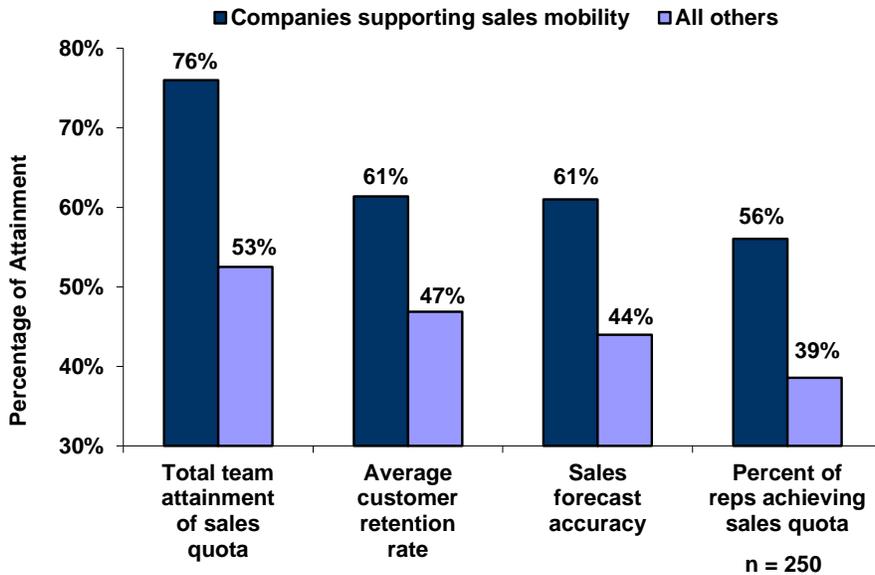
As a result, both the traditional “traveling salesman” and the 21st-century major account manager share a crucial need: access to the ever-growing amount of data associated with their accounts, contacts, opportunities, and territory. Aberdeen research published in [Sales Mobility: How Best-in-Class Remote Sellers Are Replacing “See” with “Do”](#) (March 2012) showcased how the most successful sales support teams provide the devices, infrastructure, applications, and processes to make the traveling or remote sales staffer’s experience as seamless as possible. In Figure 3, we look at how adopters of these best practices compare with All Others in the context of a number of valuable key performance indicators (KPIs) that speak to more effective sales enablement.

Aberdeen’s PACE Methodology

Aberdeen applies a methodology to benchmark research that evaluates the business Pressures, Actions, Capabilities, and Enablers (PACE) that indicate corporate behavior in specific business processes:

- √ **Pressures** — external forces that impact an organization’s market position, competitiveness, or business operations.
- √ **Actions** — the strategic approaches that an organization takes in response to industry pressures.
- √ **Capabilities** — the business process competencies (process, organization, performance, and knowledge management) required to execute corporate strategy.
- √ **Enablers** — the key functionality of technology solutions required to support the organization’s enabling business practices.

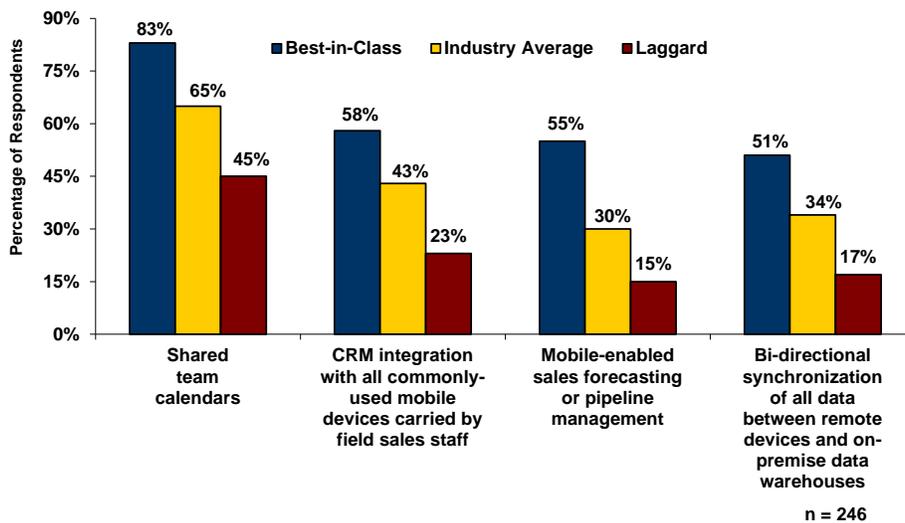
Figure 3: Benefits of Anywhere, Any Time, Any Device Selling



Source: Aberdeen Group, February 2012

These performance deltas are achieved on a more tactical basis by implementing the Best-in-Class (see sidebar) technology enablers summarized in Figure 4, and detailed below.

Figure 4: Best Practices in Enterprise CRM Sales Mobility



Source: Aberdeen Group, February 2012

- **Shared team calendars** allow team-based selling to be effectively deployed by companies with multiple staffers associated with a prospect or customer account. With many of these teams spanning multiple time zones, it is crucial to provide 24/7 access to everyone's

The Sales Mobility Best-in-Class

In January and February 2012, Aberdeen surveyed 250 end-user organizations about their sales effectiveness practices and accomplishments, specifically to understand how mobility is most effectively deployed. Aberdeen used the following three key performance criteria to distinguish the selling organizations within Best-in-Class companies:

- √ 109% of overall sales quota achieved by the sales organization during the last completed calendar or fiscal year, compared with 73% among Industry Average firms and 41% within Laggards
- √ 8.1% year-over-year increase in lead conversion rate (sales-accepted lead to close); vs. a 2.1% increase for Industry Average firms and 6.1% decrease among Laggards
- √ 4.6% average year-over-year improvement in customer renewal rate, vs. a 0.3% improvement for the Industry Average and a 2.5% decline among Laggard respondents

schedule on the selling crew, particularly among manufacturers attempting to coalesce the activities of multiple trading partners that may be managed by disparate account managers.

- With complete agnosticism regarding the mobile tool — smart phone, tablet, laptop — the Best-in-Class lead others with **mobile device CRM integration** that provides the same user experience and access to data remotely that staffers enjoy when in the office or otherwise connected to the company servers. After all, the last move we would want to make in supporting the valuable sales rep-level data entry associated with driving higher rates of CRM adoption, is to remove the very functionality we originally deployed to inspire it.
- Directly supporting this CRM integration enabler is **mobile-enabled sales forecasting**, which is also essential if we want two key sales tasks not to conflict with one another — “spend time with your customers” and “enter your sales opportunity data in the CRM.” Personnel who can create this basic content on the fly are more likely to comply with the management-level need for forecasting data to help manage the expectations of the many stakeholders watching the commit number. This includes leaders in supply chain, logistics, staffing, customer service, and of course the C-suite and investors, in both manufacturing and other industries.
- The majority of companies support complete **remote data synchronization**, though the Best-in-Class are 37% more likely than Laggards (89% vs. 65%) to do so. With today’s complex selling environment — an average deal size of \$211k and typical sales cycle of 3.9 months among all respondents — requiring more team-based sales activities than ever, the down-time and confusion wrought by not keeping everyone’s activities thus aligned is a dangerous undertaking and should be avoided. CRM or forecasting data entry will be lost if reps aren’t always connected to the corporate server or applications. It has been said that “Sales is the only department that not only has to do its job, but has to tell everyone it’s doing the job,” i.e. enter so many details into CRM. If we don’t enable on-the-fly or asynchronous data entry, the chances of increasing CRM adoption are very low, even for the Best-in-Class.

Ultimately, sales mobility is an essential component of any contemporary CRM deployment: consider the high utilization rates, particularly among the Best-in-Class, of the large variety of activities shown in Table I.

Table I: Remote Sellers are Connected, Active, Collaborative

Adoption of Mobile Sales Activity	Best-in-Class	All other companies
Access email	100%	92%
Access CRM data	73%	62%
Input CRM data	67%	52%

Fast Facts: Sales Mobility

- √ Best-in-Class firms expect more from their sales reps, with a \$932k average annual sales quota, versus \$669k and \$621k for Industry Average and Laggard companies respectively.
- √ Sales compensation is higher among the Best-in-Class, with a fully-loaded average of \$131k annually; Industry Average and Laggard companies provide \$95k and \$90k respectively.
- √ Forty-eight percent (48%) of the Best-in-Class anticipate additional sales mobility investments within the next 12 months; all other companies show a 34% rate.

Adoption of Mobile Sales Activity	Best-in-Class	All other companies
Product demo via web	58%	54%
Web conference	57%	47%
Live chat	56%	51%
Access marketing content	55%	53%
Access inventory	55%	53%
Update sales forecast	53%	43%
Access sales forecast	52%	42%
Access sales training	46%	39%
View / participate in social media	40%	32%

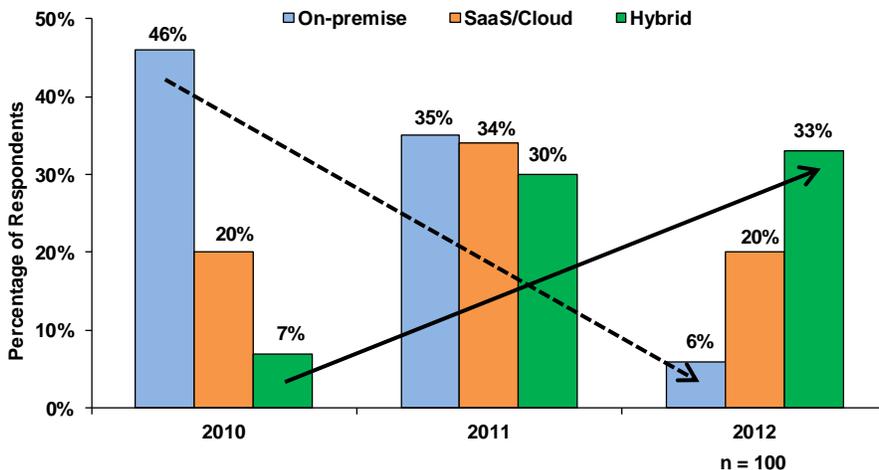
Source: Aberdeen Group, February 2012

Organizations that fail to provide a synchronized, configurable, collaborative, and agile way for their front-line personnel to support their book of business risk being left behind in the new, mobile-friendly sales paradigm.

The Changing Face of CRM Technology Environments

Once a sales organization has refined their mobile CRM strategy and successfully integrated multiple customer data silos and applications, it is wise to consider the current hot topic of technology-centric discussions: cloud computing.

Figure 5: Hybrid CRM Deployments on the Rise



Source: Aberdeen Group, August 2011

Should anyone doubt the popularity of the overall trend, Aberdeen’s research published in *Security and Cloud Best Practices* (July 2011) indicates 81% of companies have either a server virtualization or cloud computing initiative currently in place, with an additional 6% planning to implement one within 12 months. Given that

nearly nine out of 10 companies are thus on the cloud bandwagon, Figure 5 supports the overall end-user trend of moving CRM deployments rapidly from on-premise environments to SaaS / Cloud and especially hybrid models on a year-over-year basis, as reported in [CRM in the High Technology Industry: How Best-in-Class Companies Maximize Their Technology Investment to Grow ROI and Channel Sales Success](#) (April 2012).

The value of cloud-based computing is quite clear: anyone in a marketing, sales, or service role who wants to access customer data in any remote environment, supported by a lighter IT footprint, will benefit from the secure, reliable functionality of SaaS- or cloud-influenced customer data management. Indeed, data from [Sales Mobility: How Best-in-Class Remote Sellers Are Replacing “See” with “Do”](#) (March 2012) reveals sharp differences in how top-performing companies prefer the sales leadership team “owns” their own mobility deployment — 77% compared with 61% amongst All Others — while under-performing firms are 29% more likely (58% vs. 45%) than Best-in-Class organizations to actually allow the corporate IT function to manage it. A hybrid environment, in which more robust or secure data sits behind the corporate firewall, while field-oriented personnel are provided with the flexibility of cloud-based storage and access, provides the ultimate blend of options in servicing the needs of all internal stakeholders as well as of the most important participant: the customer. This is particularly helpful in the manufacturing space, where a significant number of suppliers and distributors involved with creating and shipping the final product all support disparate IT and customer data management systems.

Conclusion: Putting All the Pieces Together

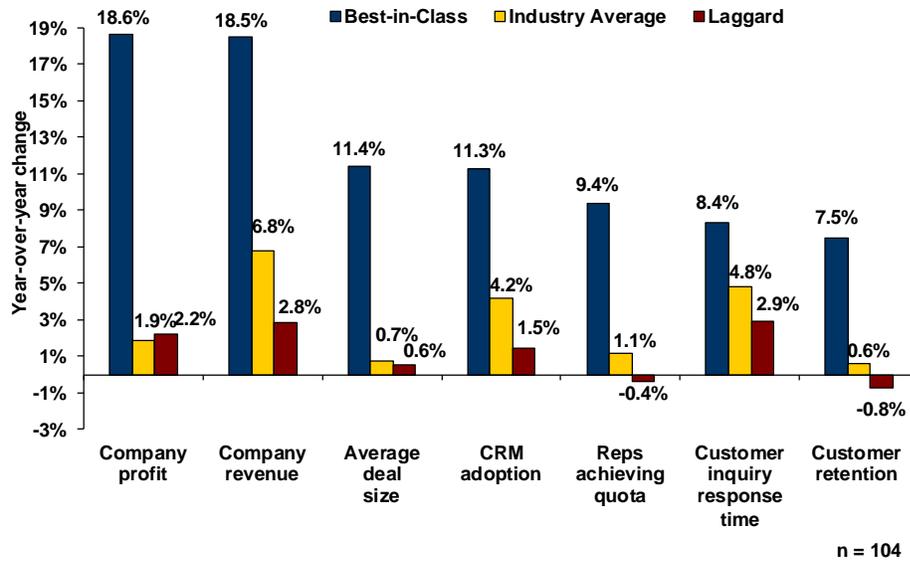
CRM was originally created as a way to facilitate better communication, insight, and collaboration in the name of creating and sustaining better customer relationships. While many of us have experienced over-designed, clunky, or downright unusable CRM systems, Best-in-Class companies have shown here that a specific pool of best practices will create an optimized deployment that benefits all parties involved. At the end of the day, the CRM that works best is one which works the way salespeople do — bouncing between different applications, locations, and priorities as they try to make their number day in and day out — by providing them with more control over the environment, workflow, and communications that are integral to getting the job done.

Without proper access to complete and accurate customer information, each other's calendars and knowledge, or proper corporate reporting that relies on active, real-time data entry and analysis, under-performing firms have little chance of growing into Best-in-Class sales organizations, whose annualized accomplishments in the pending "[Grab the Low-Hanging Fruit: How Best-in-Class Companies Leverage a 360-Degree Customer View](#)," research are starkly contrasted with other firms in Figure 6. Fortunately, today's sellers, marketers, and service staff have plenty of real-life lessons and tactics that have been showcased here by their most successful peers.

Fast Facts: High-Tech CRM

- √ 71% of the Best-in-Class report that they have a formal business process and systems to capture and manage core-universal customer data (such as an enterprise customer-master with universal core customer-attributes), compared with 51% of Industry Average and 25% of Laggard firms.
- √ On the other hand, 89% of Laggards indicate that they have process-centric silos of customer data such as customer service, billing, products, vendors, etc., whereas 63% of Industry Average and only 41% of Best-in-Class firms concur.

Figure 6: Best-in-Class Year-over-Year Performance Wins



Source: Aberdeen Group, July 2012

For more information on this or other research topics, please visit www.aberdeen.com.

Related Research

[Train, Coach, Reinforce: Best Practices in Maximizing Sales Productivity](#); October 2012
[Better Sales Forecasting Through Process and Technology: No Crystal Ball Required](#); July 2012
[Sales Intelligence: What B2B Sellers Need To Know Before the Call](#); June 2012
[Sales Mobility: How Best-in-Class Remote Sellers Are Replacing “See” with “Do”](#); March 2012
[Lead-To-Win 2012: Managing People, Process and Technology to Optimize the Last Mile of the Sales Cycle](#); March 2012

[Partner Relationship Management: Channeling Better Sales Results](#); March 2012
[Sales Performance Management 2012: How the Best-in-Class Optimize the Front Line to Grow the Bottom Line](#); December 2011
[Sales and Marketing Alignment: The New Power Couple](#); December 2011
[Leveraging the 360 Degree Customer View to Maximize Up-Sell and Cross-Sell Potential](#); September 2011

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