Five Considerations to Ensure a Successful CRM Implementation

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Over 2012, we saw growing interest in our CRM solution Lexis InterAction from private equity firms. The most common reasons cited to us is the need to harness contacts/associates for business leverage in the current difficult market, which from all reports is likely to continue given the global economic forecast.

As firms look to deploy CRM technology, a few simple considerations can ensure project success:

- **Reporting** – Given the nature of the profession, reporting is perhaps one of the most important areas for private equity firms. Ascertaining the type of reports required – Monday morning, investment case, deal origination, deal flow, expert profile and any others – early on in the project is imperative so that the requisite fields are appropriately incorporated in the design scheme and structural configuration stage of CRM implementation. Thereafter, the firm can make simple changes to the configuration based on evolving business needs. Most best-of-breed systems allow this kind of flexibility as CRM, like business strategy, isn't a static methodology.

- **Change management** – Adopting CRM as a discipline requires a cultural change in the way business is approached and conducted. The first step to change management is securing top down buy-in for the discipline. A good place to start is by communicating the vision of the project along with the benefits that will accrue to users. Answering the proverbial "what's in it for me" is important. This means that the CRM system should be structured to make it relevant to the users. For instance, we find that integrating the CRM system with Microsoft Outlook is a big draw as not only does it give users access to the firm's entire repository of contacts and relationship intelligence through their email system, the familiar interface is easy to use. This encourages usage and positively initiates the cultural change. Users are then more inclined to use the sophisticated features offered by CRM systems – creating a snowball effect across the firm, which culminates in adoption of CRM as a discipline rather than a technology – the ultimate measure of success.

  Also, we observe that recruiting firms' executive assistants as champions of the project can strongly drive cultural change and CRM adoption. They wield considerable power in private equity firms!

- **Data quality** – As they say – rubbish in, rubbish out! Inaccurate and outdated data is of no use to users and anecdotal evidence shows that firms have sometimes entirely scrapped CRM projects for this reason, resulting in unnecessary waste of time, effort and money. Dedicating time to transfer data from several disparate locations such as business systems, Microsoft Outlook, legacy and access databases, investor books and deal pipeline spread sheets into a central repository is well worth doing.

  Thereafter, data cleansing is imperative. It ensures that data migrated to the CRM system is accurate and credible, giving users the utmost confidence to use it. Subsequently, maintaining data quality is a lot easier as CRM tools offer advanced change management features to ensure that data is regularly managed and maintained. For instance, CRM solutions offer Data Change Management functionality whereby any changes to contact information of investors or key intermediaries must pass the rules set up by data stewards to ensure integrity and accuracy of information stored.

- **Project roll-out** – Roll-out is rarely about the technology, rather it is about managing stakeholder expectations. Aligning the strategic goals of the firm with the objectives of the project; and reinforcing and communicating the same in a relevant way to all user groups at every stage of the roll-out is key. This in fact is a major contributor to facilitating change management too. For example, when piloting the system, stakeholders must be made aware that the objective of this phase of the project is to gather feedback, evaluate business processes, and test functionality. This will safeguard the reputation of the project as users will appreciate and tolerate the teething troubles, which seldom any technological implementation goes without.

  Roll-out must be well staffed. Technology implementations are time intensive and most individuals involved in such projects undertake additional responsibilities over and above their "day jobs". This causes a tussle between "urgent tasks" – i.e. their core day to day tasks and "important" jobs – i.e. the CRM/ technology implementation.

  Additionally, roll-out cannot be viewed as a one-off activity. Resourcing for support beyond roll-out is a must. CRM system vendors provide expertise that is more than helpdesk assistance. They have the knowledge to enable their clients to maximise the value from their system – firms should take advantage of such offerings as they can greatly assist in speeding up business and cultural change.

- **User training** – However intuitive and user-friendly a solution might be, providing training that meets users' individual needs must not be overlooked. Experience shows that short interactive sessions work better than a one-off approach to training. The former encourages usage as people have the opportunity to try out the tool in bite sizes and gradually learn to personalise it and use the more sophisticated features of the tool.

This list is by no means exhaustive, but it outlines the most important aspects of a CRM implementation for private equity firms. Getting it right the first time must be the goal for CRM projects – especially as adoption of the CRM discipline often requires a substantive change in the way private equity firms manage client relationships and in fact operate the business. A shaky start to the project can make it much harder to win over users.

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