

Integrating CRM and E-marketing Technology for Strategic Deals-related Relationship Management

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Private equity firms are operating in an uncertain environment and this situation is likely to carry on as the European Eurozone crisis persists, impacting firms' fund raising prospects. According to a Preqin special report on the European private equity sector, there are 1,885 private equity funds on the road globally, 436 of which are focussed on investment in Europe and are seeking \$192.3 billion in capital investment. While there is interest in investment in Europe, there is also fierce competition for deals in the marketplace.

Firms will need their deal making skills more than ever. In addition, strong and targeted marketing of funds based on an in-depth understanding of the investor base and the deal ecosystem will be imperative.

Adoption of CRM systems growing

As the complexity of deals increases, there is widespread acceptance in the sector that personal networks and relationships are valuable in sourcing and securing deals. In this "people" business, a more sophisticated method of harnessing relationships is required to ensure business advantage.

Consequently, recognition of the benefits of CRM systems to increase deal origination and improve deal flow is growing. Many firms either have or are implementing CRM systems to help them overcome some of the key business development and deal flow related challenges.

Most firms use CRM systems as the central repository of data and for relationship intelligence. CRM systems provide information that goes beyond who knows who. They offer a methodical construction of the entire lifecycle of relationships, facilitating the development of concrete actions plans to originate, manage the pipeline and close deals. Further, these systems break down the communication and collaboration barriers between offices and teams, facilitating deal origination and successful deal flow.

Private equity firms also extensively use CRM systems for business development activities such as maintaining mailing lists and marketing databases and distributing content to external audiences.

E-marketing tools equally popular

In an attempt to raise their marketing efforts and stand out from the crowd, many private equity firms are also using e-marketing tools alongside CRM systems. E-marketing tools help business development and marketing teams to automate data verification; newsletter management, dissemination and interest monitoring, communication with investors and even for sending Christmas greetings. These tools ensure that firms are in compliance with the data protections legislation by allowing contacts to easily opt in or unsubscribe to mailing lists. Many private equity firms use e-marketing tools to conduct post-deal and satisfaction surveys.



Enterprise Solutions

Private equity firms also use e-marketing tools for event management – be they large fund raising events and seminars or small private dinners. A significant functionality benefit of e-marketing tools is that they enable users to manage multiple events simultaneously – from sending out invitations, collating feedback and responses, capturing contacts’ preferences for venue, through to analysing event success versus marketing costs.

Business benefits of CRM and e-marketing integration

Clearly, there is some overlap between the functionality of CRM systems and e-marketing tools. But there are stark differences too. Fundamentally, CRM is a strategic discipline while e-marketing is a tactical approach.

CRM systems provide a 360 degree view of contacts, potential investors and deals, which enables private equity firms to uncover hidden and strategic relationships that can be leveraged to gain competitive edge when pitching for deals. Due to the long lead times involved in closing deals, coupled with influencers potentially spread across the world, private equity firms must have visibility of both their deals’ universe and the lifecycle of the individual deals themselves to make informed decisions.

With growing regulatory pressure to undertake risk profiling, credibility checks on investees, and so on, CRM systems help private equity firms to keep a detailed track of the due diligence carried out on the various deals. For instance, the Bribery Act 2010 requires organisations to take measures to prevent persons associated with them from bribing another person on their behalf. Firms that can prove that they have adequate procedures in place to prevent persons associated with it from bribing will have a defence to the Act.

E-marketing tools on the other hand, enable marketing and business development teams at private equity firms to deliver professionally branded e-marketing communications to contacts and automatically record recipient responses, delivering efficiency to the department. Through the powerful reporting functionality offered by such tools, firms are able to analyse the captured data for more focussed and targeted campaigns in the future.

But integrating the two technologies delivers a more professional and tailored approach to CRM and communications. The CRM solution becomes the main repository of data, ensuring data quality and integrity. This is crucial to having accurate visibility and insight into firms’ relationships, but also for ensuring the success of marketing campaigns. The e-marketing tool becomes the delivery mechanism for communication.

An integrated approach enables a streamlined approach to deals-related relationship and deal flow management. It greatly reduces duplication of effort; provides significant efficiency gains across the CRM, business development and marketing functions; ensures compliance with the numerous legislations; and facilitates projection of a professional view of firms’ brand. Cumulatively, all this enables firms to maximise their return on investment in these technologies.

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