Making sense, and use, of CRM systems now and in the future

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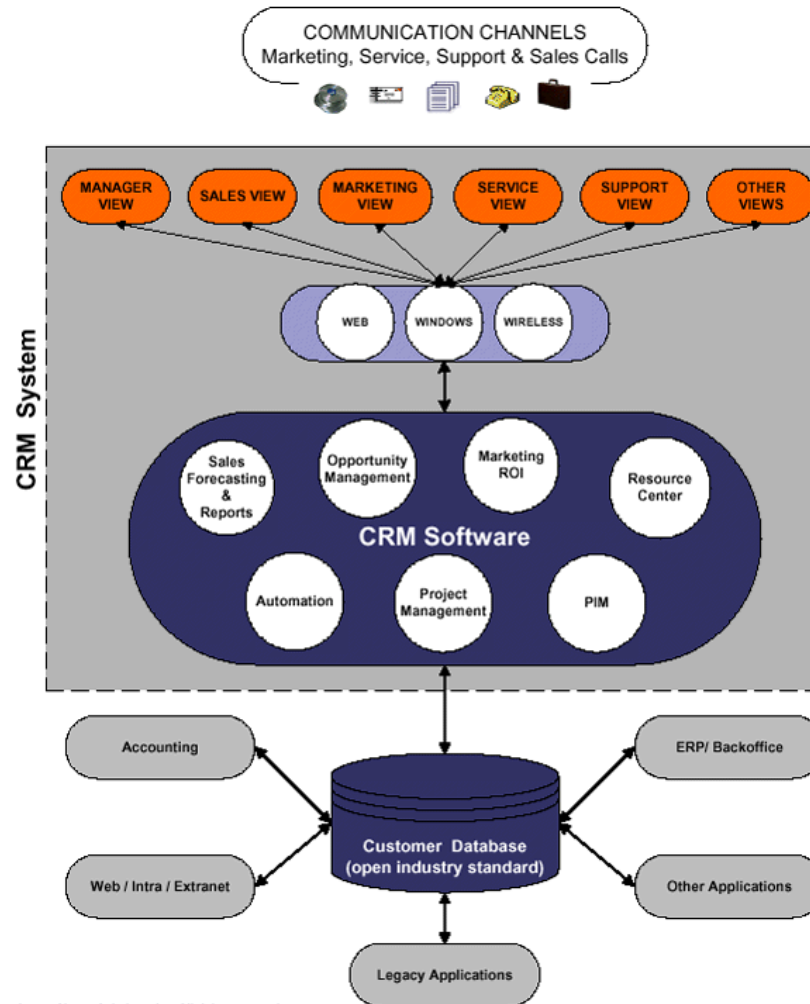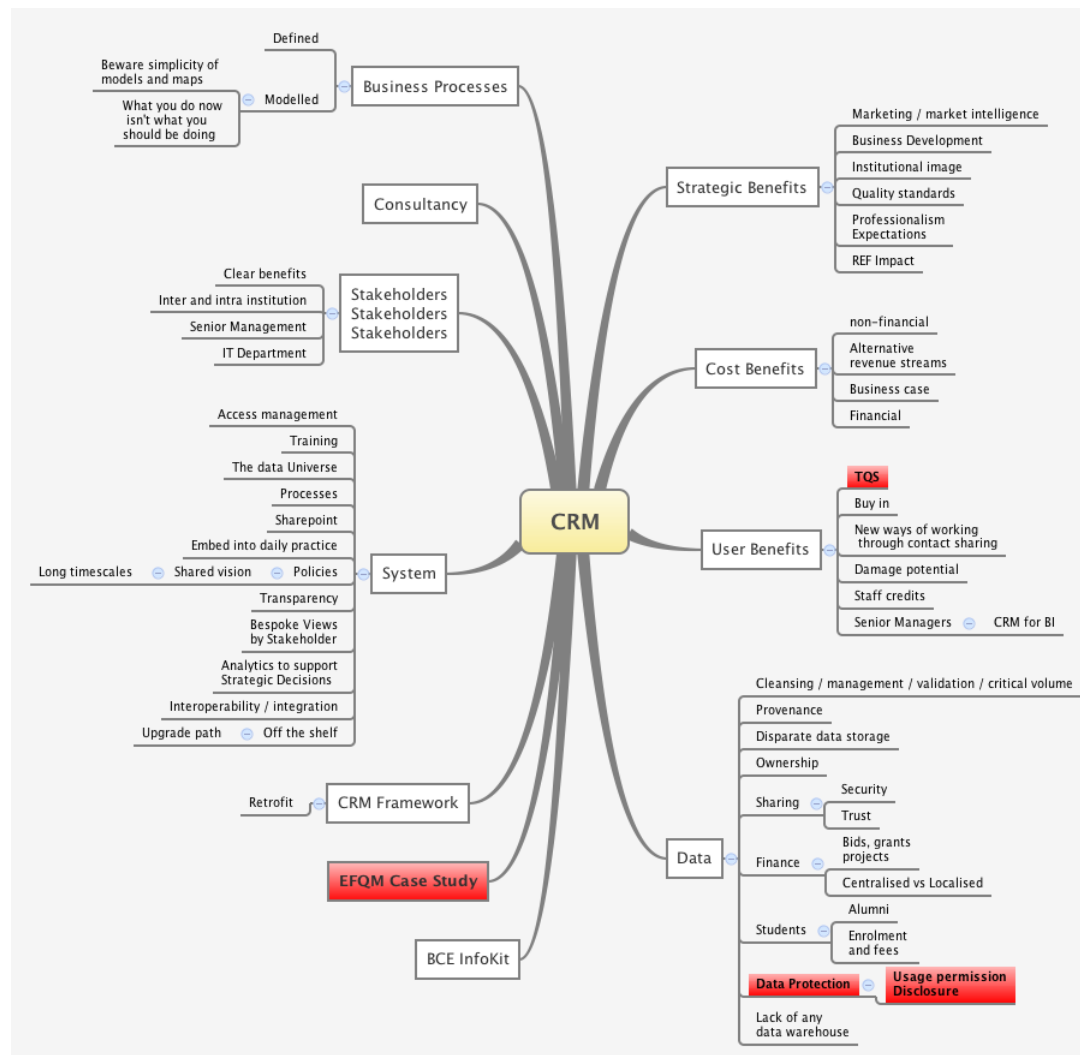*cannon@zurigroup.com*

CASE.

CRM is the buzz word of the industry. But more than simply referring to "Constituent Relationship Management" through sophisticated technology, CRM has even deeper meaning and impact-on relationships with donors and prospects, on data, on reporting, and on development services' clients. Join us for a thorough explanation of what CRM means and how leveraging CRM may just re-shape development services as we known them.
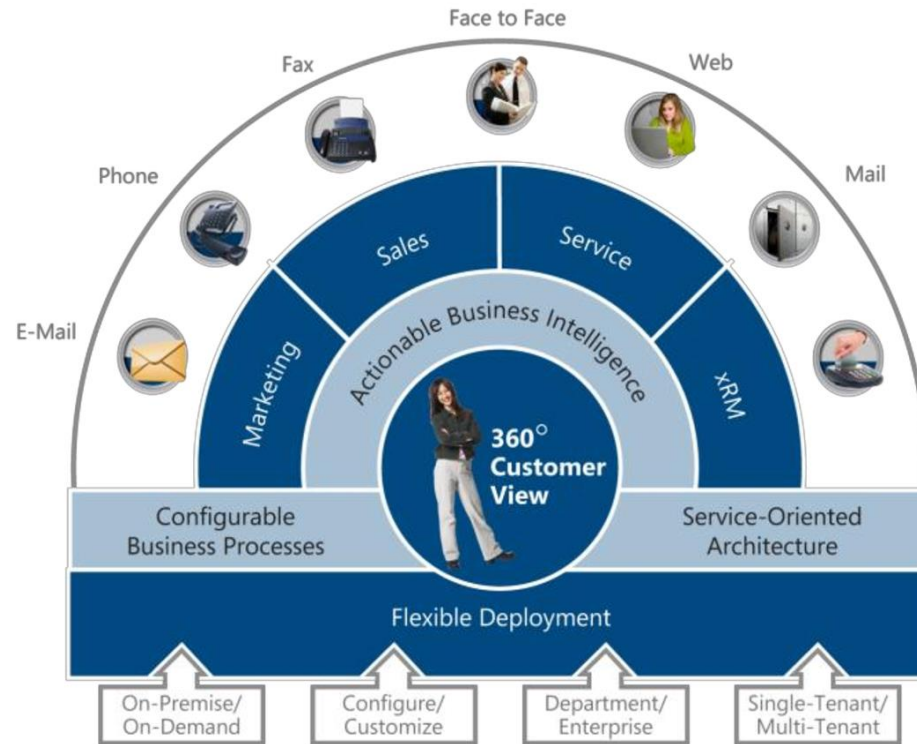
- Introductions
- Key concepts and considerations
- Putting CRM in motion
- What's next

- CRM defined
  - Compared to…
  - All or something
  - Today, we'll be vendor/application agnostic

Is it…

Social CRM Process

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Is it…

The Conversation
The Art of Listening,
Learning, and Sharing

Brought to you by
Brian Solis and JESS3
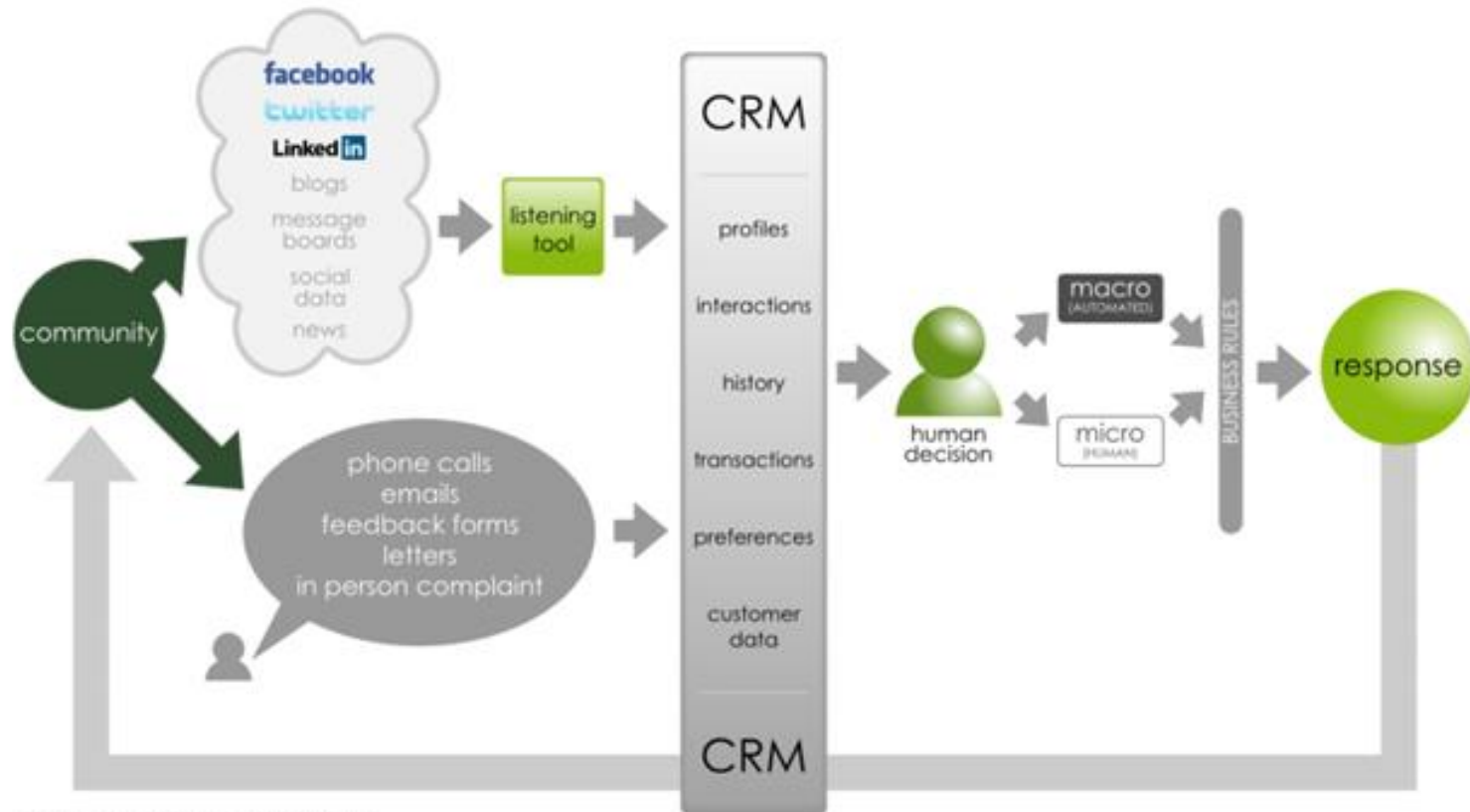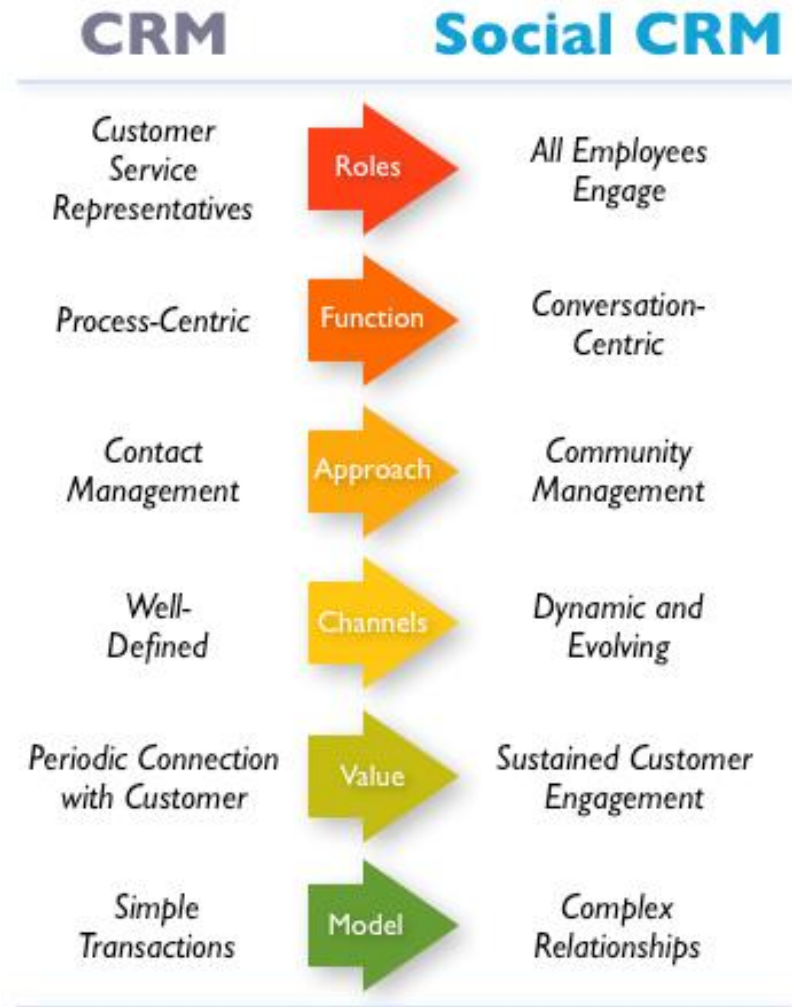
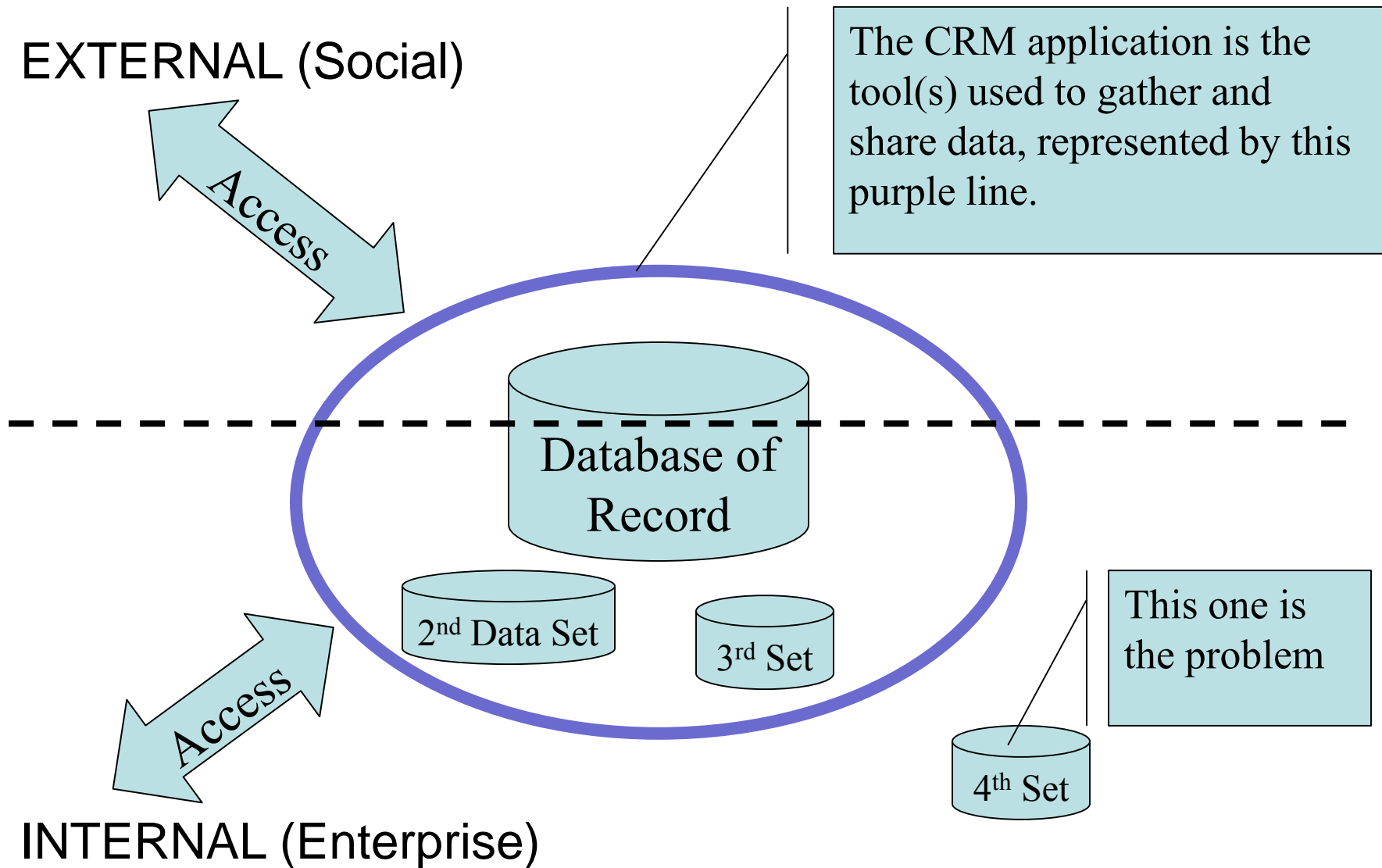Yes…

And, that's part of the challenge

The totality of the data you gather, store, curate, and use to maintain and manage relationships

- **Enterprise CRM:** Focus on internal constituents
- **Social CRM:** Focus on external constituents
- Parts, pieces, or the whole party

CRM		Social CRM
Customer Service Representatives	Roles	All Employees Engage
Process-Centric	Function	Conversation-Centric
Contact Management	Approach	Community Management
Well-Defined	Channels	Dynamic and Evolving
Periodic Connection with Customer	Value	Sustained Customer Engagement
Simple Transactions	Model	Complex Relationships

From http://blogs.zdnet.com/Hinchcliffe

A Framework

EXTERNAL (Social)

Access

The CRM application is the tool(s) used to gather and share data, represented by this purple line.

Database of Record

2nd Data Set

3rd Set

This one is the problem

4th Set

Access

INTERNAL (Enterprise)

No matter your organization's size:

• Centralizes data	• Meets donors expectations
• Improves internal users' capacity	• Mimics consumer experiences
• Allows for smarter, data-driven decision making	• Integrates constituent data AND behaviors
• Decreases side-systems	• Tailors engagement strategies
• Prepares your organization for the future	• Allows testing, learning, and application of personalization

- Why change/add?
- Behavior, ends, and means
- Value proposition
- Executive (and team) buy-in (and all it entails)
- Technology transition
- "Everything else"

Your Org has, but…

Business Needs
<u>Require</u>…

- Costs
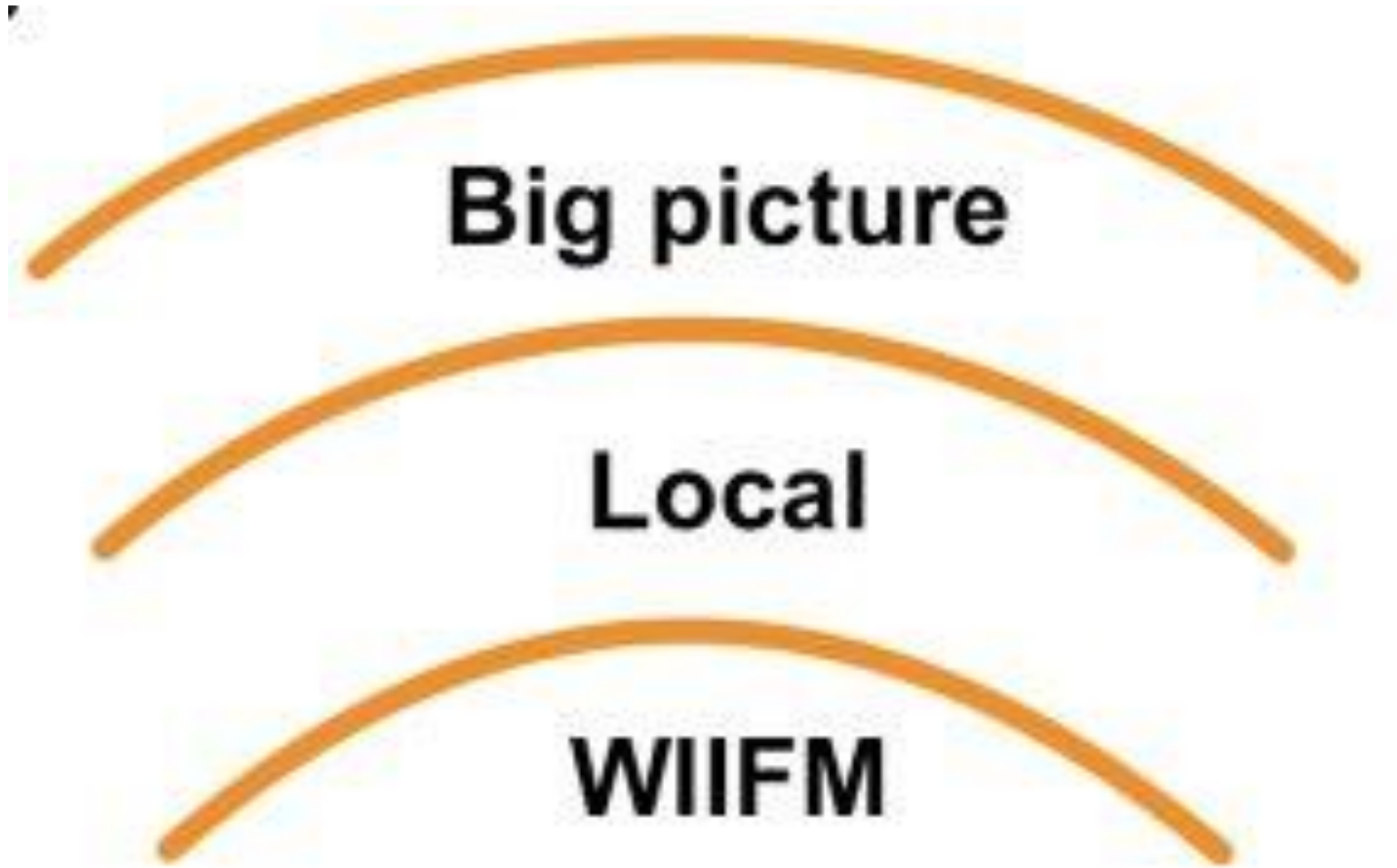- Benefits
- Circumstances
- We are being pushed toward this (RE NXT; Salesforce; AWA)
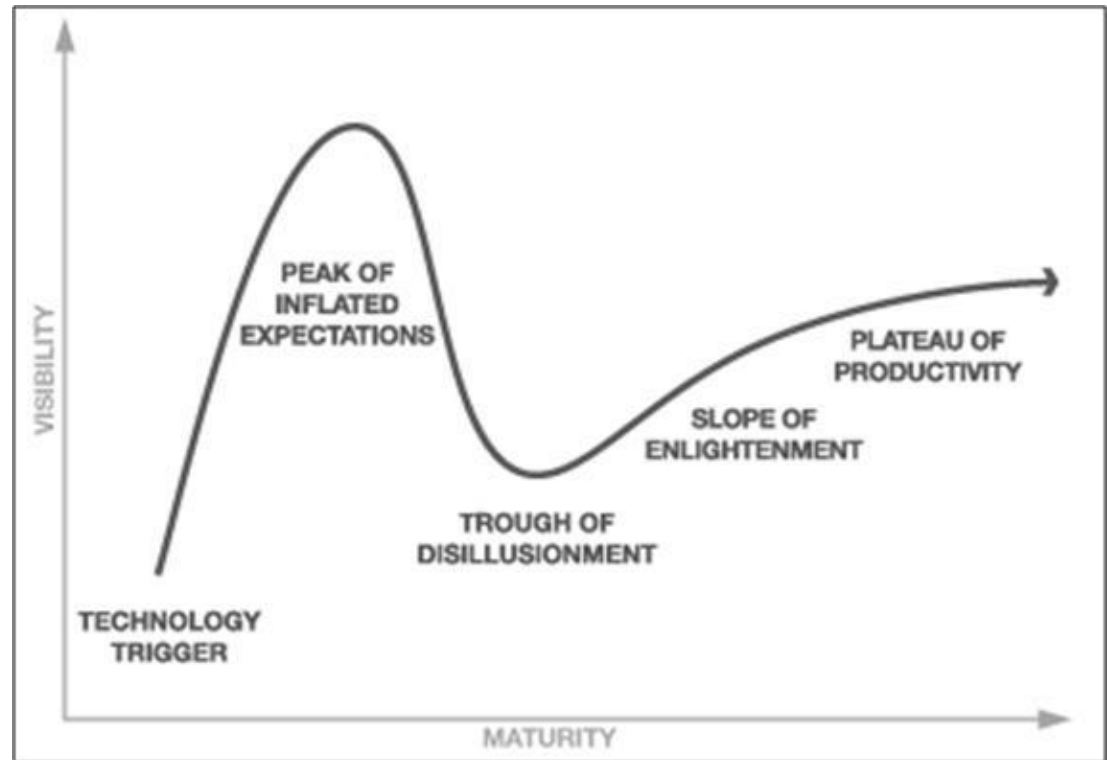
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Big picture

Local

WIIFM

- First question: does current need and behavior warrant switch?

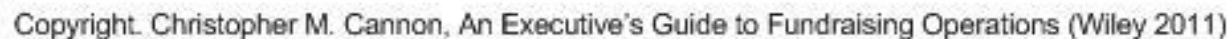- Technology doesn't magically change behavior

- Goal can be to (de)centralize

- Project pay-back

- Leverage resources

- Resolve root causes

Area of Opportunity	Assumptions (What's Possible Due to Improvements)	Year 1	Year 2
Gains			
Frontline Fundraiser Productivity	1 day/month gained resulting in 12 new opportunities per year at $2,500/day-opportunity X 5 frontline fundraisers	$ 150,000	$ 150,00
Individual Giving via Direct Response	2 more 50,000 piece segmented mailings per year; 0.5% response @ $95/ gift	$ 47,500	$ 47,50
Individual Giving via Major & Planned Giving	12 prospects id'ed and 1 closed per year at $50,000 in Year 2, growing by 1 each year		$ 50,00
Giving via Social Media Tools	200 new donors per year @ $95/donor, with 25% retention	$ 19,000	$ 22,80
Retained donors	Donors retained at $120/ gift per starting with 200 and growing by 200 each year	$ 24,000	$ 48,00
Savings			
Support and Data Entry Staff Time Saved	1 day/month saved at $35K/year ($1,750) X 5 Team Members	$ 8,750	$ 8,75
Data exchange time savings	2 days/month at $65K/year ($6,500) X 3 team members	$ 19,500	$ 19,50
Data Improvement Savings	5,000 fewer returned mail pieces per year at $0.50 per	$ 2,500	$ 2,50
Approximated Returns		$ 271,250	$ 349,05
Approximated Costs		$ 213,000	$ 131,00
Approximated ROI		$ 58,250	$ 218,05

For core groups, must answer their central issue:

- Executive buy-in…really worth <u>priority</u>?

- Stakeholder buy-in…really delivers on <u>needs</u>?

- Team buy-in…really worth the <u>effort</u>?

Technology Transition Cycle, Including Reporting

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- Budget

- Staffing

- Fatigue

- Space

- Training

- Selection (requirements are key! And good to "re-do" even if you have CRM)
- Planning (measure twice, cut once)
- Conversion (data, processes, AND testing)
- Implementation (really using this new thing)
- Adoption (achieving the value proposition)

- Document and prioritize your needs based on your triggers for change
  - Functionality
  - Enterprise CRM/Social CRM
  - Integration Points
  - Reporting/Business Intelligence
  - Implementation Services
  - Price
  - Hardware or Hosted

Putting CRM in Motion: Selection

- Evaluate systems based on your prioritized list of needs

- Do reference checks

- Do site visits

- Choose the right vendor for you

Sample Scorecard for Sample Vendor & Product			
A: Market Position (15%)	Weight	Score (1–10)	Score
1. Customer Service and Support	4	8	32
2. Stability	3	10	30
3. Market Acceptance & Innovation	6	9	54
4. User Group	2	10	20
Subtotal	15		136
B. Product Functionality (25%)	Weight	Score (1–10)	Score
1. Individual and Corporate Record Management	3	9	27
2. Prospect Management and CRM	3	9	27
3. Donor Relations Management	2	7	14
4. Campaign/Project Management	1	6	6
5. Gift And Pledge Processing and Management	3	9	27
6. Planned Giving	1	6	6
7. Alumni Relations and Event Management	2	7	14
8. Power-User Reporting	3	6	18
9. Self-Service Reporting	2	7	14
10. Security	2	9	18
11. Training and Documentation	3	8	24
Subtotal	25		195
C. Product ROI: Efficiency and Productivity (25%)	Weight	Score (1–10)	Score
1. Global Entity View/Data Presentation	7	9	63
2. Navigation	4	9	36
3. Look-Ups	5	9	45
4. Multi-Step Tasks	3	10	30
5. Linkages, Triggers, and Associations	6	10	60
Subtotal	25	51	234
D. Technology and Technical Support (20%)	Weight	Score (1–10)	Score
1. Technical Support	3	8	24
2. Reliability	3	10	30
3. Conversion Support	2	6	12
4. Interface	2	9	18
5. Query/Report Tool	3	8	24
6. Performance	3	10	30
7. Scalability	2	10	20
8. Past Work with Client's Current Database	2	8	16
Subtotal	20		174
E. Costs (15%)	Weight	Score (1–10)	Score
1. Initial Cost	9	5	45
2. Annual Maintenance & Training	6	5	30
Subtotal	15		75
Grand Total			814

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Legacy System

New System

If you have this….   Should you do this?

- Test Everything
- Test Early
- Test Often
- Test Data
- Test Reports
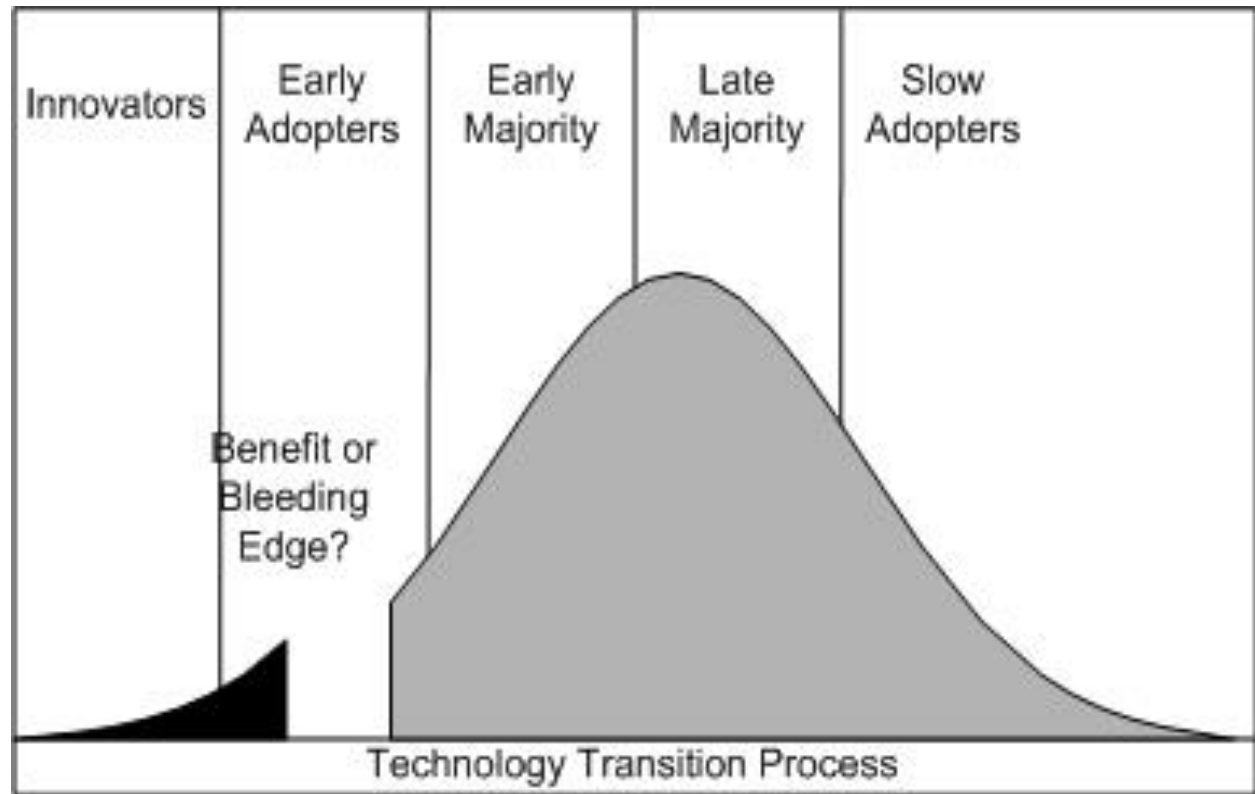- Test Process
- Test Functionality
- Test Usability

Are you really using this thing?

As suggested, you may already have CRM

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- Achieving the value proposition

| Innovators | Early Adopters | Early Majority | Late Majority | Slow Adopters |

Benefit or Bleeding Edge?

Technology Transition Process

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How do these issues play out in your shops?

• Centralizes data	• Meets donors expectations
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• Allows for smarter, data-driven decision making	• Integrates constituent data AND behaviors
• Decreases side-systems	• Tailors engagement strategies
• Prepares your organization for the future	• Allows testing, learning, and application of personalization

- Vendor news
- "Social Donor Management" – Brent Grinna
- The iPhone Problem remains…
- Greater integration
- More like consumer applications
- Easy access means increasing security
- The basics still apply (behavior, discipline…)

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- **More and more like Amazon, Facebook, and your bank**
  - Training manuals are antiquated
  - Training videos on YouTube; testing to gain access
  - Tools that help raise money (esp. social media)
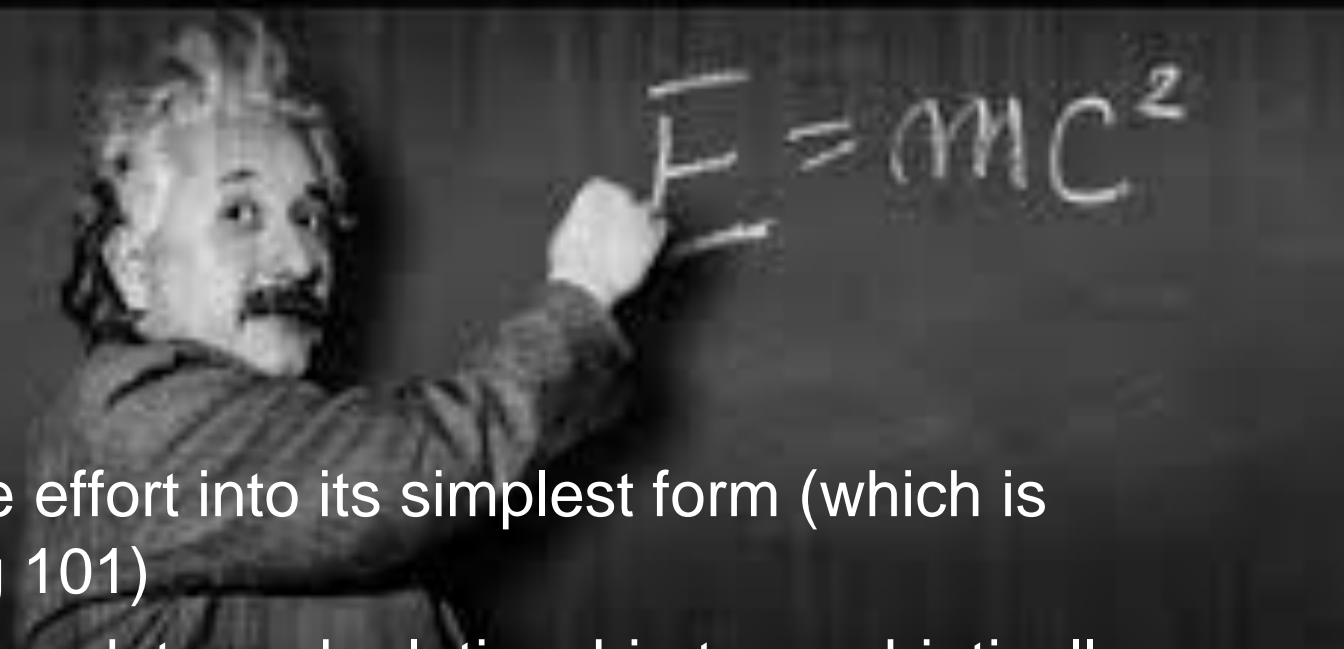 - Tools that synch with contact lists and smart devices

Thing #1	Thing #2
1.5 M	1
$300B	$600B
$1B	$4B

- With CRM, the future is now with mapping, access, API, etc.

- Imagine…
  - Bing/Google function "who is my best prospect for…?"
  - Log-in triggers strategic action/workflow
  - End-users as active here as on Facebook (or via Facebook)
  - All CRM tools leveraged by all audiences

- More access (online, mobile apps, etc.) means more risk

- Get used to password protocols

- Physical device security

- Remember that bicycle?
  - Necessary vs. Neat
  - Still need to consider training wheels, a helmet, and rules of the road
  - <u>CRM does not mean data integrity, tight business processes, and training can be ignored….in fact, your CRM will best succeed with these issues addressed</u>.
  - And, getting the details right isn't magic, it's hard work!

Data = Relationship

- Condense effort into its simplest form (which is marketing 101)
- CRM allows data and relationship to symbiotically deepen and simplify…

Questions & Ideas?

Questions about CRM?

How will you handle key considerations?

What's in your future?

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