**NAAN MUDHAVALVAN- SALESFORCE REPORT**

**A CRM APPLICATION TO ENGINEERING WORKS**

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PROJECT OVERVIEW

**Objective:**

Develop a CRM application for engineering firms to efficiently manage client information, project details, and automate pricing calculations.

**Key Features:**

-***Client Management***: Capture and manage company, owner, and contact details.

-***Project Management***: Track tasks, progress, and milestones for various engineering projects.

- ***Material and Pricing***: Automate pricing based on materials and measurements.

**Business Goals:**

Improve operational efficiency, data accuracy, and provide a user-friendly interface.

**Technologies:**

Salesforce for management tools and custom development for pricing automation.

**Outcome:**

A robust CRM system enhancing client management, project tracking, and pricing automation for engineering firms.

# **1. Introduction to CRM**

Part 1 – CRM Basics Customer Relationship Management

Business people started using the term Customer Relationship Management (CRM) since the early 1990s when the concept of business started to change from being transactional to relational. CRM directly contributes towards customer benefits and the growth of businesses.

Information Technology plays a very critical role in identifying, acquiring, and retaining the customers, and thereby managing a healthy relationship with them.

Here in this chapter, we will discuss the very basics of CRM.

**What is CRM?**

* There can be multiple definitions of CRM from different perspectives:
  + From the viewpoint of the Management, CRM can be defined as *an organized approach of developing, managing, and maintaining a profitable relationship with customers.*
  + By equating the term with technology, the IT organizations define CRM as *a software that assists marketing, merchandising, selling, and smooth service operations of a business.*
  + As per Franics Buttle, World’s first professor of CRM, it is the core business strategy that integrates internal processes and functions, and external networks, to create and deliver value to a target customer at profit. It is grounded on high quality customer data and information technology.

The primary goal of CRM is to increase customer loyalty and in turn improve business profitability.

**Ingredients of CRM**

Take a look at the following illustration. It shows the ingredients that work together to form a successful CRM system. Customer Relationship Management



Here are some of the important ingredients of CRM:

* **Analytics** – Analytics is the process of studying, handling, and representing data in various graphical formats such as charts, tables, trends, etc., in order to observe market trends.
* **Business Reporting** – Business Reporting includes accurate reports of sales, customer care, and marketing.
* **Customer Service** – Customer Service involves collecting and sending the following customer-related information to the concerned department:
* Personal information such as name, address, age, etc.
* Previous purchase patterns.
* Requirements and preferences.
* Complaints and suggestions.
* **Human Resource Management** – Human Resource Management involves employing and placing the most eligible human resource at a required place in the business.
* **Lead Management** – Lead Management involves keeping a track of the sales leads and distribution, managing the campaigns, designing customized forms, finalizing the mailing lists, and studying the purchase patterns of the customers.
* **Marketing** – Marketing involves forming and implementing sales strategies by studying existing and potential customers in order to sell the product.
* **Sales Force Automation** – Sales Force Automation includes forecasting, recording sales, processing, and keeping a track of the potential interactions.
* **Workflow Automation** – Workflow Automation involves streamlining and scheduling various processes that run in parallel. It reduces costs and time, and prevents assigning the same task to multiple employees.

**Objectives of CRM**

The most prominent objectives of using the methods of Customer Relationship Management are as follows:

* **Improve Customer Satisfaction** – CRM helps in customer satisfaction as the satisfied customers remain loyal to the business and spread good word-of-mouth. This can be accomplished by fostering customer engagement via social networking sites, surveys, interactive blogs, and various mobile platforms.
* **Expand the Customer Base –** CRM not only manages the existing customers but also creates knowledge for prospective customers who are yet to convert. It helps creating and managing a huge customer base that fosters profits continuity, even for a seasonal business.
* **Enhance Business Sales** – CRM methods can be used to close more deals, increase sales, improve forecast accuracy, and suggestion selling. CRM helps to create new sales opportunities and thus helps in increasing business revenue.
* **Improve Workforce Productivity –** A CRM system can create organized manners of working for sales and sales management staff of a business. The sales staff can view customer’s contact information, follow up via email or social media, manage tasks, and track the salesperson’s performance. The salespersons can address the customer inquiries speedily and resolve their problems.

**2. Types of CRM**

In the past twenty years, the focus of global markets has shifted from sellers to customers. Today, customers are more powerful than sellers, if we consider the driving factors of market. We have different types of CRM according to the changes in customer portfolios, speed of business operations, requirement of handling large data, and the need of sharing information, resources, and efforts jointly.

CRM systems are divided based on their prominent characteristics. There are four basic types of CRM systems:

* Strategic CRM
* Operational CRM
* Analytical CRM
* Collaborative CRM

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| The following table lists the types of CRM and their characteristic features: **Type** | **Characteristic** |
| Strategic CRM | Customer-centric, based on acquiring and maintaining profitable customers. |
| Operational CRM | Based on customer-oriented processes such as selling, marketing, and customer service. |
| Analytical CRM | Based on the intelligent mining of the customer data and using it tactically for future strategies. |
| Collaborative CRM | Based on application of technology across organization boundaries with a view to optimize the organization and customers. |

**Strategic CRM**

Strategic CRM is a type of CRM in which the business puts the customers first. It collects, segregates, and applies information about customers and market trends to come up with better value proposition for the customer.

The business considers the customers’ voice important for its survival. In contrast to Product-Centric CRM (where the business assumes customer requirements and focuses on developing the product that may sometimes lead to over-engineering), here the business constantly keeps learning about the customer requirements and adapting to them.

**Operational CRM**

Operational CRM is oriented towards customer-centric business processes such as marketing, selling, and services. It includes the following automations: Sales Force Automation, Marketing Automation, and Service Automation.

**Salesforce** is the best suitable CRM for large established businesses and **Zoho** is the best CRM for growing or small-scale businesses.

**Sales Force Automation**

SFA is the application of technology to manage selling activities. It standardizes a sales cycle and common terminology for sales issues among all the sales employees of a business. It includes the following modules:

* **Product Configuration:** It enables salespersons or customers themselves to automatically design the product and decide the price for a customized product. It is based on if-then-else structure.
* **Quotation and Proposal Management:** The salesperson can generate a quotation of the product prices and proposal for the customer by entering details such as customer name, delivery requirements, product code, number of pieces, etc.
* **Accounts Management:** It manages inward entries, credit and debit amounts for various transactions, and stores transaction details as records.
* **Lead management:** It lets the users qualify leads and assigns them to appropriate salespersons.
* **Contact Management:** It is enabled with the features such as customers’ contact details, salespersons’ calendar, and automatic dialing numbers. These all are stored in the form of computerized records. Using this application, a user can communicate effectively with the customers.
* **Opportunity Management:** It lets the users identify and follow leads from lead status to closure and beyond closure.

**Marketing Automation**

Marketing automation involves market segmentation, campaigns management, event-based marketing, and promotions. The campaign modules of Marketing Automation enable the marketing force to access customer-related data for designing, executing and evaluating targeted offers, and communications.

**Event-based (trigger) marketing** is all about messaging and presenting offers at a particular time. For example, a customer calls the customer care number and asks about the rate of interest for credit card payment. This event is read by CRM as the customer is comparing interest rates and can be diverted to another business for a better deal. In such cases, a customized offer is triggered to retain the customer.

**Service Automation**

Service automation involves service level management, resolving issues or cases, and addressing inbound communication. It involves diagnosing and solving the issues about product.

With the help of Interactive Voice Response (IVR) system, a customer can interact with business computers by entering appropriate menu options. Automatic call routing to the most capable employee can be done.

Consumer products are serviced at retail outlets at the first contact. In case of equipment placed on field, the service expert may require product servicing manual, spare parts manual, or any other related support on laptop. That can be availed in service automation.

**Analytical CRM**

Analytical CRM is based on capturing, interpreting, segregating, storing, modifying, processing, and reporting customer-related data. It also contains internal business-wide data such as **Sales Data** (products, volume, purchasing history), **Finance Data** (purchase history, credit score) and **Marketing Data** (response to campaign figures, customer loyalty schemes data). **Base CRM** is an example of analytical CRM. It provides detailed analytics and customized reports.

Business intelligence organizations that provide customers’ demographics and lifestyle data over a large area pay a lot of attention to internal data to get more detail information such as, “Who are most valuable customers?”, “Which consumers responded positively to the last campaign and converted?”, etc.

Analytical CRM can set different selling approaches to different customer segments. In addition, different content and styling can be offered to different customer segments. For the customers, analytical CRM gives customized and timely solutions to the problems. For the business, it gives more prospects for sales, and customer acquisition and retention.

**Collaborative CRM**

Collaborative CRM is an alignment of resources and strategies between separate businesses for identifying, acquiring, developing, retaining, and maintaining valuable customers. It is employed in B2B scenario, where multiple businesses can conduct product development, market research, and marketing jointly.

Collaborative CRM enables smooth communication and transactions among businesses. Though traditional ways such as air mail, telephone, and fax are used in communication, collaborative CRM employs new communication systems such as chat rooms, web forums, Voice over Internet Protocol (VoIP), and Electronic Data Interchange (EDI).

There are collaborative CRMs with in-built **Partner Relationship Management (PRM)** software application which helps in managing partner promotions. **SugarCRM** is a popular collaborative CRM. It enables expert collaboration and provides state-of-the-art social capabilities.

**CRM Software Buying Considerations**

A business needs to consider the following points while selecting a CRM software:

* **Business strategy and processes –** It helps to automate a customer management strategy. Hence before selecting a CRM software, a business should be clear with its strategies and desired processes.
* **Business requirements –** CRM systems range from domain specialty solutions that focus on solving a specific area such as sales force automation, marketing automation, services automation, partner management, etc., to complete enterprise management solutions.
* **Size of business –** Small businesses require tools that are easy to learn and can handle a wide range of the most common tasks. Large businesses opt for applications that handle more complex tasks and thousands of users.
* **Customer base –** The size of the customer base a business is required to handle.
* **Budget –** A business needs to set a budget prior vendor selection. The budget allocated for CRM varies according to the degree of customization required.
* **Context –** The context in which a business is functioning, e.g., B2B or B2C, determines which CRM the business should go for.
* **Sales channels –** The sales channel a business is employing: Direct sale, channel sale such as distributors, or Direct to customers via retail. They matter while selecting the most suitable CRM software.
* **System integration** – All the interfaces the business needs and the CRM vendor can support without requiring too much custom services effort.
* **Strength of partners:** The partners must be able to provide a business with additional support, or help to implement the CRM successfully.

These businesses know the buying behavior of the customer that happy customers buy more frequently than rest of the customers. If any business is not considering this type of CRM, then it risks losing the market share to those businesses, which excel at strategic CRM.

# **Part 3 – CRM Implementation**

Implementing CRM Projects

Implementing a CRM project in an organization takes more than purchasing and installing the CRM form a vendor. It needs setting up the features of CRM system according to the business requirement, training the staff, and overall shifting from conventional work culture to a new method of handling work and customer relationships.

There are various phases a business needs to go through while implementing CRM projects. Here in this chapter, we will discuss in brief how to implement a CRM project.

**Developing CRM Strategy**

This is the first stage. CRM strategy is a top management level plan of aligning employees, CRM process, and technology to achieve business goals.

**Situation Analysis**

The business conducts situation analysis by considering internal and external factors. This is nothing but SWOT (Strength, Weakness, Opportunities, and Threats) analysis to find out how the business is doing with the objective of examining readiness for CRM implementation.

The managers analyze and appraise existing customer strategy, served market segments, market position of business, marketing channels, etc. They try to find out the answers for the questions such as:

* Which customer segments does the business serve?
* What are the marketing and customer related objectives of the business?
* What is the business position and market share?
* What is the cost to customer management?
* How effective the present strategies of customer acquisition and retention?
* Which products/services under what category does the business offer?
* To what extent the customers are aware of the products/services?
* Who are business competitors, and what are profit margins?

Implementing CRM Projects

* Which channels we use for product distribution? What is the depth of channel penetration
* Which channels are effective? Which are becoming obsolete?
* How do channel partners find dealing with our business?
* Will the business buy, rent, or create its own CRM? What is each option’s feasibility?

Thus, situation analysis serves as a foundation to know what the managers want to achieve by implementing CRM.

**Building CRM Project Foundation**

Before implementing CRM projects, there are various changes required to bring in the business environment such as:

* The working culture changes present in the business organization.
* As the CRM can mean different to the people from different domains, it is necessary for the business to start educating the staff on CRM systems.
* The top management of business also sets up the vision on how CRM will change the business to benefits regarding serving the customer better and earning high revenue.
* Clear priorities are set for objectives and activities such as enhancement of customers’ experience, cost reduction, increasing revenue, etc.
* Goals (qualitative results) and objectives (quantitative results) are set.
* Governance structure of experts is formed which is essential to identify and allocate resources and responsibilities appropriately.
* The internal IT staff of the organization is put to perform several CRM related roles such as networking, database management, front-end development, system integration, etc.
* The management identifies change and project management needs in the organization, and risk factors.

**Identifying Business Processes**

The processes are the ways by which the business gets the things done. The processes can be of the following types:

1. **Vertical:** Located completely within a department. For example, customer acquisition is only marketing related process, whereas annual revenue and tax calculation are accounts processes.
2. **Horizontal:** They span across various departments in the business. For example, product manufacturing is cross functional across R&D, finance, material management, sales, etc.
3. **Primary:** They have major impact on the business costs or revenue. For example, picking and delivering packages is primary process for a courier company.
4. **Secondary:** They have minor impact on the cost or revenue of the business.
5. **Front-Office:** They encounter the customers. For example, complaint handling.
6. **Back-office:** They are where customers are directly involved. They are not known to the customers. For example, database management, procurement, etc.

The business needs to anticipate which existing processes may get affected and to what extent.

**Specifying Requirements**

During this step, the business identifies the stakeholders (staff, sales team, marketing team, channel partners, IT specialists, etc.), processes, data requirements, and technology.

**Data Requirements**

The business needs to create the inventory for the available data for the CRM purposes. There are different data requirements for different CRM types as shown:

* Which database system the business will require for CRM?
* What is the number of customers the business has?
* How much the number of customers can increase in future?
* Which fields of data are mandatory and which are additional for the business?

The business develops a customer related database to store the customer information, such as contact data, contact history, transaction history, communication preferences, opportunities with customer, and so on.



**Technology Requirements**

It includes selection the required CRM technology from a wide choice.

* How to access the CRM software: from business server (On-Premise) or from vendor’s server (Hosted or Online) via internet?
* Which CRM applications can fulfill the business vision and objectives among a myriad number of applications under CRM.
* What hardware is required for sales, services, and marketing staff?
* What is the required hardware platform on which the database will reside and function?

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| **On Premise CRM** | **Hosted or Online CRM** |
| It is installed at user premises. A CRM purchasing business bears the cost of infrastructure, customization, and implementation. | It requires payment of fees on annual basis. For example, USD 50 per user, per month. |
| Costs are variable. | Costs are fixed and known. |
| It imposes significant burden on staff and budgets of a business. | There is less burden on business staff with this CRM. |
| The vendor provides CRM upgrades at user premises. Upgrade costs are additional to the initial costs. | Vendor performs CRM upgrades away from the area of using it. Hence no interference in the business work. |

**Creating Proposals**

The business forms a well-structured Request for Proposal (RFP) in which it lists down the idea and vision of CRM, the type of CRM required, process, technology, costs, time frames, contracts, and staff issues.

The proposal is descriptive enough to give idea to the vendor about the business structure and requirements. The business then invites at least three and at the most six technology vendors by sending the proposal.

**Selecting Partner**

When a business receives response from various vendors, it need to select a right vendor. The business management assesses the proposal responses on the scale of importance of issues included in the RFP. It the shortlists the technology vendors and invites them for demonstrating their CRM products.

**Implementing the CRM Project**

The business takes the following steps to:

* Chalk out the internal project plan.
* Refine the project plan with incorporating the technology vendor.
* Identify customization needs as no off-the-shelf CRM software can completely satisfy the CRM needs of a business. It is done with lead developer, database developer, front-end developer, and vendor.
* Create a prototype of the customized software.
* Test the prototype on dummy database and users. Test it first on the newly acquired customers rather than directly on the customer database.
* Identify further customization and training requirements.
* Create in-house awareness on the final system installation.

**Performance Evaluation**

As a final and continual stage for large span of time, the business evaluates how well does the CRM perform. When a business implements new technology, the users take a large span of time to get acquainted and comfortable with the technology.

There are two variables the business considers:

* **Project outcomes:** Whether or not the project went on as per the plan without overrunning budgets, costs, and time. Is it working smoothly and successfully?
* **Business outcomes:** Has the business objectives set initially have achieved?

If the business objective was to improve the rate of customer retention, the rate was 70% before CRM coming to aid, and it went up to 78% after

CRM implementation then the business has achieved its objective.

# **Part 3– CRM and Automation**

Sales Force Automation (SFA)

Automation is essential in CRM considering the requirement of handling a huge size of customer base and the level of complexity in each sales force related or marketing related tasks. CRM makes use of three types of automation: Sales Force Automation (SFA), Marketing Automation (MA), and Services Automation (SA). In this chapter, we will learn about Sales Force Automation.

CRM needs to be accessed by various people in the business. It is most frequently accessed and used by salespersons and managers of the sales activities at various ranks of seniority. SalesForce is a software that works as a supporting system for the salespersons and managers to achieve their work related objectives. SFA technology helps a business to collect, store, modify, analyze, and transport the sales related data. SFA is the strategy used to drive efficiencies in your sales processes.

SFA software is used by various salespersons such as salespersons in B2B and B2C contexts, door-to-door salesmen, direct sellers, online sellers, etc. It is used by managers to track customers, manage sales pipelines, customize the offers, and generate reports, to name a few.

**SFA Solution Providers**

Some SFA providers are specialists focus on a particular functionality of SFA. They compete against enterprise solution providers (who provide a complete range of business solutions such as Supply Chain Management (SCM), Enterprise Resource Planning (ERP), and CRMs) and also some providers of CRM suites that include SFA modules. Some renowned SFA specialists are as given below:

|  |  |  |
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| **SFA Specialist** | **SFA as Part of CRM Suite** | **SFA as Part of Enterprise Suite** |
| Cyberform | Microsoft Dynamics | IBM |
| Salesnet | Salesforce.com | Oracle |
| Selectica | SalesLogix | SAP |

The CRM solution providers also come up with **configurators**, the software engines that allows the customers to customize their products. Since the configurators help to build customized products, the stress on the salespersons of handling complex data without errors is reduced. In turn, their training cost is also reduced.

For example, Dell computers allows its customers to interact with the configurator. The customers can select devices of their own choice and specifications, and build their own computers.

**SFA Hardware and Infrastructure**

In the era of growing businesses, the SFA hardware and infrastructure must be able to cope up with large number of customers for long time.

In house salespersons are comfortable using desktop or laptop computers but the outdoor salespersons of a business prefer palmtops, tablets, phablets, or simply, the smartphones. In such wide range of devices, the SFA technology should be capable of executing on each type of device.

In case of global business, the salespersons and managers across all the outlets need to access the CRM database a large number of times. In such situation, the SFA technology should be equipped with handling distant communication or data transfer over wireless and speedy media.

**SFA Allied Services**

The services generally take 50 to 60% portion of the total automation project costs. For example, data services such as data security.

The SFA project managers sometimes buy services from the service providers. The service providers contribute in business profits and the cost of the entire CRM projects. These services need re-engineering or tuning few selling processes according to the business requirements.

**Functionalities of SFA Software**

An SFA software can provide the following functionalities:

 **Account management:** Under this, the salespersons and managers get a complete overview of customer relationship. It includes customer’s personal details, contact, past contacts, past orders delivered, current orders, transactions, etc.

 **Contact management:** It refers customers’ contact numbers, Email ID, address, contact preferences, etc., for maintaining contacts by creation, updating, tracking appointments and contacts, etc.

 **Contract management:** It helps users to manage contracts with the customers by offering the functions of tracking, monitoring, progressing, and terminating the contracts.

 **Document management:** It helps the users maintain product lists, brochures, product specification manuals, price lists, and quotation templates.

 **Event management:** It enables to plan the events such as conference, trade show, webinars, seminars, meetings, etc. with customers or other partners. It features event calendar, event reports, etc.

 **Incentives management:** The sales managers use this function to appraise and reward the salesperson’s efforts. It can be linked to payroll application for automatic payment.

 **Lead management:** It enables the business to create, assign leads to various salespersons for equal task distribution, and track sales leads.

 **Opportunities management:** It enables users to create opportunity, administer its progress, and estimate users’ bonus.

 **Order management:** Once the customers agree to purchase a product, this facility turns quotation into accurately priced orders. It is composed of price lists and product configurator.

 **Pipeline management:** It helps to maintain entire sales cycle right from identification of prospects to order delivery and closure.

 **Product Encyclopedia:** It is an electronic encyclopedia of products with their names, model numbers, picture, and specifications. It is made accessible to the customer online.

 **Product Configuration:** It enables users or customers to design and price the product by selecting the specifications of their choice.

 **Product Visualization:** It enables the users or customers to create a realistic 3D model of the product. It is created by referring to the technical diagrams.

 **Quotation management:** It allows the salespersons and managers to create, edit, and deliver customized proposal.

 **Sales prediction:** It helps the salespersons and managers to forecast sales figures.

**Benefits of Sales Force Automation**

 Vendors, salespersons, and managers claim myriad benefits of implementing and using SFA. Some important benefits are as listed:

 **Vendor’s perspective:** Improved customer relationship, staff productivity, and business revenue.

 **Salesperson’s perspective:** More closing opportunities, short sale cycles, ease of tracking sales cycle.

 **Manager’s perspective:** Increase in salesforce productivity and accurate reporting.

 **Business perspective:** Improved customer relationships, Increase in sales revenue, improved market share, increase in profitability.