

## Customer Management: What's Cheap vs. What Works

Weighing system potential and limitations to determine what is best for your business.



Free customer relationship management (CRM) tools are an appealing option for small businesses when costs are a concern, but with limited features and functionality, those free options may not adequately support your long-term growth goals.

Before you rely too heavily on a free solution for your contact management needs, weigh the solution's potential and limitations against your business needs and growth plans. If you determine that a free solution will only scale to a certain point and cause you to select between upgrading (for a price) or migrating data elsewhere, then a paid solution might actually be a more cost-effective alternative for you.

Here are some tips to help you evaluate CRM solutions and choose one that best fits your company's goals.

### Decide how you will use the data you want to collect.

Spreadsheets and electronic address books are fine for storing names, addresses, and phone numbers, but most companies want more out of their CRM solution. If you're looking to track customer service history, integrate sales data, and send targeted, personalized email messages, a more comprehensive tool will better serve your needs.

### Consider your company's potential for growth.

Free CRM solutions are an enticing option, but as your business grows to serve more customers, you will need more robust features to manage your data and unify sales, marketing, and customer support efforts. Carefully review all of the features available to ensure the solution will provide everything you need to execute your sales and marketing initiatives now and in the future.

### Take into account upgrade fees to access advanced features.

Free solutions start with a basic set of features, but may limit functionality or usage until you pay for an upgrade. A paid solution will more likely provide immediate access to a full package of customer relationship management capabilities, as well as the ability to integrate with other software. With additional costs required to upgrade, your free solution is no longer "free".

### Integration is key to efficiency.

The goal of any technology solution—whether free or paid—is to work in conjunction with how your business operates. Often times, this requires your CRM solution to integrate with your general business infrastructure. You'll want to find a solution that works seamlessly with the processes and routines you have already incorporated into your business culture. Free solutions are rarely flexible enough to do this.

#### *Consider a free solution if:*

- *You are comfortable with current usage caps or limits on the number of contacts entered.*
- *You don't mind seeing ads as you work.*
- *You are interested in how using a CRM might enhance your productivity and want to experiment.*
- *Your customer relationship management initiative is not a mission-critical objective.*

#### *Consider a paid solution if:*

- *You require more robust sales automation capabilities.*
- *You want help implementing the solution and training your staff.*
- *You want to customize the solution to meet your specific business needs.*
- *Your sales and marketing efforts would benefit from email and word processing integration.*
- *You want to ensure you partner with a secure, stable organization.*

## Empower the sales team to sell.

With the ability to extend CRM solutions through add-ons, plug-ins, and complimentary products, such as an integrated sales intelligence solution, you can reduce the amount of time employees spend on the administrative tasks associated with email and spreadsheet reliance. This gives your sales associates more time to find prospects, follow-up on opportunities, and make that final, personal connection with a prospect that wins the deal.

## Secure your data and make sure you own it.

Prospect contact information is valuable to your company. What happens to your data if a free solution's service provider suddenly disappears from the market? Is your data safe from hackers and backed up in case of server failures? Make sure the solution you choose guarantees a safe storage environment and allows you to migrate data to another solution if you want to change.

## Training will help you get the most out of your CRM solution.

Without proper training, you may never unlock the full potential of your CRM solution. Will you have the time and knowledge to develop training curriculums on your own? With free solutions, training courses typically require a paid upgrade. If you choose not to upgrade, you'll need to weigh the benefits of a free solution against the time and labor costs of doing your own training.

## Remember, your time is money.

Whether you choose a free or paid option, it will take time to implement, learn, and customize the solution to meet your needs. With free solutions where the support, if any, is likely to be provided via email only, solving technical problems can overwhelm your time and destroy your productivity. With a paid CRM, you can take advantage of value-added services, such as training, live support, and service agreements, that help answer questions and solve issues quickly, significantly reducing your frustration and saving time.

*This document is adapted from the "Managing Customer Relationships: The Choice Between What's Cheap and What Works," white paper by Aberdeen Group.*

## About Sage ACT!

Sage ACT! makes it easy for you to have meaningful conversations with customers by giving you an organized view of the people you do business with. Like the millions of individuals in small businesses and sales teams who use Sage ACT!, you'll always be prepared with recent emails, meeting notes, task reminders, and social media profiles, because all of these details live in one place.

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