



Microsoft Dynamics CRM: Hosted CRM gives Small and Medium Enterprise's big-business customer management

Customer Relationship Management (CRM) is a useful tool for any business. With CRM, you swap simple contact management for in-depth customer analysis. Knowing more about your customers, you can sell more effectively and give them better customer service, too. CRM is therefore, a complete business strategy, not just a technological solution. With CRM you are able to better manage your business and the processes your people carry out.

CRM, for me?

Many small businesses think that CRM is only for bigger companies. This is firstly because CRM-speak can be obscure and you may think that CRM has nothing to offer. That's not true. Here's Microsoft's Jason Nash explaining the benefits of customer lifecycle management: "There will be events in people's lives that will result in buying behaviour and decisions, helping you to sell more effectively. That's true whatever size your business is." For example: if a customer bought an MOT Test from your garage 11 months ago, it is lifecycle management which tells us; now's the time to get in touch again. It's CRM that will automate the process.

The second reason many small businesses have ignored CRM is expense and complexity. In the early days, CRM tools were expensive and inflexible. Salespeople, for example, didn't know what they'd get out of entering their data. The tools and the environment were unfamiliar. Often they had to switch between different applications to complete their daily tasks.

Today the world has changed. "The applications are far more usable and flexible than they used to be, leading to greater CRM adoption", says Dean Carroll of Microsoft Partner Aspective. "You can create business processes in the CRM system which are actually in line with your business." For example, Microsoft Dynamics™ CRM 4.0 integrates seamlessly with Microsoft® Office Outlook®; this means staff don't have to learn a completely new interface to be able to use the system.

Hosted CRM

Small businesses now also have the option to reduce the cost of running a CRM system by employing the services of a hosting company. With a hosted solution, you access Microsoft Dynamics CRM 4.0 over the Internet (through your ordinary Internet browser software). The CRM software is stored in the hosting company's secure data centre, and there is therefore no upfront equipment cost to you. The onus for keeping the system maintained, safely backed up and secure falls on the shoulders of the hosting firm. All you have to do is switch the service on and start entering your customer data.

Nash explains, "Running IT infrastructure generally means you need premises. By having a hosted solution, you no longer need IT staff or physical premises and, you can get the system up in a matter of hours or days." If you run a small company with sales staff out on the road, for example, a hosted CRM solution means that from the moment the service is activated your sales team can see, enter and use customer information wherever they are.

In effect you don't have to be an IT expert to deploy a hosted solution; you can focus on what you do best, running your own business. There's no capital outlay and you pay-as-you-go with fixed low monthly subscriptions, making it easy to plan your budgets too.

Microsoft Dynamics CRM 4.0 as a hosted solution removes the need for compromise on the quality of the software. It includes all the standard features you would get from an installed solution, including:

- **Expedient deployment** – Microsoft Dynamics CRM 4.0 can be configured and deployed within a matter of days.
- **User-friendly** – it's simple to complete tasks within a small number of clicks. The improved Outlook e-mail client makes finding and entering data a breeze.
- **Easy connection from anywhere** through a simple browser.
- **Security** – Microsoft Dynamics CRM 4.0 encrypts your data.
- **Fully customisable to reflect your business needs** – you can, for example, add or take away fields within the database without having to write a single line of code.
- **Integration with the 2007 Microsoft Office system**, including Microsoft Office Excel® reporting. Create visually appealing (and easy to understand) reports from live customer data.
- **Integration with Microsoft SQL Server and Microsoft PerformancePoint® Server** – allows access to full business intelligence capabilities, dashboarding and data mining.
- **Knowledge Management and collaboration:** users can work and share data seamlessly.

Hosting is perhaps the ideal introduction to implementing CRM for the first time in a business, allowing you to pick just the functions you need to get going. You can then scale-up; add users and functionalities as and when you need them. Then, when you're ready for a fully-fledged on-premises solution, it can be built to meet your specific needs: "Software designed for on-site deployment can be customised more than hosted services and offers wider functionality", says Brian O'Kelly of Microsoft Partner

Avanade. "There are extra options available for vertical industries like financial services or retailers too."

CRM in action

Microsoft Dynamics CRM 4.0's analytical tools allow you to sift and sort all sorts of customer data; creating sales profiles based on transactional and behavioural histories. This allows you to:

- Offer customers more personalised, timely and relevant products and services (think of the garage example above)
- Differentiate between high and low value customers. You may want to concentrate on the higher-yield clients, or spot "timewasters" who probably won't buy anything of value.
- Deliver more targeted communications, helping you to keep existing customers happy and attract new ones.
- Improve customer service, keeping your promises, solving complaints and building satisfaction and loyalty.

Highwire Ltd, a supplier of height safety equipment, deployed Microsoft Dynamics CRM and it is now "absolutely central to the day-to-day running of the business", according to Financial Director Elizabeth Rickard. Originally, the company purchased Microsoft CRM to solve a customer service problem: "Before we had Microsoft CRM our previous systems were disjointed and made it harder to offer consistent customer service", she says.

Now, thanks to adoption throughout the company, CRM plays a role in all areas of the operation: "The Microsoft Dynamics CRM system we have now is very easy to use directly in Outlook. It's been heavily customised; so we use it not just for sales, but also to manage operational tasks and follow-up customer service. We see our use of the system growing with the company and feel it really gives us a competitive edge."

Developing a CRM strategy

So where do you start? “Putting in a plan, trying to develop a CRM strategy for any business, large or small, is about identifying what the strategy is regarding attracting and keeping customers”, says Nash. A typical strategy is to start with a ‘vanilla’ CRM solution, giving you contact management with sales and marketing tools. Identify what processes in your business are weak and see how CRM can improve them first. A typical bugbear for many small companies, for example, is the problem of ‘losing customers in the system’. If you find yourself missing sales because customer details are actually scribbled on sticky notes, that’s just the sort of problem that CRM is there to solve.

It’s a mistake to think that CRM will not alter some aspect of the way your company works. Your business processes might need changing, some may become redundant. Some integration might be necessary with your existing systems to increase the value, usability and acceptability of your CRM. The sticky notes will have to go. “One of its strengths is its ability to automate all of these processes”, adds Nash. The challenge then is to deploy a CRM system in small steps.

You need to consider that these will constantly change over time. “There might be regulatory changes within your industry, for example, requiring changes to the configuration of the system”, he says. Make a start, see some benefits and then tweak the system as necessary.

Whether you opt for a hosted or on-site solution, a good IT partner can help you to make the right decisions. They have the expertise and experience of working with a range of other small and large companies, helping you to find the right solution for your business. They can also assist you with the planning and implementation process.

If you thought CRM was only for corporate giants, think again. Particularly with the development of CRM as a hosted solution, the customer management benefits of CRM are now well within the grasp of even the smallest company. As Avanade’s O’Kelly says, “Even for very small numbers of users, Microsoft Dynamics CRM is still a suitable solution as it is cost effective and provides a significant amount of functionality right out of the box”.

Useful information:

- 1 Learn more about Microsoft hosted CRM
<http://www.microsoft.com/uk/business/howtobuy/partnerhostedcrm.aspx>
- 2 Find a hosted service provider
<http://www.microsoft.com/uk/smallbusiness/how-to-buy/find-a-hosted-service-provider.aspx>
- 3 Learn about the benefits of hosted software services
<http://www.microsoft.com/uk/smallbusiness/it-essentials/technology-essentials/hosting.aspx>