

3 Ways a Customer Relationship Management System Elevates Your Business



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Gene Marks:

Hi everybody, this is Gene Marks and welcome to another episode of the Week in Review. Thank you very much for joining us. This is a Paychex Thrive podcast. So, last week there was news coming out of Salesforce.com or Salesforce. I'm sure you probably heard of Salesforce by now, right? Most people are familiar with them, particularly in the business world.

Salesforce is the largest provider, the number one market share of CRM software in the world. CRM stands for customer relationship management software. Now, Salesforce had some bad news to report. They reported that they were laying off approximately 10 percent of its approximately 80,000 employees. They have lost some key executives, as well, recently, and also, they reported that for the first time in its history, they would not be projecting revenue for the next fiscal year for the first time again in history, basically due to an uncertain economic environment.

This is big news for people that are in the technology industry and also in the CRM business. Like, frankly, I am my company, we implement CRM systems. In fact, we do work with Salesforce and a few other of their competitors for mostly small and mid-sized businesses. And I just wanted to say that for people that are reading the news about Salesforce and thinking that, gee, that reflected on the CRM industry, are CRM applications not something I should be considering. The news is "absolutely not." That is absolutely not true.

Salesforce is having its issues just like a lot of tech companies are having their issues. You know, we're going to be looking at 2023 as being a challenging year for a lot of technology companies. But, please do not rule out CRM systems, and in fact, if you have a CRM system or if you are thinking of getting a CRM system, I want to make sure that you understand the biggest three things that a CRM system does so that you know the value that it will provide for you.

Now, first of all, before I get to those three things, let me just explain to you what a CRM system is. Again, it stands for customer relationship management, and it's really nothing more than a database. It's a usually a cloud-based database that has everybody that your company touches in it: We're talking about prospects, customers, partners, vendors, suppliers, anybody that comes in contact with your company is in your CRM system.

Your CRM system will likely integrate with your email system, whether it's Outlook or Gmail or even a lot of CRM systems come with their own emails, as well as your calendaring. In addition, CRM systems have integrations to accounting systems, into your email marketing systems, and lots and lots of other applications.

So why should you have a CRM system? Well, there were three big reasons that I want to make sure that you absolutely know.

Number one is, with a good CRM system nothing falls through the cracks. Everybody in your database has got some type of a follow up. If it's a prospect or a customer, the follow ups might be more frequent. If it's somebody that you only want to talk to once or twice a year, there is a follow up in there. People schedule tests and meetings and appointments and calls for each other and themselves.

But there should be nobody in your business world that doesn't have some time, you know, period of time where you're not touching them. Some people in your database, just the follow up might be that they're included on a newsletter list. For other people, it might be that it's, you know, a partner of somebody or a friend of somebody, and it's just somebody that you want to touch once a year with a Christmas card or birthday greeting or some other type of way that you want to reach out to them.

So, number one reason to have a CRM system is to make sure that nothing falls through the cracks. Everybody's got a follow up – proposals, bids, sales calls, customer service issues – everything has got some type of a scheduled task. That's number one.

Number two, the biggest reason to have a CRM system is to make sure that everybody in your company is on the same page. I like to joke around and say that it's to ensure that nobody looks like a dope in your company. What does that mean?

Well, it means that whoever is in your CRM system can always check about other people that you are doing business with. So, if a customer calls in, whoever accesses the CRM system or takes the call can see notes about that customer or previous work done, maybe invoices sent, maybe things that are scheduled. If you're out at a business event or a conference, if you've got a good CRM system, you can look right on your phone and when you meet somebody, you're like, "Oh yeah, this guy knows this other person at my company, or this person did business with a customer that we have and they might be interested in business from us."

It can be things like their favorite baseball team or again, when their birthday is or personal information about them, like their kids or whatever. But everybody's on the same page because why have a business and take care of your customers if a customer calls in and they don't feel like they're wanted?

So, number one, nothing falls through the cracks. Number two, everyone's on the same page.

And number three, the third reason why people get CRM systems is because it builds value in your business; not just short-term value, which is making sure nothing falls through the cracks and everybody's on the same page and you're following up on all opportunities, but long-term value, because if your database is really, really good, that's an intangible asset to your company.

We live in a big-data world and I can't tell you how many clients that I've had that have built up really good, solid CRM systems and when they comes time to sell their business or take on an investor or take on a partner, they get more value in their business because of the data that they have.

Just think about it. If you're listening to this and you're old enough to think of selling your business and retiring and moving on, you want to get out of there as soon as possible. Well, if you don't have a good database, then you're going to have to be hanging around to coach and consult and work along with the successors of your business for a while until they get up to speed.

But if you tell your successors or buyers of your company, "Hey, we've got this CRM database, it's got everybody that we do business with. It's got every follow up, it's got every sale that we recorded. It's got all the products they bought, it's got all the products they're interested in buying. It's got notes and data about them and their families and their who they're connected to", then the potential buyer will pay you more for your company, just for the existence of that database.

So, if you are thinking of getting a CRM system again, customer relationship management, or if you already have a CRM system, just remember the three big reasons why people have these things. Number one, nothing falls through the cracks. Number two, everybody in your company is on the same page, and number three, it builds value in your company, an intangible asset that can be sold one day if you ever exit or somebody else succeeds you.

So, in closing here, the news about Salesforce this week – while not great for the company – is not something that's a long-term problem. Salesforce is not the only CRM player in town. There are plenty of other great CRM software products and companies that even cater more to small and midsize businesses. So, don't let that affect you. Salesforce will work out their issues. CRM isn't going anywhere because it is too valuable a system for business to not to have, and those businesses that don't have a CRM system or don't use it properly are really, really missing out.

All right. Well, you've been listening to the Week in Review. Again, my name is Gene Marks, and this is a Paychex Thrive podcast. If you have any advice or you would like more information or would like to suggest a guest to us for our Paychex Thrive podcast series, please visit us at payx.me/thrivetopics. That's P-A-Y-X dot M-E/thrivetopics.

My name is Gene Marks. Thank you so much for listening. I will be back again next week with some of the news in the world that impacts your small business and how it impacts it and my thoughts on what you might want to be doing about it. We'll see you again next week. Take care.

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