



Microsoft Dynamics CRM

Which CRM suits me best?

May 1st, 2010

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INTRODUCTION

Microsoft offers a choice of leading CRM solutions – Microsoft Dynamics AX CRM, built inside the Dynamics AX Enterprise Resource Planning (ERP) product suite, and Microsoft Dynamics CRM which can stand alone or integrate seamlessly into many ERP systems including Microsoft Dynamics AX. For ease of reference, from now on in this paper we will refer to Microsoft Dynamics AX CRM as AX CRM, and Microsoft Dynamics CRM as Dynamics CRM.

Both products have many strengths, but there are a number of key differences which means they are suitable for different purposes. Key differences include

- the ability to support offline & mobile use for field sales or service use
- direct access to all production, financial and order information
- allowing users to access the system from within Outlook
- easy hosting or software-as-a-service
- enabling full opportunity management of contacts, products, quotes, activities and forecasting via a defined sales process
- providing easy-to-use eService for customer care
- ability to support multi-level marketing campaigns with full financial monitoring

Many organisations will need some or all of these features and functions, many will not.

So, rather than a dry comparison of function, at eBECS we believe it is important to question what your organisation needs and expects from its CRM system, and then evaluate which software application or combination of applications fit best. We have some customers who use *both* AX CRM and Dynamics CRM to support different parts of the CRM strategy.

Be aware, however, that it is an established fact that a successful CRM implementation is not simply about using the right software. Just as important are the skills of the team that design and deliver the overall solution, as well as the staff and management within your organisation that then adopt it and *keep it adopted*. However, making sure that you start with a software product which will enable you to deliver your initial, and your (maybe as yet undefined) future CRM solution, is a key step forwards.

This White Paper aims to consider some of the elements of that question specifically looking at Microsoft Dynamics AX and Microsoft Dynamics CRM, to help you decide how best to move your CRM plans forward.

A CHOICE OF CRM PLATFORMS

Microsoft Dynamics is a family of adaptable, easy-to-use ERP and CRM applications aimed at enabling users to do their jobs more easily, and allowing business decision-makers to run their business efficiently, driving business success. Evolved over many years, these products are designed to work with each other, and with supporting Microsoft products such as Outlook, Exchange, SharePoint, Word, Excel, BizTalk, and SQL Server, making it as easy as possible for users to quickly understand how to use them.

The product family splits into two distinct groups – ERP and CRM. However, some of the ERP products also include some CRM functionality as standard. So if you are looking for a CRM solution for your organisation, the question is which one is the most suitable for you?

Perhaps you are an organisation considering the implementation of a first, or replacement, CRM; investigating discrete areas of CRM functionality to enhance your current way of working; already a customer using Microsoft Dynamics AX or CRM and perhaps looking to expand functionality. The CRM world is a crowded marketplace and many organisations welcome a guiding hand.

Microsoft Dynamics AX

Designed for medium-size to larger companies, Microsoft Dynamics AX is a multi-language, multi-currency enterprise resource planning (ERP) solution. Its core strengths lie in manufacturing and e-business, with strong functionality for the manufacturing, wholesale and services industries.

It includes applications for financial management, customer relationship management, supply chain management, human resource management, project management and analytics.

The Microsoft Dynamics AX CRM Module (referred to in this document as AX CRM) can be fully customised to help businesses deal most effectively with customers, partners, employees and suppliers. Within the AX development environment, trained developers can make changes by designing, editing, compiling and debugging, all within a single screen.

AX is an all-in-one solution which can scale as a company grows.

Microsoft Dynamics CRM

From first customer contact to after-sales service, Microsoft Dynamics CRM provides web-enabled customer relationship management solutions to automate day-to-day tasks for sales, customer service, field service, call centre and marketing professionals. It enables sales, marketing and customer service teams to work together to shorten sales cycles and increase revenue.

Users can work from within Microsoft Outlook so employees can manage customer interactions quickly and efficiently. A Microsoft Dynamics CRM user can receive email from a prospect, link the email to a customer record, and use pre-configured workflow rules to schedule future interactions with this prospect – all without ever leaving the Outlook interface. This enables users to feel very comfortable with the system from the very first day, making a huge positive impact on user adoption and system success.

xRM or 'Anything Relationship Management.

There is a separate use of Microsoft Dynamics CRM which is growing fast, outside its focus as a CRM application. It is an extremely tailorable database and workflow solution, and so is often used across organisations as a development platform. It is a good solution whenever you need to manage a group people or assets, where much of the standard functionality can be quickly redeployed with a new aim. This approach works across all industries and some examples of applications are Patient Administration, Supplier management, Caravan Park site allocation, Compliance management, Employee management, Training management, Fleet management, Project management, Property management, Event management, Asset management, Football Team management and so on.

But why not use traditional bespoke development, or Access or Excel for these applications? The answer is that:

- xRM is fast to deploy so it reduces the time spent and cost of completing project deliverables
- many of these applications can be built and maintained by non-specialist staff thus lowering overheads
- if all of the various applications around the organisation are built in one product set, it is far easier for IT to support and manage
- these systems can be centrally backed up, upgraded, and are far lower risk than Excel or a range of small database applications.

Take a little time to consider how many Excel spreadsheets or Access, dBase or other small databases you have around your organisation, and how secure and managed they are. Usually organisations count into the hundreds and then realise that this is an important issue.

This is a wide area for discussion that can result in significant increases in IT service levels, while making cost savings. For more information on xRM, please see the next White Paper in this series: "Anything Relationship Management".

WHAT ARE YOU LOOKING FOR CRM TO ACHIEVE?

Many organisations ask the question 'which CRM system is right for me?' But is this the right first question?

CRM systems have been around for over 15 years and can vary enormously in:

- the functionality they deliver as standard
- how easy they are to customise or develop
- how easily they integrate with other systems
- what support they have for web or call centres
- how they handle viral community marketing such as Facebook / Twitter
- how much they cost up front and on an ongoing basis
- how easy it is to find IT staff with the relevant skills to develop and maintain the system
- what infrastructure requirements they place on your organisation

In addition, most off-the-shelf CRM packages have had many man years spent on building in common 'best practice', for example workflows which drive you through the sales process in a particular way. Some CRM systems, such as Dynamics CRM, provide you with a selection of different best practice. If these suit your organisation well, they can bring a dramatic improvement in quality and efficiency for limited expenditure.

So, bearing in mind all these differing attributes, maybe a better question for you to ask is 'Which CRM system are we right for?'

It is important to go through some internal analysis and discussion before you consider looking at any CRM application. Here is a set of steps that eBECS helps you go through.

What problems are you trying to solve, and in what order?

- **Why do you need to change the way you work?** What isn't working well? What isn't working at all? What aren't you doing that you should be? What are you doing that you shouldn't be? What is this costing you? What would be the impact of not changing? This all needs concise definition at the start of your business case.
- **What return do you expect from this change?** Return will come as both hard, measurable returns as well as softer benefits. Hard returns are areas such as processing orders more quickly and thus increasing throughput by 25%, or closing leads faster so improving cashflow by 10%. Softer benefits are less tangible, such as taking 2% customer share from the competition or improving customer satisfaction by 15%. Carefully consider all potential benefits then work out the value of the most obvious ones first. How much value could you bring?
- **What is preventing that change?** Can you merely alter your working practices or do you need a new computer system to help underpin those new practices? Do you have, or how easily can you get, management buy-in? How supportive will staff be? Who in your organisation would have the skills and the time to lead this change? What time can you afford to allocate for each staff member to learn the new way of working? What is your IT infrastructure like? How skilled are your IT people?
- **Is it really worth it?** Ask yourself this at the beginning, and continually throughout the process. It is far better to find out early that it is not worth it. You

(and those around you) need to believe that the problem is big enough, and the likely solution beneficial enough, to be worth the time to be spent investigating solutions and the investment to be spent on likely solutions. If that is the case, then you can begin to start planning the process.

Define the critical success factors

By now you will have defined why you need to change, what you need to change, and what it should be worth, by when. You now need to think about how you will know when you are there.

You need to define specific outcome goals for each part of that change. These are the Critical Success Factors against which your change programme can be measured.

Specific, Measurable, Achievable, Realistic and Time-bound (SMART) goals should be established and then broken into sub-goals by you or your team. Without SMART goals, the team will lack the milestones necessary to drive action.

These Critical Success Factors could be as simple as 'We'd like to increase the lead to opportunity conversion ratio by 5% in the next 6 months' or 'We'd like to increase the number of service tickets handled by customer support by 25% without adding headcount in the next 12 months'.

The areas to address naturally become apparent from the work you did in the previous stage; the targets will need careful consideration.

Once you have defined the detailed problems you are trying to fix, and the metrics by which you'll know whether they are fixed or not, then you can go to the next stage.

Planning to maximise user adoption

Even the best-designed and best-built CRM systems can fail through lack of user adoption. This is a larger risk when systems are designed by management/IT and imposed on staff as was often the case with large enterprise CRM in 2000-2005. Most organisations have learned from those mistakes. To maximise CRM adoption in the planning phase you need to address four areas.

Staff. Nothing will make a CRM solution fail faster than lack of user adoption. It is important to ensure staff input is taken into account at the design, build, test, implementation and support phases. Identify champions and include them in the project team. Make sure that the implementation plan includes both carrots *as well as* sticks to encourage users to take time out of their working day to adopt the new methods. You must make sure they clearly understand what the benefits are for the organisation but also for them personally. At eBECS we have tried and tested methods of encouraging this.

Management. Management needs typically focus on metrics – via reports, portals or charts. It is important to keep them as simple as possible, and as few as possible. You should focus on KPIs and exception reporting – let the system clearly tell specific members

of management when something they are responsible for needs attention (i.e. is outside an expected range of values), rather than providing them with large amounts of data for many departments, through which they have to sift looking for issues.

Customers. Bearing in mind that CRM systems are aimed at Customer Relations, it is amazing how few organisations actually involve their customers in the planning and implementation process. You need to be sure that the new system will improve their experience with your organisation. Ask them directly what the key issues are. Choose new customers as well as important long term customers. You will be amazed how helpful many will be and how this builds stronger ties with them.

Data. Management want accurate data. Users and Customers produce that data. Ideally, you should design the system so that data gets captured as part of the daily usage, rather than expecting people to enter data as an additional task.

What is really important, however, is that you assign ongoing responsibility, and budget, to someone to make sure that data quality is managed and upheld. How will you clean your current data before migration? Do you have standardised address formats? What will your deduplication procedures be based on? How often will you clean the database? If your CRM system is integrated to other system in the organisation, into which of the integrated systems will you enter new customers or address changes? This is a large but important area, again often overlooked, which can lead to mistrust in the system's believability and thus to lack of system success.

Now you have a clear idea of what it is you want to do strategically, why and how you will do it, and how to measure its success, we can start to think about the details of whether AX CRM or Dynamics CRM is best for you.

WHAT SORT OF ORGANISATION ARE YOU?

We talked above about the difference in philosophy between asking 'Which CRM system is right for me' and 'Which CRM system are we right for?'

How you work, and want to work in the future, is key to choosing which system will fit best and help you get where you need to go. Here are some of the simpler areas to consider.

How do you sell? Do you use direct field sales, telesales, brokers and a channel, store based sales, or web-based sales – or a combination of the above? This is very important as Dynamics CRM will support offline and mobile working, whereas AX CRM requires users to be connected to the main system all the time, be it by physical or wireless/mobile phone connection.

If you have multiple sales departments, or marketing and service departments, all of whom touch the same customer in a complete sales process, then Dynamics CRM is designed for this environment.

How do you manage leads? If you want to keep them totally separate from your 'clean' data then Dynamics CRM is able to capture lead information and help you qualify them.

Qualified leads can then be progressed into contacts with opportunities against them. It enables very rapid capture of 'new' information when time is short, as in an incoming phone call or 'call me now' web lead enquiry or order. AX CRM handles leads as part of the main database and requires rather more information to be entered in order to set the lead up in the system. So carefully consider leads – (a) do you sometimes sell on the first contact? (b) do you only want validated and trusted data in your main customer and accounts database?

How do you manage opportunities? If you track various quotations and the probability of them closing, then AX CRM can do this for you. If you want full opportunity management so you can track all the contacts, correspondence, products, quotes and assigned activities for each opportunity, plus the likelihood of closure, and when, then Dynamics CRM can support this. Both can promote a quote to a closed order and then invoice it, but in AX CRM this is automatically integrated whereas with Dynamics CRM the invoicing side has to be synchronised to your ERP.

How does your marketing department operate? Do customers come to you to buy or do you have to find and develop them? What techniques do you use and how many techniques and phases do you combine into a campaign? Dynamics CRM supports a wide range of marketing mix including telemarketing, e-marketing, events, viral & social network marketing, all mixed into multistage campaigns and all measurable so performance can be managed. AX CRM can easily run questionnaires, surveys and do some campaign costing, but does not have the same spread of support.

How do you deliver customer service – via the web, a physical or virtual call centre, point of sales at store/location, field-based service engineers, a mix of these? In general terms, AX CRM is designed to support break/fix repair operations very well, and Dynamics CRM is more oriented around case management and support contracts, with communication by phone, email or web via a prebuilt eService portal. It also includes a Knowledgebase that support staff can access to help them build up a valuable resource of answers.

The above are some of the more straightforward areas to consider. For a more detailed review, eBECS have developed a thorough questionnaire which we can take you through. For more details please email swilson@ebeecs.com.

HOW EASILY WILL YOUR STAFF ADOPT THE SYSTEM ?

One of the key issues with CRM system success has always been user adoption – how to get them to turn it on in the morning, use it to support their job throughout the day, and gain the personal, departmental and enterprise benefits you had expected.

An important part of this is user familiarity and ease of use. How IT literate is your user community? Are they used to a variety of systems, are they comfortable with internet use, or do they prefer to stay within Outlook, Excel and Word?

In organisations that already have AX, it is common for sales staff to already use the system to support them in areas such as quotations or stock enquires, so they are often already familiar with the look and feel of the application in either its PC client or web portal user interface.

Dynamics CRM offers 4 user interfaces – via a web client, a portal, a mobile phone or most commonly via Outlook. Outlook is extremely popular as (a) it always gets turned on in the morning and (b) everyone knows how to use it, so it addresses two steps to high user adoption. It also eases synchronisation of contacts with Windows Mobile phones – add a contact to your CRM and it can appear in Outlook and on your phone, automatically.

TECHNICAL CONSIDERATIONS

Both Microsoft solutions require a backbone of Microsoft infrastructure products, but AX will happily work on Oracle and SQL Server databases. Dynamics CRM only works on SQL Server, and also requires that you use Exchange, Office and Outlook (if you want to use that interface) and Active Directories. eBECS can provide you with full planning documentation which lists infrastructure requirements in detail.

You should also consider how skilled, and how available, your IT staff are. If they can't or don't have the time to support the CRM system, users will not get good service and the system will fail over time. There are a standard set of courses which IT staff can learn from, either in class or online, to make sure they are skilled. Their availability to provide support using these skills is something you will have to carefully consider.

An alternative to this is to consider hosted solutions. Dynamics CRM is well established as a hosted solution – all the day to day management, support, product upgrades and back up is outsourced allowing you to focus on what you need to do. Additionally, hosting via eBECS means you can easily add to or reduce the numbers of users on a month by month basis so you can have a very rapid, low risk start up then expand the system as time, budget, and confidence grows.

SUMMARY

Both AX CRM and Dynamics CRM are well rounded applications with a good match to different sets of requirements. The CRM within AX is totally integrated with the ERP and so is ideal for dealing with customers when they or your staff need a consolidated view of finance, stock and manufacturing information when dealing with customer issues.

Dynamics CRM is a more functional CRM application which is able to address prospects as well as existing customers equally well, along with extensive marketing and customer care functionality.

We have some customers who use both applications as part of their overall CRM strategy; this is valid in situations where some departments that deal with customers may need access to complex order or production information as well as more generic sales, marketing and support functions.

This is why it is important to focus on the business aims and expectations. eBECS staff are experienced and skilled in asking the right questions to help you quickly reach the right decision.

If you are an existing AX customer, or considering purchasing AX ERP, then it is certainly worth looking at both CRM products. If you are not an AX user, and looking for a new CRM only, then Dynamics CRM is probably the best place to start.

For more details or to arrange contact from an eBECS specialist, please contact swilson@ebecs.com.

ABOUT eBECS

eBECS is a specialist in the design and delivery of solutions for **manufacturing, distribution** and the extended **supply chain**.

eBECS delivers world class Lean and agile business solutions using Microsoft Dynamics AX and Dynamics CRM. Its solutions streamline and integrate processes, minimise waste, optimise the supply chain and manage demand-driven operations.

eBECS is a global company with a personal touch and takes enormous pride in its ability to reference a large client base. eBECS has also joined forces with Microsoft to establish the 'Lean Centre of Excellence', which serves as a collaborative facility for organisations looking to utilise the Lean capabilities within Microsoft Dynamics.

For more information about Microsoft Dynamics Customer Relationship Management, please email customer@ebecs.com visit www.ebecs.com call UK and Worldwide + 44 (0) 1246 888 555 call U.S. and Canada (1) 678 318 3529.

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