DISTRIBUTION STRATEGY GROUP

Distribution Leaders Panel:

How to Ensure Successful CRM Adoption to Drive Sales

By Mike Marks

Distributors reap many benefits from Customer Relationship Management (CRM) platforms, from better more reliable record-keeping to improved customer interactions across your company.

But selecting the right platform for your business can be daunting. Gone are the days of databases that simply store customer information; today's CRM solutions are robust networks that can be used in many ways.

But not all CRMs are created equal. One may be better at tracking customer touchpoints, but maybe lacks the reporting functions that drive continuous improvement. Or maybe one has a great dashboard that allows for at-a-glance analysis, but its field customization functions are limited.

Only you know what your needs are – today and tomorrow. But a little advice from folks who have already gone through the selection and implementation process can help sort through all the pros and cons before you.

In a recent webinar from Distribution Strategy Group, Jonathan Bein, managing partner at Distribution Strategy Group, and I hosted a panel of distribution leaders who shared their experiences with CRM, including what's worked best and what could have gone better.

Panelists included:

- Jason Stein, Vice President of Sales & Marketing, Border States
- Brett Dingwall, Director of Sales Technologies, ORS Nasco
- Joe Loucks, Global Sales Operations Leader, ADI Global

Most Important Features

CRMs come in many shapes and sizes, and so do distribution companies. As a result, defining what you need from a CRM is a critical step that can't simply be outsourced. No one knows your company better than your team.

That doesn't mean you can't learn from the experience of others. Our panelists identified some key features that made implementation and adoption easier overall.

Simple User Interface

"Make it simple. Have a great, simple UI," Dingwall advised. "This is change management for your sellers. If you're throwing a lot out through a fire hose, it's going to be a really hard pill to swallow."

Stein agreed: "It's critical that it's easy to use. That's how you ultimately get your adoption."

In other words, don't create barriers where there don't need to be barriers. Choose a CRM that is easy to navigate and a workflow that is simple to understand.

"Make it simple. If you're throwing a lot out through a fire hose, it's going to be a really hard pill to swallow."

– Brett Dingwell

Data Integration

For ADI Global, "the CRM is the brain of the connected business," according to Loucks. "It's the central hub that you're going to be using, so really everything needs to be connected. It becomes the source of truth for your sales reps."

Identify which of your systems already contain the most critical information for your sales reps and choose a CRM that can integrate with those systems. Some common examples include:

- Enterprise resource planning (ERP)
- Business intelligence
- Web analytics and data
- Marketing automation
- Pricing automation

Not only does this create a single system of record, or source of "truth," it helps make the sales process simpler.

You will make salespeople crazy if they must go to three screens to do one thing.

Ask yourself: What are the steps that my sales team takes every day, and how can I put that all in one place?

Scalability and future-proofing

"A lot of times people pick a CRM based on their current needs. They're not thinking about the future needs of the organization, where they're potentially going to grow, where they may deploy it," Loucks said.

Implementing a CRM can be a big undertaking, with some systems taking months to get into place. When looking at the available features, think strategically about where your sales team is heading and what tools may help them down the line.

People spend a lot of money fixing screw-ups.

Implementation and Buy-In

Choosing the right CRM is only one step in the journey. All the assessment and preparation mean nothing if the sales team doesn't use the system in their day-to-day activities.

So how do you get buy-in?

Defined sales process

The first step to buy-in can start even without a discussion about CRM, and that's creating a well-defined sales process for the sales team. Doing so will ensure that the entire team is starting from the same point.

"For ADI, we did not have a defined sales process," Loucks said. "We realized it was going to be critical for rolling out CRM, especially if you're rolling out to different regions or in different areas of the business. You want to be able to have everything talk together."

This is particularly critical for companies that have grown through acquisition, Stein noted.

"Through that, inherently you accumulate a lot of different sales processes. They're not aligned. If you don't establish a defined sales process on the front end, it is nearly impossible to give that experience for all the users," he said.

Having a well-defined sales process will not only help you with the CRM rollout; it also helps with your day-to-day sales operations, because everybody knows what's expected of them. And it's easier to implement accountability for employees.

"If you don't establish a defined sales process on the front end, it is nearly impossible to give that experience for all the users."

– Jason Stein

Plan for data input

The goal with a CRM for most companies is to create a single system of record: one place where all your customer information can be compiled, viewed and analyzed to create better sales flow – and ultimately drive more sales dollars.

But how will all that information get in there? Don't force your salespeople to do that work for you. That will take away from their productive time and likely result in poor feelings about the CRM right off the bat.

"Minimize the input for the sales force, and then bring those insights and that information to their fingertips," Stein said.

A lot of that can go back to data integration. Much of the information already exists in your current systems, so find a CRM that can import it.

But don't stop at the setup; keep data entry simple for your sales team so you can pay them to do what you're paying them to do.

There are only three things that Dingwall thinks sales reps should be responsible for inputting daily: contacts, opportunities and notes.

Everything else likely already lives somewhere else in your data network.

But even entering some opportunities can be automated, Loucks said.

"Very often, we don't find out about the opportunity until we're quoting it," he said. "What we realized is there's just a lot of waste there to have our sales reps enter opportunities that are quotes. So, we built an automation that takes those quotes and automatically turns them into opportunities."

Champions and cheerleaders

The most effective approach won't come from the top down. Instead, "champions and cheerleaders really need to come from within the sales function," Loucks said.

"If your sales leaders can really get on board and really believe in it and adopt the mindset that 'If it's not in the CRM, it doesn't exist,' that probably the most critical thing for success."

The people active on the sales team already will be the ones who can really sell the benefits to hesitant reps, because they can more closely relate to what the reps are doing each day – and can highlight the things that will make their jobs easier.

"Champions and cheerleaders really need to come from within the sales function."

– Joe Loucks

They're also the ones who will convince naysayers that the tool isn't going to be used simply as a tracking tool.

"We're not using the CRM to say, 'Hey, are you guys doing your job? Are you making 50 calls a day?'" Dingwall noted. "It's about having our history and having the ability to push smart, intelligent data for more relevant conversations that the success will come from."

Results speak for themselves

Ultimately the best way to get buy-in from employees is to have results you can point to. And with CRM, if it's implemented correctly, "the results will speak for themselves," Stein said.

"When the sales force sees the value and they want to be involved with the tool because it helps them be successful, that's the litmus test," he said.

Results can come rapidly. Dingwall shared how in the past 10 days, his company closed $30,000 of attributed revenue, of which 90% came from products that would not have been pitched without the integrated CRM setup.

"To actually see the revenue coming in … We hit a number in two-and-a-half months that we would've never thought was possible," he said.

Lessons Learned

Despite best-laid plans, speed bumps are often inevitable. Those are opportunities for growth.

Here are some of the critical lessons learned from the panelists.

Don't cherry-pick your deployment

"If you're going to deploy (the CRM) to a group, fully deploy it," Loucks said. "You may be thinking, well, someone at the counter doesn't need it. But they need it. You need that 20% of the data that they have."

If you want to keep the process simple for your sales reps and create more effective communication with your customers, all people who might have a touchpoint need access. Otherwise, data won't make it into the CRM, and your investment won't see a strong return.

Identify and involve stakeholders early

Who will benefit from the implementation of a CRM? Make sure they have input on how to make it relevant to their roles.

"One of the things that I wish we would've done a better job of is we didn't engage our actual sellers," admits Stein. "We thought we knew what they needed better than they did. We would learn quickly on the first launch of it that there was some really low-hanging fruit that we completely missed or overlooked.

"Certainly as we think about future phases, those stakeholders will be sitting in the room with us."

Don't view it as "one-and-done"

Getting the most out of your CRM is a process.

"You can't just deploy it and then sit back and say, 'OK, well give us the benefit now,'" Loucks said. "It is a constant process of iteration and evolution and improvement. The way our CRM looks now compared to 2019 when we started this journey is vastly different in lots of different ways.

"One of the things that I wish we would've done a better job of is we didn't engage our actual sellers. We thought we knew what they needed better than they did."

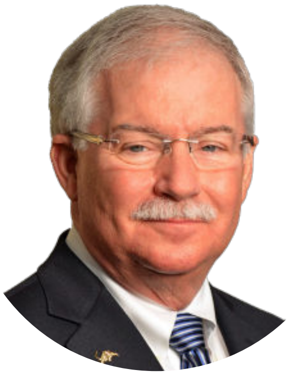
– Jason Stein

"And it's a vast improvement for the reps, but it's a constant evolution," he said.

That process doesn't stop at the technology.

"(Implementing CRM) is an opportunity to also change the way that we do things today," Dingwall said. "What we realized was if we're going be buying a new technology and implementing a new application, we can't necessarily take and expect how we do things today and try to shove it in that round peg into the new square box."

At the end of the day, a CRM system is just a tool. But it can provide measurable benefits to your entire sales organization.



About the Author

Mike Marks co-founded IRCG in April 1987. He began his consulting practice after working in distribution management for more than 20 years. His narrow focus in B2B channel-driven markets has created an extensive number of deep executive relationships within virtually every business vertical in construction, industrial, OEM, agricultural and healthcare.

DISTRIBUTION STRATEGY GROUP

About Distribution Strategy Group

Distribution Strategy Group's thought leadership, research and consulting services are provided by a team with decades of experience in the distribution industry. They have helped more than 70 distribution companies build a solid foundation to win in today's changing market.

Distribution Strategy Group offers strategic guidance for distributors in the face of disruption, including:

- Independent expert content
- Digital and ecommerce strategy
- Customer lifecycle management strategy
- Customer analytics

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Founder Benj Cohen wanted to see that companies like his family's 90-year-old distribution business could use technology – instead of getting squeezed out by it. He teamed up with a group of engineers to build Proton, a cutting-edge AI-powered platform designed for B2B.

Your Challenges

- Reactive sales channels
- Siloed sales activities
- High cost to serve

How Proton Helps

- Gives sales reps the tools to be proactive
- Coordinates channels for cross-sell/upsell
- Increases profits, average order value and wallet share

Identify and target sales opportunities across every sales channel

Customer Service: Turn reps into revenue-generators on customer calls

Inside Sales: Guide reps on who to call, and what to sell them

Outside Sales: Put data at field sales reps' fingertips in a mobile app

eCommerce: Personalize customers' experience with AI-driven recommendations

How it Works

We create a complete view of every customer by consolidating data across channels. This gives us data-driven predictions about who is going to buy what and when. We use those to push a coordinated sales strategy so you can make targeted upsell and cross-sell pitches with every interaction, across every channel. **The result: Simply put, you'll sell more.**

Success Stories

A lawn and garden parts distributor increased ecommerce revenue per customer by 27%.

Turning telesales reps into order-makers, a dental distributor increased revenue per pitch by 13X.

An industrial MRO distributor added $115K annual incremental revenue per Customer Service Rep