Tailoring CRM

CRM resellers and vendors are offering customers vertical solutions.

By Carly Lombardo

A large hedge fund company found that as its assets under management grew, it became hard to deliver personalized service in a cost-effective way. As the number of clients increased, it became harder to sell, cross-sell, and track new investments, and it became almost impossible to track and forecast money coming into each fund.

"Answering questions required multiple phone calls, and preparation of custom spreadsheets, as well as the delivery of monthly estimates and other specialized reports, required Herculean efforts by administration staff," says Yacov Wrocherinsky, CEO of Infinity Info Systems, a New York-based CRM reseller.

The answer was Infinity's Rela-

Ryan Toenies, CRM practice manager for Inetium, says his company's custom quote tool helps companies make better decisions.

tionship Productivity Manager for Hedge Funds, a combination of a core CRM system, which is built on Best Software's SalesLogix; Infinity's custom model for Hedge Funds; and consulting services to tailor it to each firm's needs. Features include new business/pipeline tracking to forecast money coming into funds, compliance reports to make sure firms are satisfying government requirements, and integration with Outlook, Word, and Excel.

Once Infinity implemented RPM for Hedge Funds, assets under management grew nine-fold, while staff grew from three to five.

"Generation of client reports was faster, of higher quality, and more reliable since much of the manual effort of faxing and emailing was eliminated. Client service feedback improved since clients got answers on the first phone call, and employee frustration was reduced since it was easier to focus on new business rather than the hassles of getting information and preparing reports for people," adds Wrocherinsky.

An implementation can take as little as eight weeks, and pricing starts at $20,000. Such jobs are the reason that in each of the last three years, Wrocherinsky has seen his firm's CRM practice grow 35 percent.

The hedge fund experience illustrates the market for CRM software.

Once pretty much a one-size-fits-all application, CRM is rapidly developing for markets that have special needs.

"The industry is changing. CRM software overall is more verticalized, and people are more demanding. Being able to tailor CRM to fit a business model is allowing more people to embrace it," says Wrocherinsky.

To meet the demand of its customers, Infinity has developed a series of templates focused on verticals such as financial services, hedge funds, biotech, and distribution. All templates are built on Best Software's SalesLogix platform.

Like Wrocherinsky, other resellers and vendors are developing specialized applications to fit different types of customers and different business models.

"In the last year, we've seen the CRM market break up like an ice pack. Competition is at a higher level, customers are more sophisticated, and Web mobility, integration, and verticalization are all factors," says Jon Van Duyne, the general manager of Best's CRM Business Unit.

Vendors such as NetSuite, Interface, and Cole Valley have CRM products aimed at specific industries. For example, San Mateo, Calif.-based NetSuite recently released NetCRM Services Edition with service-specific features such as service item management, project/job tracking, a client self-service center, advanced activity and time tracking, and document management.

"We wanted to reach companies that provide a service rather than a product. No company is the same, and we want the solution to fit our customers," says Mini Peiris, senior director of product marketing for NetSuite.

Other vendors are letting their channel members develop many of the specific features. "We're relying on partners to use their knowledge and tweak our customizable product to fit specific client needs," says Craig Downing, an Accpac vice president.

Similarly, Microsoft is relying on its VARs to do much of the fine-tuning for its CRM line.

"They're taking the core CRM capabilities from Microsoft CRM and modifying it to deliver a solution that fits perfectly with their customers," says Brad Wilson, general manager of Microsoft CRM business.

CRM Vendors

Best Software
Scottsdale, Ariz.
(800) 643-6400
www.bestsoftware.com

Cole Valley Software
San Francisco
(800) 447-1712
www.colevalley.com

Lexis Nexis Interface Software
Oakbrook, Ill.
(888) 572-1400
www.interfacesoftware.com

Microsoft Business Solutions
Fargo, N.D.
(888) 477-7989
www.microsoft.com

NetSuite
San Mateo, Calif.
(877) 638-7848
www.netsuite.com

Protech Associates
Laurel, Md.
(800) 310-8813
www.ptassoc.com

Templeton & Co.
West Palm Beach, Fla.
(561) 798-9988
www.templetoncpa.com

TenDigits
Vancouver, B.C.
(866) 860-7155
www.tendigits.com

Many Microsoft CRM resellers say the software's ability to be customized is a top reason for offering it in the first place.

"The genius in the Microsoft product is the ability to tailor it to fit a certain company's functionalities, rather than have an industry-specific solution. With CRM, it doesn't make sense to build ten different flavors. We prefer to take implementations as lessons learned, and continue to tweak the product to fit our clients' needs," says Steve Templeton, president of West Palm Beach, Fla.-based CPA firm Templeton & Co.

Increase in Demand

Many accounting software resellers, seeing a steady increase in CRM, are focusing more manpower and effort into their CRM divisions. That includes Cranford, N.J.-based Solution Strategists, which created its CRM department last year to focus on Best's SalesLogix. It recently hired Colin Warren as director of CRM.

"Right now, CRM accounts for about 25 percent of our revenue, and within the next couple of years we hope to make it at least 50 percent," says president Art Nathan. In fact, the firm was expecting to quadruple its entire CRM practice in a matter of weeks.

The spur is a customized receivables management solution designed to provide its customers in the accounts receivable services industry with functions that include collections services, outsourcing, traditional invoicing and electronic bill presentment, deductions management, and bankruptcy services.

One Solution Strategists' client had been using an internally developed program that it quickly outgrew. This is where Solution Strategists was able to help.

"Our client needed a programming tool that allowed for the quick and easy duplication of the business processes already defined by the original application. By using SalesLogix, the new program could not only be used internally, but could also be easily rolled out to each of our client's Fortune 500 customers," says Warren.

Danny Baker, principal of Baker Consulting's CRM division, has also seen CRM revenue increase by 30 percent. The Greenville, N.C.-based SalesLogix reseller has seen the number of seats increase from fewer than 50 seats to about 100 seats. In addition, Baker has often found that when clients implement the software in one department, the CRM system trickles through the company. For example, in a recent $150,000 SalesLogix engagement, the CRM system was first implemented to manage accounts, contacts, and sales activity for 75 users in the sales department. It moved to the marketing department, where a catalog was created, and finally was implemented in the customer service department.

More Talk Than Action

However, not everyone is seeing interest in CRM increase. "In our market, more people are interested in talking about CRM, but it hasn't taken off in the closing deals department," says Chris Gryskiewicz, executive vice president of Templeton & Co.

Although CRM contributes to less than 20 percent of the firm's revenue, "It's an important component that has significant potential in future years," says Steve Templeton.

The firm developed CRM for Professionals, focused on people, such as accountants, who bill by the hour. The product, based on Microsoft CRM, was developed to automate the firm's own processes and manage leads.

"It's become a focal point for our organization. We use it as a portal for company-wide announcements, staff can check their CPE status and client information, and we're moving it to operational issues such as tracking tax due dates," says Templeton.

Despite the plan to market the software to other firms, the interest hasn't surfaced yet. "If I had to pick any market to sell to, it wouldn't be ours, they're not tech-savvy," adds Templeton. "CRM for Professionals is more of a hobby right now than a practice focus, but if there are firms who want to jump on board, we can tailor it to fit their needs."

Nevertheless, vendors are lining up to serve organizations that are more concerned about managing relationships than sales, including accounting firms, law firms, financial services, and consulting services.

Companies moving in that direction include LexisNexis Interface Software, Cole Valley, and NetSuite. In fact, Oakbrook, Ill.-based LexisNexis Interface Software has 7,500 accounting firms using its InterAction CRM product.

Customers are demanding more specialized CRM applications to meet their needs, says Yacov Wrocherinsky.

Steve Templeton, president of Templeton & Co., says, "CRM is an important component of our business that has significant potential in future years."

"It's become a staple at our firm," says Mike Cain, managing partner of Lattimore Black Morgan & Cain, which implemented InterAction two years ago.

The Nashville, Tenn.-based firm, which employs 240 people in nine operating companies and about 20 service groups, previously used about 15 different systems for tracking information. The firm has found InterAction's WatchList feature, which provides a snapshot of activities at a selected point of time, invaluable.

"The WatchList is especially valuable when keeping up with information about our clients. We have several organizations that make up the LBMC family of companies," says Leisa Gill, director of marketing. "While each has their own clients, they also have some clients in common. If a company moves, a key person leaves, we all know about it as soon as it happens. As a result, we also stay more up to date with information across all company lines."

InterAction has also saved LBMC time and increased its marketing effectiveness.

The system tracks which clients or prospects have received mailings from the firm and how many pieces they have received over a certain period of time. "With InterAction, we can simply scroll down to the activity portion of the contact, and know exactly what they have received," says Gill.

Interface, acquired last year by LexisNexis, says product sales rose by 24 percent last year, and it attributes a five-year path of revenue growth to the fact that serving accounting firms requires a different product.

"Accounting is more relationship intelligence, and you can't just provide a generic solution. We focus on how accountants work," says Barry Solomon, executive vice president for LexisNexis Interface.

Following a similar approach to Interface is San Francisco-based Cole Valley, with its ContactEase Software.

Cole Valley president Jeff Reade has seen interest increase from the target market. "Service-based firms like our software because we've kept it simple, focused on relationships instead of just tracking products, and it has Outlook integration," says Reade.

Recognizing Opportunities

Vancouver, B.C.-based TenDigits saw an opportunity for CRM to exist on handhelds and ran with it, designing MobileAccess for Microsoft CRM to provide Blackberry users access to their CRM data, including contacts, accounts, opportunities, leads, and activities.

Previously, TenDigits worked on large CRM engagements with Pivotal Systems' CRM application, but decided to become a Microsoft ISV.

"We changed because Microsoft's CRM is easier for clients to use, cost of ownership is low, and there's no competition when it comes to functionality," says president Sean Gochler. MobileAccess, the wireless application, establishes access to CRM data through the MobileAccess server. The system allows for data changes from the field and the office and instant access to current data.

"People with PDAs want even more out of them now. They're going to start looking to put applications on their devices. Our solution allows users to stay connected to people, and instantly makes available organizational processes that allow mobile professionals to speed delivery, follow-up, and increase service levels with clients," says Gochler.

Changes made remotely, such as schedule entries, contact changes, and opportunity updates are instantly available on the office server and the Blackberry. In addition, entries made by administrators in the office are automatically pushed out to the person in the field. MobileAccess is $495 per user.

Protech Associates, a Microsoft Independent Software Vendor, saw a similar opportunity and created a CRM package for membership associations.

The Laurel, Md.-based company developed Protech CRM for Members, a customized, "snap-in" application that works in conjunction with Microsoft CRM.

CRM for Members includes expanded functionality for association staffs, along with integration with financial reporting applications, including Microsoft Great Plains and Solomon, and member-centric transaction processing.

"We were already in the associations' vertical, and Microsoft CRM allowed us to create a suite specific to this niche. For us, CRM is the catalyst to increase our revenue," says Leah Muse-Orlinoff, director of communications.

Highlights include a speaker and facility management module, which facilitates meeting and event planning and logistics; a Chapter Manager module, which allows associations to define local, state, and regional chapters, and to establish billing processes and requirements; and lockbox procedures for importing bank lockbox data files directly into Protech CRM for Members.

Muse-Orlinoff provides this example: With Protech, associations have an easier time collecting and accounting for membership dues. In the past, when a payment was received, an employee would record the payment in the member record, update the membership expiration date, and then send a confirmation receipt. "Now, this process can be completely automated and a journal entry can be created for the finance staff," says Muse-Orlinoff.

Key features include referral tracking, which tracks incoming and outgoing referrals, and analyzes information by practice group and referral source. Firms can also review and edit client and prospect information, link them to mailing lists by assignee, track contact relationships, record notes and history, and create emails and letters. The product is priced at $160 a seat for Outlook users, with pricing scaled down as the number of seats increase.

On the Web

Meanwhile, San Mateo, Calif.-based NetSuite recently released its NetCRM-Services Edition. "Stand-alone CRM applications are designed to manage sales opportunities, rather than long-standing client engagements," says Peiris.

For example, attaching ongoing jobs to an opportunity record doesn't make a lot of sense, she continues. Client engagements for services-based companies do not end with the closing of the opportunity, but rather are just beginning since they must then deliver their services, tracking the project through activity and time management with various personnel involved. Pricing is $79 per user per month.

NetSuite reseller Rufus Lohmueller, president of Lohmueller Consulting, who sees more customers who want a verticalized system, is looking forward to implementing the services edition. "It will save us time, and the clients money, by already having functionality in the product, eliminating the need to customize," says Lohmueller.

However, for his non-service-based clients, customization still plays a large role. The five-person Raleigh, N.C.-based firm has seen 35 percent of revenue coming from CRM, with 80 percent of those engagements involving some customization.

"NetSuiteCRM's customization capabilities let us meet the needs of our clients. In fact, it helps us win more deals," says Lohmueller. Customization can include anything from changing terminology to adding custom fields.

Customizing CRM applications has been the key to success for Saint Cloud, Minn.-based Inetium, a Microsoft classic reseller, which had a client who needed to provide quotes to clients.

Ryan Toenies, the firm's CRM practice manager, explains, "We built a custom quoting tool using .Net to integrate with Microsoft CRM and J.D. Edwards accounting. The information is tied back to opportunities in CRM, which ultimately gets tied back into the account."

The system helped the marketing department make better decisions about the performance of individual product lines and which marketing initiatives were effective. "The development and integration of the application to Microsoft CRM has increased overall visibility of the client to all team members from customer service, sales, marketing, and executives," adds Toenies. "It has allowed the company to become more efficient in responding to quote requests and has reduced the time it takes to create quotes and give them back to customers." This engagement, which took six months, brought in $100,000 in revenue.

Roswell, Ga.-based Extremely Productive uses Best Software's SalesLogix for 90 percent of the firm's CRM engagements, but in most cases builds additional pieces for clients.

In an engagement with a manufacturer of pet management products, the firm created a system for the manufacturer's call center.

"When it comes to the customer lifecycle, the customer buys a product, fills out the warranty card, and mails it in," explains Josh Ovett, president of the reselling firm. "The card is processed by a third-party data entry center in a database file, and is then sent to the company."

Extremely Productive's application, Business From Dealers, reads the file, and inserts or updates the records, which can include thousands of records per load, into the SalesLogix system. "Now, when a customer calls the manufacturer for support, the customer's name either pops up on a match with the caller's ID or allows the service rep to look for the customer," says Ovett. "If the result of the call is a replacement unit or the sale of additional product, they are linked without typing the contact information into the accounting system to take the order," says Ovett.

Once the order is placed, the customer's product ownership list is updated and the product ship status can be tracked until it's shipped. This 50-user implementation took 90 days and cost $150,000. Since then, the manufacturer has seen a 20 percent increase in sales without a need to increase staff. AT

Carly Lombardo is Associate Editor of Accounting Technology and can be reached at carly.bohach@sourcemedia.com.

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