FORCEMANAGER.

SFA vs CRM: How to Decide

Choosing the ideal software fo your business.

INDEX

START YOUR
FREE

15 DAY TRIAL

The mobile CRM that allows you
to measure, analyse and improve your sales team's performance.

FORCEMANAGER®
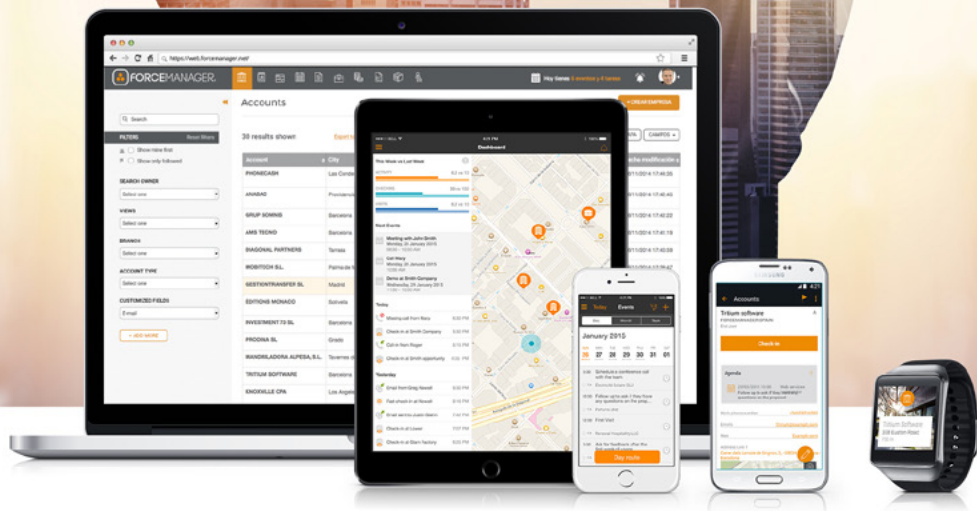
SIGN UP NOW

01.
SETTING
THINGS
STRAIGHT

Follow us:

Every day more businesses are realizing the importance and benefits that can be achieved by applying technological applications to business processes. However, there are many possibilities and people are confusing the term and functions of each application. The most common confusion occurs when executives discuss Customer Relationship Management (CRM) and Sale's Force Automation (SFA). The misconception is that a CRM system is an SFA, but it's not!

CRM software is built with a focus on the customer and their satisfaction. The software is designed for companies to communicate with current and new customers in an organized way. Therefore, CRM software's main functions are Contact and Account Management, Customer Service and Data Base management.

While CRM software is customer focused, SFA is sales process focused. SFA software is designed to make the sales process more efficient and transparent. Generally, it consists of potential sale management and pipeline management. This software provides sales directors with a clear picture of future prospects, recent sales and past performance of their sale people.

To simplify, CRM is post-sale software used to retain and satisfy current clients, while SFA is client acquisition software. In an effort to be an all-in-one solution, many CRM providers have added additional features such as SFA, integration and marketing automation. To be clear, SFA can be a stand-alone software or part of a CRM solution.

BILL GATES ON TECHNOLOGY AND BUSINESS

Bill Gates once said, "The first rule of any technology used in a business is that automation applied to an efficient operation will magnify the efficiency." That is true for both CRM and SFA software. By automating business processes, the corporation is able to do more with less thus giving it an edge over the competition.

However, his second rule is that "automation applied to an inefficient operation will magnify inefficiency." Applying this to the CRM and SFA debate means that it's important to choose the software that is the most aligned with the current business needs and future strategy.

SALES
EFFICIENCY
ON THE MOVE

FORCEMANAGER®
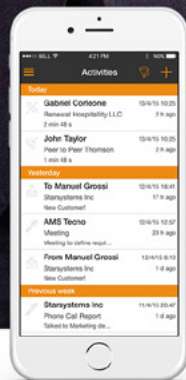
SIGN UP NOW

02.
HOW TO CHOOSE THE RIGHT SOFTWARE

Follow us:

The proposed process is designed to maximize the odds of businesses choosing correctly the right software application. The process should be followed in this sequential order; understand the need, research the different vendors, prioritize what is important, commit and implement.

UNDERSTANDING THE NEED

The first step when considering the implementation of one of the applications is to truly understand the business needs. Some example questions may be: is the business losing clients because of post-sales management? Are sales people asking for help? Is the business getting too big for Excel to handle the database? Are the sales people consistently out of the office?

CRM SOLUTIONS WORK BEST WHEN THE BUSINESS NEEDS:

- An overall picture of its activity
- A full database
- To process a lot of information

- Automation of time-consuming manual processes
- Improvement in customer service
- To cross sell its clients
- Optimization of its marketing

AN SFA WORKS BEST WHEN THE BUSINESS NEEDS:

- Increased sales
- Automation of certain aspects of its sales process
- Greater visibility of the sales team when they are out of the office
- Sales team motivation
- Transparency of its sales people and process

It is important to remember that although CRM and SFA are different, they can work well together. Also, just because the business uses a CRM from one vendor, it doesn't necessarily need to use the SFA capabilities from the same. There are many cases where two different vendors are integrated to provide the optimum solution.

RESEARCH THE VENDORS

Choosing the right vendor is all about choosing the right business partner. Most of these solutions are sold as Software as a Service, which means it's a partnership and not a one-time transaction. Researching the vendors is all about understanding their resources and capabilities.

RESOURCES:

1.   Has this company been around for a few years and will continue to be in the
         future?
2.   Do they have specific departments dedicated to innovation and customer
         support?
3.   Can the vendor scale?

CAPABILITIES:

1.   What are current customers saying about the vendor and application?
2.   Do they help you with the integration process?
3.   How are updates managed?

Additionally, it is always vital to understand what happens if the partnership is dissolved.
Above all it must be clear how the data will be handled and by who.

PRIORITIZE WHAT IS IMPORTANT

Matching the vendor to the particular business needs is of upmost importance for these
applications to add value. It is very easy to get distracted by the bells and whistles that
many vendors add to their solution to make it seem more attractive. The problem is that
those add-ons usually provide very little value and increase the complexity of the user
interface.

Therefore, this step is all about matching step one: *Understanding the Needs* and step
two: *Research the Vendors*. A simple chart can help to organize this comparison.

VENDOR	CRITERIA #1	CRITERIA #2	CRITERIA #3	PRICE PER SEAT
ABC	👍	👎	👍	##
QRS	👎	👍	👍	##
XYZ	👍	👍	👎	##

COMMIT AND IMPLEMENT

Once the right vendor is agreed upon, the next step is to set a clear implementation process. According to a new study by Merkle Group Inc., CRM initiatives currently have a 63% fail rate. These failures occur not because the software is poor, but because the implementation process was not done properly.

There are four steps that usually lead to a successful implementation: KPI Setting, Adaptation, Consolidation and Analysis.

Setting the right KPI is to assure that both parties are transparent and know what to expect from their new "partner." These should be done using the SMART framework of being Specific, Measurable, Achievable, Realistic and Timely.

During the **adaptation** step, the solution is modified to fit the specific business needs. There is an exchange of information where users and hierarchies are defined. In addition, any integration with an existing system, such as an ERP is managed.

Consolidation means that the solution is ready to be taken online and used to its maximum potential. Final changes are made to the solution based on the learning that was done in the adaptation step. For maximum results, it is advisable that key users receive training and that an incentive system is established.

Analysis, the final stage, is a review to ensure that the KPI are being measured and met. At this point, any final adjustments to the solution and modifications of expectations should be made.

CRM and SFA are both powerful tools that can add a lot of value to any business. As mentioned above, many companies report high failure rates with them because improper implementation and low employee adoption rate. To improve this, some companies are adding gamification aspect to their solution. Gamification can be explained by applying game like aspects such as point scoring and leader boards to encourage engagement and commitment. Some analysts predict that CRM and SFA will evolve to employee motivation systems, which will include a gamification aspect.

The decision of incorporating a CRM, SFA or both, is complicated but if done correctly can add a lot of value to a business. In the near future, this decision will not be an "if" but a "when." As many companies adapt these systems, not having them will be a major disadvantage.

Share this ebook:

DOR
YASUR

Dear Reader,

Thank you for reading my E-book! I hope it helped settle some of your questions on the differences between CRM and SFA. Also, I hoped to shed some light on the process of adapting one of them to your current business.

I am currently an MBA candidate at IESE University in Barcelona, Spain. During my MBA internship, I worked at an SFA provider where I became a believer in how these solutions can add value to any business that has people and a sales force. I am sure that if you follow my advice, you will not be disappointed. Good luck going forward!

Linkedin

THANK YOU FOR DOWLOADING OUR EBOOK

Share this ebook: