



## **Optimizing Business Productivity: Do More for Your Customers and Your Business**

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# Optimizing Business Productivity: Do More for Your Customers and Your Business

When sales, marketing, and service teams increase their productivity through the use of a holistic CRM solution, both customer experience and business results improve, creating a competitive advantage.

## Executive Overview

Business growth, cost optimization, customer relationships—these are among CEOs’ top priorities this year, according to a recent survey of 704 CEOs conducted by The Conference Board.<sup>1</sup> Addressing all three is no easy feat. As executives strive to maximize business growth, they often struggle to strike a balance between lowering operational costs and meeting rising customer expectations. However, keeping pace with customers’ ever-increasing expectations while growing revenues *is* possible. One way to do so: improve frontline employee productivity, with a goal to optimize overall business productivity.

Too often, productivity is confused with simply demanding more from employees. Instead, decision-makers need to think more holistically about how they’re going to increase total *business* productivity by applying the right mix of people, processes, and technology.

Customer-facing staff, for example, must alter their current approaches to more effectively respond to today’s ultra-demanding customers. Marketers need to adjust their communications and interactions accordingly, knowing that they may be joining, not starting, the conversation, particularly given the rising use of social networks. Salespeople need to be ultra-prepared with the information necessary to enter the sales cycle when customers invite them in, which is often deep into the process. Similarly, customer service reps need insight at their fingertips to quickly resolve customer problems. Increasing the productivity of these frontline staffers will help them accomplish this effectively and efficiently, while increasing customer satisfaction.

Organizations need to provide these employees with customer relationship management (CRM) business software to help them be prepared, provide customers and prospects with the solutions they need on their terms, and ultimately, close the sale within a shorter timeframe than ever before.

## Measuring the economic impact

Simplifying the toolset given to customer-facing staff—and making sure that it’s specifically role-tailored to them—is the key to optimizing business productivity. Arming sales, marketing, and service professionals with the right CRM techniques and tools—whether on-premises, on-demand, or partner hosted—to meet customer demands can pay big dividends to companies.

In early 2011, Forrester Consulting conducted a Total Economic Impact (TEI) study of Microsoft Dynamics® CRM 2011 business software based on in-depth interviews with executives from nine Microsoft Dynamics CRM 2011 customers.<sup>2</sup> The study evaluated the financial impact and potential return on investment from deploying Microsoft Dynamics CRM 2011 within their organizations. The majority of organizations included in the study either did not have a CRM system in place or were using homegrown legacy software systems prior to using Microsoft Dynamics CRM 2011.

Findings from Forrester’s interviews and financial analysis determined that a composite organization of 2,000 employees and 50 users would **achieve a three-year, risk-adjusted return on investment (ROI) of 243 percent** on its Microsoft Dynamics CRM 2011 investments with a **4.1-month payback period**, representing a **U.S. \$471,218 net present value (NPV)**, and providing an average **NPV per user of U.S. \$9,424 over three years**. These independent findings reflect how enterprise organizations are



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able to optimize business productivity from the use of both on-premises and cloud-based CRM tools.

In today's challenging economy, organizations need to maximize the return on their relationships with new and existing customers by improving business productivity.<sup>3</sup> This white paper examines how companies can do just that by using CRM tools that deliver familiar, intelligent, and connected experiences to marketing, sales, and service professionals.

Supported by analyses from the Microsoft Dynamics CRM leadership team and Peppers & Rogers Group, this paper will provide valuable insights on how companies can harness the power of productivity to gain a competitive advantage, including how to:

- **Provide the right information** at the right time to improve the productivity and performance of customer-facing staff.
- **Create processes that improve** workflow and time management, simplify tasks, and get results faster.
- **Support customer-facing employees with tools** that are familiar, intelligent, and connected to facilitate adoption, usage, communication, and rapid results.
- **Improve business outcomes** through increased productivity in sales, marketing, and service by taking advantage of other commonly used productivity applications in conjunction with CRM tools.
- **Use cloud computing** to drive down operational costs and improve the productivity of global teams with real-time, "always on" CRM.

## Solving the Productivity Puzzle

There's a popular adage that's often applied to workplace productivity: *We don't need to work harder; we need to work **smarter**.*

But that's easier said than done. Over the past 20 years, advancements in information technology (IT), including improvements in CRM and other workforce productivity tools, have enabled companies to achieve higher levels of output from employees across a wide range of organizational roles. However, back-to-back recessions over the past decade have led most companies to continue operating with lean staffs, making it increasingly difficult for business leaders to achieve growth targets or attain further productivity gains from their employees.

There are limits on the amount of work that any employee can generate on a day-to-day basis. Yet business leaders struggling to meet growth forecasts need more output without placing unrealistic productivity expectations on customer-facing workers. As the global economy continues to gain strength, organizations need to align their goals for sales growth, marketing campaigns, and customer service with the amount of work that sales, marketing, and service professionals can reasonably be expected to produce. They should also provide tools to help these employees increase their productivity in new ways.

### Mitigating the maintenance muddle

Decision-makers need to make it easier for customer-facing employees to do their jobs. They can do so, in part, by moving mundane tasks from their workloads. By eliminating or automating repetitive duties, frontline workers will have more time to spend interacting with customers to solve complex problems and build meaningful relationships with them—relationships that can lead to increased loyalty and higher customer lifetime value. Case studies have shown that one of the easiest ways to enable greater productivity is to tightly couple CRM tools with readily-used office productivity applications like Microsoft® Outlook® messaging and collaboration client and Microsoft Excel®



**By eliminating or automating repetitive duties, frontline workers will have more time to spend with customers.**

spreadsheet software. This linkage can allow workers to manage communications, tasks, calendar appointments, and customer information all in one centralized application.

So much of the work that many employees do on a daily basis—including customer-facing workers—can best be described as maintenance or remedial work that should either be automated or simplified. An example of this type of work includes entering corrections or updates in a customer database or transferring customer information from a customer management system to an email system. These are activities that, while necessary, can be automated and completed with the right types of cloud-based (online) or on-premises CRM tools.

For example, the Forrester TEI study determined that a composite organization based on the aggregate findings is able to achieve productivity savings of 16 man-hours per month due to better reporting automation, data consolidation, and richer dashboard capabilities.

**Jones Lang LaSalle (JLL)** is a prime example of a company that has achieved these types of productivity gains through its use of CRM tools.<sup>4</sup> As a multibillion-dollar real-estate company, managing customer relationships is at the heart of JLL's multifaceted business. With Microsoft Dynamics CRM, the company was able to achieve **more than \$40 million in productivity gains** by streamlining its sales process and approvals and by improving cross-sell/upsell conversion through obtaining a more holistic customer view. In addition, JLL has dramatically reduced data entry and administrative tasks while generating more accurate and real-time forecasts and pipelines.

### Benefitting from role-tailored tools

The key to success in achieving optimal business productivity is providing customer-facing employees with simplified, familiar, and role-based tools that are tailored to meet their specific tasks and responsibilities. Giving people more technology than they need can be distracting and adds more complexity to how they navigate their processes and systems. Instead, companies should create and deliver experiences that are easy for employees to follow and are designed to match each person's tasks. And, to increase the likelihood of adoption, it's best to provide CRM solutions that are tightly coupled with commonly used office productivity applications such as Outlook and Excel.

Providing customer-facing employees with familiar role-based tools is critical to driving widespread adoption while driving higher productivity. **ISS**, one of the world's largest facility service providers with more than 480,000 employees, underscores the importance of meeting these requirements.<sup>5</sup>

Prior to its implementation of Microsoft Dynamics CRM, ISS was challenged by low adoption of a previous CRM application. Users found the system difficult to use and IT managers found it prohibitively expensive to customize. Thanks to the robust workflow capabilities of Microsoft Dynamics CRM linked with the intuitive native Outlook client, the time spent on customer interaction increased by 15 percent, helping customer contract renewal rates soar to 90 percent. Additionally, the 360-degree customer view in Microsoft Dynamics CRM helped ISS to increase its customer "re-win" rate by 17 percent. With Microsoft Dynamics CRM, it took ISS Belgium just two months to see payback on its investment, with an **amazing 2,266 percent ROI** overall and the **average annual benefit estimated at €7,974,658**.

The productivity benefits and ROI gains achieved by ISS demonstrate the importance of fine-tuning CRM tools and processes to meet the distinctive work practices of sales, marketing, and service professionals. By working smarter, contact center agents can be better equipped not only to handle call volumes, but also to devote more time to interacting with customers and building stronger relationships with them. Marketing professionals can identify and act on customer insights more effectively to target the right leads and craft more relevant offers to customers, which can lead to higher conversion rates and increased loyalty. Meanwhile, salespeople are liberated from banal information management activities and are able to focus on developing stronger customer relationships using CRM and analytics tools to better understand customers, thus maximizing business outcomes.



**With Microsoft Dynamics CRM, Jones Lang LaSalle was able to achieve more than \$40 million in productivity gains by streamlining its sales process and approvals and by improving cross-sell/upsell conversion through obtaining a more holistic customer view.**

## Productivity Gain: Reduced Cost-of-Sale Benefits

Streamlining processes can deliver significant payback. The following chart reflects the reduced cost-of-sale benefits achieved by a composite organization as tallied from the mean returns achieved by the nine companies analyzed by Forrester Consulting in its Total Economic Impact of Microsoft Dynamics CRM 2011 study. The benefits realized include the standardization of the composite organization's request-for-quotation process and improved solutions management through its CRM implementation.

Ref.	Metric	Calculation	Year 1	Year 2	Year 3	Total
F1	Number of proposals per year		600			
F2	Number of consultant hours spent per proposal		20			
F3	Hourly rate per worker		\$40.87			
F4	Percentage reduction in consultant time spent in proposal preparation		10%			
Ft	Reduced cost-of-sale due to consultant hours saved	$F1 * F2 * F3 * F4$	\$49,038	\$49,038	\$49,038	\$147,114

Source: Forrester Research, Inc.

Not only do familiar and role-tailored tools help the employees who use them, they also benefit the company. Organizations that provide end users with the types of tools that enable them to do their jobs more effectively will end up with higher adoption and utilization rates, resulting in a greater return on investment for CRM systems.

In the sections that follow, we'll explore successful approaches used by companies to streamline workflow and time management. Additionally, we'll examine the use of cloud-based CRM tools to deliver greater agility and an improved cost-value equation.

## Transforming Customer Relationships

Customers interact with companies using a wide variety of channels, such as voice, online, Interactive Voice Response, chat, email, or social networking. As their usage of multiple channels increases, so does their expectation that companies should be able to follow their history of interactions across these varied channels, as well as support their needs and preferences regardless of the channel.

This means that businesses must be able to have the kind of conversation a customer wants in their channel of choice. CRM tools can support this. And, just as companies need to communicate with customers in ways that customers prefer and have come to expect, companies also need to design customer-centric sales, marketing, and service processes that are both effective and efficient for streamlining workflows and improving time management.<sup>6</sup> Consequently, a company's CRM system should be synchronized to enable work teams to be able to execute CRM processes in a scalable, reliable way.

This includes, for example, the ability for customer-facing workers, such as a contact center agent, to follow the thread of a customer's interactions with the company from one channel to the next so that both customers and employees have the same information from the last customer-company interaction. As a result, they don't have to waste time and start the conversation again from the beginning. Those repetitive conversations often frustrate customers and ultimately weaken relationships with them.

Once process changes are put into effect, companies should see higher efficiencies and lower costs by providing customers with the types of experiences they expect. Decision-makers can then measure that progress using various metrics, such as changes in first-call resolution within the contact center or the speed with which customer issues are resolved by agents.



**In the CRM space, it's important to be able to have the kind of conversation a customer wants in their channel of choice.**

## Developing customer-focused CRM processes

Decision-makers can identify and act on customers' needs and preferences, in part, by gathering customer intelligence through customer feedback mechanisms and across various interactions with customers through multiple touchpoints. Companies can then apply these insights toward crafting improved CRM processes that place customers' interests first. As a result, customer-focused processes can minimize wasteful efforts by employees, in part, by eliminating steps that customers don't care about *and* that don't add value to the business.

Taking a customer-centric approach to developing or amending CRM processes will lead to more satisfied customers and generate healthier business results through increased loyalty, retention, and customer lifetime value. Meanwhile, efficiency gains achieved through streamlined CRM processes can help increase customers' satisfaction and help reduce support costs.

# Case Studies

## Corefino Drives Visibility

**Situation:** Corefino is an outsourcing company that provides back-office accounting services to midmarket companies.<sup>7</sup> Corefino decided to transition to a cloud-based CRM system that could help it address customer needs quickly and effectively. Two factors drove the decision: Corefino's customers use its accounting services in the cloud; the company wanted to use a software-as-a-service-based CRM system so it could spend less time managing IT system deployments and upgrades and instead focus on its core business.

**Solution:** Corefino uses Microsoft Dynamics CRM Online throughout its sales, marketing, and service processes, resulting in much greater visibility and transparency. Corefino's sales professionals use Microsoft Dynamics CRM Online to manage customer relationships and sales leads. Marketers use the tools to manage campaigns. Customer service agents use role-based CRM tools to handle customer support.

**Benefits:** Corefino has been able to drastically improve visibility into its sales, marketing, and services processes. For instance, instead of asking its salespeople to generate weekly or monthly sales reports, sales leaders can simply pull the information from the CRM system when they need to. In turn, that frees up Corefino's salespeople to spend more time working with those customers who require more hands-on assistance.

In addition, Corefino's sales, marketing, and customer service managers are able to access performance metrics rapidly using Microsoft Dynamics CRM Online. This includes tracking how quickly leads are converting and gauging the performance of different marketing campaigns.

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## Vodafone Iceland Unifies Its Customer View

**Situation:** Vodafone Iceland sought a way to develop a more complete view of its customers and gain real-time business insights.<sup>8</sup> However, the telecommunications company's customer information was siloed across 18 back-office and 14 customer-facing systems.

**Solution:** Using Microsoft Dynamics CRM, Vodafone Iceland's customer service, sales, and management teams are able to access accurate, detailed customer information, thus enabling them to respond faster to customer needs and to make more informed business decisions.

**Benefits:** Microsoft Dynamics CRM helped Vodafone Iceland to achieve 90 percent first-call customer resolution rates while reducing customer complaints by 25 percent. In addition, the company has been able to slash complaint escalations by 80 percent through the use of prebuilt rules and triggers. Meanwhile, sales have jumped 20 percent thanks to improved cross-selling and better customer service.

One Microsoft Dynamics CRM customer that has been able to improve its productivity by taking a customer-centric approach to delivering CRM processes is **Garanti Pension and Life**, an EU-based provider of pension and life insurance services.<sup>9</sup> The company has been able to take advantage of new revenue opportunities and transform the quality of customer interactions by automating more than 40 business processes. By doing so, the **time to resolve customer inquiries has been reduced by 66 percent**, and the automatic escalation of incomplete actions ensures that customer service is never neglected. In addition, streamlined processes and a more holistic customer view have enabled Garanti to **improve sales team efficiency by more than 25 percent** while **increasing the contribution rate per customer by almost 43 percent**.

There are also business benefits to providing customers with this type of responsiveness. Customers who feel that their needs are being met or even exceeded will be more likely to continue doing business with that company according to Peppers & Rogers Group research. These customers are also more likely to recommend that company to family and friends, thereby increasing the likelihood of generating additional business. Plus, this type of proactive service can lead to operational savings thanks to contact center call deflection.

**Savvy business and technology leaders are drawing on the power of the cloud to help their organizations become more nimble, make IT costs more predictable, and open up opportunities to create competitive advantage.**

## Using Cloud Computing to Increase Business Focus

Enterprise companies are increasingly connecting their global teams to the cloud to drive a number of business improvements. By using cloud-based resources under a pay-as-you-go approach, businesses are able to be more nimble, boost the productivity of their employees by fostering collaboration between global teams, and lower IT expenses through a more predictable cost structure.

A new *Harvard Business Review* Analytic Services report, “How the Cloud Looks from the Top: Achieving Competitive Advantage in the Age of Cloud Computing,” reveals the findings of a global survey of nearly 1,500 business and technology leaders.<sup>10</sup> According to the report, 85 percent of respondents say their companies plan to use cloud tools moderately to extensively over the next three years to increase their business speed and agility, lower costs, and enable new ways to drive growth, innovation, and collaboration. According to the report, “Companies large and small are moving quickly to adopt some form of cloud computing tools and services, recognizing a new technology that could reshape their competitive landscape.”

By using cloud-based CRM tools, companies can reap several productivity benefits.<sup>11</sup> IT departments are able to shift their focus away from mundane activities such as server maintenance and increase their focus on delivering value-added services to end users. Meanwhile, customer-facing workers can retrieve real-time, up-to-date customer information, such as recent transaction data and customer-company interactions. Sales, marketing, and service professionals no longer have to wait for analysts in IT to generate customer information reports that are based on dated information, and thus irrelevant or out of sync with fast-changing market conditions. In addition, companies are able to lower their operating costs by eliminating software and hardware maintenance, because updates to cloud-based CRM tools are instantly available online, globally supported, and easily customizable.

### Advantages of the Cloud

According to the *Harvard Business Review* Analytic Services report, “How the Cloud Looks from the Top: Achieving Competitive Advantage in the Age of Cloud Computing,” roughly 1,500 business and technology leaders surveyed point to the top advantages their organizations obtained through the power of the cloud.

ADVANTAGE	PERCENTAGE AGREEING
Lets us experiment more easily and at low cost	64%
Enables deeper collaboration with business partners	61%
Frees up IT resources to work on more strategic things	60%
Is a source of competitive advantage for early adopters	57%
Lowers the cost of doing business	55%
Lowers overall IT costs	55%

Source: *Harvard Business Review* Analytic Services report

## Evolving your business with the cloud

Companies such as **Magma Design Automation** are using cloud-based Microsoft Dynamics CRM Online across their marketing, sales, finance, and R&D departments.<sup>12</sup> For its part, Magma's marketing department has improved insight and efficiency, allowing them a 360-degree view of the customer in one report, thereby increasing productivity.

Lower costs and improved agility are two key benefits of cloud-based CRM systems that Magma has also experienced. Magma had previously tried other CRM systems with limited success. As an engineering firm, Magma needed an agile, cloud-based CRM tool that didn't burden its precious IT resources.

With Microsoft Dynamics CRM Online, Magma was able to roll out CRM tools to 650 users economically, with minimal IT resources. Additionally, Magma has been able to take advantage of the compelling cost-value benefits of Microsoft Dynamics CRM Online by maximizing its use of the full-featured tool, including reporting, mobility, and workflow. For example, Magma's customer-facing staff used to spend time tracking complex processes that could have been better spent building customer relationships. Today Magma can easily generate and modify workflows through Microsoft Dynamics CRM, so its staff can spend time on more value-generating tasks.

Simplified workflows and similar types of business benefits help explain why the most common perceptions about cloud computing include the potential to reduce costs and the ability for enterprises to transform their IT operations into a utility, according to The Frost & Sullivan Cloud Computing End User Survey 2010 of 330 IT decision-makers in Asia-Pacific.<sup>13</sup>

## Conclusion

As enterprise organizations endeavor to meet the increasingly complex requirements of today's fast-paced business environment, they must harness tools and techniques that optimize business productivity and deliver solid ROI. Companies need CRM tools that are familiar, role-based, *and* provide frontline employees with real-time access to customer information that can help to boost their performance. Using those CRM tools, salespeople, for example, can improve lead tracking and sales reporting. Marketing teams can drive down costs and execute more effectively through real-time insights into campaign performance supported by improved analytics. And, customer service reps can improve support and drive better business outcomes by having a more complete view of customer information, thus delivering a better customer experience.

Organizations that take advantage of on-premises or cloud-based CRM tools to support their sales, marketing, and service teams are positioned to run their businesses more cost effectively and manage critical relationships productively while generating improved business value.

In today's "always-on" society, it's critical for companies to be more responsive to the connected customer. Greater choice between the companies they can do business with has led customers to become increasingly selective and more easily dissatisfied by an organization with which they have problems interacting. Customer-facing employees who are prepared with the right tools, the right customer information, and the right processes to support those interactions are better equipped to have relevant, engaging conversations with customers.

As the case studies noted in this report bear out, providing customer-facing employees with the right CRM tools to do their jobs is a way of helping their organizations harness the power of business productivity. ■



Using Microsoft Dynamics CRM Online, Magma Design Automation's marketing department has improved insight and efficiency, allowing them a 360-degree view of the customer in one report, thereby increasing productivity.



## Microsoft Dynamics CRM

Microsoft Dynamics CRM is a full customer relationship management (CRM) suite with marketing, sales, and service capabilities that are fast, familiar, and flexible, helping businesses of all sizes to find, win, and grow profitable customer relationships. Delivered through a network of channel partners providing specialized services, Microsoft Dynamics CRM works with familiar Microsoft products to streamline processes across an entire business. (©2011 Microsoft Corporation. All rights reserved. This document is provided “as-is.” Information and views expressed in this document, including URL and other Internet website references, may change without notice.)

For more information, visit <http://crm.dynamics.com>

## Peppers & Rogers Group

Peppers & Rogers Group is dedicated to helping its clients improve business performance by acquiring, retaining, and growing profitable customers. As products become commodities and globalization picks up speed, customers have become the scarcest resource in business. They hold the keys to higher profit today and stronger enterprise value tomorrow. We help clients achieve these goals by building the right relationships with the right customers over the right channels.

We earn our keep by solving the business problems of our clients. By delivering a superior 1to1 Strategy, we remove the operational and organizational barriers that stand in the way of profitable customer relationships. We show clients where to focus customer-facing resources to improve the performance of their marketing, sales, and service initiatives.

For more information, visit [www.peppersandrogersgroup.com](http://www.peppersandrogersgroup.com)

## Endnotes

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