sugarcrm

YOUR CX STRATEGY IS FAILING

Five reasons to reconsider your CX approach.

HD-CX Customer experience like you've never seen.

You Invested In It, Lived It, Breathed It...

You understand the urgency of improving customer experience (CX) in your organization and that doing nothing is a detriment to the future of your business. Now, with a strategy and path forward, you're ready to join 52% of businesses in increasing your investment in CX and providing a more valuable experience to your customers.

The fact that 54% of customers believe businesses need to improve their CX should be a wake up call—but it isn't an easy correction to make. After all, there's often a gap between what businesses know needs to happen and their present realities.

In this ebook, we uncover five pitfalls that can cause a CX strategy to fail and how your organization can avoid these traps.

Over-reliance on Employees for Data Accuracy

An airline wouldn't ask a pilot to fix their plane; they'd only trust an engineer to solve the problem. That's because it takes the right person with the right skillset to do it. Just like the pilot/engineer scenario, why would you rely solely on your sales team to provide information about your customers when there's no way they can have a complete picture?

Customer information drives business decisions and informs leadership of what's happening in the pipeline, so you need it to be as accurate and comprehensive as it can be. When you consider that 91% of CRM data is incomplete—and largely duplicative and irrelevant to your business—it seems obvious that the larger the data burden you place on your company, the more likely the data will lack quality. Plus, the time investment it requires to update isn't worth it to the majority of users.

CRM systems are marred with poor data, and yet business leaders use this data to make decisions for the company—costing businesses in the U.S. over $3 trillion per year. This missed revenue is a direct result of the employee data load, which not only makes it harder for sales teams to do their jobs well but also alienates them from the centralized data system within the CRM that the company needs. It's no wonder that only 47% of companies have a CRM adoption rate over 90%.

That statistic is a stunning insight into the current business landscape. Systems are meant to unite sales and track customer data, but they're not adopted by the majority of employees. The more data leaders want in a system, the less quality and accuracy follows. Sales teams find themselves in an uphill battle of balancing selling with administrative tasks—often choosing to speed through data entry, skip it altogether, or resort to the dreaded spreadsheet. This may not seem like a big deal at first, but here's the catch: Turnover rates for sales positions is 27%, twice that of other positions. And if their data isn't in your CRM, you lose it when they leave—and your data fragmentation grows exponentially.

47%

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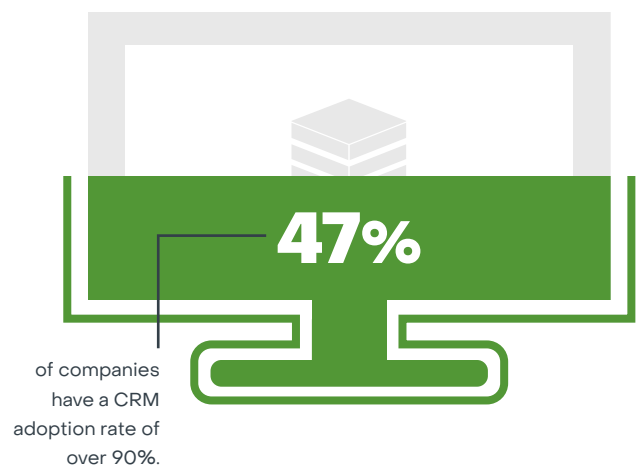
Many sales teams have a long list of reasons why they don't want to enter data into the CRM. However, a company wants this data to enhance their CRM data, as the ROI of a CRM is up to $8.71 per dollar spent according to Nucleus Research. When you look closer at why sales doesn't want to use a CRM, there are two main reasons:

· The system isn't user-friendly
· It's time-consuming to enter the required data

Companies quick to adopt the perceived "top" CRM or those with an explicit bias toward a vendor often don't carefully evaluate the system first to learn if it fits their business requirements—or sets aside the sales team's concerns. A direct result is that sales professionals only spend 35% of their time actually selling—and only 60% meet their quotas.

This directly impacts to your CX strategy because without the right information, leadership can't predict critical revenue goals, and customer

Typically, sales teams don't want to use your CRM system because the system isn't user-friendly and it's time-consuming to enter the required data.

acquisition and retention eaorts lag—ultimately creating an inconsistent customer experience. Data inaccuracies directly impact pipeline forecasting as well as lead insights, resulting in customers that aren't ideal for your company and poor customer satisfaction.

So when the burden of data entry is placed only humans—and mostly on the sales team—it's not hard to understand why your data is incomplete, duplicative, and fails to deliver an accurate picture of your pipeline. Luckily, there's another way… You can turn to technology to not just lighten the load—but perfect the picture.

ADOPT

Assuming Your CRM Tracks Everything

Wouldn't it be nice if your CRM automatically tracked every single piece of information, no matter how minute, to the corresponding customer profile? Sadly, the reality is your CRM only tracks what you put into it.

> **It's a mistake to assume your CRM tracks every single item within an account—it only captures what you put into it.**

Most CRMs are more like digital filing cabinets than fully automated systems, storing the information you enter but not much else. This means you can only glean insights about the data you have within the system—and that you aren't filling any of the gaps within customer profiles. For example, if you don't include company size, contact records for multiple stakeholders, or industry and specializations, this information isn't in your CRM—and it doesn't automatically populate itself. What's more, your CRM isn't a change management system. When an account's contact or the number of units ordered changes, someone must deliberately make a record of the change. Once again, the data burden falls on your employees—or the data is lost.

UP TO
70%

Amount of CRM data that goes bad each year

DOES CHANGE MATTER?

Change is important. Without a systematic record that monitors all changes, you can't accurately predict the future within the system. The frame of reference you see within your CRM dashboard is "right now," and any predictions made don't have all the data to provide a historically based context that's crucial when working with customer data. This lack of business intelligence requires the continual export of data to external systems for analysis. These systems are complex and require specialized training, but, more so, this analysis takes a significant time commitment to clean and extrapolate insights from the data. In short, making predictions on the basis of your current CRM data is expensive and complex.

Even companies willing to make the investment in drawing insight from exported data run the risk of having those insights be completely irrelevant. Not only are the relevant changes within the data unrecorded within the CRM—70% of recorded data goes bad each year. The result? The data used to make predictions is defective and distorts the visibility you're trying to gain. Relying on your CRM data alone is limiting—with no historical context and lack of data interpretations within the system, you cannot rely on the insight you need to forecast accurately.

# Assuming Your CRM Holds All the Information You'll Ever Need

The projected compounded annual growth rate for business by 2025 is 7.6%—meaning that businesses change all the time. Even if your organization is meticulous about its CRM data, continually monitoring and cleansing it, the information you need as your company grows will change. And just as your CRM doesn't track everything within the system, it also doesn't account for the ways your company has grown in a given year or sales cycle, so you can't easily adapt it to meet your current needs without extensive legwork.

There are specific insights and attributes (like name, contact, address, etc.) that organizations track about customers, each of which affects the account overall—but knowing these details still only gives you a high-level, partial view. For example, your CRM may tell you that you're great at working with companies

with 50 to 250 employees, but you may not be able to ascertain that you're even more adept at startups that are less than two years old with 50 to 250 employees. That kind of insight can make all the difference.

When you aren't tracking all the data related to a company, you have a serious intelligence gap. Those missing details could dramatically improve your business, helping you hone and define your ideal customer profile and key parts of the sales process as your company grows. And you can meticulously track all the relevant details you want right now, but without increasing the data set over time, you're limiting your future portfolio. After all, customizing your customer profile increases your ability to sell to those buying groups in a more targeted and successful way.

Projected compounded annual growth rate for business by 2025

7.6%
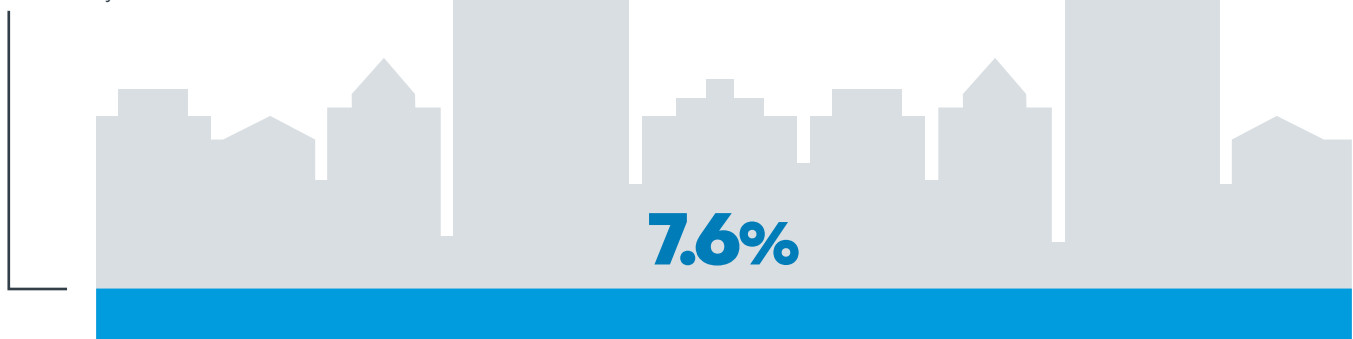
WHAT ARE YOU NOT TRACKING TODAY?

So, does that mean your CRM needs to track everything? No. But you do need a software that can accurately adapt as your company changes—one that keeps up with all the information that you need today and what you'll need tomorrow.

The key to good customer data is consistency and the standard information you ask your sales team to input (remember that data burden we talked about?) must adapt to keep up with organizational growth. Without the proper systems, it's like watching a movie in color on a black and white TV; you may be able to see the picture, but you don't notice all the details that make the view complete.

ADAPT

Siloed Customer Insights

Every team uses metrics differently. Marketing wants to understand lead conversions. Sales wants to know how they're tracking against quotas. Customer service wants renewal rates and customer satisfaction results. The problem is that each of these teams is only focused on their own metrics rather than looking at them as a whole. This creates a siloed view of customer data, hindering critical insights into areas like account potential and customer experience improvement.

This is not a new issue: almost 40% of employees believe there isn't enough collaboration in business. Teams are often fixated on the numbers important to them—and they don't think to share their insights with other teams. Unfortunately, this costs companies over $1 trillion each year—all because of missed upsell and cross-sell opportunities, not to mention key areas of growth in terms of customer satisfaction improvements.

40%
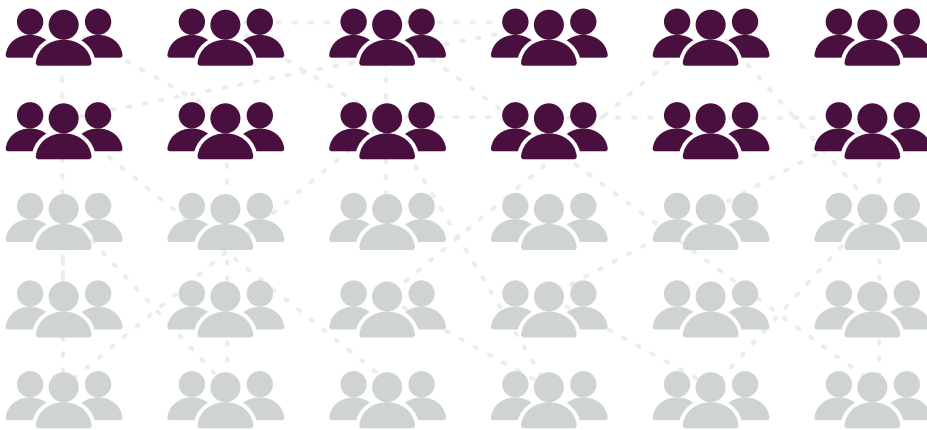
of employees believe there isn't enough collaboration in business

But siloed customer insights do far more damage than you may think. For example, at least one third of marketing and sales teams don't communicate regularly, causing approximately 4% decreases in revenue. Leadership struggles to align departments is also prohibitive to a CX strategy—and not just because teams don't communicate well. Siloed teams also have fragmented views.

Here's a case in point… If marketing qualifies a lead for sales based on the number of interactions with a particular product, the sales team may never know that the lead also interacted with information on a secondary product. Marketing didn't pass this information on because the lead wasn't converted on that data—leaving sales in the dark about the scope of the potential opportunity. Likewise, customer service may help with an implementation and learn about a customer's pain points—which is never recorded or shared, even though it could potentially inspire additional marketing initiatives and sales conversations.

> **A solid CX strategy has the potential to double revenue in your organization.**

The net of all this is that disparate team views create holes in the customer picture that can result in measurable loss of potential revenue—and it can thoroughly undermine your company CX strategy. And the reality is that you can't afford for your CX strategy to be compromised since it has the potential to increase revenue in your organization.

Focusing Solely on Customer-Facing Aspects and Teams

Everybody knows that a great brand can make or break a business, but not everyone realizes that CX is as much a part of your brand today as your logo. In fact, 32% of customers are willing to leave a brand they love as the result of a single bad experience for any reason.
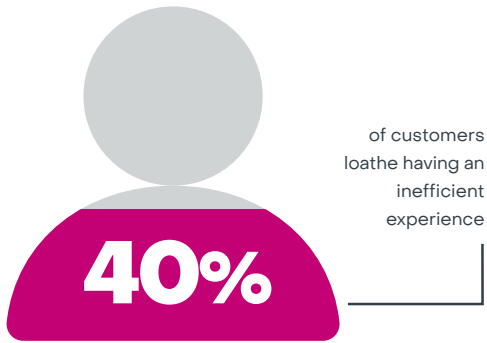
WHAT DOES THAT MEAN FOR YOUR CX STRATEGY?

It means consistency is critical inside and outside your organization, and all along the customer journey. But it also means that businesses need to pivot their thinking around employee-customer interaction. They need to stop believing a customer's experience ends with the employees they interact with. Additionally, it's not just the employees who directly touch customers that matter…

Inside a company, things have to work smoothly as well to make CX effortless—which is exactly what customers crave from the brands they interact with. It's obvious that investing in employees who interface with customers (like marketing, sales, or customer service) is important, but it's perhaps not as clear that the investment should also extend to internal departments like accounting, finance, or inventory control since customers ultimately feel the ripples of error if and when they exist within these areas.

Customer interactions come in all shapes and sizes, directly and indirectly. CX matters in every department—from product to payments to inventory management to shipping and receiving. For example, while your quality control team may never know the customer's name, they're still required to verify each product before it's shipped—which means investing in teams like this can eliminate risks and poor experiences that don't live up to customer expectations.

The experience throughout your company matters—whether it's a human touchpoint or not—and the research agrees. Over 40% of customers loathe having an inefficient experience anywhere along the way, be it the sales process or even delivery.

40%

of customers loathe having an inefficient experience

And it's no surprise that both Millennials and Generation Z say your company's CX is all about having a seamless interaction that's convenient and instant, and customers worldwide cite employees with bad attitudes as the most prevalent reason for walking away from a brand.

- Companies that work hard to optimize internal processes see a 20% increase in employee engagement.
- Companies that strive to refine the buyer process see a direct impact on customer satisfaction.
- Companies that boast a good employee experience watch similar results trickle directly down to customers.

We also can't say enough about a strong company culture that's fostered in transparency, communication, and value. These cultures allow employees to feel as though the company is worthy of their own investment—a type of employee advocacy that's reflective of your brand and experience, and further entices customers to engage and spend.

Companies that miss this internal investment often try to make up the diﬀerence via technological investment. Technology is commonly used by businesses to drive CX, but it isn't a total solution, nor is it a substitute for creating a comprehensive CX strategy since customers want a blend of human and technological interaction. When it comes to CX, you have to live and breathe your strategy inside and out, never failing to invest in the employees that make it all possible.

Investing in your employees is key to cultivating happy customers.

INVEST

WHAT NOW?

Failure Is Not an Option.

Companies compete on CX more than any other differentiator, so how can you be sure your strategy won't falter? Get a crystal clear customer view that empowers you to deliver a high definition customer experience.

To get that clear view, you must be sure your tools and processes are capable of surfacing the best insights about customers. Your CX platform and technology must replace the fragmented, out-of-date, and distorted customer picture with a sharply focused understanding of both your customers and your business that is rich in both breadth and depth. Accomplish this with data enrichment tools and AI-powered insights that drive performance and predictability. That's where Sugar comes in.

Introducing High-Definition Customer Experience (HD-CX). A customer experience like you've never seen.

Learn More about HD-CX

Learn more about achieving better CX:

Dismantling the Silos for Effortless CX

Customer Service Essentials for CX Success

Defining Customer Experience

Growth Through Service: Why CX is Essential Right Now

Building a Powerful Customer Connection in Good Times and Bad

About SugarCRM

SugarCRM is how marketing, sales, and service teams finally get a clear picture of each customer to help businesses reach new levels of performance and predictability. Sugar is the CRM platform that makes the hard things easier.

Thousands of companies in over 120 countries rely on Sugar to achieve high-definition CX by letting the platform do the work. Headquartered in Silicon Valley, Sugar is backed by Accel-KKR.

To learn more visit **www.sugarcrm.com** or follow **@SugarCRM**.

sugarcrm | Let the platform do the work

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