

WHITE PAPER

The Modern Manufacturer's Guide to CRMs

THE 8 ESSENTIAL ELEMENTS FOR CUSTOMER RELATIONSHIP SUCCESS



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Overview



The manufacturing industry sure has changed. And not just a little. The entire market has undergone a massive transformation in a very short span of time. Artificial intelligence, the internet of things, servitization, the rapid growth of e-commerce... these and other advancements have put your competition a mere click, swipe or voice command away. This means people's overall experiences as customers — defined by ease, convenience and competitive pricing — are making it harder for manufacturers to please them.

Whether you call yourself a manufacturer or manufacturing brand, the implications are the same: Countless kinds of customer relationships are emerging, and you need to be ready to nurture them all.

If you want to survive and thrive, simply producing a great product is no longer enough. And neither is focusing on relationships with dealers, distributors or retailers alone. Successful manufacturers recognize it's time to get good at

juggling relationships with a wide range of partners and end customers.

It's a tough balancing act. Without the right tools and technology, your competitors WILL get ahead. While you're far from alone — an estimated 70% of manufacturers are held back because of outdated business models and technology¹ — companies that aren't successful in adopting and optimizing new technologies run the risk of being left behind.

That's where CRM comes in. A strong customer relationship management system consolidates all critical customer information into one central, easy-to-use platform designed to foster strong relationships with dealers, channel partners, end customers and more.

However, it's not enough to have a CRM. You need to find the right CRM for your manufacturing company's unique needs.

MANAGING CONSUMER RELATIONSHIPS IN A D2C WORLD

While all manufacturers are contending with the challenges of a changing landscape, those with consumer product lines face some especially difficult decisions:

Should you start selling direct-to-consumers online?



If so, how will you handle relationships with retailers?



What will you do to avoid customer service nightmares and supply chain complications?

And the list goes on...

The good news is that, in the midst of all this change, consumers have come to know and love their brands. People want to interact with manufacturers far more than they do with retailers and distributors. An estimated 55% of consumers prefer to buy directly from brands rather than multi-brand retailers. When researching products, buyers trust manufacturers far more than they do news sites, industry articles and even subject matter experts.²

In other words: There's a mountain of revenue potential available to manufacturing brands today. The more you can customize the experience for customers, the better positioned you'll be to tap into it.

1 IDC and Industry Today, 2017 Predictions for Worldwide Manufacturing: <https://industrytoday.com/article/2017-predictions-worldwide-manufacturing/>

2 Marketing Land, Survey: More consumers seeking to buy directly from brands vs. retailers: <https://marketingland.com/survey-consumers-seeking-buy-directly-brands-vs-retailers-222955>

Why “Any” CRM Won’t Do

There’s a lot of noise — about AI, IoT and digital disruption at large. But while these digital trends all impact what it means to be a manufacturer today, too much focus on them can distract you from what’s really front and center to your business: your customer.

Taking care of existing customers, as well as new ones, is vital to the health of your business. In fact, 81% of marketers say their companies will soon be competing mostly or completely on the basis of customer experience within two years.³ If that sounds overwhelming, consider this: Research shows it’s far more expensive to build relationships with new customers than it is to earn the loyalty of existing ones, and that customer acquisition costs have increased by nearly 50% in just five years.⁴

A big reason for this shift is changes to the competitive landscape. Manufacturing companies are now under tremendous pressure from low-cost competitors in China, India and other regions who are stealing customers with bargain-basement prices. In response, some manufacturers are tempted to offer deeper discounts to compete. But then competitors cut their prices even further, which leads the manufacturer to reduce operating expenses in support of lower price points, which leads to even bigger discounts from competitors.

This is a downward cycle that ultimately leads to the bottom number. It’s a race to zero. And it’s a race that’s not worth winning.

Thankfully, there is a better way. To survive and thrive in this market, manufacturers need to think beyond price reduction tactics to focus on creating customer value and increasing trust. With more than 80% of customers willing to pay higher prices for better experiences,⁵ it’s imperative to know your customer’s history, anticipate needs and provide reliable support — whether it’s a self-service website, quick online chat or a friendly voice on the phone.

Your CRM can make all of this, and much more, possible.

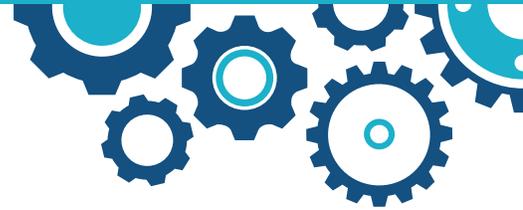
With the right CRM, employees will always be mere seconds away from the information they need to build strong relationships with customers who repeatedly buy at higher price points.

So, how do you select the right CRM for your needs? Whether you’re new to customer relationship management software or aren’t getting value out of your current system, several mission-critical elements can make or break the customer experience.



While reps have long been using the platform’s core features, most aren’t getting as much out of their CRMs as they could be. Even more concerning, some businesses could be using the wrong CRM altogether.⁶

Manufacturing.net



3 Gartner, Key Findings From the Gartner Customer Experience Survey: <https://www.gartner.com/smarterwithgartner/key-findings-from-the-gartner-customer-experience-survey/>

4 Profitwell, Is content marketing dead? Here’s some data: <https://www.profitwell.com/blog/content-marketing-customer-acquisition-cost>

5 Capgemini, The Disconnected Customer: What digital customer experience leaders teach us about reconnecting with customers: <https://www.capgemini.com/resources/the-disconnected-customer-what-digital-customer-experience-leaders-teach-us-about/>

6 Manufacturing.net, 5 Ways Your Sales Team Can Get More out of the Company’s CRM: <https://www.manufacturing.net/article/2018/09/5-ways-your-sales-team-can-get-more-out-companys-crm>

The 8 Essential Elements for CRM Success

Essential Element #1: Clear, Complete Data

From supply chain management to demand forecasting to customer relationships, manufacturers have a lot of data. But too often, it's decentralized and difficult to use. The sad fact is that just 42% of companies say they can convert their data into insights that let them act quickly on customers' needs and interests. Less than half are effective at providing complete and accurate data. As a result, 48% of companies rely on intuition when making important decisions.

But find a way to make your customer data useable, and amazing things can happen. Eight in 10 data-strong businesses report higher company revenues, and 77% say they've seen increases in customer loyalty and retention.⁷

The right CRM will allow you to cut through the clutter and extract the insights that matter most to your business. For example, with a powerful CRM built for manufacturers, companies are able to forecast sales demand based on real numbers instead of guesswork or extensive research. This, in turn, leads to ordering just the right amount of raw materials — and knowing precisely where to focus effortlessly for future production. This translates into fewer back orders and less waste, as well as quicker turnaround times and the ability to respond quickly to changes in the marketplace.

Bottom line: Your CRM should let you see everything related to a given customer, partner or dealer — no matter where that data lives.

Are you ready for data-based servitization?

The key to strategic growth in manufacturing? Servitization. Today's manufacturers are expected to offer more than just products. Customers also want services they can leverage to get more out of those products — be it through tools for day-to-day use, frequent upgrades or superior maintenance — and spend more money on these services than they do on the goods themselves.⁸ Fueled by strong customer data, this servitization is becoming the way of the manufacturing world.



Look for a CRM that makes it easy to get consolidated views of all your data, no matter where it lives, so every employee can get a complete picture of each customer relationship, at any given time.

7 Forrester, The B2B Data Activation Priority: https://02f0a56ef46d93f03c90-22ac5f107621879d5667e0d7ed595bdb.ssl.cf2.rackcdn.com/sites/10980/uploads/24249/The_B2B_Data_Activation_Priority20180710-12165-f9d4kw.pdf

8 SugarCRM, Servitization: When Manufacturers Become Service Companies: <https://www.sugarcrm.com/blog/2019/01/08/servitization-when-manufacturers-become-service-companies/>

Essential Element #2: Ease of Use

When vetting potential CRMs, beware of complex, bloated and overpriced solutions. While it can be easy to get distracted by an array of special features, many of these functions are superfluous for manufacturers.

The right manufacturing CRM makes it easy to access exactly what you need, exactly when you need it — whether that means getting at-a-glance insights on the latest customer activity, communicating with channel partners or seeing where things stand with your supply chain.

The overly-complicated CRM, on the other hand, can have the opposite effect: Your teams will spend more time tracking down information than taking action. This is why so many manufacturing companies have no choice but to wrestle with inconsistent customer insights — ones that are not only scattered across the organization but also difficult to understand.

When vetting CRM solutions, focus first on the issues you face rather than a list of the features you think you'll need. The right provider will offer insight into how best to solve problems, rather than distracting you with a list of features and functions you may never be able to use. Take a good, hard look at the few features your manufacturing company really needs. For example:

- › Can you get accurate sales projections at a glance? Or will you have to hunt down data from distributors instead of getting real-time demand forecasting?
- › Do dashboards and workflows make it easy to get a complete view of your customers?
- › Will onboarding take hours to days or weeks to months?
- › How intuitive will it be to create custom quotes and share information with dealers?



When answering these questions and others like them, the same general rule applies: **The simpler the solution, the bigger and better the outcomes.**

Essential Element #3: Customizations

Remember: As a manufacturer, you have a lot of relationships to nurture. There are supplier logistics to manage, product information and pricing policies to communicate, customer needs to anticipate and much more. Miss one critical communication in this complex flow of information, and many of those relationships are instantly at risk.

It's a lot to juggle, which means CRM customizations will be key. To meet the assorted expectations of these various stakeholders, you need a CRM that makes it easy to tailor each experience. You'll need to tweak underlying tools and workflows to meet the unique characteristics of each audience. Again, the goal is to streamline operations by role, not add more complexity to the system. But too often, such customizations are complex, costly, time-consuming and difficult to maintain.



It's important to map the CRM technology to your business, instead of the other way around. **The more you can customize with ease, the better positioned you'll be to deliver consistent, high-value customer experiences right from the start — and maintain them as needs and expectations evolve.**

Essential Element #4: Flexibility

In addition to customizability, manufacturers need flexibility. The more you can bend a CRM solution to fit the multifaceted needs of various relationships, the better positioned you'll be to create outstanding experiences for dealers, partners and end consumers alike.

What types of functionality should you factor in? How will you future-proof your CRM for the ever-changing manufacturing landscape? How much can you automate? The right CRM will not only help you answer these questions, but also offer a full suite of options you can choose from to design the setup that perfectly matches your needs.

For example: Do you have a lot of complex business processes? The more you can automate, the better off you'll be. Do a lot of your sales and channel reps work in the field? Having a strong mobile CRM is a must. Do you have a number of different back-end solutions that need to be consolidated and streamlined? Is security a concern? In these instances, an on-premise solution may be your best bet.

You don't want to find yourself in a situation where you have to choose only one or the other — and you shouldn't have to. Be on the lookout for CRM providers that offer “proprietary platforms.” This term is often used to disguise what's actually a rigid deployment model that can make it very difficult, if not impossible, to set up the CRM in the manner that best suits your manufacturing business.

Don't overlook mobile

When vetting potential CRM vendors, it's important to remember that 95% of people use smartphones,⁹ and that employees check their smartphones as much as 300 times a day.¹⁰ This means many members of your team are going to need a CRM that's just as effective on mobile devices as it is on desktops and laptops. Look for a CRM mobile app that includes essential features like click-to-call, click-to-text, GPS mapping, dynamic search and offline syncing.



Select a CRM that makes it easy to move your data from one deployment option to another. With the industry changing at such a rapid pace, you need to be able to make changes quickly and efficiently.

How one tech manufacturer guaranteed 139% ROI from its CRM



As a technology solutions provider supplying hospitals with the latest in diagnostic imaging, Agfa HealthCare has always been a high-tech company. But its CRM solution? Not so much. As the manufacturer grew its global presence, it became clear that the company's homegrown CRM would no longer suffice. Worldwide data privacy requirements, national health service standards and increased demands on sales and marketing meant much more was needed.

So Agfa turned to Sugar Enterprise, an on-premise CRM that came with the option to switch to cloud-based SaaS at any time. After integrating with existing systems and customizing the platform to meet Agfa's manufacturing needs, the results rolled in quickly. In a little over a year, project managers were reporting a 139% return on investment. Better data, more accurate forecasts and an average annual bottom-line benefit of \$1 million all came into play — simply from selecting a flexible, easy-to-integrate CRM.



Wondering how you can see similar results?

The right mix of features is key to CRM success. Our [CRM evaluation checklist](#) will help.

9 Pew Research Center, Mobile Fact Sheet:
<http://www.pewinternet.org/fact-sheet/mobile/>

10 Asurion, Americans Don't Want to Unplug from Phones:
<https://www.asurion.com/about/press-releases/americans-dont-want-to-unplug-from-phones-while-on-vacation-despite-latest-digital-detox-trend/>

Essential Element #5: Integrations

When it comes to CRM success, integrations are key. Never, ever sacrifice the ability to sync with your existing systems and software. The best CRM solution for manufacturers makes it easy to integrate with back-end systems like ERP and MRP, as well as front-end software such as e-commerce platforms and websites.

When you're able to consolidate current processes through your CRM, the result is greater efficiency with suppliers and distributors, better experiences with customers and channel partners and, ultimately, higher profits for your business. The right CRM will become your single source of knowledge about customer demand and how best to meet it.



Look for a CRM that doesn't charge extra to integrate APIs, and that uses industry-standard programming languages with widely available technology and unlimited API calls.

Essential Element #6: Widespread Adoption

To get real value from your CRM system, your employees have to use it. But unfortunately, only 47% of companies report a CRM adoption rate of greater than 90%.¹¹ Until you can get close to 80%, 90% or even 100% adoption, you'll never reach the true potential of your CRM. So before you dive into a new tool, make sure it's one that'll work for everyone. No amount of extra features or special add-ons will matter if employees don't have access to an intuitive, easy-to-use interface.



When vetting CRM vendors, be on the lookout for a proven track record of widespread adoption.

¹¹ CSO Insights: 2018 Sales Operations Optimization Study:
<https://www.csoinsights.com/wp-content/uploads/sites/5/2018/08/2018-Sales-Operations-Optimization-Study.pdf>

How one materials manufacturer achieved 100% adoption



Materion, a major manufacturer with a strong worldwide presence, had a CRM problem. Only about half of its global sales team was using its out-of-date, homegrown solution. And who could blame them? The CRM sometimes took 20 minutes to connect, employees spent 60 minutes to generate a call report, and there was no way to track leads or new business orders.

On top of all that, there was a complex customer supply chain to contend with: The company communicates with a wide range of demand generators, material specifiers, fabricators and distributors — but was struggling keep everyone updated on the status of each order and project.

Knowing user adoption would be key to success, Materion researched numerous vendors to find the one its people would be most likely to use. When the company finally landed on Sugar, the decision was a no-brainer: The platform's easy-to-configure dashboards made it simple to gather real-time data, link supply chains and track new business orders. And because Sugar's on-demand cloud solution is built for "anytime, anywhere access," global employees could access the system securely from any country.

While it took awhile to find the CRM that most closely matched its business needs, Materion's efforts paid off. Today, 100% of the company's sales team uses Sugar daily.



Want to achieve similar success at your company?

User adoption can make or break the CRM experience. Learn how to get it right with the [User Adoption Playbook](#).

Essential Element #7: Strong Support

With so many increasing complexities, manufacturers need a CRM partner (not just a vendor). Too often, CRM companies get so involved in growing their own businesses that they fail to take the time to help manufacturers optimize theirs. This is why it's so important to select a software vendor that stays in close contact with its manufacturing clients.

It's not just features and functions that matter, but rather how those features will align with your business objectives and evolving needs. What happens when you hit a roadblock? Where will you turn when you need to get a tricky configuration or customization completed quickly? Will your system remain static? Or is it frequently updated to reflect the latest industry trends, tech innovations and buying behaviors?



Without strong support, you may never get full value from your software. That's why it's critical to look for a CRM solution that promises to act as your partner in growth.

Essential Element #8: A Proven Track Record

More than any other factor, you need a CRM that understands the unique needs of manufacturers and is built to support your business. You might have all the integrations and customizations available on the market today. But without a proven track record of happy clients and success stories, it's difficult to know how well the CRM will work for your manufacturing needs.

With the industry evolving at lightning speed, you need to know you're entering a relationship with a CRM that's destined to grow along with your business — and has the history to prove it.



Don't take what your CRM sales rep says at face value. Take time to examine user reviews, Net Promoter Scores and industry ratings.



We have a history of buying technology that never gets adopted. SugarCRM delivered.

Christopher Poland, IT Director
Tyson Foods



Conclusion

If there's one thing all manufacturers need to succeed, it's a CRM. But not any CRM will do. The right CRM platform is filled with the essential elements that keep you close to your customers, no matter how much your business grows or the industry changes. The best CRM solution for your manufacturing company will:



Ease the path to **clear and complete** data everyone at your company can act on



Be **simple to use and easy to implement**, instead of being loaded with irrelevant features that create unnecessary cost



Offer an array of **customizations** to meet the specific needs of your manufacturing workforce



Be **flexible and adaptable** without the need for special programming or expensive software development



Offer a wide array of **integrations** with back-end systems like ERP and MRP, and front-end systems like e-commerce platforms and websites



Inspire **user adoption** among as much as 80%, 90% or even 100% of employees



Leave a **proven track record** of positive ratings and reviews and high Net Promoter Scores



Provide **strong support** and a steady stream of updates to reflect the latest trends and industry changes



About the Authors

SugarCRM enables manufacturing companies to create extraordinary customer relationships with technology that's adaptable and affordable. Unlike overly complex and costly CRM solutions, Sugar provides an intuitive interface focused on features that matter and nothing more.



GET STARTED IN NO TIME

Sugar integrates with your existing IT fabric so you can turn it on and go.



CUSTOMIZE AWAY

Create custom fields, layouts and relationships — all without writing a single line of code.



INTEGRATE WITH EVERYTHING

ERP, MRP, e-commerce platforms and websites... you name it, Sugar integrates with it.

Loved by manufacturers everywhere.

We love our customers, and they love us. SugarCRM receives the highest Net Promoter Score across all major CRM vendors.

[LEARN MORE AT SUGARCRM.COM](https://www.sugarcrm.com)

