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**Accelerate
out of the Downturn
with SageCRM**

SageCRM



Executive Summary

There is no question that the current global downturn has presented businesses with the toughest economic conditions for several generations. However, innovative small and mid-sized businesses (SMBs) which are quick to react, adapt and find creative ways to accelerate out of the downturn, will not only survive the crisis, but will thrive in the long-run. Every downturn precedes an upturn, and those companies that prepare themselves now stand to win big when the upturn begins. Instead of sitting back and waiting for the global recession to subside, companies should look ‘inwards’ and set in place the correct tools and procedures for the business to take advantage of the upturn when it comes. This whitepaper examines how Sage is enabling small and mid-sized businesses to ensure that they are well-placed to succeed in the new reality of the post-recession marketplace.

Introduction

Varying economists have indicated that the global recession is nearing the bottom and the prospects for national economies are optimistic.

- Although the recovery is expected to be sluggish, the IMF has indicated that the forces pulling the global economy down are decreasing in intensity.
- Since the U.S. National Bureau of Economic Research (NBER) first announced the recession had started in December 2008, companies have been firefighting and reacting to the crisis with short-term tactical plans such as implementing drastic cost-cutting measures.
- Gartner, the world’s leading information technology research and advisory company, advised recently that *“due to the lag in time between the point at which the economy starts growing again and when it is officially declared to be growing again, companies simply can’t wait for an official declaration before they begin planning over the long-term for better times¹.”*

Figure 1 below demonstrates how official declarations regarding the end of the recession have taken up to 20 months to be formally announced in the past. Many economists will not be drawn on when the current recession will end but one thing is for certain - it will have finished before it has even been officially announced. Organizations cannot afford to wait until the turning point of this current crisis has been formally announced before preparing for the impending growth period. Now is the time to switch from survival mode to thrive mode and to prepare your business to accelerate out of the downturn. If not, you will most certainly be left behind.


| Turning Point | Date of Turning Point | Date announced | Delay (months) | Turning Point | Date of turning point | Date announced | Delay (months) |
|---------------|-----------------------|----------------|----------------|---------------|-----------------------|----------------|----------------|
| Peak | Jan '80 | June '80 | 5 | Trough | July '80 | July '81 | 12 |
| Peak | July '81 | Jan '82 | 6 | Trough | Nov '82 | July '83 | 8 |
| Peak | July '90 | April '91 | 9 | Trough | Mar '91 | Dec '92 | 21 |
| Peak | Mar '01 | Nov '01 | 8 | Trough | Nov '01 | July '03 | 20 |
| Peak | Dec '07 | Dec '08 | 12 | | | | |

Figure 1. U.S. NBER provides a chronology of the dates of peaks and troughs that frame economic recession or expansion

The New Reality

A business can grow and profit during a recession if it understands the underlying dynamics of the marketplace. Crises tend to stimulate change in people. During a recession, buying behavior shifts, changes and refocuses more than it declines. The challenge is for businesses to respond to these changes in a timely and direct fashion. A business that really knows what its customers need and understands their behavior will

¹ Gartner May '09 – “It’s Time to Prepare for a Return to Business Growth”



be able to serve their customers better as well as manage their own business more effectively, now and as we enter the post-recession period.

Today's economic conditions have caused turmoil across every sector. So what has changed since the recession started? How has the current climate affected how companies operate and do business?

- Customers and potential customers are facing identical cost pressures – buyers have less disposable income while businesses have fewer lines of credit open to them, making it more difficult to attract and retain customers.
- Spending hasn't come to an abrupt halt but consumers and businesses are definitely far more discerning about potential purchases and suppliers. They are less brand loyal, more price sensitive and are more willing than ever to 'shop around' for value for money.
- Competition has also intensified as a result of these changing conditions. The current market pressure has forced businesses to become more opportunistic, placing huge emphasis on pricing and discounting in an effort to get ahead of their competitors.
- With tighter margins, evaporating lines of credit and a lot less internal resources and staff available than before the downturn, the pressure to perform is more intense than ever.

If a company is unprepared for these challenges that the new reality poses, it will most certainly struggle to keep afloat when the recovery begins.

How you can prepare your business for the upturn?

Accurate Business Planning

When the growth period returns, it's not going to be a case of business as usual. Companies will have to work smarter and harder for every bit of revenue they generate. The biggest mistake organizations can make is failing to adapt their business to address the new reality of the market and their customers' highly discerning needs. Faced with exceptionally volatile business conditions, previous years' plans should be consigned to the shredder as the business environment has changed drastically. Scenario planning and sales forecasting have become the priority for executives as they need to accurately capture a large enough spread of possible outcomes to cover future uncertainties. Going forward, companies need accurate and detailed insight on the performance of the business and employees at any given time so they can take advantage of any increase in demand and/or workload that improving trading conditions may present.

How SageCRM Can Help

- Reporting and dashboards within SageCRM provide instant insight into business and employee performance, facilitating informed business decision-making during the downturn and as we enter the post-recession period. By providing management with real-time analysis of the current situation, this enables them to monitor and take action on changing performance indicators.
- SageCRM reports deliver at-a-glance sales information to enable executives to make critical business decisions and conduct effective business planning as trading conditions change.
- SageCRM assists companies in accurately preparing sales forecasts; every day, senior executives can track exactly what deals are coming in from where, and identify emerging trends in different regions and market segments. This is critical in the new trading environment as it assists managers in identifying new and innovative revenue streams as the recovery gets underway.
- SageCRM provides extensive central control over operations and budgets, helping senior management to control these areas more effectively in a highly cost-conscious post-recession world. Roles-based dashboards enable management to monitor staff performance and take corrective action if needed or address any increase in demand and work- or case-load.
- Out-of-the-box integration with Sage ERP systems delivers a 360 degree view of the business from front-to-back office for maximum visibility of business performance, providing management with meaningful intelligence which can then be acted on to develop and maintain profitable relationships with customers.



“With shrinking sales resources and market opportunities, investing in technology to automate critical sales processes may be the only alternative to still meet sales targets.”

**Gartner July, 2009 –
“Magic Quadrant for
Sales Force Automation”**

Focused Sales Management

Sales are the lifeblood of any organization. Businesses cannot sit still in a downturn and wait for the recovery to commence, especially when generating revenue continues to be a priority.

Even though customers' current buying behavior has made it even more difficult to sell in this environment, it's critical that organizations maintain focus and discipline around their selling strategies. Businesses can continue to drive sales results both now and when the upturn comes with the right processes, structure and tools.

How SageCRM Can Help

SageCRM empowers organizations to sell more effectively and efficiently, maximizing their ability to sell in a downturn and as the recovery gets underway.

- Automated workflow and pipeline management tools eliminate unnecessary paperwork so the limited number of sales resources in the business can concentrate on selling.
- Leads can be tracked from first contact to final closure ensuring that no valuable revenue opportunities are missed.
- Easy-to-use territory management ensures sales teams are well-positioned to capitalize on increases in opportunities.
- Sales pipeline management provides real-time information on revenue and sales team performance, ensuring that time and resources are invested in the deals most likely to close.
- Accurate sales forecasting helps identify growth opportunities, enabling management to accurately predict future performance.
- Ability to access customer information remotely or offline maximizes the productivity of sales reps and ensures customers are managed effectively at all times.
- Sales dashboards enable management to monitor sales performance metrics in real-time and help identify revenue trends.
- Integration with Sage ERP systems enables sales teams to maximize their revenue potential through the identification of latent cross-sell and up-sell opportunities within the customer base.


Targeted Marketing Effectiveness

Marketing is often viewed as a discretionary expense by accountants and in tough times, many businesses are tempted to reduce, and in some cases eliminate, their marketing spend. However, businesses that work on keeping their brands alive during these challenging times are more likely to be perceived as successful and resilient. With the need to measure the effectiveness of marketing activity central to survival, the successful businesses will be those that re-focus marketing spend on activities that offer proven and measurable ROI. With careful planning and the right technology, these organizations can ensure they are well-placed to take advantage of a more fluid marketplace where customers are suddenly less brand loyal.

How SageCRM Can Help

SageCRM provides powerful tools for marketing teams to plan, execute and audit highly targeted marketing campaigns which is especially crucial when budgetary spend is at a minimum.

- SageCRM enables businesses to easily segment customers and prospects to ensure that tight marketing budgets are not squandered on those who are unlikely to buy. List segmentation and group management tools enable businesses to execute highly targeted campaigns on customer segments and sectors showing signs of recovery, thereby increasing response rates and ultimately revenue.

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- SageCRM also allows marketing executives to develop a deeper understanding of customer needs, enabling businesses to create tailored propositions to their customers and take advantage of spending as and when it increases in the post-recession period.
 - By creating highly professional HTML email marketing campaigns in SageCRM, marketing teams can take advantage of a more cost effective way of communicating with customers and prospects.
 - Every phase of every marketing campaign can be tracked, providing meaningful analysis and campaign measurement thereby ensuring maximum ROI and zero wastage. SageCRM also provides effective controls for monitoring marketing budgets and enables organizations to calculate direct revenue yields per campaign, ensuring that the marketing budget is maximized and the return on investment can be measured with ease.
 - Additionally, SageCRM provides marketing staff with a range of reports and fully configurable dashboards, which allow them to monitor marketing performance metrics in real-time.

Exceptional Customer Service


It costs five times as much to attract a new customer, than to keep an existing one. In these challenging times, customers are more than willing to 'shop around' and look for the best value and service available, so keeping your current customers satisfied is more important than ever. Businesses therefore must streamline their customer service processes and concentrate on customer retention and loyalty as a means of safeguarding revenue. Identifying opportunities that exist within the customer base is a more cost effective way of increasing sales revenue. Businesses must ensure that customer service issues are dealt with seamlessly and effectively and that any leads captured are followed up accordingly - failing to do so will mean that highly discerning customers with heightened service expectation levels won't return when the upturn comes.

How SageCRM Can Help

SageCRM enables companies to capture and action customer service issues — ensuring a satisfying and consistent customer service experience for their customers. Establishing achievable service level agreements with customers is an excellent tool to help improve communications, manage expectations, clarify responsibilities between businesses and their customers and build the foundations for a win-win relationship.

- Workflow capabilities in SageCRM ensure that the exceptional customer service levels which are expected in the post-recession climate are consistently met every time.
- Triggers and alarms allow customer service teams to ensure that queries are followed up in a timely manner so that issues don't get 'lost between the cracks' and that demanding customers are served efficiently and effectively.
- Knowledge management capabilities make it easier to capture remedies related to specific issues which may recur over time, enabling users to find information quickly and easily, ultimately resulting in improved customer care.
- Integrated with Sage ERP systems, SageCRM provides customer service agents with complete customer information enabling them to answer customer queries confidently and accurately.
- Real-time monitoring of SLAs ensures that customer service cases are progressed in accordance with SLA requirements, driving customer satisfaction and retention.
- Self-service capabilities empower customers to securely access CRM data over the web in a convenient manner, enabling customers to services their own information requirements while reducing the resource overhead to the business.
- SageCRM reports and dashboards provide detailed analysis on metrics such as call volume, case resolution times, communications, follow-up statistics and escalations; enabling management to quantify the performance of their agents – a key requirement for companies entering the recovery with fewer staff on board.

Conclusion



Businesses have very different sales cycles and operating structures but the customer is at the centre of each and every operation. Investing in a Customer Relationship Management (CRM) solution provides businesses with instant capabilities for automating sales force management, marketing campaign management and customer service management. Core CRM functionality such as opportunity management can improve the effectiveness of the sales team while the marketing functionality outlined in this paper allows the marketing department to focus on the most profitable customer segment.

Customising the solution to internal business processes to ensure a consistently exceptional customer experience can enhance every customer encounter and enable the company to nurture long and profitable relationships with each and every customer. SageCRM effectively addresses business requirements and equips organizations with the tools they require to navigate their business out of the downturn and prepare them to take advantage of the inevitable upturn when it comes.

With the upturn on the horizon and the recession nearing the bottom, businesses need to sit up and prepare themselves for the recovery by investing in the right technology now. Companies who see this challenging environment as an opportunity to redefine their business model and processes, will not only survive the recession but will accelerate out of the downturn. As the diagram below from Gartner illustrates, an appropriate time to prepare for the return to growth is before the recession bottoms out; the time to take action is already here and SageCRM can help your business accelerate out of the downturn and take advantage of the impending recovery.


Figure 2: Prepare for the Return to Growth Before It Occurs: A Business / Economic Cycle Viewpoint



Why Sage?

Unlike any other company in our industry, Sage has focused exclusively on the business software needs of small and medium-sized organizations for the last 28 years. With over 5.8 million SMB business applications customers around the world today, Sage is globally recognised as the market leader in this important segment.

Critically, we have worked closely with our customers to support them through previous downturns, and we continue to provide them with expert guidance and market-leading software as they face today's challenges. SageCRM can be purchased and installed at your offices or consumed as an on-demand service provided



by Sage over the Internet. Additionally, we provide a range of finance options to spread the cost of your investment over a term that suits you.

Finally, one of Sage's biggest strengths and competitive differentiators in the marketplace is our global network of over 30,000 Sage-certified business partners that provide unparalleled business applications expertise and on-the-ground coverage to ensure to that you can always talk face-to-face with an expert and that you will leverage the maximum return from your CRM investment over its lifetime.

The Sage Difference

- The leading supplier of SMB business applications in the world
- The leading supplier of CRM solutions to SMB organizations
- Over 5.8 million customers
- Over 14,500 employees
- Over 30,000 Sage-certified partners specialising in business applications
- Direct presence in 26 countries
- Relationships with over 40,000 accountancy practices
- 28 year's experience

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About SageCRM Solutions

SageCRM Solutions is a portfolio of market-leading applications consisting of ACT! by Sage, SageCRM, and Sage SalesLogix. Over 63,500 organizations and 3.1 million users worldwide rely on SageCRM Solutions to develop profitable, long-term business relationships.