

January 10, 2008

# CRM Best Practices Adoption

by William Band

for Business Process & Applications Professionals

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January 10, 2008

## CRM Best Practices Adoption

by **William Band**

with Sharyn Leaver and Mary Ann Rogan

### EXECUTIVE SUMMARY

Organizations continue to spend heavily on customer relationship management (CRM) — \$11 billion annually by 2010 — to grow the top line, improve the customer experience, and boost the productivity of customer-facing workers. To better understand how enterprises can get the most value from this investment, we surveyed 260 business and technology decision-makers and influencers to discover their strengths and weaknesses in adopting 11 sets of CRM capabilities consisting of 150 best practices. We found that adopting CRM best practices is a big challenge for many organizations. A significant percentage of the executives surveyed evaluate their capabilities to be poor/below average for all categories: 1) marketing — 37%; 2) customer analytics — 36%; 3) customer service — 35%; 4) indirect sales — 33%; 5) customer data management — 31%; 6) eCommerce — 30%; 7) customer strategy — 25%; 8) technology infrastructure — 23%; 9) field service — 22%; 10) people management — 20%; and 11) direct sales — 17%. Disappointment with CRM is usually the result of poorly conceived strategies that lack a laser focus on improving a specific set of business capabilities to increase revenues or reduce costs. How well does your organization stack up? Compare your organization to CRM best practices, pinpoint the best opportunities for quick wins, and build an action plan to close the gaps.

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### NOTES & RESOURCES

For Forrester's August 2007 CRM Online Surveys, 260 business and IT decision-makers and influencers from our ongoing CRM research panel were surveyed.

#### Related Research Documents

"The Right CRM Metrics For Your Organization"  
October 1, 2007

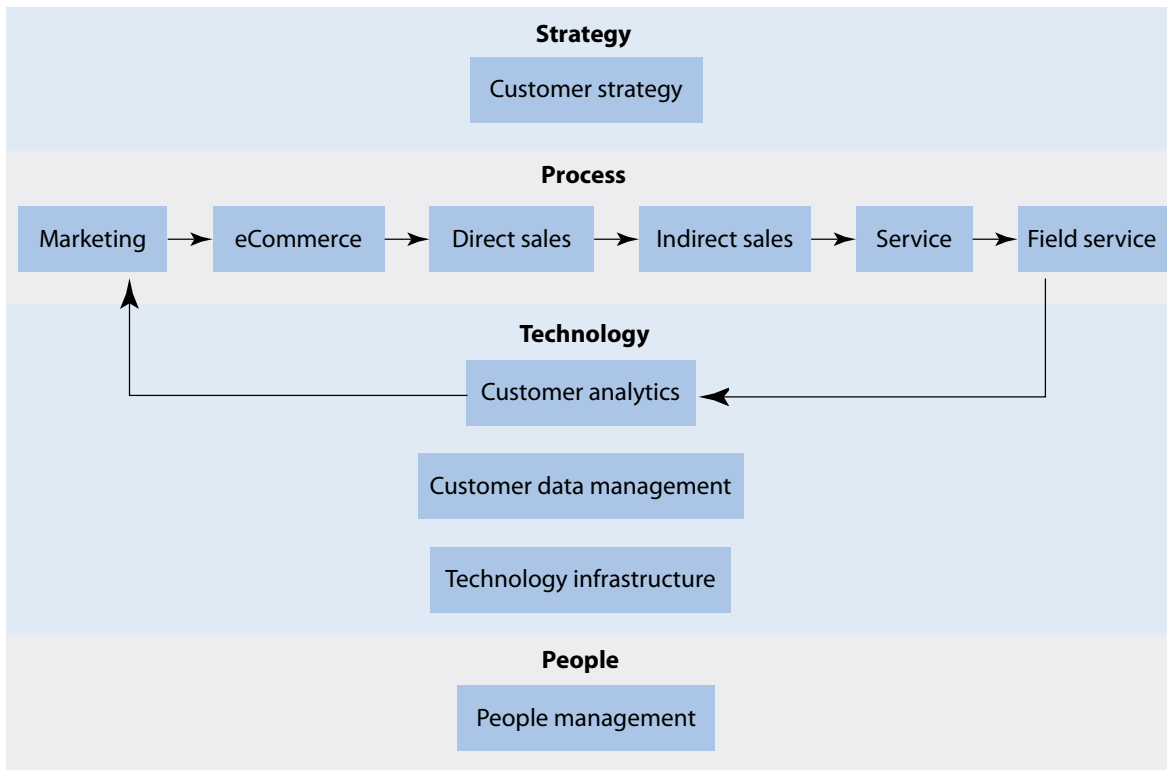
"Forrester's FastForward CRM Capabilities Best  
Practices Self-Assessment"  
August 24, 2007

"Forrester's Best Practices Framework For CRM"  
August 24, 2007

### CUSTOMER PROCESS IMPROVEMENT INITIATIVES FLOUNDER WITHOUT FOCUS

In 2007, we introduced the concept of Forrester’s FastForward Best Practices Framework for CRM.<sup>1</sup> The framework includes 11 sets of capabilities across four categories — comprising 150 best practices (see Figure 1). Next, we surveyed senior business and IT executives who participate in our ongoing CRM research panel to evaluate how capable their organizations are in using best practices as defined in our CRM framework.

**Figure 1** The Forrester FastForward Best Practices Framework For CRM



Source: August 24, 2007, "Forrester’s Best Practices Framework For CRM"

44179

Source: Forrester Research, Inc.

## ENTERPRISES STRUGGLE TO ADOPT CRM BEST PRACTICES

Disappointment with CRM is usually the result of poorly conceived strategies that lack a laser focus on improving a specific set of business capabilities to increase revenues or reduce costs. But adopting CRM best practices is a difficult challenge for many organizations. Our findings spotlight many areas for improvement (see Figure 2).

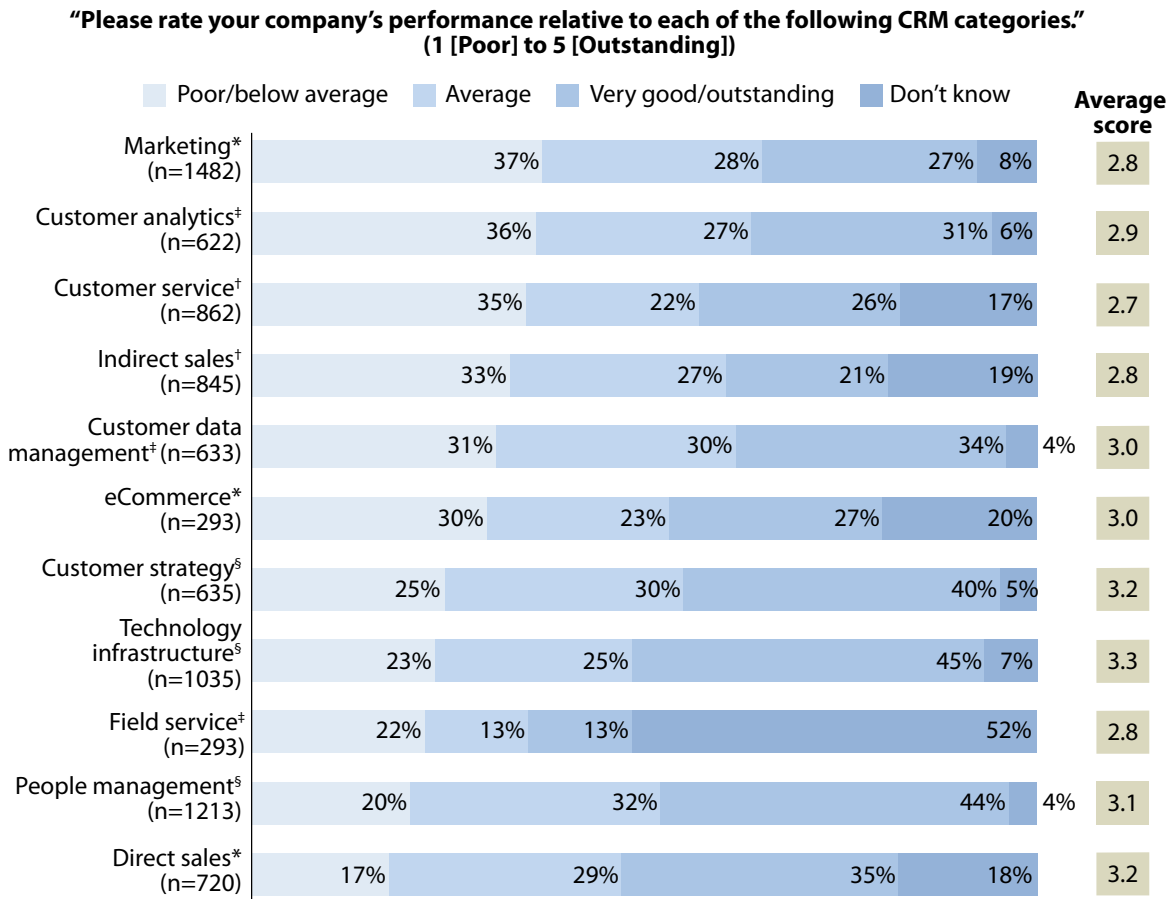
### Poor Practices Shrink Marketing ROI

In the context of CRM, marketing capabilities are the practices that support managing marketing resources and developing and distributing marketing offers to specific target customer populations. These activities are most often associated with the practices of direct marketing. As the battle for customers intensifies, enterprises are giving more scrutiny to the effectiveness and efficiency of marketing strategies and tactics that can be notoriously hard to measure.

Using best practices in marketing is vital for stoking your company's growth engine. But our CRM panel members report that this is a big challenge for their organizations in a number of areas.<sup>2</sup>

- **Marketing resource management.** Nearly 50% of those surveyed report a poor/below average ability to capture and standardize marketing methodology, best practices, processes, templates, and materials for reuse. If your ability to manage marketing resources is poor, you risk high levels of waste and rework that can compromise your ability to achieve the highest return on your marketing investment.
- **Marketing campaign design.** Forty percent of the respondents report poor/below average ability to build complex business-rule- and workflow-driven communication sequences. Weak campaign design capabilities compromise your ability to deliver the right marketing messages, in the right sequence, to the right audiences.
- **Customer selection and segmentation for marketing campaigns.** Nearly 50% of the respondents feel they are poor/below average in having tools available for monitoring segmentation membership in a dashboard, time-series fashion. Poor customer selection and segmentation capabilities impede the targeting of high-potential audiences and delivery of the most relevant marketing messages, both of which reduce response levels and return on investment.
- **Marketing campaign offer management.** More than 40% of those surveyed feel their organizations are deficient in their ability to analyze marketing offer performance over time, track offer performance down to individual customers in a campaign, and support offer analysis across a variety of dimensions. Poor offer management practices increase the likelihood that you will make the wrong offers to the wrong audiences, resulting in low response rates.

**Figure 2** Strength Of Best Practices Capabilities For CRM



\*Base: 73 business and IT decision-makers

‡Base: 55 business and IT decision-makers

†Base: 58 business and IT decision-makers

§Base: 74 business and IT decision-makers

(percentages may not total 100 because of rounding)

\*Source: August 2007 North American Marketing, eCommerce, And Direct Sales Online Survey

‡Source: August 2007 North American Field Service, Customer Analytics, And Customer Data Management Online Survey

†Source: August 2007 North American Indirect Sales And Customer Service Online Survey

§Source: August 2007 North American Technology Infrastructure For CRM, People Management For CRM, And Customer Strategy Online Survey

- **Marketing campaign execution and tracking.** About one-third of those surveyed feel their organizations' capabilities for tracking and managing campaigns in execution channels and optimizing the marketing resources allocated to each channel are poor/below average. Poor campaign tracking abilities make it impossible for marketers to gauge the success of their campaigns.
- **Outbound and inbound marketing customer interaction management.** About 60% of the companies evaluate their customer interaction management capabilities to be poor/below average. Lack of coordinated interaction management across channels risks creating a poor and disjointed customer experience.
- **Marketing support for lead management.** About one-third of those surveyed rate as poor/below average their capability with respect to practices related to marketing support for lead management. Inability to route leads generated by marketing to the right front line sales person for action will greatly reduce the effectiveness of marketing campaigns, resulting in lost sales opportunities.

### Weak Customer Analytics Keep You Flying Blind

CRM analytics include all information technologies that analyze data about an enterprise's customers and then present it effectively, enabling business decisions to be made quickly and efficiently. Knowing hard facts about your customers' behavior is far more profitable than interpreting customer thoughts or predicting customer actions without tangible data to support these assumptions. Many organizations today are capturing terabytes of information about customers: demographics, buying cycles, response to marketing efforts, and product interest. The key challenge for most is how to capitalize on this information.

Our CRM panel members report a relatively low strength of capability in their use of customer analytics best practices.<sup>3</sup>

- **Customer information analysis tools.** CRM panel members report major deficiencies in the use of customer information analysis tools. For example, 38% of the respondents surveyed evaluate their use of prebuilt analytics applications that combine CRM data with relevant information across the enterprise as poor/below average. If your organization does not build the required competencies, you will not be able to unlock the power of customer data through customer analytics.
- **Customer information reporting and analysis.** About one-third of the executives surveyed evaluate their practices associated with customer information reporting to be poor/below average. In fact, 36% evaluate their use of built-in key performance indicators (KPIs) for customer analytics tools to be subpar. Poor practices in establishing and tracking KPIs make it very difficult to know if your improvement program is achieving the desired end results.

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- **Customer information business activity monitoring tools.** Forty-five percent of the panel members feel their tools for monitoring operations in real time and alerting users to key exceptions are poor/below average. Insight into customer actions and behaviors is important. But even more important for organizations seeking to be relevant to contextual customer needs is to trigger differential responses based on changes in customer process activity. This is the foundation for delivering a truly “personalized” customer experience.

### Bad Service Reduces Customer Satisfaction And Erodes Loyalty

Customer service is the provision of labor and other resources for the purpose of increasing the value that buyers receive from their purchases, and the processes leading up to these purchases. Customer service is most closely associated with support provided through phone contact centers, but also includes the support available through other channels like the phone, kiosk, and Web-enabled customer self-service. Poor customer service can cause low customer satisfaction and high customer turnover.

Our CRM panel members report problems in their use of customer service best practices.<sup>4</sup>

- **Customer service phone agent support.** One-third of the executives we surveyed evaluated their ability to create incidents and route these to the right customer service agent based on call queue lengths and agent skills as poor/below average. Customers become frustrated and dissatisfied when they are serviced by agents lacking in the appropriate skills and knowledge to resolve their issues. Providing the right support tools to customer service agents is critical to avoiding this problem.
- **Customer service call center infrastructure management.** Nearly 25% of our CRM panel members evaluated their ability to have time zone and language support for global agents to be poor/below average. And 28% give the same low evaluation to their ability to effectively manage, assess, assign, and match calls/emails to the caller. A weak service center infrastructure makes it impossible to serve customers efficiently.
- **Customer service knowledge base.** Nearly 40% of those surveyed evaluated their ability to automatically generate and rank frequently asked question (FAQ) lists as poor/below average. This gap makes it very difficult for customer service agents to quickly find the most relevant information with which to resolve customer requests. This lengthens call-handle times and frustrates customers who are not provided the most pertinent advice for solving their problems.
- **Customer service self-service to live-service transition.** Forty percent evaluate their ability to pass relevant information to the agent when a customer service session transitions from self-service to live-service as poor/below average. From a service provider point of view, multichannel orchestration increases the ability to achieve “one-call resolution” of an incident, a major driver of customer satisfaction, or dissatisfaction if not achieved.

- **Customer service email response management.** Fully 50% of those surveyed evaluate their ability to manage and respond to a high volume of incoming email and have the capability for agents to use a browser-based UI to access a single companywide customer information database as poor/below average. Inefficient email management processes are costly to the enterprise and risk customer dissatisfaction when responses to queries are not timely.
- **Customer service forums.** Well over half the panel members surveyed evaluate their ability to support customer service forums as poor/below average. Organizations that do not participate in and support fast-emerging consumer social networks risk losing control of how their products are perceived in the marketplace. And they lose the benefit of gaining insights from members of these social networks that might be used to improve their products and services.

### Poor Indirect Sales Capabilities Checkmate Market Expansion Strategies

Brand owners who market and sell through indirect channels face special challenges. Their ability to drive sales activities is in the hands of outside partners and allies. Yet channel partners are vital to many businesses that seek to expand their reach into new markets they cannot afford to serve on a direct basis.

The CRM panel members we surveyed report a number of concerns about their use of indirect sales best practices.<sup>5</sup>

- **Partner recruiting and administration.** Thirty-four percent evaluated their ability to create partner portals as poor/below average. If you do not offer an effective and easy way to communicate with partners and support them in solving their sales problems, they are likely to turn to competitors that might offer better collaboration tools.
- **Partner collateral management.** One-third of those surveyed feel their ability to create sales collateral content for partners and enable their own employees and partners to find these materials is poor/below average. The inability to arm channel partners with the right sales tools decreases their sales effectiveness. And building stockpiles of difficult to find sales collateral meant to be used to support specific sales opportunities is a waste of scarce resources.
- **Partner management.** About one-quarter of our panel members evaluate their ability to manage leads and allocate the right type of leads to the appropriate class of partner to be poor/below average. The inability to efficiently get the right lead to the right partner will lower your lead close rate.
- **Partner program management.** About one-quarter of the executives we surveyed feel their ability to manage partner programs is poor/below average. Weak partner programs diminish your ability to promote your message through sales channel members.



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- **Partner sales management.** Thirty-six percent of the panel members surveyed evaluated their ability to track partner leads as poor/below average. Lack of ability to track sales leads makes it impossible to calculate the return from lead generation programs.
- **Partner training.** About 25% feel their practices related to partner training are poor/below average. Poorly trained sales channel members, like poorly trained employees in your own organization, will be less effective in closing new business compared to highly skilled performers, driving up your average cost per sale.
- **Partner analysis.** Nearly two-thirds evaluate their capabilities with respect to having sophisticated partner dashboards as poor/below average. More than 40% feel the same about their ability to create custom reports for partner analysis, and 45% feel this way about their ability to do historical and trending partner analysis. If you do not have an effective means to track and diagnose your channel partners' performance, you have no way to quickly detect problems, plan remedial actions, and make appropriate resource allocation decisions.

### Weak Data Management Clouds Your Understanding Of Customer Behavior

Customer data management includes practices for administrating customer profile information, providing data to the appropriate individuals in the company when it is needed for decision-making, ensuring that customer data is accurate, and adhering to appropriate customer data privacy guidelines. Inaccurate customer data impedes the ability of the organization to see customer behavior patterns and respond to buyers based on an up-to-date view of the relationship.

Our CRM panel members report a relatively low strength of capability in their use of customer data management best practices.<sup>6</sup>

- **Customer profile information.** Fifty-six percent of the executives we surveyed evaluate their ability to have a single view of the customer across all systems and platforms as poor/below average. A “360-degree view” of the customer has been the central vision for CRM for the past decade. Our panel members report that attaining this vision still eludes them.
- **Customer data availability.** Forty-seven percent of those surveyed feel their ability to make customer information/data available in real-time mode is poor/below average. If employees are working with outdated customer information or the data is too difficult to find, they will make ill-informed decisions about the best way to acquire, serve, and retain customers.
- **Customer data accuracy.** Nearly half of the CRM panel members surveyed evaluate their practices for ensuring that customer master information is consistent in all customer repositories to be poor/below average. Inaccurate customer data clouds the ability of the organization to see customer behavior patterns and respond to customers based on an up-to-date view of the relationship.

- **Data privacy.** More than fifty percent of those surveyed evaluate their abilities in this area to be very good/outstanding. Our CRM panel members report that they take the issue of customer data privacy seriously and have put in place robust practices to safeguard customer information.

### Poor eCommerce Practices Lead To Lost Sales Opportunities

In today's Internet age, it is critical that your online presence be compelling and effective so that customers can easily engage in commercial transactions with your company. The Internet is the fastest growing sales channel for many companies. Failure to enable full commercial interactions with customers over the Web risks closing the door on new growth opportunities.

Our CRM survey panel members report a need to strengthen the use of best practices for eCommerce.<sup>7</sup>

- **eMarketing.** Thirty-two percent rate their ability to effectively manage email and Web campaigns as poor/below average. Given the rapid rise of the Internet for both B2C and B2B organizations, inability to effectively market and sell through this channel means your organization is missing out on an important opportunity to influence buyers
- **eCommerce quote and order management.** Between one-quarter and one-third of respondents evaluated as poor/below average their practices that support strong quoting capabilities and facilitate ordering and returns and exchanges online. If your company lacks the ability for customers to order and return goods through the Internet, you will miss important sales opportunities as this channel continues to grow in importance.

### Poor Strategy Undermines Your Ability To Deliver A Differentiated Customer Experience

Customer strategy best practices for CRM contribute to your company's ability to define a customer-focused strategy and communicate the strategy widely throughout the organization. The customer strategy identifies the customers you will serve and articulates the desired customer experience to be delivered by the company, and is based on sound analyses of customer value and behaviors. Without a sound strategy grounded in a deep understanding of the customer, you risk squandering limited resources by improving business processes that might have little impact on driving customer loyalty.

Our CRM panel members report a number of areas of concern.<sup>8</sup>

- **Customer management, vision, and strategy.** One-third of our CRM panel members evaluate their capabilities with regard to knowing what they want to accomplish through the company's customer management strategy and having it clearly understood by all staff who interact with customers to be poor/below average. Delivering an extraordinary customer experience starts with a careful definition of how you want to differentiate your organization in the minds of buyers. This vision needs to be shared with and embraced by all staff members who interact with customers.

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- **Customer valuation, segmentation, and targeting.** Twenty-two percent of the CRM panel members evaluate their brand (product) managers' knowledge about what customer data needs to be collected to devise go-to-market strategies to be poor/below average. Poor customer segmentation and targeting means your offers might not be relevant to the most important customer groups and the delivered customer experience will not be aligned with their needs.

### Inadequate Technology Infrastructure Bogs Down Customer Processes

Selecting and managing user-friendly applications, building a sound network infrastructure, maintaining systems availability and reliability, and using good program and project management practices are all required to effectively support customer management capabilities. Robust customer-facing processes are impossible to design and implement without a sound technology infrastructure.

The executives we surveyed report problems with their organizations' technology infrastructure for CRM.<sup>9</sup>

- **Customer-facing applications.** Nearly one-third evaluate their customer-facing applications, in terms of having an intuitive look and feel and easy navigation, as poor/below average. Nearly 40% give a similar evaluation to their customer-facing applications in terms of being highly configurable. Poorly designed and inflexible customer-process management applications retard user adoption, leading to poor return on investment in CRM technologies.
- **Network infrastructure.** CRM panel members report that they feel their practices pertaining to the availability and reliability of their network infrastructure are relatively robust; more than 70% evaluate their capabilities to be very/good outstanding.
- **Systems availability/reliability.** Twenty-eight percent evaluated their ability to deploy the most effective available technologies that put customer insights into all the right hands in their organizations to be poor/below average. It is impossible for front line personnel to serve customers appropriately if they do not have access to relevant and timely customer information at the point of interaction.
- **Technology program and project management.** Nearly 25% evaluated their technology and program management capabilities as poor/below average. Poor practices lead to technology projects that go over budget, are not timely, and fail to meet important user requirements.

### Weak Field Service Practices Block Demand And Supply Chain Synchronization

Field service includes the repair and testing activities typically performed for customers on site based on warranty or other contractual agreements. Field service cuts across many elements of business including the supply chain, CRM, and enterprise resource planning (ERP). It intersects the demand and supply chains, and integration of field service functions with this value chain can drive

the conversion of field service operations from cost center to profit center. The value chain provides the end-to-end communications and information infrastructure needed to make field service operations a tool for customer retention, in addition to its already well-established maintenance and repair functions.

CRM panel members report a number of challenges in their use of field service best practices.<sup>10</sup>

- **Core field service capabilities.** About 20% evaluate their capabilities for core field service tasks as poor/below average, indicating room for improvement in foundation-level practices.
- **Field service scheduling.** Twenty-four percent of the respondents surveyed evaluate their ability to make effective field service scheduling decisions to be poor/below average. Lack of control of timely scheduling of field service activities to meet customer requirements risks negatively affecting customer satisfaction and loyalty.
- **Field service mobile capabilities.** About one-quarter of our CRM panel members evaluate their capabilities for mobile field service practices to be poor/below average. Sound mobile technologies enable field service personnel to be more productive at client sites by giving them up-to-date customer information and enabling them to complete more tasks, such as invoicing, while on client premises.
- **Field service spare parts management.** About one-quarter of the respondents surveyed evaluate their capabilities for managing spare parts to be poor/below average. Lack of satisfactory spare parts management practices risks wasted trips to client sites if the right part is not at hand to complete a repair.

### Poor Employee Management Practices Compromise The Customer Experience

Front line employee interactions with customers are critical touchpoints that will grow or diminish the stature of your company in the minds of buyers. This means you must pay careful attention to your corporate culture, leadership practices, collaboration methods, training programs, and performance measurement approaches.

The executives we surveyed report a number of areas in which their use of people management best practices for CRM is low.<sup>11</sup>

- **Customer-oriented culture.** Twenty percent of our panel members judge their organizational structure with respect to being customer-focused, not product-focused, to be poor/below average. Organizational structures that do not encourage a direct line of sight to specific customer audiences risk becoming inward looking and out of touch with buyers' needs.



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- **Leadership.** Twenty-three percent of those surveyed evaluate their practices for demonstrating full support across all levels of management for CRM initiatives to be poor/below average. Senior-level sponsorship is critical to the success of any far reaching transformation initiative including a drive to become more customer-centric.
- **Inter- and intra-organizational collaboration.** Almost one-quarter of those surveyed evaluate their collaboration practices as poor/below average, citing difficulties having nonadversarial relationships and barriers to sharing customer data. If all parts of your enterprise cannot cooperate in delivering a great experience, customer perceptions will become negative, reducing repeat purchases.
- **Stakeholder support and management.** Twenty-eight percent of our panel members evaluate consistency in the use of metrics, rewards, and incentives to focus people on increasing customer relevance and value to be poor/below average. It is important that your evaluation metrics not be at cross-purposes with the employee behaviors required to animate your customer experience strategy.
- **Business-IT collaboration.** About 20% of the executives we surveyed evaluate their practices for fostering business-IT collaboration to be poor/below average. Lack of cooperation can result in IT solutions that do not meet the customer-facing needs of the business and compromise the delivery of a differentiated customer experience.
- **Training.** Seventy percent of the CRM panel members we surveyed believe their employees' knowledge of their responsibilities with regard to interacting with customers to be very good/outstanding. Yet nearly 40% rate their practices for supporting staff with easy-to-find, easy-to-use materials for enhancing or refreshing their knowledge with respect to customer management processes and technologies to be poor/below average. If employees are not given clear direction and information about how to best serve customers, inappropriate behaviors might result that erode the image of the company in the minds of buyers.
- **Performance measurement.** One-quarter of the executives we surveyed evaluate their capabilities in this area to be poor/below average. If employees do not receive customer feedback on a regular basis, the risk that their internal perception of the customer experience will get out of touch with customers' real perceptions increases dramatically.

### Poor Sales Practices Means Lost Deals And Missed Revenue Targets

Direct sales make up the business processes practices used by organizations that sell directly to customers and include capabilities for managing contacts, managing sales opportunities, and tracking sales performance. In many organizations the direct sales force is the primary revenue generating engine. If your sales engine stalls, revenue targets will be missed, leading to a cascade of unpleasant consequences including negative growth, diminished profits, and even layoffs.

Our CRM panel members report a need to strengthen the use of best practices across all direct sales capability areas.<sup>12</sup>

- **Sales contact and activity management.** Twenty-five percent of respondents reported their ability to effectively manage email communications to be poor/below average. And 23% rated at this same low level their ability to effectively manage sales person calendars. The inability of sales persons to seamlessly integrate their work with their day-to-day calendar and email actions makes it difficult for them to be efficient in routine scheduling and correspondence tasks, burning up scarce selling time.
- **Sales opportunity management.** Twenty-one percent of respondents feel their capabilities for tracking sales opportunities including competitive information and win/loss reasons are poor/below average. The inability to track sales deals as they progress through the sales pipeline with full information makes it difficult to diagnose when and why sales are being lost, and hinders the ability to develop more effective strategies for the future.
- **Sales performance management.** About 14% of respondents report their capabilities for managing individual and team quotas and goals to be poor/below average. Inability to effectively manage these tasks compromises an organization's ability to hit revenue targets.
- **Sales analysis.** About 22% of respondents evaluate their sales dashboard reporting capabilities as poor/below average. Poor sales analysis tools compromise the ability of sales management to allocate sales resource effectively, driving up the overall cost-of-sales for the organization.

## RECOMMENDATIONS

### ADOPT BEST PRACTICES TO TURBO-CHARGE YOUR CUSTOMER PROCESSES

The Forrester FastForward Best Practices Framework for CRM is a powerful tool for organizations embarking on the path to assessing and improving their current CRM programs or for jump-starting programs that are just getting started. Don't just peruse the FastForward Best Practices Self-Assessment; use it as the basis for an active dialogue about CRM. How?

- **Take it.** Everyone involved in customer relationship transformation efforts should take the self-assessment and develop their personal view of the company's current location in its CRM journey.
- **Compare it.** Teams should share their individual results and identify any major differences. Why is this valuable? Because differences of opinion that aren't identified early in the process can cause alignment problems down the road.
- **Discuss it.** Use the results, both similarities and differences, as the basis for an active discussion about priorities. Where should the company focus its efforts?
- **Improve it.** CRM represents a significant makeover for most firms, so it will take time to achieve. Use Forrester's CRM framework as a guide along the way, always asking the question: "Are we improving our CRM proficiency?"

## SUPPLEMENTAL MATERIAL

### Online Resource

"Forrester's FastForward CRM Capabilities Best Practices Self-Assessment" is available as an online tool. You can use this diagnostic tool to evaluate your capabilities against 150 CRM best practices.<sup>13</sup>

Forrester has also developed a more in-depth version of FastForward for CRM. This tool can help an organization:

- Determine the relative importance of each CRM best practice capability in relation to its business goals.
- Assess company performance for each capability.
- Calculate "gap scores" that define the difference between capability importance and company performance.

The in-depth version of the Forrester FastForward assessment for CRM contains 282 capability best practices evaluation criteria.

## Methodology

Forrester's set of CRM best practices online surveys were fielded to 260 business and IT decision-makers and influencers from our ongoing CRM research panel. Only a portion of survey results are illustrated in this document. The panel consists of volunteers who join on the basis of interest and familiarity with specific CRM topics. For quality assurance, panelists are required to provide contact information and answer basic questions about their firm's industry and size. They also identify whether they are primarily a business or IT executive. Respondents confirm they have at least one of the following roles with respect to CRM initiatives: set budgets, set strategy, choose CRM solutions, and implement CRM solutions.

Forrester fielded four surveys in August 2007: the August 2007 North American Marketing, eCommerce, And Direct Sales Online Survey; the August 2007 North American Indirect Sales And Customer Service Online Survey; the August 2007 North American Field Service, Customer Analytics, And Customer Data Management Online Survey; and the August 2007 North American Technology Infrastructure For CRM, People Management For CRM, And Customer Strategy Online Survey. Each of the surveys was sent to about one-quarter of the total respondent population. Each survey contained approximately one-quarter of the 150 best practices for evaluation by respondents. The four surveys were assigned to the respondent population on an nth-name basis.

The respondent incentive was an offer of a summary of the survey results and the opportunity to join Forrester's CRM research panel. Respondents were asked to score their company's performance relative to 150 CRM best practices capabilities according to the following scale: 1 (poor), 2 (below average), 3 (average), 4 (very good), and 5 (outstanding).

Exact sample sizes are provided in this report on a question-by-question basis. Panels are not guaranteed to be representative of the population. Unless otherwise noted, statistical data is intended to be used for descriptive and not inferential purposes.

In addition to sampling error, one should bear in mind that the practical difficulties in conducting surveys can introduce error or bias into the finding of opinion polls. Other possible sources of error in polls are probably more serious than theoretical calculations of sampling error. These other potential sources of error include question wording, question ordering, and nonresponse. As with all survey research, it is impossible to quantify the errors that may result from these factors without an experimental control group, so we strongly caution against using the words "margin of error" in reporting any survey data.

These statements conform to the principles of disclosure of the National Council on Public Polls.

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## ENDNOTES

- <sup>1</sup> The Forrester Best Practices Framework for CRM defines the critical capabilities necessary for building high quality customer relationships. See the August 24, 2007, "[Forrester's Best Practices Framework For CRM](#)" report.
- <sup>2</sup> View the results of the survey for each of the 11 best practices capabilities categories that comprise the Forrester Best Practices Framework for CRM. See the January 10, 2008, "[Marketing Best Practices Adoption](#)" report.
- <sup>3</sup> View the results of the survey for each of the 11 best practices capabilities categories that comprise the Forrester Best Practices Framework for CRM. See the January 10, 2008, "[Customer Analytics Best Practices Adoption](#)" report.
- <sup>4</sup> View the results of the survey for each of the 11 best practices capabilities categories that comprise the Forrester Best Practices Framework for CRM. See the January 10, 2008, "[Customer Service Best Practices Adoption](#)" report.
- <sup>5</sup> View the results of the survey for each of the 11 best practices capabilities categories that comprise the Forrester Best Practices Framework for CRM. See the January 10, 2008, "[Indirect Sales Best Practices Adoption](#)" report.
- <sup>6</sup> View the results of the survey for each of the 11 best practices capabilities categories that comprise the Forrester Best Practices Framework for CRM. See the January 10, 2008, "[Customer Data Management Best Practices Adoption](#)" report.
- <sup>7</sup> View the results of the survey for each of the 11 best practices capabilities categories that comprise the Forrester Best Practices Framework for CRM. See the January 10, 2008, "[eCommerce Best Practices Adoption](#)" report.
- <sup>8</sup> View the results of the survey for each of the 11 best practices capabilities categories that comprise the Forrester Best Practices Framework for CRM. See the January 10, 2008, "[Customer Strategy Best Practices Adoption](#)" report.
- <sup>9</sup> View the results of the survey for each of the 11 best practices capabilities categories that comprise the Forrester Best Practices Framework for CRM. See the January 10, 2008, Best Practices "[Technology Infrastructure For CRM Best Practices Adoption](#)" report.
- <sup>10</sup> View the results of the survey for each of the 11 best practices capabilities categories that comprise the Forrester Best Practices Framework for CRM. See the January 10, 2008, "[Field Service Best Practices Adoption](#)" report.
- <sup>11</sup> View the results of the survey for each of the 11 best practices capabilities categories that comprise the Forrester Best Practices Framework for CRM. See the January 10, 2008, "[People Management For CRM Best Practices Adoption](#)" report.
- <sup>12</sup> View the results of the survey for each of the 11 best practices capabilities categories that comprise the Forrester Best Practices Framework for CRM. See the January 10, 2008, "[Direct Sales Best Practices Adoption](#)" report.

- <sup>13</sup> Forrester's FastForward best practices self-assessment for CRM is available as an online tool. Use this diagnostic tool to evaluate your capabilities against 150 CRM best practices. See the August 24, 2007, "Forrester's FastForward CRM Capabilities Best Practices Self-Assessment" report.

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