

WHITEPAPER

# **Seizing the Bull by its Horns: Remodeling CRM Transformation for Excellent B2B Customer Experience**



## In an experience-led economy, CX investments are hitting new ceilings. Mitigate these strategic hurdles to make sure that your CRM transformation pays off.

Despite operating in an experience-led economy, businesses have been struggling to deliver what the customers want, especially in the last few years. This is reflected in dwindling Customer Experience (CX) ratings according to Forrester. ***In the US, the overall CX quality dropped in 2023.***

This is not surprising, given how fast the industry standard for CX is moving in every sector. While leading brands are delivering rich and responsive experiences to their buyers, laggards are caught in a perpetual game of catch-up. However, there is no other way to win – ***which explains why 57% companies will up their (Customer Relationship Management) CRM investments this year.***

CRM systems are foundational to great customer experiences. But these systems have been around for so long now, that their obsolescence is becoming a hurdle in orchestrating customer journeys that can match the industry standard. This is one of the key reasons that trigger a CRM transformation in most organizations.

CRM transformation is a high-stakes initiative. It calls for big investments, process changes, and a vetted strategy for driving user adoption. Yet, successful CRM transformations are far and few – and this is how it has always been. What's changed, are the reasons why CRM transformation programs go south. Today, data is the key to delivering exceptional CX, but it takes the backseat when CRM solutions are implemented by organizations. Moreover, low employee satisfaction with the solution, and dated analytics capabilities further preclude the success of a CRM transformation. And everyone is all too familiar with frustrating self-service experiences by now, which bring a service cost reduction at the cost of CX.

A CRM transformation must be strategized to mitigate the above risk factors. Moreover, to seal the success of your CRM transformation, it is essential to channel your investments to the right places and to have a trusted advisor who will vouch for the success of your initiative.



# 6 things that break CRM transformations today

CX improvement is the driving force behind the majority of CRM transformations today. In fact, **75% buyers cite this as the rationale for purchasing CRM solutions**. At the same time, few initiatives are able to attain this end goal.

The reasons for suboptimal outcomes of CRM transformations are varied. Despite a range of CRM solutions on offer in the market, organizations are unable to deliver the experiences they envision through their CRM implementations. Here are the top reasons that derail CRM transformation programs:

## #1. High adoption rates but low satisfaction with the CRM solution

The 2020s saw widespread adoption of CRM solutions. Businesses implemented new CRM systems in droves. In industries like manufacturing and business services, **CRM adoption rates now hang above 70%**. Moreover, businesses are spending big on their CRM solutions, with **57% expected to invest more in the coming months**.

However, few organizations are satisfied with the CRM solutions that they are using. Clearly, the solutions they have adopted are failing to deliver on their promise. Typically, user dissatisfaction results from poor interfaces and a lack of the right capabilities. However, some gaps are more difficult or expensive to bridge – for example, the inability to integrate with other systems or lack of customizability. Customer journeys vary drastically across (and even within) industries, and new standards of CX render old capabilities obsolete within months.

It is therefore not surprising that few CRM solutions are able to deliver satisfactory outcomes to businesses.

## #2. Ignoring data quality but expecting rich insights

AI capabilities have become an integral part of modern CRMs. Features like predicting the next best action against a case, recommending similar cases to agents, and sentiment analysis rely on data – more specifically, its quality.

During CRM transformation programs, some organizations tend to forget the importance of starting with high-quality (i.e., complete, consistent, and error-free) data. As a result, they forgo post-migration data validation or integration error checks.

Even if these tasks are carried out, it is essential to implement guardrails to ensure high-quality data over time. Automated data capture capabilities in the CRM, regular audits, and treating the CRM as a single source of truth (SSOT) are crucial to maintaining data quality – and consequently, generating trustworthy and valuable insights.

## #3. Capabilities that deliver insights in batches instead of real-time

The ability to automatically export custom reports used to be a selling point for CRM solutions. However, these reports eroded the time value of the insights they offered. In today's dynamic business environment, such dated insights are of little relevance to decision-makers. ***This explains why 45% businesses are investing in real-time customer journey analytics capabilities for the first time this year.***

However, it is difficult to deliver real-time insights to ground-level marketing, sales, and service roles. It takes a well-optimized, elaborate, and scalable customer data architecture that is offered by a select few CRM solutions. That's why customer data platforms are a key component of a modern CRM solution.

## #4. Inability to operationalize legacy data with the new solution

During a CRM transformation, most organizations focus excessively on enabling the capabilities of their new solution. In the process, they lose sight of the data that has accumulated in their legacy CRM solution. Usually, this data is highly detailed, and could not only deliver valuable insights in the new solution but may also hold regulatory value.

The trouble stems from proprietary data formats which are not interoperable with other solutions. Even if critical fields are migrated, some details are left behind. While vendors employ this as a strategy to lock buyers in, a CRM transformation must account for such challenges. Undertaking data processing and conversion is usually essential to activate AI capabilities like customer sentiment scoring or behavioral insights.

## #5. Implementing suboptimal self-service solutions

When businesses resumed operations during the pandemic, they employed chatbots to elevate the service experiences and lower ticket load on their reduced workforce. However, these chatbots did more harm than good in some scenarios – especially when they were not optimized to cater to the user's needs.

***A Forrester survey showed that 50% users are frustrated with chatbot conversations, and a single experience can drive away 30% of customers.*** At the same time, self-service is gaining importance. ***Over 38% Gen Z and millennial buyers abandon service experiences if they can't find the answers they're looking for by themselves.***

Suboptimal self-service implementations therefore have a significant impact on the outcome of CRM transformation.

## #6. Losing sight of Employee Experience

CX is closely linked with the employee experience (EX). **According to Forrester, new return-to-office mandates could leave a marked impact on CX in 2024.** In such a scenario, businesses must arm their customer-facing roles with every capability they need to succeed in their workday.

However, few CRM solutions are able to deliver such capabilities within intuitive interfaces. Self-explaining features in a CRM are crucial to ensure that new hires do as well as the top performers, and AI capabilities must be embedded within the workflows of each role. When these critical features are absent in a CRM solution, a transformation program creates little excitement for the ground-level roles – thus compromising the ultimate objective of boosting CX.

### Winning the CX game Start with the right CRM solution

A closer look at the above challenges reveals two key themes. Some CRM transformations are destined to fail from the get-go. This happens when the new CRM solution picked by CX leaders doesn't check all the boxes that a modern CRM should.

The second stream of challenges is caused by poor implementation processes – not heeding data quality, leaving legacy data behind, or failing to implement guardrails to maintain data quality.



# Achieving CX excellence with SAP

Addressing the first factor is straightforward. When undertaking a CRM transformation, invest your funds in the right CRM solution. SAP CRM solutions are the right pick for most organizations from this perspective. In a time when old capabilities grow obsolete within months, SAP CRM solutions keep their users at the cutting edge at all times, by continuously innovating their products.

They integrate seamlessly within the enterprise technology landscape (including IoT implementations and edge computing solutions), and offer a rich library to build low/no-code custom solutions on top.

SAP Sales and Service Clouds offer the critical capabilities that are demanded of a modern CRM solution. These include:

<p><b>A resilient customer data platform</b> to monetize valuable first-party customer data.</p>	<p><b>Generative AI features</b> that simplify the workday of agents, and enable repeatable success for them.</p>
<p><b>Customer Identity and Access Management</b> that acts as an SSOT for customer data.</p>	<p><b>Real-time customer insights</b> that enable the best course of action for each decision.</p>
<p><b>Solutions to build composable apps</b> that can activate new customer experiences in minutes.</p>	<p><b>A simple, intuitive interface</b> that requires minimal to no training to get started.</p>

Vendor reviewers vouch for these capabilities of SAP Sales and Service Cloud solutions – SAP Service Cloud was deemed to have the best feature set and offer the best value for price by TrustRadius, and was the top-rated solution in 2023.

# Ensuring a successful CRM transformation

Addressing the second factor of CRM transformation failure – i.e., poor implementation processes, calls for deep expertise in both the legacy and the target CRM environment, and experience in leading such transformations. This speaks of the value of having a trusted CRM transformation partner by your side.

Because technology partners usually have experience in successfully delivering such projects, they bring learnings and insights from other businesses who have been through the same path. They can also accelerate your CRM transformation by leveraging accelerators for making legacy data interoperable, implementing data quality guardrails, and supporting your users through the transition.



# Final words

Businesses have undertaken CRM transformations ever since the inception of the very first CRM solutions. However, the competitive and strategic value of CX has gone up over the last few years, turning CRM transformations into a high-stakes initiative.

Most CRM transformations can be directed towards successful outcomes by opting for a capable CRM – like SAP CRM solutions. By working with a trusted implementation partner, organizations can elevate their CX to the next level, exploiting their legacy data and capabilities of the new solution to the fullest. This is the key to winning in the CX revolution.



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