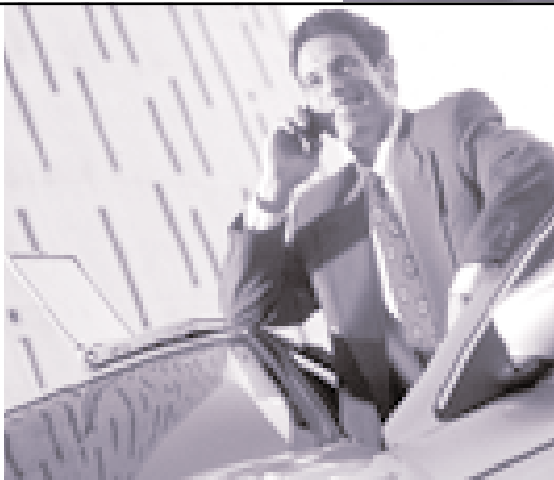


Fast Return on Investment (ROI) in Mid-market  
Customer Relationship Management (CRM) Solutions



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## **SalesLogix® Success Stories**

Visit [www.saleslogix.com](http://www.saleslogix.com) to view the complete success stories for the companies cited in this report.

### **Arbill Glove and Safety Products**

**ARC Advisory Group**

**Credit Data of New England**

**Getinge/Castle**

**Headland Machinery**

**Heritage Log Homes**

**Holophane Corporation**

**InSource Software Solutions**

**Jeeves Solutions**

**NuGenesis Technologies**

**PayTrust Inc.**

**Prophet21**

**Schleuniger Inc.**

**SEI Investments**

**Simmons and Company International**

**Total Vision Marketing**

**Venatus Consulting Ltd.**

**Watlow Electric**

**WorldRes.com, Inc.**

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## ROI in SalesLogix® CRM Implementations

Success is a funny thing. In some fields of endeavor, such as rocket science and brain surgery, you're not considered a success unless you succeed 100 percent of the time. In others, like golf, a single hole-in-one is considered a stunning achievement.

The Gartner Group recently reported that as many as 60 percent of all CRM implementations fail. So, is CRM a triumph or a flop? It depends on whether you ask one of those with a successful CRM implementation or one of those where CRM hasn't gone so well.

### Sales-Focused CRM Succeeds

Many CRM vendors today tout solutions that include everything from call center support to marketing analytics to supply chain integration. Each of these can, no doubt, be important to any particular business. And, just as companies' priorities change from business to business, so do their ways of measuring ROI vary. Put simply, it's a matter of what's important to each company, marketplace, and management team.

For most small to mid-size businesses, revenue growth, sales effectiveness, and customer loyalty are top priorities. The people most responsible for generating revenues and fostering customer loyalty are salespeople. So, you'd expect CRM systems to be designed and implemented in such a way as to make the company's salespeople more effective. Right? Well, not always.

The truth is, many CRM efforts ignore salespeople. In fact, of 100 companies with CRM implementations recently surveyed by AMR Research, only slightly more than a third included modules designed specifically to improve the effectiveness of their sales forces.

Now, let's think about this: One study shows that about 60 percent of all CRM implementations fail, therefore roughly 40 percent of them succeed. That's just a little over one-third. Another study shows that just over one-third of all CRM implementations include modules designed to aid sales forces. Could it be that CRM systems that aid companies' salespeople and sales processes are the ones that succeed? Well, the analysts at AMR went on to conclude that "much of the tarnish surrounding CRM originates from the failures of their sales force components."

In this report, we'll cover how a wide range of SalesLogix customers define ROI and the return they are achieving with their SalesLogix implementations. These are their real-world experiences, told as much as possible in their own words.

Although the types of ROI SalesLogix customers receive is as varied as each one's business, we've found their success often falls into several categories:

Making More Time for Selling ■ Raising the Top Line  
Improved Productivity, Streamlined Administration and Fewer Errors ■ Happier Customers  
Better Targeted, More Efficient Marketing ■ Managing the Pipeline Better

All these measures, however, point to our thesis that sales focused CRM succeeds.

## Making More Time for Selling

Ask just about any grizzled sales professional what his or her most precious asset is, and you'll likely hear a simple reply: "Time." Veteran sales pros know that you can never have too much time to communicate with prospects and customers because that's where the relationship building and selling get done. To really benefit an organization's sales force, effective CRM packages deliver more time to sell. SalesLogix customers report that it does exactly that.

### 25 percent more sales calls

Take, for example, Mike Boulding, the President of building materials distributor Total Vision Marketing. Boulding's company represents a number of non-traditional advanced construction products and it's critical that his sales reps maximize their time with prospects and customers. As Boulding puts it, "You see them once, you see them twice, you might get an order. But, if you don't go see them, they won't call you." Deploying SalesLogix to his 35-person sales force improved information sharing and synchronization among Total Vision Marketing's sales and internal support people so much that sales reps now have, as Boulding put it, "a lot more time on their hands" and are now making about 25 percent more customer visits.

### 50 percent more sales calls

Arbill, a glove and safety products company—and a SalesLogix user—realized similar benefits using the product's wireless capability. Julie Copeland, Arbill's vice president of sales, said, "Rather than making four or five sales calls per day, our field reps are now making an average of six to eight." She attributes this striking increase in customer visits to the ability of Arbill salespeople to access their centralized SalesLogix database using their Web-enabled cell phones. Reps who find a customer has cancelled an appointment can quickly identify other customers or prospects in the area, minimizing holes in their schedules and wasted time. Adds Joe Murphy, Arbill's CIO, "It has really enabled our sales reps to do so much more. We're managing our growing sales territories without additional staff."

### Three-fold increase in productivity

SEI Investments, a 1,500-person global technology and investment services company, found that SalesLogix enabled each of its salespeople to handle about three times as many opportunities. One reason SEI saw such an efficiency

improvement is that sales management reports are now generated by sales managers with little or no "extra" effort required by sales reps. Salespeople enter the information needed for those reports into SalesLogix as they perform their normal, day-to-day work and, therefore, have more time for selling.

**“** Rather than making four or five sales calls per day, our field reps are now making an average of six to eight. **”**

–Julie Copeland, VP Sales, Arbill

## **Nine additional salespeople**

From the manufacturing sector, Mike Butts of Watlow Electric, a major process controls producer, reported, “We’ve been able to save our sales agents, on average, about four hours per week with SalesLogix. When you multiply that over our 90-plus member sales force, it comes out to about 360 hours per week that we’re saving on average. And that is equivalent to having 9 extra salespeople on the street in any given week.” The other ways a quality, sales-oriented CRM system can give sales reps more time to sell are as varied and diverse as the companies that deploy such systems. And the time savings they achieve really add up.

- Shared calendars eliminate the phone and e-mail tag so often involved in scheduling meetings
- New account reps don’t start from scratch when taking on a new account
- Processes are triggered that automatically and instantaneously schedule activities, fulfill literature requests, and create standardized letters

## **Quicker SEC compliance**

Managers at Ronald Blue & Co., an investment firm, found that SalesLogix enabled its sales force to more quickly navigate SEC compliance requirements. One such example is the generation of correspondence required before customers can be billed. SalesLogix makes it possible for those letters to be sent directly to Ronald Blue’s compliance department. Sales reps and billing agents know exactly when the letter has been approved and the sales process proceeds without additional back-and-forth.

## **Quote-generation time cut to minutes**

In a final example, pharmaceutical software developer NuGenesis deployed SalesLogix and found that the time it took sales reps to generate quotes decreased from two hours to a few minutes. CRM with a strong sales component can, indeed, help salespeople work more efficiently, providing them with more time to spend actually selling.

**Table 1 : Summary of Sales Force Time Savings Examples**

<b>SalesLogix Customer</b>	<b>Result</b>
Total Vision Marketing	▪ 25% more sales calls
Arbill	▪ 50% more sales calls
SEI Investments	▪ Sales staff handling three times as many opportunities
Watlow Electric	▪ 4 hours per week more selling time per sales rep yields equivalent of 9 “additional ”salespeople
NuGenesis	▪ Sales rep time to generate quotations down from two hours to a few minutes

**“** We’ve been able to save our sales agents, on average, about four hours per week with SalesLogix. When you multiply that over our 90-plus member sales force, it comes out to about 360 hours per week that we’re saving on average. And that is equivalent to having 9 extra salespeople on the street in any given week. **”**

-Mike Butts, SFA Project Leader, Watlow Electric

## **Raising the Top Line**

Increases in top-line performance are common among SalesLogix users, and the results are not limited to specific industries, small or large companies, or certain types of products or services.

### **350 percent increase in revenue**

We mentioned NuGenesis in the previous section, noting how SalesLogix helped decrease its proposal development time. Although the company was pleased with this and other quantifiable benefits of its SalesLogix adoption, the metric that really got corks popping in the president's office was a 350 percent increase in sales. What's more, Bob Flynn, NuGenesis director of world sales operations wasn't at all surprised by this result. He'd seen nearly the exact same outcome at his previous company when he spearheaded a SalesLogix deployment there.

### **15 percent increase in revenue**

Recall, too, that SalesLogix added four hours of selling time to salespeople's week at process controls manufacturer Watlow. That improvement in field sales efficiency resulted in a 15 percent increase in revenues in the first year alone. Watlow also correlates with its SalesLogix deployment a 10 percent increase in its net operating profits, due largely to lower sales operations costs. Improved information flow from the field to the factory has helped, too, resulting in prototypes, Mike Butts said, "...developed in a fraction of the time they used to take."

*“SalesLogix has accounted for at least an incremental million dollars in sales.”*

—Mike Fenn, VP Sales Operations, Jeeves Solutions

### **25 percent increase in sales**

Also in the manufacturing sector, Headland Machinery, an importer and installer of specialized manufacturing equipment, attributed a 25 percent increase in sales to its SalesLogix system.

### **25-50 percent increase in revenue per customer**

Similarly, Total Vision Marketing, whose 25 percent increase in sales calls we noted earlier, witnessed a translation of its improvement in selling time to an increase in revenue per customer that ranges between 25 and 50 percent. Boulding, the company's president, asserts, "SalesLogix definitely was a big part of that increase."

### **30 percent increase in revenues**

The ROI extends into high-tech companies, too. Prophet21, a supply chain management software producer, recorded a 30 percent increase in revenues after deploying its SalesLogix system. And that's with 25 percent fewer salespeople! Doug Levin, Prophet21's executive vice president of sales, marketing, and product management, notes that although SalesLogix provided immediate cost savings and some revenue improvements in the first year of its deployment, the impressive revenue benefit was realized later. "We saw a one-time payback on our SalesLogix investment in the first year," Levin reports. "But, that payback is now tenfold after three or four years with the system."

### **30 percent increase in customer conversion rate**

Another high-tech SalesLogix user, the on-line bill payment company PayTrust, saw an increase of 30 percent in its customer conversion rate after deploying SalesLogix.

### **\$1 million in incremental sales**

Most companies prefer to note the kinds of percentage increases we've cited to this point. However, one SalesLogix customer, Jeeves Solutions, the enterprise software division of Ask Jeeves, Inc., was able to pin a dollar figure on the gains they've made with their SalesLogix implementation. "SalesLogix has accounted for at least an incremental million dollars in sales," said Mike Fenn, vice president of sales operations.

### **62 percent increase in new accounts**

Other SalesLogix customers are, for competitive reasons, understandably less eager to quote specific revenue increases at all. But, at least one is willing to provide success measures that can be easily translated into higher revenues. With its SalesLogix implementation, one of the industry's top financial services firms realized a 62 percent increase in new account openings.

*“We saw a one-time payback on our SalesLogix investment in the first year. But, that payback is now tenfold after three or four years with the system.”*

—Doug Levin, Executive Vice President Of Sales, Marketing, and Product Management, Prophet21

### **Management of triple revenues**

Some companies experiencing healthy growth are unable to connect the company's revenue increases directly to SalesLogix, but are strong in their belief that the growth rate could not have been managed without it. For example, Pentagon Engineering, a small integrator of computer aided design systems, has seen its revenues triple since 1998. Robert Bernath, Pentagon's controller, believes "it would have been impossible to achieve and manage that growth without SalesLogix."

## **Benefits to sales reps**

And the financial gains made through SalesLogix are not expressed only in companies' revenues. Individuals within those companies benefit, too.

- Schleuniger, a Swiss-based manufacturer of wire processing equipment, reports that one of its most enthusiastic SalesLogix users won the company's Sales Rep of the Year award by exceeding his quota by 74 percent.
- A salesman from Heritage Log Homes has risen from being one of the company's least spectacular to one of its best. He credits his rise directly to SalesLogix.

***“It would have been impossible to achieve and manage [our] growth without SalesLogix.”***

–Robert Bernath, Pentagon Engineering

**Table 2 : Summary of Revenue Increase Examples**

<b>SalesLogix Customer</b>	<b>Result</b>
NuGenesis	<ul style="list-style-type: none"><li>▪ 350% increase in revenue</li><li>▪ 300% increase in revenue seen with sales operations director's previous SalesLogix implementation</li></ul>
Watlow Electric	<ul style="list-style-type: none"><li>▪ 15% increase in revenue</li><li>▪ 10% increase in net operating profit</li></ul>
Headland Machinery	<ul style="list-style-type: none"><li>▪ 25% increase in sales</li></ul>
Total Vision Marketing	<ul style="list-style-type: none"><li>▪ 25% to 50% increase in revenue</li></ul>
Prophet21	<ul style="list-style-type: none"><li>▪ 30% increase in revenue</li></ul>
Jeeves Solutions	<ul style="list-style-type: none"><li>▪ \$1 million in incremental sales</li></ul>
Top financial services firm*	<ul style="list-style-type: none"><li>▪ 62% increase in new account openings</li></ul>
PayTrust	<ul style="list-style-type: none"><li>▪ 30% improvement in customer conversion</li></ul>

*\*This SalesLogix customer asked to remain anonymous for competitive reasons.*

## **Improved Productivity, Streamlined Administration, and Fewer Errors**

As if news of increased sales and performance weren't enough, SalesLogix users report cost savings, improved efficiency, and the ability to generally accomplish more with less. And those results are not unique or even extraordinary.

### **Sales increase while sales headcount drops**

Recall Doug Levin of Prophet21 and how his company's sales increased at the same time his sales headcount decreased. His is not the only example.

### **17-fold growth in revenues with only tripling of sales support staff**

We turn once again to Total Vision Marketing, which reports its revenues have increased by a factor of 17 since SalesLogix was deployed, while its sales support staff has only tripled in size. Company President Mike Boulding notes his team is handling the growth using SalesLogix and service reps are "absolutely able to do their jobs better" in spite of having nearly six times the work. Boulding also points out that SalesLogix has enabled the company to send out invoices "almost immediately." For a company that turns its inventory every three weeks, the importance of cash flow cannot be overstated.

### **Growth in revenues handled with limited sales support staff**

Pentagon Engineering Controller Robert Bernath cites similar productivity gains. He estimates that the company would require twice as many administrative people to handle the revenue growth it has achieved since deploying SalesLogix. What's more, Bernath credits SalesLogix with a clear improvement in accounts receivable performance and a sharp drop in collections time. Since deploying SalesLogix, Pentagon's average days sales outstanding has decreased from about 90 days to 60 days. The company has also realized the improvement in corporate cash flow that you would expect with such progress.

### **15 percent more proposals; 25 percent fewer errors**

Many companies also consider SalesLogix responsible for helping them reduce costly errors. Getinge/Castle, a manufacturer of sterilization products, has not only found it can generate 15 percent more proposals, with each taking less time, it is realizing a 25 percent reduction in proposal errors. Those kinds of improvements directly correlate to revenue in just about any business.

*“Service reps are absolutely able to do their jobs better.”*

-Mike Boulding, President,  
Total Vision Marketing

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### **Better quote and order accuracy**

Holophane, a manufacturer of lighting systems, many of them custom, also experienced a significant improvement in quote and order accuracy. Since deploying its SalesLogix system, Holophane has measured an 18 percent reduction in orders requiring changes and a 44 percent reduction in the number of orders sent back for clarification. Not surprisingly, Holophane also measured a striking enhancement of the efficiency of its sales support staff as a result of these accuracy improvements, and has witnessed an increase in order transactions of 25 percent.

**Table 3 : Summary of Cost Savings Examples**

<b>SalesLogix Customer</b>	<b>Result</b>
Prophet21	<ul style="list-style-type: none"><li>▪ Sales increased despite a 25% reduction in sales staff headcount</li></ul>
Total Vision Marketing	<ul style="list-style-type: none"><li>▪ Sales increased by factor of 17 as sales support staff grew by a factor of only 3</li></ul>
Pentagon Engineering	<ul style="list-style-type: none"><li>▪ Sales support staff half of what would be needed without SalesLogix</li></ul>
Getinge/Castle	<ul style="list-style-type: none"><li>▪ 25% reduction in proposal generation time with 25% fewer errors</li><li>▪ 15% more proposals with same staff</li></ul>
Holophane	<ul style="list-style-type: none"><li>▪ 18% reduction in orders requiring changes</li><li>▪ 44% reduction in orders sent back for clarification</li><li>▪ 25% increase in order transactions</li></ul>

## Happier Customers, Too

Clearly, saving money and time both before and after a prospect becomes a customer is important, but if it comes at the expense of customer service, then it really is no savings at all. For SalesLogix users, this is not a problem. The firms that implement SalesLogix frequently report the benefits we've already described, plus improvements in the factors that most influence customer satisfaction.

### 65 percent drop in service response times

As we mentioned earlier, Headland Machinery recorded a 25 percent increase in service revenue after deploying its SalesLogix system. Impressive, but even more so when we learn they simultaneously experienced a 65 percent decrease in service response times.

### \$300 million in savings expected

Kunkle Valve, a division of Tyco Valves, and Controls implemented an e-commerce system that included SalesLogix Configuration Engine, a component of Microsoft Commerce Server. This enabled customers to do business with Kunkle more easily, while lowering Kunkle's costs, too. A study conducted by Microsoft and Gartner Group showed that customer call time per sale dropped 65 percent and product returns were cut in half. Additionally, customer procurement related costs, service requests, and fulfillment cycle time all were reduced. In all, the company expects to realize about \$300 million through this system; one it likely would not have built without SalesLogix Configuration Engine. "We very quickly decided this was the solution we wanted to implement," says Jeff Lynch, manager of e-commerce development. "It was the most cost effective and most flexible configurator we identified that would work with Commerce Server. We would not have gone forward without it."

*“Our responsiveness to customer needs has increased many-fold.”*

–Karen Savoie, Industrial Sales Trader, Simmons and Company

### Responsiveness increased

In a similar example from a completely different industry, Institutional Sales Trader Karen Savoie, with investment banking firm Simmons and Company, reports, "Overall, our responsiveness to customer needs has increased many-fold."

### Client reports prepared in minutes

Venatus Consulting, an executive search firm, discovered that its client reporting system improved after it became a SalesLogix user. Manuel Francisci, vice president at Venatus, says that running client reports that once consumed one and a half hours now take only minutes to complete. Most important, Venatus's total time to market job opportunities and fill positions has, overall, been cut nearly in half. That has to make their customers happy!

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## **50 percent reduction in production**

A hotel reservations company, WorldRes.com, found that the improved communication SalesLogix fosters continues to add value for its customers long after the system has helped Sales close the deal. One of the company's core functions is the publication of client Web sites. Its SalesLogix deployment has resulted in a 50 percent reduction in the time required to bring those Web sites on-line.

## **On-hold time for customers down 27 percent**

Customers calling NEC Mitsubishi Electronic Displays saw a direct improvement that we can all identify with. After the company deployed SalesLogix, the time it took customers to reach a representative on the phone decreased from an average of 30 seconds to seven. Even as reps were getting on the line more quickly, they were accomplishing more, pulling up callers' SalesLogix-based records before answering the phone. This helped cut the average talk time per call from 2 minutes 45 seconds to 2 minutes flat—a reduction of 27 percent! So, NEC's SalesLogix implementation not only improves its callers' experience, it has helped cut the company's call center costs, too.

## **95 percent increase in assets retained**

We previously mentioned a leading financial services firm that attributed a 62 percent increase in new account openings to its SalesLogix system. That same company also found its assets retained, a measure of individual customers who continue to buy products from it, increased 95 percent from the same quarter of the previous year.

## **Customer satisfaction surveys up 20 percent**

Prophet21 conducts customer satisfaction surveys twice annually. Executive Vice President Doug Levin happily reports that an improvement of approximately 20 percent in its customer satisfaction rating is directly correlated with SalesLogix. You see, before SalesLogix, communication between salespeople and the company's system implementation team was minimal after a sale had been completed. Since SalesLogix, implementation engineers have complete access to the salesperson's account notes and, thus a much deeper understanding of the customer's needs, enabling them to adjust the products they develop accordingly.

***“We would not have gone forward without SalesLogix Configuration Engine.”***

—Jeff Lynch, Manager of E-commerce Development,  
Kunkle Valve, a division of Tyco Valves and Controls

## **“The most responsive software company”**

Even when improvements in customer satisfaction aren't measured, they are often notable. Bob Flynn of NuGenesis reports, “One of the top ten pharmaceutical companies says we are far and away the most responsive software company they've ever worked with. That kind of service translates into repeat sales.” Indeed!

**Table 4 : Customer Satisfaction Improvement Examples**

<b>SalesLogix Customer</b>	<b>Result</b>
Headland Machinery	<ul style="list-style-type: none"> <li>▪ 65% decrease in service response time</li> </ul>
Kunkle Valve	<ul style="list-style-type: none"> <li>▪ Call time per sale down 65%</li> <li>▪ Product returns decreased 50%</li> <li>▪ Customer procurement related costs, service requests, and fulfillment cycle time all reduced</li> </ul>
Simmons & Company	<ul style="list-style-type: none"> <li>▪ Customer report generation time decreased from hours to minutes</li> </ul>
Venatus Consulting	<ul style="list-style-type: none"> <li>▪ 50% decrease in time needed to post and fill new positions</li> <li>▪ Client report generation time decrease from 1.5 hours to minutes</li> </ul>
Worldres.com	<ul style="list-style-type: none"> <li>▪ 50% reduction in time required to bring new customer Web sites on-line</li> </ul>
NEC Mitsubishi Electronics Display	<ul style="list-style-type: none"> <li>▪ Average on-hold time dropped from 30 seconds to 7 seconds</li> <li>▪ Average call time decreased from nearly 3 minutes to 2 minutes</li> </ul>
Top Financial Services Firm	<ul style="list-style-type: none"> <li>▪ Improved customer retention by 95%</li> </ul>
Prophet21	<ul style="list-style-type: none"> <li>▪ 20% improvement in measured customer satisfaction</li> </ul>

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## **Better Targeted, More Efficient Marketing**

Clearly, we're fans of sales-focused CRM. But the benefits of SalesLogix don't end with sales. Marketing departments also realize performance and efficiency improvements directly attributable to the deployment of SalesLogix.

### **Mailing list generation reduced from days to hours**

Credit Data of New England, a credit reporting company found that its SalesLogix system reduced the time spent generating mailing lists for direct marketing pieces from two or three days of labor intensive, manual review to an average of less than one day.

*“Salespeople have a much better chance to strike while the iron [is ] hot.”*

–Mike Boulding, President,  
Total Vision Marketing

### **\$200,000 savings in first six months**

A growing technology consulting company, ARC Advisory Group, found that linking its global sales and marketing organization together through its SalesLogix system resulted in a doubling of their productivity. That translated into a cost savings of \$200,000 in the first six months of the system's operation. Jennifer McGhee, ARC's manager of CRM applications, attributes the savings in part to the automation of many of their sales and marketing processes, adding, “We've been able to free several members of our team for other significant activities.”

### **Faster lead assignment**

For Mike Boulding of Total Vision Marketing, the benefit of the company's SalesLogix system to marketing was very straightforward. Although he could not directly correlate marketing expense savings to deployment of the system, he was confident that leads were passed on to the right salesperson much faster with the SalesLogix system, giving his salespeople a much better chance to “strike while the iron was hot.”

### **Direct mail response doubled; lead conversion doubled; budget reduced 50 percent**

The supply chain management software company Prophet21 found that its SalesLogix system was responsible in several ways for substantial savings in marketing programs.

- In the past, if the company was conducting a direct mail campaign that involved sending prospects three separate pieces, once the campaign started, it would be carried through to completion. After SalesLogix was implemented, they decided to use the system to analyze the results of the first mailing of a new campaign. That analysis told them their message was flawed. The early warning caused the company to cancel the second and third mailings, saving approximately \$50,000.

- Again using its SalesLogix system for marketing analysis, Prophet21 found that its trade show and print advertising programs were not very effective, but that its Web advertising efforts were growing in impact. This surprised members of the marketing team who had planned to drastically reduce spending in all three areas, including Web advertising. They modified those plans to fund the most effective ads.
- In one other example of marketing improvement made possible by its SalesLogix system, Prophet21 found that prospects typically required three exposures to the company's message before taking action. Savvy Prophet21 marketers now adjust their trade show, print ad, and direct campaigns to help ensure prospects receive their message a minimum of three times.

Here's the bottom line in marketing for Prophet21: Before deploying SalesLogix, the company would receive a response of approximately 1 percent to its direct mail campaigns. That number has now doubled to 2 percent. And those leads tend to be of a much higher quality than before. The rate at which leads are converted into sales has also doubled, from 5 percent to 10 percent. Prophet21's Levin attributes that to having a much cleaner and better-understood corporate database. Because of these improvements, Prophet21 will spend \$1.5 million less in lead-generation programs. That's half of last year's figure, and still Levin is confident the company will acquire more quality leads.

**Table 5 : Marketing Benefit Examples**

<b>SalesLogix Customer</b>	<b>Result</b>
Credit Data of New England	<ul style="list-style-type: none"> <li>▪ Direct mail generation work reduced less than one day</li> </ul>
ARC Advisory Group	<ul style="list-style-type: none"> <li>▪ Marketing department productivity doubled</li> <li>▪ \$200,000 savings in 6 months</li> </ul>
Prophet21	<ul style="list-style-type: none"> <li>▪ Direct mail response doubled</li> <li>▪ Lead conversion rate doubled</li> <li>▪ Lead-generation budget reduced by 50%</li> </ul>

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## **Managing the Pipeline Better**

Accurate sales forecasts are critical to all companies. For public companies, it takes on a particularly important role because they rely heavily on sales forecasts to provide revenue guidance to investors. For both public and private companies, knowing what revenues will be available in the future is crucial to planning.

Adding to the complexity of forecasting is the fact that, although just about every sale is welcome, some are more profitable than others. So, it's important for sales organizations to capitalize on their most valuable sales opportunities by focusing special attention on those deals, applying resources to speed their progress, while re-assigning resources from prospects with little chance of moving forward.

Complicating this issue is the fact that knowing when to disengage from or invest in a sales opportunity is more art than science. And salespeople often become emotionally attached to "their" opportunities, whether those are the most profitable ones or not.

The usual cure for this is for sales managers to look at opportunities as objectively as possible, deciding which ones should be most diligently pursued and which ones can be allowed to slip. Unfortunately, sales managers can affect only those opportunities they know about. One benefit of SalesLogix is that it offers sales managers the maximum possible view into the sales pipeline, enabling them to make better-informed decisions. This offers direct and tangible benefits.

### **30 percent improvement in opportunity visibility**

InSource, a small manufacturing software tools company, for example, found its SalesLogix system implementation enabled it to follow up on small sales opportunities that it previously lost track of. The result was a 30 percent increase in the number of opportunities the company was able to track—and make decisions on.

### **Better sales team management**

Increased visibility into the sales process for managers can also help them supervise their salespeople's professional growth. Doug Levin at Prophet21 says, "We can look at the activity and performance of our people and take appropriate action. For example, if a salesperson is selling well, but his or her activity is low, we can push them to work harder and sell even more. On the flip side, if we have a hard worker not putting up the numbers, we can work on their selling skills by enhancing their training or spending more time with them."

**More time with most profitable prospects**

Levin adds that this constant review of his salespeople through SalesLogix has resulted in disengaging from “tire-kickers” more quickly, greatly increasing the time spent with more valuable prospects. He estimates that, before SalesLogix, his salespeople spent 20 percent of their time in front of bona-fide prospects and 80 percent in front of tire-kickers. He believes that ratio is now 50/50, because his sales managers have increased visibility into the sales pipeline.

**Forecasting error less than 5 percent**

Another benefit of improved visibility is better forecasting. Before SalesLogix, Levin reports Prophet21’s revenue forecasts were often incorrect by as much as 50 percent. His sales team is now able to provide monthly forecasts within \$10,000 four months in advance. For existing customer orders, he can provide a 60-day forecast of income that’s accurate to within \$50,000 per month. For a company that recently reported \$10 million in quarterly revenues, that’s an error of less than five percent—an impressive feat. Doug credits the accuracy to his SalesLogix system.

*“We can look at the activity and performance of our people and take appropriate action.”*

–Doug Levin, Executive Vice President Of Sales, Marketing, and Product Management, Prophet21

**More product means more sales**

Joe Imhof of the North American branch of NEC Mitsubishi Electronic Displays, however, has a rather unique interest in accurate forecasting. The products they receive from their plant in Japan are on allocation and the North American operation has little difficulty selling every unit it is allotted. If they can demonstrate an ability to accurately forecast their ability to sell more product, they will likely qualify for a higher allotment. Imhof believes the company’s recent investment in SalesLogix will provide, among other benefits, the forecasting improvements that will convince their overseas factories to ship them more product. Based on what other SalesLogix customers have said, we think that’s a good bet.

**Table 6 : Pipeline Visibility Benefit Examples**

SalesLogix Customer	Result
InSource	▪ 30% improvement in opportunity visibility
Prophet21	▪ Forecasting error reduced from 50% to less than 5%

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## **We Repeat: Sales-Focused CRM Succeeds**

Few businesses have ever declared bankruptcy because they sold too much. No CEO was ever fired by the Board because he constantly generated more revenue than was expected. And no company's stock has ever plummeted because they just couldn't stop selling their product. To state the obvious, if a business can take care of its customers, and consistently find new ones, it will be successful.

And the people most responsible for finding new customers and maintaining happy, profitable relationships with existing ones are salespeople.

Many CRM "solutions" try to provide everything to everyone, from Accounting, Personnel, and Logistics, to Marketing Analysts and Web Site Administrators. But, as these SalesLogix customers demonstrate, the most successful CRM solutions are those specifically designed to aid the process of making sales. No matter what measure you choose—more time for sales, increased top-line results, improved productivity, rising customer satisfaction, enhanced marketing, or better pipeline management—when that focus is established and maintained, the positive results on both the company's top and bottom lines cannot be denied.

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# NOTES







**SALES  
LOGIX**

**CRM made easy.**

**From the makers of ACT!**

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