

Integrated Finance and CRM Software

Improving Business Efficiency by Combining Finance and CRM Solutions

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Introduction

It's becoming less and less common to find organisations that still perform bookkeeping manually. Hand-written bookkeeping is time consuming, labour intensive, prone to error and tedious. So, most businesses use some form of software to record financial transactions, update ledgers, produce invoices and financial reports and generally manage their business.

Similarly, Customer Relationship Management (CRM) systems have moved from being 'nice to have' applications to essential components of many successful organisations. Properly implemented, modern CRM software delivers significant benefits to virtually all areas of a business, and in particular the 'front-office' functions including marketing, sales and customer service.



All businesses need to manage their finances. All businesses need to manage their customers. Linking or integrating finance and CRM systems, and therefore linking the key software applications for the front and back-office, streamlines internal processes and enables accounts, senior management, sales, marketing and customer service staff to take a more comprehensive, informed and strategic view of the business and its customers. This in turn delivers significant benefits throughout the organisation.

This whitepaper discusses why businesses use finance and CRM software, the differences between front-office and back-office systems, some of the reasons for linking the software within them and levels of linking and integration. To illustrate how an integrated CRM and finance solution works in practice, the whitepaper provides an overview of the Sage 200 Business Management Suite and gives some guidelines on Sage 200 implementation projects, including some of the pitfalls to watch out for during deployment.

Why Businesses Use Finance Software

Not only does finance or accounting software make the bookkeeping process quicker, more reliable and more accurate than manual bookkeeping, it also enables a whole range of reporting functions to help companies gain a better understanding of what's happening within their business. Access to accurate, up-to-date financial information helps staff make timely and better informed decisions. It makes it easy to quickly look up and answer financial queries, both from within the business itself or in response to enquiries from customers, suppliers, partners or other contacts. Many processes, such as bank reconciliations or VAT returns, can be semi or fully automated saving time and resources. And as well as freeing up staff time, using finance software can also reduce external accountants or bookkeeping fees.

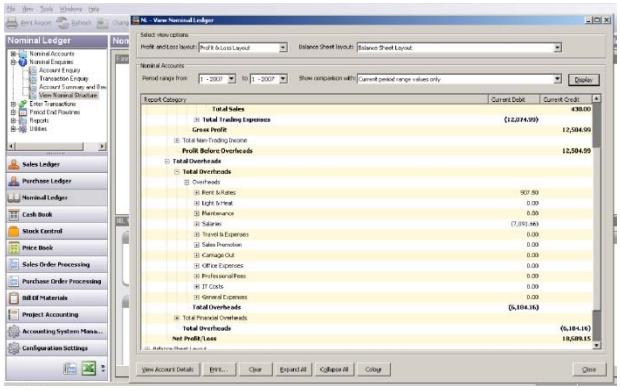
Software commonly used for business accounting ranges from spreadsheets, right through to heavyweight financial or commercial accounting applications developed over a number of years using the latest database technology. For example, the Sage 200 Financials module, which forms the basis of the accounting function of the Sage 200 suite, includes:

Nominal Ledger. The nominal ledger function in Sage 200 has extensive reporting and business management information. The multilevel structure enables budget tracking, plus cost centre and departmental breakdown. Other features include memorandum accounts,

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journal templates, graphical analysis and presentation of nominal ledger, batch journal entry, drill down, consolidation and transactional analysis.

Cash book. The cash book in Sage 200 controls all of an organisations bank, investment and cash accounts, including configuration of standing orders and direct debits. It provides multi-currency processing and advanced bank reconciliation, including links to online banking services. The software enables direct debits and standing orders to be automated on a monthly, quarterly or time period defined by the user. It can also cater for different banking requirements, including foreign bank accounts, electronic banking, inter-account transfers and foreign currency. Other features include user-defined authorisation levels, group transactions and graphical analysis and presentation of bank data.



Sales and Purchase Ledger. The Sage 200 sales and purchase ledgers are designed for rapid data entry, and are configurable to speed up the data entry process and ensure compliance with agreed terms of business. Sage 200 enables batch processing of invoices, which saves significant time when working with large volumes of transactions. The software is structured so that all details of transaction data are easily accessed, so users can quickly locate and interrogate data. It supports trading in up to 100 foreign currencies, and accommodates exchange-rate fluctuations. It also includes automatic error correction, can automate payments, and has an extensive range of tools to efficiently manage debtors.

Why Use a CRM System?

Put simply, CRM systems make the front-office functions of a business more efficient and effective. By providing a single source of reliable, accurate and timely data, combined with powerful tools and features to manage workflow and automate many day-to-day tasks, CRM systems reduce duplication of work, save time, enable detailed analysis of sales, marketing and customer service activity. They provide a clear, informed insight into what's happening within a company, helping users forecast, adjust and plan strategically for the future.

The more that staff within a business understand their customers, the more productively they can manage relationships with them. And the more efficiently customer-facing staff work through using CRM, the more competitive the business will become.

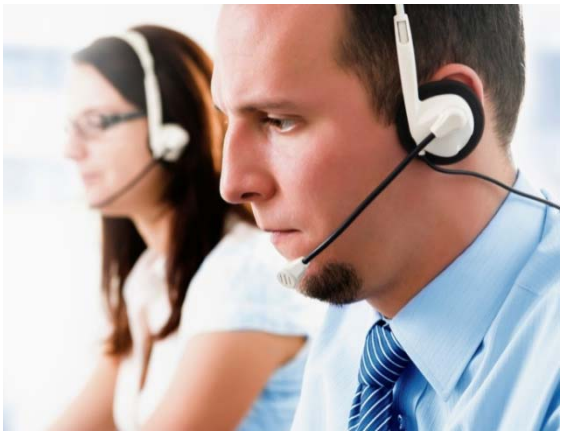
Typical reasons why businesses embark on CRM projects include the need to reduce multiple entry of information across different software applications, difficulty in sharing customer information in a team environment, lack of a reliable comprehensive view of all customer interactions, poor handling of leads and sales opportunities and the need for a single, overall view of all customer touch points across an organisation. Properly deployed, a CRM solution is the perfect tool to help businesses overcome these problems.

Entry-level CRM software starts with contact management systems, such as Sage ACT!, which has developed over the years to incorporate a level of CRM functionality. However, 'best-of-breed' CRM software for small and medium sized businesses includes products such as Microsoft Dynamics CRM, Sage CRM, SalesLogix and FrontRange's GoldMine Premium Edition. Each of these systems have different features and characteristics, with variations in

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tools, methods of operation, interfaces, workflow and configuration. However their core functionality is fundamentally the same: sales force automation, marketing automation and customer service automation. For example, the CRM module of Sage 200 is based on Sage CRM – a highly popular, robust and powerful web-based CRM solution, which also integrates with Microsoft Outlook. Sage 200 CRM includes the following features:

Sales Force Automation: Sage 200 CRM helps sales staff sell by providing them with instant access to calendars, accounts, reports, sales pipelines, contact history and call lists. The software stores and tracks all sales information, while graphical displays and at-a-glance reports enable members of a sales team (and their managers) to quickly view individual and team performance at any point in time. Opportunity pipelines, forecasts and analysis are available so that staff can manage the sales process at each stage, streamlining sales procedures, improving win rates and sales team performance.



Marketing automation: The marketing automation functionality within Sage 200 CRM provides a selection of tools for marketers to manage, plan, execute and audit marketing campaigns. The software enables high levels of filtering of customer and prospect data so campaigns can be highly targeted, eliminating guesswork, reducing wastage and optimising the use of marketing resources. Tools for campaign and activity scheduling, mass email integration, outbound call management and list building improve marketing efficiency, and marketing staff can also measure and analyse campaign effectiveness and success rates in detail. This information improves forecasting and future campaigns. Lead management enables leads to be qualified by pre-defined criteria and followed up at all stages of the lead process, from first contact right through to the sales opportunity process.

Customer service automation: Providing quality customer care and responding to customer issues quickly and efficiently is key to customer retention. The customer service automation provided by Sage 200 CRM ensures cases are effectively managed and resolved quickly. By providing a framework of defined business processes, including escalation procedures, prioritisation, access to a knowledge base and full customer information available whenever required, resolution times are reduced and customer needs met as fully and efficiently as possible. Detailed analysis is also available, so recurring or persistent problems, including those aligned to particular customers, can be identified.

The Differences between Front and Back-Office Systems

Finance and CRM systems have traditionally taken a different approach in the way they operate. Financial systems are inherently transactional and quantitative in nature, with users arguably seeing customers as line items in the sales ledger. CRM systems have tended to be (although by no means completely) more qualitative; based on customer interactions, communications and business processes. Marketers, for example, use CRM to view customers as specific groups and use the software to identify particular characteristics and target them accordingly. Sales staff view customers as opportunities to place in their sales pipeline, add to their forecasts and ultimately deliver business. By contrast, back-office payment chasing usually deploys a different set of values to lead nurturing and sales opportunity management.

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There are procedural cut-off points in most organisations. Between sales and marketing, the cut-off point (for example where a lead becomes the responsibility of the sales department) is often blurred. In the case of leads, this is usually somewhere between lead response, qualification or follow up. Between front and back-office though it's usually clearer- once sales have produced an order, it's out of their hands and over to the back-office functions for processing, with perhaps a courtesy call some time after from sales staff to check everything has gone ok. Marketing is at one end of the procedure, accounts at the opposite, with customer service somewhere in the middle. For companies aiming towards a more customer focussed strategy across their organisation, this isn't an ideal fit.

Why Link CRM and Financial Software?

The differences between front and back-office systems often result in two parallel, separate sets of customer data. While many (arguably most) CRM systems have been implemented with the key aim of eliminating silos of information and disparate data (such as spreadsheets created by individual staff on their own PC's, contact lists, knowledge bases, even information held in people's heads) there can still be a major gap between the data held in finance and CRM systems. So, while accounts staff may see a particular customer as a persistent late payer, sales may see them as a major opportunity with a large project looming. If Accounts take the wrong approach because they are not aware of the sales potential, it could cost the deal. Similarly, a customer that rarely contacts the customer service department is, in terms of customer-service value, worth more than a customer with regular issues that frequently takes up significant resource. An integrated system doesn't confine this information to the customer service area within CRM – it's available to back-office staff as well, enabling them to see the customer in a different light.



Separate front and back-office systems leave some serious knowledge gaps. Without linking financial and CRM information it is difficult to get a full view of customer and sales value, the real return on marketing campaigns, and cost or profit of customer service. Separate systems can also cause procedural hurdles, usually at the cut-off points between sales and the back-office, whether that be accounts, operations, manufacturing, service scheduling or any other back-office function. A continuous, traceable, unified set of procedures from marketing through to invoicing and back to marketing will deliver a far more comprehensive view of the customer and the business than standalone CRM and financial systems ever can. Linked finance and CRM systems result in more efficient operation of the back-office and more productive, informed sales and marketing.

Through integration of CRM and financial software, procedural hurdles between departments are significantly reduced, and staff throughout a business can access a single, comprehensive and reliable source of information. As well as reducing errors, duplication, and generally making life easier, this single-source helps improve response times to enquiries, enables more informed decision making, and promotes higher levels of customer service.

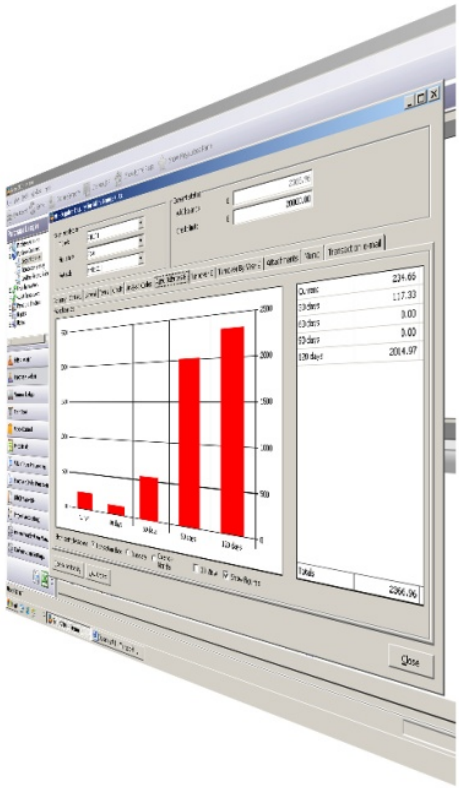
On a practical level, accounts staff will often use the CRM area of a linked or integrated solution to check credit status, forecast orders, or service value of a customer. In the front-office, sales staff using an integrated system will find it quicker and easier to check the status

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of previously ordered products when responding to customer queries. With separate CRM and financial systems, the sales person will often have to contact their finance department or log into a different software system to check account balances or credit status. However with an integrated system the information is at their fingertips, so sales (or other) staff can check status or progress orders as defined by business requirements. Similarly, providing marketing staff with access to data from the financial system enables them to create campaigns based on financial profiles, order information or purchase history of target or prospect data. Marketing managers can then produce highly accurate ROI calculations for improved marketing measurement. And if customer service staff have access to both front and back-office customer information, each customer interaction will be more informed and so more effective.

Levels of Linking and Integration

There are different ways to link finance and CRM functions. At the most basic level (*not* the type of integration used by Sage 200) users can link separate CRM and financial applications by manually importing and exporting data using .csv files. However, this is time consuming, unreliable, can't handle changes made to both systems, and is only as up to date as the last import or export.



The next step up from this is integration through a link application. For example, Sage ACT! can link to the popular small business finance software package Sage 50 (previously Sage Line 50) by using a link application. This is a read-only link, enabling users to view selected information from either of the software packages. Both Sage ACT! and Sage 50 are implemented as separate, stand-alone software applications. However, as a step to help maintain the consistency of data within the two systems, a manual update feature will change individual contact record details in both when required.

A more robust and comprehensive level of linking finance and CRM software is provided by Sage 200. Here, the integration of financial and CRM modules means data flows seamlessly from end-to-end of a businesses' processes, tracking customer data throughout its entire cycle. The Sage 200 suite is built on Microsoft SQL Server, which is the industry standard for relational database technology. Because it is built on SQL, the software is scalable, secure, easily integrated with other applications and highly robust.

Every organisation has its own requirements in terms of functionality and level of integration, so the integration of the Sage 200 modules is largely set at a level required by each business. All components within Sage 200 have been designed from the beginning to work together, so there is no need for additional link applications and interoperability issues are minimised.

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The Sage 200 Business Management Suite – a Modular Approach

The philosophy of the Sage 200 suite is to link and integrate the different processes within a business. The two key areas are front and back-office integration, so the two foundation modules which form the basis of the product are the accounting module, Sage 200 Financials, and the CRM module, Sage 200 CRM. With these two modules as a platform, organisations using Sage 200 can then pick and choose further additional modules as and when required to meet their precise business needs.

There are a variety of extra modules available for Sage 200, including industry specific as well as process specific applications. These include:

Sage 200 Commercials: effectively an extension to the Sage 200 Financials module, Sage 200 Commercials is aimed at businesses with more complex accounting needs and adds stock control, price book, sales order and purchase order processing.

Sage 200 Project Accounting: primarily aimed at businesses working in the service industry or on a project basis, the Sage 200 Project Accounting module enables quick and accurate analysis of cost and profit as it progresses.

Sage 200 Web Time and Expenses: an add-on module to Sage 200 Project Accounting that allows users that work remotely to enter time and expenses through a web interface

Sage 200 Construction: for businesses in the construction sector, Sage 200 Construction includes specific functions for contracts, estimating and day works. The module streamlines processes between professional quantity surveyors, contractors, sub-contractors and HMRC.

Sage 200 Manufacturing: supports all areas of manufacturing and assembly businesses including complex planning, materials management, costing to order and collecting payment.

Sage 200 Bill of Materials: splits manufacturing and assembly processes into easy-to-access areas, such as materials, labour, machines or operations, to help organisations keep tight control of stock and warehousing.

Sage 200 Wholesale and Retail: a merchandise management module for wholesalers, retailers and trade counters, which helps businesses manage the entire wholesale and retail process

Sage 200 Point of Sale: an advanced electronic point of sale module which enables businesses to perform secure, fast and accurate transactions.

Sage 200 Business Intelligence: enables quick, accurate and in-depth reporting and analysis of information contained within the Sage 200 suite.

Typically, Sage 200 is deployed in growing businesses that require a flexible solution integrating finance, operations, customer relationship management and additional industry-specific functionality automating business processes. By using modules, businesses choose the appropriate software for each department within their organisation and so provide them with specialist tools which can then be customised to fit business processes. The whole organisation then works from a common database, (all staff using the software view the same data) providing a single, common view of customers, suppliers, transaction history and so on. This eliminates data duplication, saves time, improves accuracy and reliability of information, delivers in-depth reports and provides a real insight into a business.

Sage 200 is powerful software: the database is designed to deal with high quantities of transactions, and the majority of businesses using Sage 200 have historical data going back many years.

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Implementing Sage 200

To bring real benefits to a company, implementing a system which integrates finance and CRM needs a carefully planned, realistic, and well-managed approach. Because Sage 200 will impact on all areas of a company, a successful project needs a broad range of skills, experience and full understanding of front and back-office systems for the implementation to succeed. In addition, areas such as business process analysis, effective change management and developing an appropriate training strategy can be just as important as choosing the right modules, getting them configured and up and running. However, the returns for a professionally implemented integrated system which is configured to suit your company and business needs can be outstanding.

The nature of implementation depends on existing systems and software, in particular whether a legacy finance or CRM system is already in place. It also depends if a 'CRM culture' is already embedded within a company, the number of users, the modules you wish to deploy and the degree of configuration required.

Whatever the size of the Sage 200 project, Concentrix highly recommend working to a proven project methodology and appointing a project manager. If you've chosen a business management software specialist (which you will need to do at this level), they will usually include project planning and management as part of the package.

For a business with straightforward requirements, a typical system implementation plan will provide detailed coverage of:

- Business process and requirements analysis
- Software configuration
- Installation and commissioning
- Data preparation and import
- User training
- Report development
- System review



Although your business partner will perform the bulk of these tasks, remember you will need to provide resources and input on all of the above points. In areas such as data cleansing, this input can be significant, as your own staff will know your data better than anyone else. Training, at both user level and administrator level will also require staff time and availability. It's usually more efficient to train as many staff as possible at the same time. The duration of training will depend on the complexity of your system and your staff.

A full support and maintenance structure should be in place early on in your project, and for a minimum of six months after the system has gone live. This will typically include:

- User assistance and support, providing access to a support line for 'How do I...?' questions. The business partner should have support staff trained in accountancy or finance software, CRM software and ideally hardware support as well. This will save a lot of frustration, time and effort.
- Administrator assistance and support. This will help your system administrator(s) quickly and efficiency address issues with running the system.
- Supply of software corrections, updates and revisions.

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- Remote intervention. For many problems, remote intervention can save a great deal of time and effort if your business partner is able to access your system via the internet.
- Online knowledge-base and support centre – for easy reference and to enable you to keep track of how issues are progressing.

Watch Out for the Pitfalls

As with most business projects, there are problems which can arise during the implementation of Sage 200 that, with a degree of foresight, can be avoided. Concentrix has deployed literally hundreds of CRM, accounts and integrated software systems. To avoid these common pitfalls we recommend the following:



- Don't see the project as just a new set of software. For many of your staff it will be a strategic shift involving different ways of working, processes and procedures.
- At all stages of implementation, adopt and work to a project management methodology.
- User adoption is essential. Get buy-in from your staff – make sure they clearly see the advantages Sage 200 will bring to their area of the business and the organisation as a whole, that they have provided input, understand the new system and are trained to use it properly.
- Choose the right business partner. Make sure they are experienced: check their references, technical accreditations and previous clients. Above all, they should demonstrate a clear understanding of your business requirements, both from the finance and CRM point of view, and be able to translate these to business benefits.
- Make sure your business partner provides a full range of services and can demonstrate their ability to implement your system effectively and with minimal disruption to your business.
- Review the system on a regular basis. As your business changes, so will your system, and the flexibility of Sage 200 is one of its major benefits. Regularly review its functionality from a process, user and technical perspective. And don't forget to update your documentation, processes and procedures to reflect any changes.
- Communicate! Arguably, the most common cause of failure of major software implementation projects is poor communication. This includes internal communications, for example between IT, project managers and end users, as well as between business partners and client companies.

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Conclusion

By integrating one of the mid-market's strongest financial software solutions with a market leading CRM system, and using these embedded systems to form the basis of a business management suite, Sage has produced a powerful product in Sage 200 which enables businesses to automate processes from end-to-end. Essential data flows throughout the system providing consistency and improving efficiency across the organisation – from customer acquisition, through to order completion and customer retention.

The modular approach taken by Sage 200 makes it a highly flexible product. As well as adding extra users, businesses can add extra modules as and when required to match processes, cater for future growth and changing requirements. It also has modules available for industry specific operations, minimising the need for extensive software customisation, and bringing in best-practice quickly and effectively.

Business management software is evolving. By linking proven, high-quality and robust CRM and financial software as core components within a modular suite, Sage 200 is playing a key role within this evolution.

Further Information

- For more information about Sage 200, including detailed descriptions of each module, to arrange a free demonstration or to discuss your business requirements in more depth, visit the Concentrix website or contact Concentrix direct.
- For business intelligence and visual data analysis that can work with data from your CRM system, ERP system, or almost any other source, contact Concentrix about Tableau software.
- If you're a small business considering implementing a CRM system for the first time, Concentrix has a range of Easy-Start CRM Packages for Microsoft Dynamics CRM, Sage CRM and FrontRanges' GoldMine Premium Edition.
- For larger businesses requiring more involved CRM implementation, Concentrix can provide product agnostic advice and effective system implementation based on a detailed, proven CRM project methodology, plus a comprehensive range of CRM support, training, courses, upgrades and consultancy.

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About Concentrix

Concentrix is a leading UK business management software, independent customer relationship management (CRM) specialist, and IT solutions provider. Founded in 1999, Concentrix helps companies increase competitiveness, profitability and customer satisfaction by improving business processes, systems and IT.

Concentrix implements systems and business solutions that are right for their customers' requirements: matching their needs, goals and budget. Concentrix works across a wide variety of industry sectors with clients ranging from small companies with a handful of users, right up to household-name PLCs with hundreds of users on multiple sites.

Concentrix solutions are based on recognised, 'best-of-breed' software products. These include the Sage 200 suite, Sage CRM, Sage SalesLogix, FrontRange's GoldMine software and Microsoft Dynamics CRM. Concentrix has also developed a number of complementary, add-on CRM software modules, and has a dedicated team of software programmers and developers.

Today, Concentrix is a one-stop-shop for CRM, accounting, business management and supporting IT. So, as well as CRM and business management software, Concentrix also supplies leading brand hardware, a comprehensive range of support, training, courses, upgrades, advice and consultancy. In other words, Concentrix provides complete solutions: software, hardware and supporting services.

Concentrix is a Microsoft Gold Certified Partner, a fully Accredited Sage Business Partner and a FrontRange Premier Partner.

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