

## **How does accounting and CRM software relate? What are the business benefits?**

### **Why businesses need more than accounting systems to keep in contact with their customers**

In the life cycle of small business, an early purchase is an accounting software such as MYOB Accounting, Quickbooks or similar. As business grows it becomes obvious that more is needed to handle enquiry, organise the day and store information unrelated to accounting. Generally people resort to MS Excel, an E-mail software such as MS Outlook, paper based diaries and combinations of them all.

Business then turns to marketing and the needs become;

- How do I contact all the people who enquired about a particular product who live in Wellington and who we quoted for a particular type of service?
- How do I send a letter to all these people and record that I sent it so I can follow up?
- Very quickly people realise that E-mail software is not equipped to 'close the loop'. Enquiries start to slip through the gaps you don't have a complete record of the messages and notes about that prospect etc. There is no one readily available source to refer to for the important communications history.

Business expands, you take on more people, problems gets bigger because now a number of your people are contacting that same person but they do not have access to each other's communications with that prospect. Mistakes are made; the company is not seen to have good internal communications or worse conflicting information is sent to the client, each sales person unaware of the others contact. As a business owner you can't be across every issue that arises.

***The problem? ....There is no central, readily accessible, store of customer and contact information shared for all to see the 'big picture'.***

Accounting software was never designed to be a universally shared, customer facing, resource. E-mail products have slightly more usefulness, but they do not easily share data or are they capable of 'closing the loop' on the enquiry and follow up....They weren't designed to.

***In a nutshell you need software that is specially designed to handle the customer and contact relationship.***

### **Who works with CRM and accounting and where do they fit in the business process.**

One way to think of the software in an office is based on the task of the staff that work with it, customer service or backroom administrative. Common terms are Front Office versus Back Office applications. Loosley defined as any application that is used directly to service a customers need, for instance call centre, sales force automation and of course CRM (customer relationship management). There is Back Office applications and they serve to complete processes, accounts or some industrial process.

The problem is how to efficiently handle tasks that call for both front office and back office applications to seamlessly work together while maintaining security of information and interruption free processing. The most obvious case is that of sales people working with a customer, using CRM but needing information from accounts to check account payment information or needing to process an invoice. That potential disconnect, particularly in small to medium business persists today with the wide variety of software products and the lack of compatibility between them.

Software designers have no thought at inception of allowing easy access to their products from some other application, possibly yet to be invented! Larger expensive software packages including ERP (enterprise resource and planning) systems can handle the complete process but they are out of reach of small and most medium size businesses budget.

But things are changing, and the factors that are bringing about that change are;

- Less use of proprietary databases as accounting products are moving to SQL as the underlying database.
- Flexibility of modern software protocols and communicating standards such as XML which shields the developer from needing to know every last detail of the applications they work with.

- Web services allows for different systems to communicate via the web, opening the door for business to business communication.
- Open access through cloud computing or software as a service (SaaS).

What is evolving is a more straightforward development process to connect the various office business software products together;

- Smoothing the process of moving data between different systems.
- Efficiency of creating records in one system, forwarding that data to other applications only where required.
- Eliminating the tedium of multiple database updates just because your customer changes their PO Box number.

So small business is slowly but surely getting the productivity benefit it has been waiting for. Rather than make it hard for other software vendors to work with applications there is now a commercial imperative of '*share and connect or become history*' as cloud computing and flexible communications processes open up the business environment to cost effective connectivity of their everyday office applications

### **What are the alternatives, a clip on to an accounting package or integration with an existing CRM product?**

For small to medium business ***there is no accounting package yet been released that adequately covers the complex task of keeping in touch with your customers and prospects.*** Nor is there likely to be. Why?

From the ground up, a Contact and Customer Manager or CRM is designed differently from accounting products. They are managing quite different tasks, accessed differently and in the case of accounting software not designed with multi-user access for large numbers of staff. Accounting products can and are built with core database design that does not have to handle the amount of simultaneous user requests and searches that is needed for CRM. The linking of the basic database tables is much less complex in the common small business accounting products popular today. The cost to develop and keep updated, connected to other changing office products such as MS Word and MS Outlook, synchronise to sales reps in the field, accessible via the web, desktop or pda, handle document storage, synchronise to remote offices etc is way beyond the needs or resources required for accounting tasks.

If you take a look at some mainstream database products that are designed to manage a specific business process or industrial process, often the vendor realises that the communication with the customer through quotations or sending reports etc has to be catered for in some way. A simple address book and calendar function is built, a History and Notes area, search functions etc. These modules are often labeled CRM. But are they? To deliver even basic CRM requirements the development costs to create and maintain such a component are high and would make an accounting/CRM product prohibitively expensive and inflexible.

***The only practical and cost effective solution*** is to use a dedicated CRM product, established and widely used in the marketplace to get the functionality that users demand.

So yes, it does need investing in more software to get the benefit but the cost is small compared to the increased efficiency and ease of use.

With CRM in mind, integrated links to accounting so that front office, customer facing sales people can have controlled access to accounting to complete their workflow tasks is a huge help. Create quotes, create invoices, lookup accounts receivable for 30, 60 90 day data. Connect a contact to the accounting record card, update the customers address information etc.... The key benefit is efficiency and productivity, eliminating double entry of data.