

CRM: A small revolution?

SMEs should get ready to ditch those spreadsheets

CRM could have a big future in small business, according to a new report.

Total revenues from SME CRM were \$808m in 2003 according to analyst house Datamonitor - 17 per cent of revenues from the technology as a whole. That figure is predicted to rise to \$1.8bn in 2008, when it will make up just over 27 per cent of total CRM revenues

With most SMEs' definition of CRM being Excel or a filing system, customer relationship management software could find a home in the small and medium-sized business sector - as long as problems of image, scale and awareness problems can be conquered, research from Datamonitor has found.

"Educating the market is the single biggest challenge," the report says. "A history of over-run, over-budget and failed CRM implementations have damaged the image of CRM in the market."

With CRM, it seems, youth isn't on the side of the small business. With CRM's relatively recent debut into the software and services market, big vendors are now having to make up for their previous "lack of attention" to the SME market - and will find addressing the market means more than selling fewer seats.

"During the rush adoption of CRM in the late 1990s, it was all big enterprise deals... the fact of the matter is, small to medium-sized businesses have a lot the of the same needs," said Tom Pringle, author of the report, "but they couldn't afford enterprise solutions."

While SMEs want around 90 per cent of the same functionality as their larger cousins, verticalisation and customisation will be the key to winning smaller companies over to CRM, according to the report.

Sales force automation is likely to be a starting point for early adopters of CRM, Pringle said.

Despite many SMEs not having a dedicated IT professional and, in some cases, no dedicated IT manager, lack of tech experience needn't be a barrier to adoption, he added, especially for 'plug and go' hosted systems.