

The ROI of CRM for an AEC Firm

The most important metrics for maximizing your ROI within your CRM implementations to keep up in our cutthroat environment



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CRM by Cosential

INTRODUCTION

The AEC industry traditionally has more difficulty than most in optimizing communication and performance throughout internal business units. The fluid nature of construction and its ancillary disciplines demands constant motion, updates and tight communication between departments. This need for continuity is only exacerbated by the accelerating nature of data and increased competition. Within the industry, everyone is using technology to implement lean manufacturing and personalized service. This is great for clients. It can be great for your firm as well. If you are looking to improve win rates and increase revenue in this cutthroat environment, you must understand how to maximize your ROI with a smart CRM solution. Here are some of the most important metrics to evaluate when calculating ROI for CRM solutions.

DATA INSURANCE

Having a CRM is an insurance policy for your firm's data. Second only to talent; information is your most important asset. Every day your firm collects critical information that should never have the opportunity to walk out the door, be stolen, or lost. Contact information coupled with detailed interactions should not live on the island of an individual hard drive, nor isolated to a single user sign on. Attrition alone, even at extremely low levels, poses a threat to your firm's integrity and reputation if individuals own that asset. When considering a CRM investment, there is no better phrase to ponder than the adage, *"the whole is greater than the sum of its parts."* The sum of all the possible places your firm's collective tribal knowledge resides does not add up to half of the value of its power when consolidated, accessed, utilized and secured.

BUSINESS CONTINUITY

Is your customer and supply chain data moving downstream as fast and accurately as possible? Through your CRM framework, you should ensure the integrity of your data between platforms that do not update each other live. You should be especially cognizant of your entity management options. For example, automating de-duplication efforts will not only cut down on human error when reentering important data, but it also frees up your staff for the more strategic analysis/expertise you've engaged them for.

TIME SAVINGS

CRM is all about delivering the right data to the right person at the right time so they can do their job as efficiently and effectively as possible. You should invest in a CRM platform that gives you

quantifiable time savings. Time savings can come from automating tasks; other aspects of time savings come from the ease of use of the interface, the ability to segment information on a need-to-know basis, and reducing the time spent bringing up often used data points and ensuring you are not losing out on wins for lack of follow up. Performing under budget and on schedule is essential to creating a legacy client base that will return to you for bigger projects and ongoing work.

DEPARTMENT COLLABORATION

Your CRM should perform its continuity and time-saving functions within the company as well as between departments. Interdepartmental exchange of information may supersede prioritizing connectivity with outside platforms. Relationship and communication history should be readily available to all who could engage with a client. They may be able to forgive an initial lack of collaboration regarding structure, especially if you have a reputation for flexibility. However, very few clients will forgive the annoying experience of being put on hold while your staff seeks basic information for the sixth time that week. Perception is reality.

PROPOSAL AUTOMATION

Ask your marketing staff tasked with proposals about the process of gathering historical data needed to properly deliver. Listen for the time spent (lost) navigating through databases and departments awaiting responses from colleagues. Without a CRM, chances are you will hear that the largest time bandit is simply finding the information necessary for inclusion. With the right CRM, as you build a backlog of clients, proposals

and projects, all that historical data will reside at their fingertips. What used to take hours turns into minutes. An AEC centric CRM will also inevitably generate a consolidated plug and play database for templates, shaving days off proposals by cutting and pasting relevant portions of this template base together to correspond with upcoming RFPs or direct solo queries. You will then understand trends and fads that will help you earn more business. Those responding to bids will spend more time in strategic/creative writing vs. tedious data gathering. In this way, you do not waste excellent work on proposals that were turned down for reasons outside of your control. Lean Manufacturing.

PROJECT MANAGEMENT INTEGRATION

From the Project Manager seat, a CRM platform will be the anchor point for attributing projects to the activities, events and costs prior to contract, and will help them to deliver on expectations. Every project win begins with a lead or relationship. Firms with ambition to measure attribution that outlines and correlates the value of costs and events that drive bottom line results cannot solely rely on dividing OPEX into project expenditures, or vice versa. Each project has a story, or prequel, delineated with client records that when lined up provide an undeniable set of figures that drive behavior. Seamlessly passing this information collected pre-construction into the hands of project personnel ensures that your Project Management Team hits the sweet spot, and in return CRM will provide Business Development and Marketers data points and information to leverage that will ultimately help win more projects. Full circle.

ACCOUNT MANAGEMENT

Think missed opportunity cost, not winning what you don't know. Most AEC CRMs' revenue historically follows the 80/20 rule. If you aren't "tending your client garden" constantly, there is a good chance you are missing opportunities with past clients. Using a CRM system can automatically and proactively notify the right people in your organization who may need to act on a client account. This can be structured in the form of automated emails reminding a project manager to follow up with a client on a timely, consistent basis, or automated messages sent on a regular basis to your most critical clients. Ensure they receive the long-term care they need to continue feeding your funnel and bringing in potential projects that your firm is a great fit for. Hence, Client Relationship Management.

SMARTER PURSUITS

Many firms spend unnecessary time and money on pursuits that were never meant to be a good at. By pursuing only the right opportunities, your firm can increase win rates, better leverage scarce resources and maximize your marketer's time working on opportunities that are more likely to be won. Properly scoping and evaluating a potential project and using an automated and repeatable go/no-go process to formally assess whether your firm should be spending time on a given pursuit is a process that warrants an objective tool to accurately score better opportunities. Using a CRM that understands your process, and can automatically deliver go/no-go feedback to your employees in real-time, can significantly impact the ROI of every pursuit. Smarter, not harder.

DEFINITELY STUDYING KPIS THAT MATTER IN AN AEC CRM

In 2015, the Southern Illinois University Master of Marketing Research program partnered with the Society for Marketing Professional Services (SMPS) to study what KPIs actually bring success to AEC firms. The study was based on extensive responses to detailed interviews and surveys from AEC companies across the United States.

One very important metric studied in this collaboration was hit rates. If one of your chosen KPIs is the hit rate, well managed CRM will increase your ROI exponentially if properly implemented. First, CRM is necessary to create a sales line for each of your field agents. You must provide a platform that is convenient for each of these agents to input an attempted sale. One technique used by many top AEC firms is to integrate of office and mobile phone lines automatically into the CRM platform, with the default setting as an attempted sale. The sales agent must manually turn the note off if a sale was not attempted. This technique pushes salespeople to close with new clients, while keeping their non-sales calls to a minimum.

The right CRM platform will allow your top marketing brass to compare the hit rates of your sales agents side by side. If your business developers understand that the platform sets an objective standard with metrics they can quantify, they are more likely to proceed in an empowered way, free of the need to create a strategy to navigate office politics. An objective platform that is easily accessible will help to increase your ROI. Savvy companies may also implement gamification options into the comparisons to create a scoreboard effect for an even higher level of effectiveness.

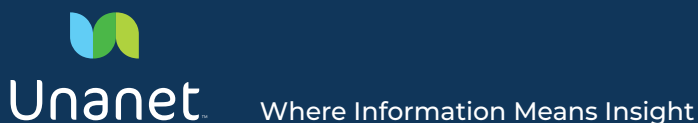
Other popular AEC-specific KPIs that you may want to consider include backlog, client acquisitions, client revenues, cost per pursuit, go/no go scores, net fees earned, profit to earnings ratio, repeat clients and staff utilization. For a larger list of options that you may want to consider, move to 14:49 of the linked video.

Against all technologies you have or plan to add in the coming years, your CRM platform serves as the base of your administration. Regardless of the KPIs you choose, the right CRM software will allow you to capture, aggregate and organize the data that you need in order to properly analyze those metrics, improve your ROI within those metrics, and the overall ROI of the company.

In the vast options of software the CRM, when configured for your industry and utilized, financially will have the greatest price/performance ratio. Taking the time to find the right CRM for your AEC firm pays dividends in perpetuity. From time savings to analytics and critical decision making, a CRM is the source of truth for everything from communications to revenue pipeline. A more efficient workforce is a more productive one, and a surplus of production feeds the bottom line. That, coupled with the insurance of client data continuity and security should make investing in a CRM one of the easiest financial decisions your tasked with. It may feel like an incremental investment up front, however AEC firms with sustainable growth ambitions and direct competition will fail to optimally compete at the growing levels of rivals who have one.

Contact us today for a free, personalized demo to see how Unanet CRM by Cosential can maximize your ROI within your CRM implementations.

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