

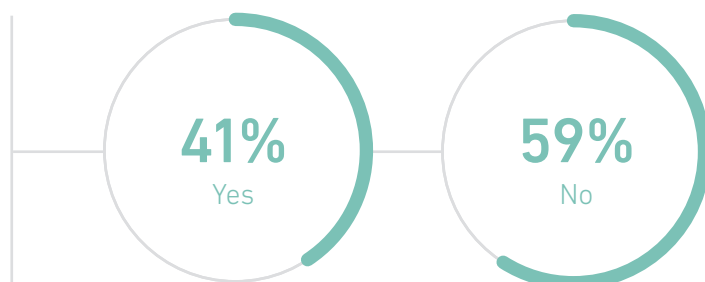
*The State of the  
CRM Market 2020*  
AN SME PERSPECTIVE





2020 was a year of unprecedented turbulence for most businesses. Remote workforces, disrupted supply chains, uncertain consumer demand, and the hovering threat of a global pandemic all combined to create a climate of uncertainty. Plans carefully devised in late 2019 were hastily abandoned as business leaders pivoted and adjusted to the radically altered reality.

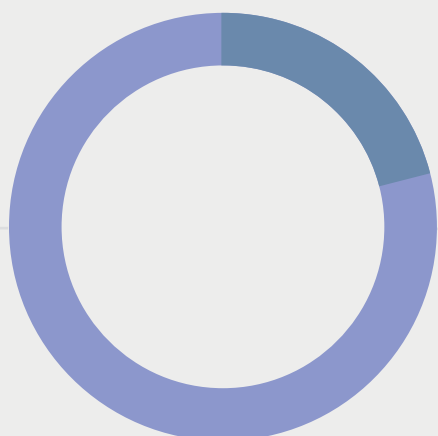
## HAVE YOUR PRIORITIES CHANGED SINCE THE BEGINNING OF THE PANDEMIC?



It's therefore a surprise that only **41%** of the SME business leaders we interviewed for our annual survey said that their priorities had changed since the start of the pandemic.

Yet, despite all the turbulence, much remained the same. There remains a need amongst businesses of all sizes to get a clear view of their sales and marketing pipeline, to deliver faster customer service solutions, to drive efficiencies, and to gain insights into business performance that enable smarter decision-making and greater profitability.

## DO YOU HAVE A CRM?



**21%**  
of respondents don't use a CRM system

**79%**  
do use a CRM system

So, it's equally of little surprise that our SMEs reported a marked uptick in the adoption of CRM over the past two years. Last year our survey revealed that 77% of companies use a CRM, meaning a 2% increase in 2020. This is just one of the insights that came out of our annual survey into how SMEs use CRM. As always, it's essential reading for anyone considering investing in CRM, or anyone looking for ways to maximise the return from their investment in the technology.



# Pandemic DISRUPTION

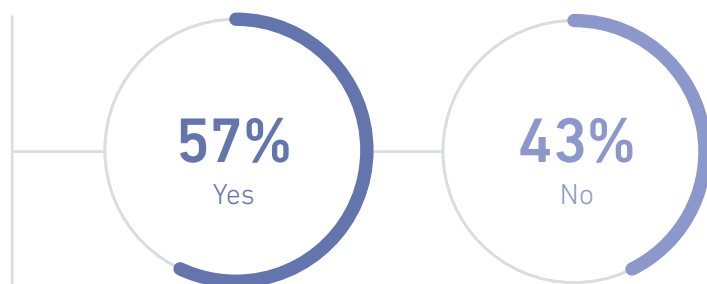
When we asked our SMEs about the biggest challenges they've faced in the past few months we were fairly confident we knew what they would say, and of course almost all replied that dealing with the impact of COVID-19 has been by far the most significant issue of the year. However, the ways in which respondents experienced the effects of the pandemic varied.

## WHAT HAS BEEN THE BIGGEST CHALLENGE IN THE PAST FEW WEEKS AND MONTHS?

- Covid-19.
- Budgets being frozen and clients not spending, low levels of business or a downturn
- Changes to roles
- Events taking a back seat
- Remote working and managing a team remotely
- Lack of social interaction with employees and colleagues
- Communication with clients and keeping prospects engaged
- Furloughed staff meaning that others workload has increased

For some the main impact was a shift from planned growth to a more reactive survival mode. In the travel and hospitality sectors business ground almost completely to a halt, and elsewhere there was a significant slowdown. As a result, **57%** reported that budgets had been affected. Investment plans had to be put on hold while everyone in the business focussed on getting through these tough times.

## HAS YOUR BUDGET BEEN AFFECTED?





In those sectors where the pandemic has been a less existential experience, there was still significant disruption. With millions of workers going onto furlough, colleagues often had to take on increased workloads. At the same time many people seized the opportunity to take more time for themselves and improve their work-life balance. Right across the country there have been millions of SME workers experiencing extreme changes to the way they live.

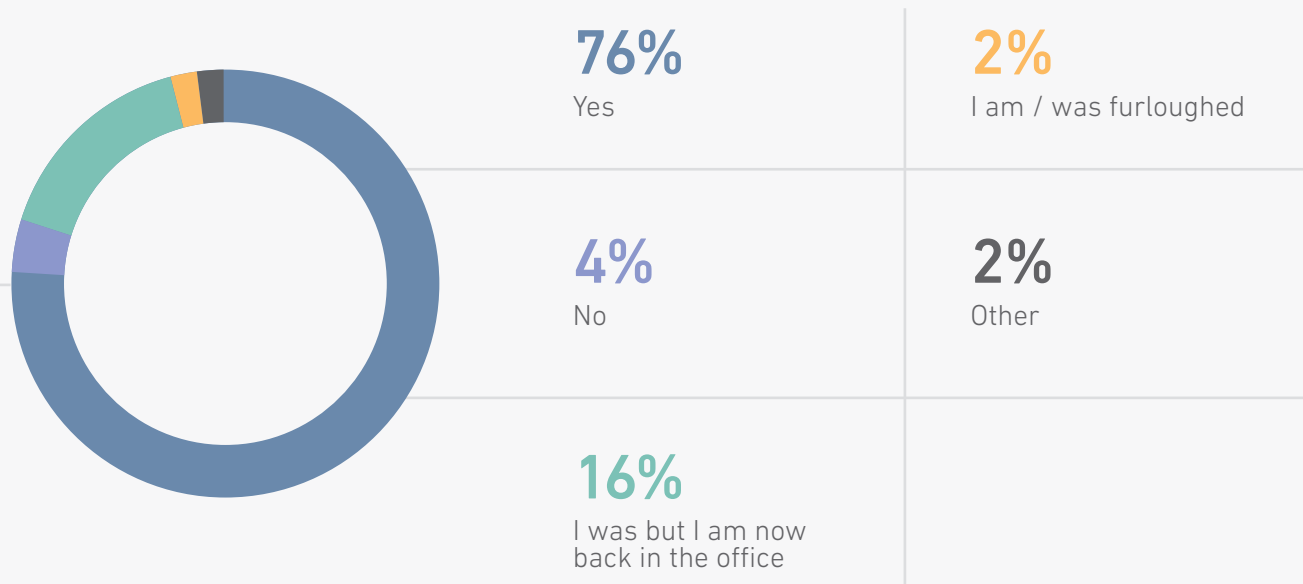
## IF YES, HOW HAVE THEY CHANGED?

- Moving to a digital focus for marketing and Virtual events
- Revision of work life balances – either to working normal hours again and spending time on hobbies or having to work more to cover for furloughed staff (this went one of two ways people either decided to take more time for themselves and get a work life balance back, or they had to cover for furloughed staff and their work load increased massively taking any work life balance away.)
- Working from home challenges and being able to find the right data remotely with the focus on digital marketing and analysing the activity once completed, this led to people finding faults with the systems they were using.
- Retaining customers rather than trying to get new ones

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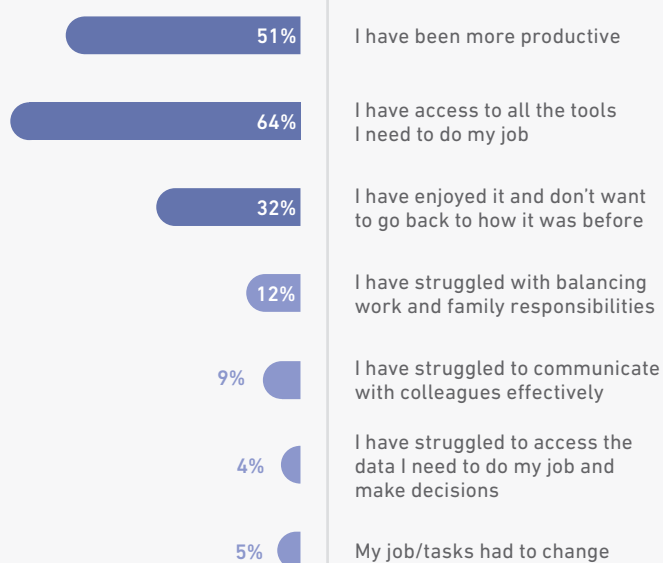
## FOLLOWING THE OUTBREAK, ARE YOU WORKING FROM HOME?



**76%** told us they had worked from home, with only **16%** now back in the office. For some this has been difficult. They've had to learn to manage their teams remotely, and many have missed the day-to-day social interaction of a workplace. Others found it a more positive experience: **51%** reported higher productivity and **32%** have enjoyed it so much they don't want to go back to how it was before. All though have relied more than ever before on access to data and insight.

In the same way, our respondents have had to adapt to very different ways of working with customers and prospects. Keeping them engaged without being able to meet in person has been challenging for many, and digital marketing and virtual events have become even more central to sales and marketing.

## IF YOU ARE WORKING FROM HOME, HOW HAVE YOU FOUND THE EXPERIENCE?

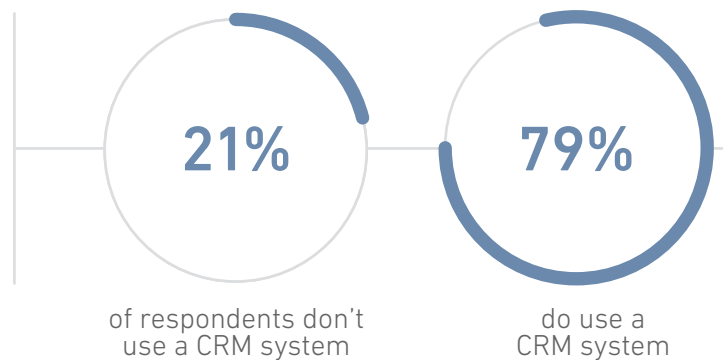




# CRM ACCELERATION

Given all this, it is little surprise that we are seeing an acceleration in CRM take-up among SMEs. **79%** of our respondents now use a CRM system, and **17%** of them have introduced it within the past two years.

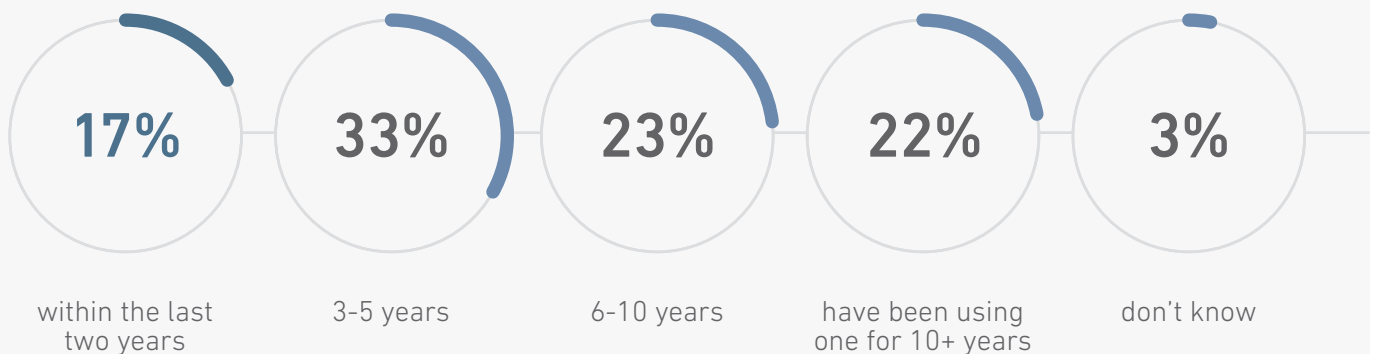
## DO YOU HAVE A CRM?



CRM adoption is near universal now where SME are now embracing the power of CRM.

### Of those that said yes:

## HOW LONG HAVE YOU BEEN USING A CRM FOR?



The pandemic has certainly prompted an increased need for technology to manage data, relationships and businesses, but this rise in adoption is also driven by broader trends such as the growth of solutions aimed at SMEs. Where once the CRM market was dominated by two or three major players who offered large, complex and expensive solutions full of functions that SMEs don't need, there is now a far wider range of options available, including many offering more relevant functionality and at a more affordable price.



At the same time SMEs are more aware of CRM than they have ever been. They have a deeper understanding of how it could be relevant to them, and as their rivals implement it, and reap the benefits, so they cannot afford to be left behind.

When it comes to the reasons for CRM investment, the need to improve the productivity of customer facing employees fell significantly to just **12%**, down from 53% last year. This again may be an effect of shifting business priorities during the pandemic.

## WHAT WAS THE MAIN DRIVER FOR YOUR CRM INITIATIVE?



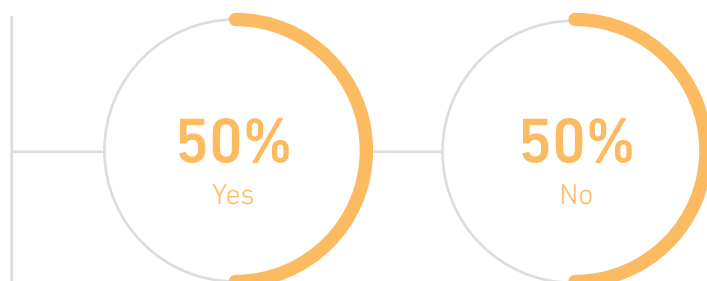
The main driver for CRM initiatives was managing data and gaining business insight, with **52%** giving this answer. This is enabling those SMEs to enhance the customer experience, tracking interactions, identifying and resolving issues quickly, and ultimately improving client retention. This in turn has enabled greater cross-selling and upselling, as well as reactivating old customers who may once again have a need.

Every year the evidence mounts of the benefits that the right CRM implementation can bring to SMEs, and every year we see adoption rates rising. It is a matter of when, not if, we reach almost complete take-up in the SME market. For many the question is now not whether or not to have CRM but which CRM is right for them.



# Switching FOR SUCCESS

## HAVE YOU EVER SWITCHED CRM SYSTEM?

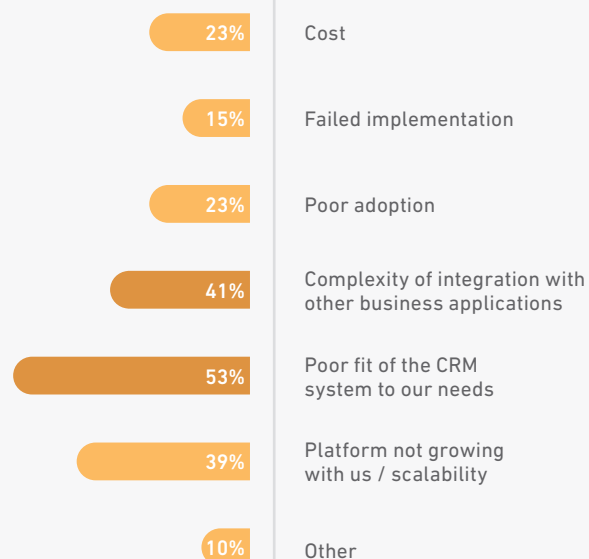


Half of our respondents have already switched CRM system. The most popular reasons for doing so were not cost or poor adoption. Interestingly they were that the CRM system was a poor fit to the firm's needs and it was too complex to integrate with other business applications.

SMEs are increasingly focused on managing their data in one seamless businesswide system, and they're rejecting the CRM platforms that don't make it easy for them to achieve this. They increasingly recognise the value of that single source of truth and the enhanced decision-making that that enables.

Integration with other apps shouldn't be hard. Any system, like CRM from Workbooks, with an open API allows you to move data between two apps. It's likely that the **41%** who are finding this integration part challenging are using those large, unwieldy systems where adaptations can often be prohibitively expensive.

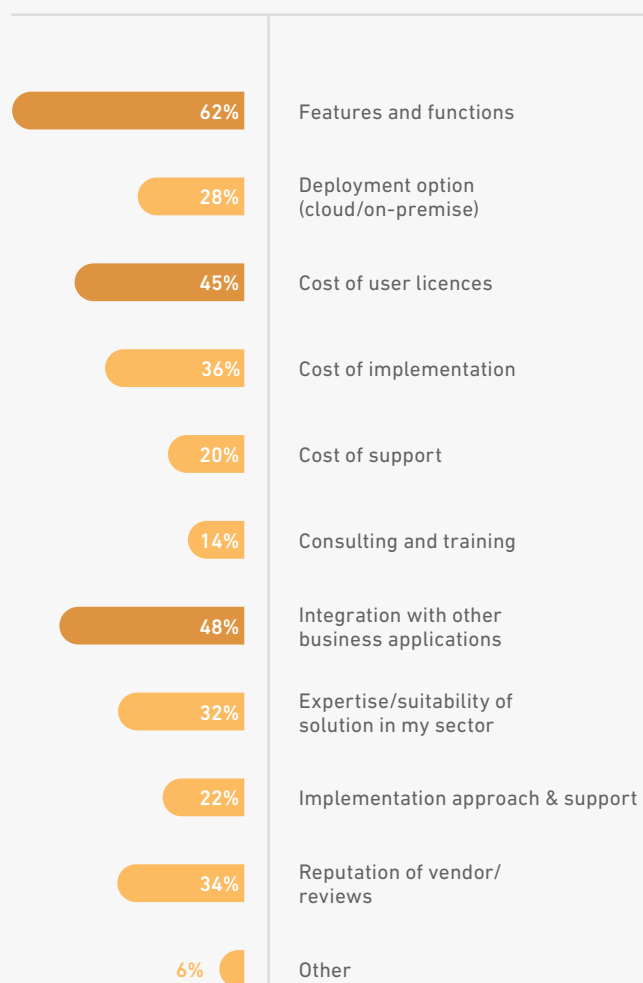
## OF THOSE WHO HAD SWITCHED – WHAT WAS THEIR REASON FOR SWITCHING?







## ON WHAT CRITERIA DID YOUR ORGANISATION CHOOSE YOUR CURRENT CRM PROVIDER?



Features and functions remain the most important factor to our respondents when choosing a CRM, with **62%** citing it. Other popular choices were integration with other business applications for **48%**, and the cost of user licences for **45%**.

A system's features and functions are of course important – it's how we experience the technology in our day-to-day use – but SMEs tend to under-value the importance of implementation approach and support. Only **22%** mentioned it as a factor, yet if a CRM platform fails to deliver return on investment it's very often because the implementation was poor. In many cases getting this right is about engaging a CRM vendor that works with you and for you rather than a consultant who has a different agenda.

*Features and functions remain the most important factor to our respondents.*



# CRM BEYOND SALES

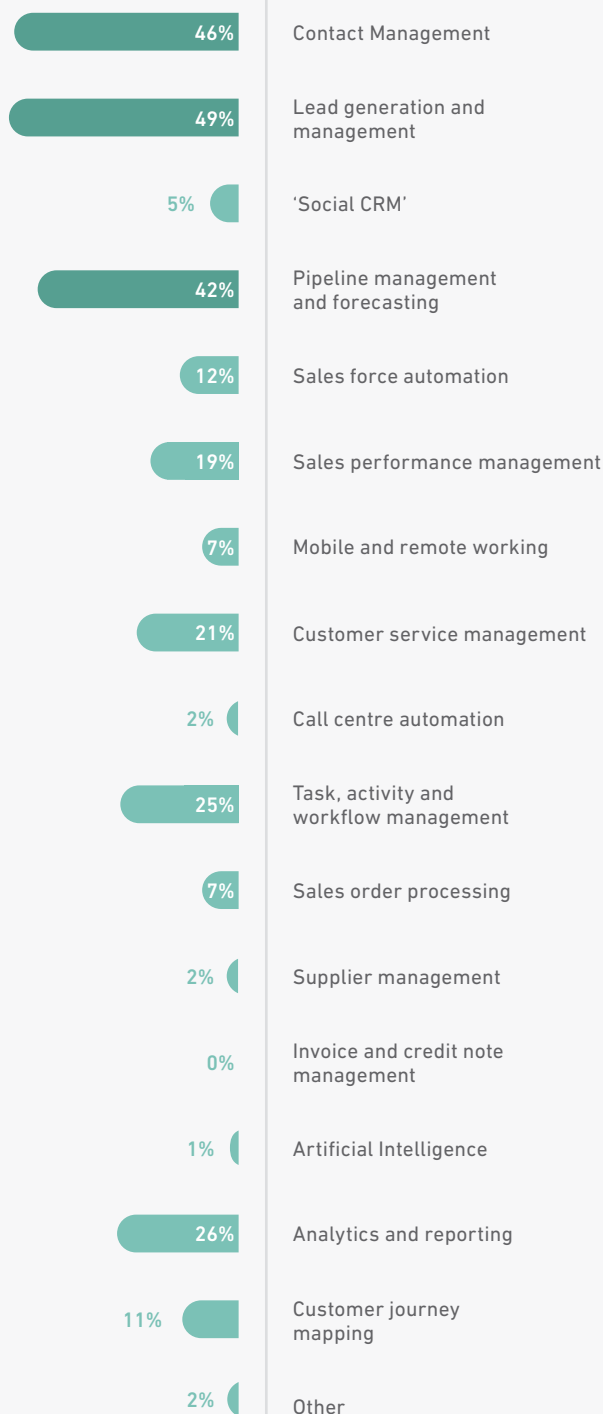
Our survey revealed a growing sophistication among SMEs around their choice of CRM platform. There does though seem to be less progress in terms of how they use their CRM. When asked about the most popular functionalities **49%** cited lead generation and management, and **46%** pointed to contact management.

In most cases it's the sales function that sparks the CRM project - they want to better organise their contacts and manage their pipeline. Yet there is much more that CRM can do for these firms. The SMEs with the most advanced CRM implementations are using them right across their businesses, managing data, workflows and relationships across customer service, operations and finance as well as sales and marketing. **26%** of our respondents describe analytics and reporting as important. The other **74%** would gain much from adopting a similar approach.

Very often SMEs can build up their own complex systems over time and not realise there's one tool that can streamline the whole system. They can begin down this path by working towards a 360-degree view of every interaction with customers, from initial marketing contact, through the sales pipeline to ordering, billing, and then customer service.

The firms that manage the entire customer journey in one place like this gain significant efficiencies and insights. They use CRM to its full potential and gain far greater return on their investment.

## WHICH FUNCTIONALITIES ARE THE MOST IMPORTANT TO YOU? (TOP 3)



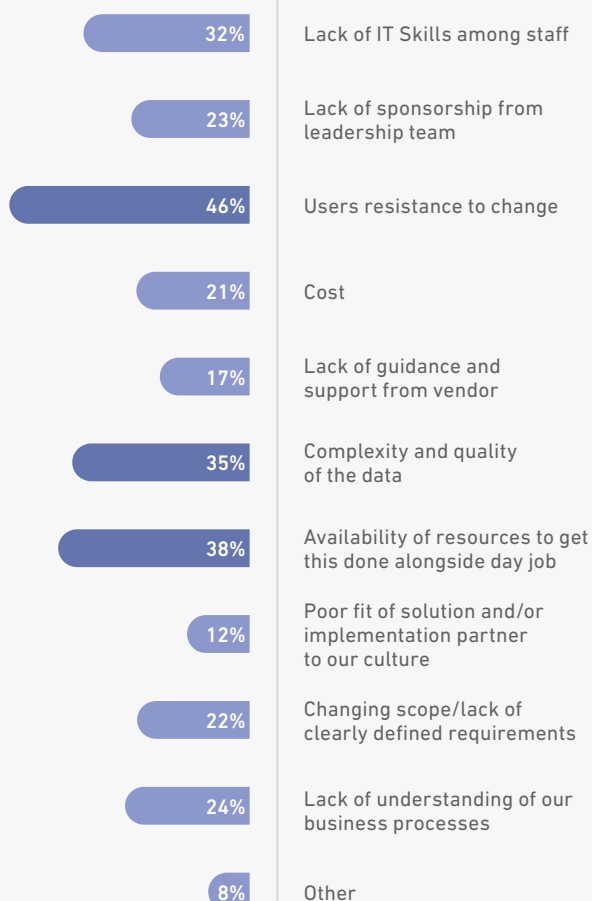


# Demonstrating VALUE

The ability to clearly and simply demonstrate return on investment has become more important than ever in the past year. When we asked about obstacles to success, we received the answers we typically expect: **46%** point to users who are resistant to change, **38%** to the availability of resources to get this done alongside the day job, and **35%** to the complexity and quality of the data. What was notable was that a lack of sponsorship from leadership team has, at **23%**, doubled since 2019.

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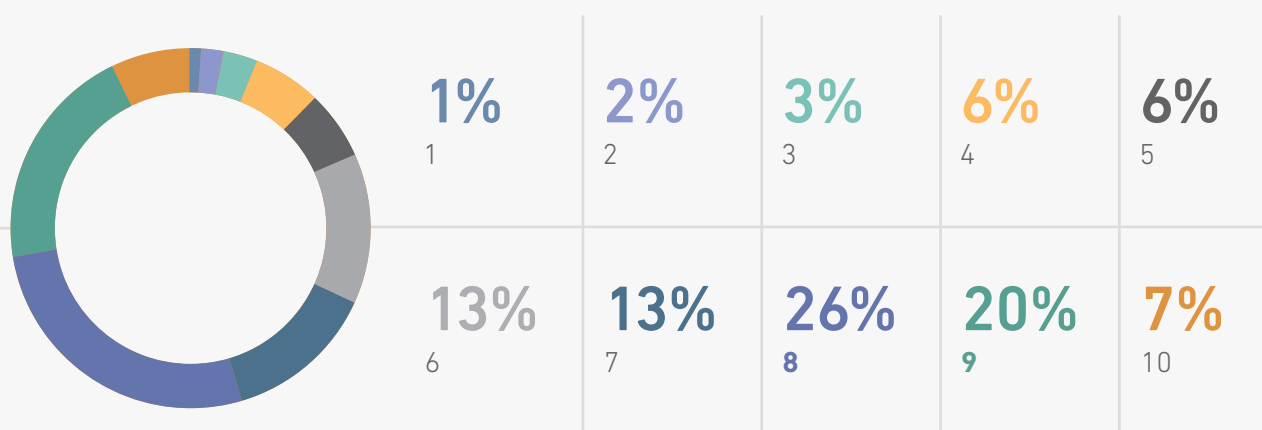
## WHAT OBSTACLES HAS YOUR CRM IMPLEMENTATION ENCOUNTERED?





SME business leaders have had plenty of other issues to occupy them, and so for those leading CRM implementations there has been less airtime available to make the case for the investment. Our respondents themselves are confident they are gaining value. **53%** rated their confidence at eight or above. But only **27%** have been able to calculate the ROI on their CRM initiatives

## HOW CONFIDENT ARE YOU YOUR CRM IS BRINGING VALUE (1-10)?



There is no more powerful tool for gaining support of senior leadership than a clear and accurate ROI calculation. Yet, it is clear many SMEs lack the tools to create one. In simple terms it begins with a business case: understand your desired business outcomes, assess the required changes, understand the market context, and then map through the commercial benefits.

From there you can follow the simple seven-step process for [calculating ROI in our whitepaper](#) on the topic. That will allow you to get more granular on those benefits and build an even more compelling case.

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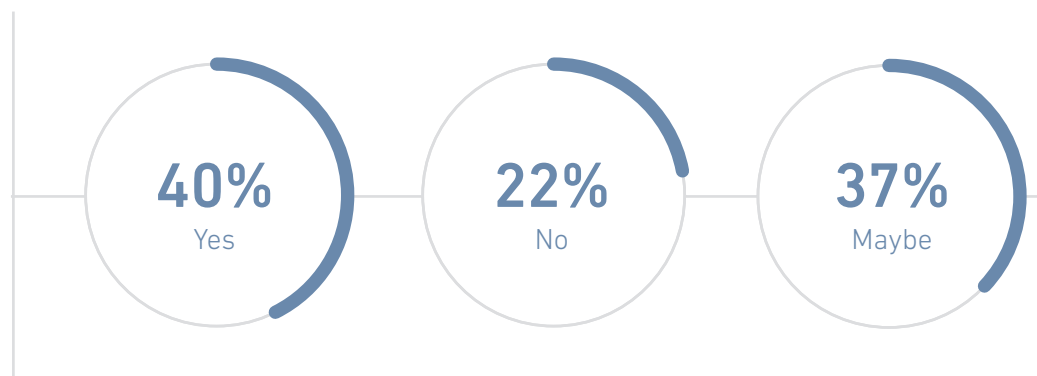
# Not if, BUT WHEN

## WHY DOES YOUR COMPANY NOT USE A CRM?



We asked respondents with no CRM why it's not happened yet. **46%** told us it's just not been a priority. They went on to tell us that that is changing: last year, **46%** of the people who had no CRM yet told us they were considering implementing one; this year that number has jumped to **77%**. It's a significant increase, which points to the growing awareness of the potential of CRM in this market.

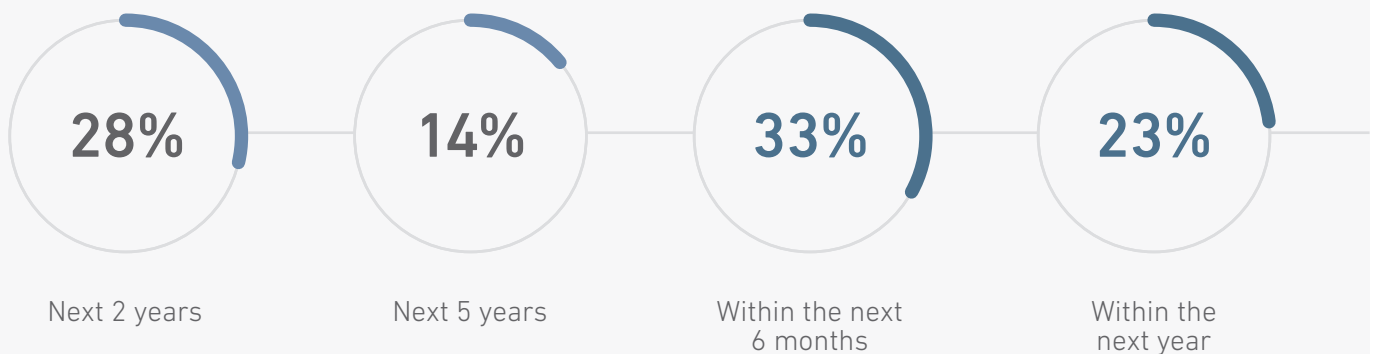
## ARE YOU CONSIDERING IMPLEMENTING A CRM?





A full third of respondents with no CRM are looking to implement one within the next six months. Given that the entire process from creating a business case to matching needs with functionalities, to piloting solutions and then training and data migration can take six months, the time to act is now.

## IF YOU ARE WHEN?



2020 has been a year like no other. It has changed the way SMEs operate, and many of those changes look here to stay. It has also clearly highlighted the need in those SMEs for CRM. They are looking at the ways it could help them win new customers, keep existing ones, deliver more efficiently and they are concluding that as we look to 2021 and beyond a CRM platform will be a key driver of SME success.

*2020 has been a year like no other. It has changed the way SMEs operate, and many of those changes look here to stay.*



# Respondent DEMOGRAPHICS

**This report is based on an online survey conducted in the summer 2020.**

## ROLE

Marketing	28%
Sales	23%
Business Executive/MD/CEO	18%
IT	7%
Operations / Sales Order Processing	3%
Customer Service	3%
Finance	2%
Other	12%

## INDUSTRY

Agriculture & Farming	2%	Mining & Quarrying	1%
Banking, Finance & Insurance	8%	Services: Accounting	3%
Charity & Not for profit	6%	Services: Advertising & Marketing	5%
Construction & real estate	5%	Services: Business Services	9%
Education & Training	7%	Services: Hospitality	2%
Healthcare	2%	Services: Legal	2%
IT & Telecoms	12%	Services: Other	7%
Manufacturing	11%	Transport & Logistics	2%
Media and Publishing	12%	Wholesale & retail	3%