Decision Support: Reporting and Analysis in a GoldMine® World

By Robert Machalek, MasterMine Software, Inc.

For Release: May 5, 2001

For Delivery At: GoldMine Users' Symposium
San Antonio, TX
May 6 – 8, 2001

Contact MasterMine: 5512 Oliver Ave. South
Minneapolis, MN 55419
www.masterminesw.com
rob@masterminesw.com
(612) 989-5635

> “Decision Support”: The capability, in an efficient and timely fashion, to extract, correlate, deliver, and employ information from all available and relevant data, for the purpose of making informed decisions.

How do you get the information you need, when you need it?

The critical role of analysis and reporting in any successful CRM (Customer Relationship Management) implementation is a tough issue to discuss with business people because it gets to the heart of what they do every day and how they do it. When we broach the subjects of “How do you get information?” and “How effectively do you use that information to make the right decisions?” we are directly challenging management’s understanding of their jobs. Both they and we had better have good answers to these questions.

In the CRM world, we often bandy about jargon like “analytics”, “metrics”, “business intelligence” and for that matter, “Decision Support”. These hyper-modern terms are really various ways of expressing the same thing: management’s need to monitor customer-related information, whether it’s company-internal processes or objective data about the market, and take appropriate action. This paper sets out to explain in plain English the role of Decision Support in your company, the typical Decision Support pitfalls for mid-market companies, and in particular, what alternatives you have in the context of GoldMine to implement an effective Decision Support strategy.

I. What do we mean by “Decision Support”?

A properly designed and implemented system of Customer Relationship Management can be divided roughly into two main components, or focuses: Process Automation and Decision Support. Entering into a CRM project for your company, you are most likely focused on the first component. Often times, we don’t really focus on the “analytical” dimension of CRM until the first, operational part is in place.

The first focus, on operational or automation issues, is about taking business processes that already exist in a company, streamlining and regularizing them, and then channeling the main body of the workforce’s effort through the systems that are created. (And here we’re talking about both technological and human systems or processes.) It’s about creating a predictable, or at least manageable, set of informational and practical outcomes that management can then tweak and adjust to meet future challenges. At the beginning, you are excited by the prospect of your workforce doing things in a uniform, and therefore understandable, and therefore more manageable way.

The flip-side of this so-called “Operational Focus” is the “Analytical Focus”, which is often called “Decision Support”. This second focus often gets much less attention at the outset of CRM implementations. You envision receiving regular reports that will tell you at a glance how you are doing, which buttons you need to push to increase profits, and which wasteful processes need to be eliminated. And because you’ve been running your department largely by the seat of your pants up until now, you also look forward to having solid evidence to back up your intuitive prescriptions for improving the bottom line.

But the details about how you are going to do this are much sketchier than they were on the operational side. You can envision some of the reports you want, and if you are very process minded, you can probably trace some of the operational aspects of the system to specific “metrics” and “analyses” you envision getting out of your CRM package. But for the most part, at the beginning, you rely on the built-in functionality of the CRM system you are implementing to give you the answers you need. “Surely,” you think, “they must have thought about how to take all this information I’m going to collect and present it to me in a way I can use.”

In a Fortune-500 or Fortune-1000 environment, you have experts on staff who know how to extract information from your data and give it to you to render judgments and make process decisions. Multi-million dollar software packages are built around providing this capability. In most companies, however, such expertise is in short supply, and you have to make do with whatever you can draw from the sources available to you. As a manger, you have to rely MORE on the technology, rather than less.

The problem is, every company is so different from every other, and the perceived information needs are so different from manager to manger – even within the same company, let alone across different companies in the same industry or across industries – that no CRM system can build in "canned reports" that cover needs beyond the most basic ones. You need an analytical capability that you can use personally, to ask your CRM database questions and get meaningful, timely answers.

And this is the <u>number-one</u> source of frustration about management of CRM systems.

You read about it every day in the CRM press: somewhere between 63 and 85% of CRM installations "fail" in significant ways. Most of the reasons usually given are operational: Lack of adoption by key players, failure to successfully customize to the unique needs of the business, lack of will on the part of management to provide sufficient training to key players.

But often these problems can be traced back to a failure along the way to analyze and provide meaningful, informational results (that is, <u>feedback</u>) to the people who were supposed to be driving the process. People simply will not persist in an effort that does not yield rewards all along the line, even if the rewards are just enough information to assure them that they are on the right track.

What really breaks a CRM-based manager's will to continue is the inability to extract the information they need on a timely and cost-efficient basis, and use it to deal with <u>current</u> problems. Every day, companies walk away from huge CRM investments for just this reason: "We couldn't get the information we needed to run the business efficiently. End of story."

Company managers don't lie awake at night with visions of how easily they can get data INTO their computers, or even about how many more calls the salespeople are going to be able to crank out in an hour while doing efficient data entry. Managers manage in part by getting Information (that's with a capital "I") OUT OF their computers. Their CRM implementations succeed or fail based upon whether they are able to get a good overview of their operation and know what's happening at any given time.

Most importantly, they need to have FACTS to support the decisions they have to make every day. Facts about their client base, facts about their prospective customers, facts about internal compliance with the company's business processes… The list goes on and on, and changes emphasis from day to day.

Decision Support Systems encompass all mechanisms for extracting useful information from the available data, and these mechanisms can be divided into two major categories: Reporting and Analysis. Most of us know very well what is meant by "reporting", but not many are truly familiar with the analysis options, when and how to use them, and how to build an effective Decision Support system for ourselves and our company.

Let's look at the crucial differences and overlaps between reporting and analysis, the common pitfalls to implementing a good decision support system, and the decision support options you have available to you in a GoldMine environment which will allow you to create the comprehensive set of overview capabilities that your managers need.

II. Why Traditional Reports Are Not Enough

No one likes to make decisions in the dark. Every CRM-based business struggles with how to achieve the necessary decision support. Yet every day we're forced to make guesses about, for instance, which are the key market sectors to concentrate NOW? How well are our key accounts being serviced? How well are we matching resources to the key issues we face as a company? How well are our salespeople doing vs last month, vs the same time last year, vs each other, vs our goals, etc.? Each of these questions leads to mission-critical decisions about how our company operates.

Sometimes we're fortunate, and these decisions are based upon 90% good, solid information. More often, they are made on 10% good information and 90% intuition, because managers don't know how to get the information they need. Nothing is more frustrating than being forced by the rush of events to make sometimes mission-critical decisions – and then finding out you were wrong.

That's why anyone who's responsible for the success of others in their organization – that is, the management – hungers after reports that are easy to read and that reflect the true state of their operations, *today*. But how many operations have management that really knows how to create these reports as they are needed? On a moment's notice? Focused on exactly the relevant part of the information in their CRM system?

Traditionally, somewhere between 5% and 30% of any new CRM system's cost is swallowed up by the creation of a few key reports. This shouldn't be surprising, given that output needs often dictate changes in data structures, data collection procedures, re-training of users, sometimes a re-vamping of the entire CRM setup itself.

The resulting reports are meant to be the "dashboard" from which the company is run. As "static reports", they usually appear essentially the same every day or month except that certain key numbers fluctuate with the performance of the operation. On first implementing your CRM system, you and your Solutions Partner make lots of educated guesses about what kinds of information you will need *in the future* to run your business, and then try to encapsulate these into a few reports.

Any static report is doomed to be obsolete before long. Let's suppose you add a new field to your database that contains information about customers. If this information matters (and hopefully it ALL matters) the number of possible ways to analyze this field in relation to the rest of the data might change every report you have. How likely are you to invest in re-writing the entire suite of static reports in your system to include the new information, even if it's critical?

And what is the likelihood that you and your Solutions Partner will foresee exactly what the key measurements of your business are going to be a year, two, or three down the road? What short term training or process issues will come up? What new areas of business might you move into? What challenges and choices will you face – i.e. what decisions will you need to make – after your solutions partner has long since handed over the keys to your system?

You won't know, of course, and so sometime within the first year you will be faced with the issue of how to get information out of your GoldMine database on a timely basis. That's when you'll find out that most report writers will not fulfill your needs when it comes to flexibility, ease-of-learning, and ease-of-use.

It's not really true, as many say, that "report writers" don't work. The truth is, they are designed to reliably produce the same report with different data, over and over and over, and sometimes this is what you need. Quite often, though, in fact several times a day, what you really need is a one-off answer to a specific, timely question. The assumption, frequently, is that the only output option is a traditional report, so you try to make a report that answers your immediate questions.

You don't have the time to attend report writing classes, so you assign the job to someone else. At this point, or earlier, most CRM operations designate a "Report Guy" and expect him or her to take care of all "decision support" needs. This is the person who attends classes to learn how to use the report writer that's built into the CRM system, or maybe Crystal Reports, the industry standard for reporting (by Crystal Decisions, formerly Seagate Software).

The strategy for designating the "Report Guy" is usually purely pragmatic, and very short-sighted. It's usually a tech guy. It's very rarely a member of top management. Even more rarely, especially in a small firm, is it someone who intuitively knows what information you need from your data and how to anticipate what you might need in the future.

So you get conversations that go across several days that sound something like this:

> Management: "Report Guy, Sales are down, so I need to know what's happening in the sales area. Go make me a sales report that shows which areas we're coming up short in."
>
> Report Guy: "Give me a hint. Do you want monthly comparisons? Product-by-product or industry breakdowns? This year vs last year?
>
> Management: "You know… just give me a list of all our salespeople, how many calls they made this month, average calls per week, and put their sales dollar volume next to each for comparison."
>
> Report Guy: (*Two hours or maybe two days later*): "Okay, here it is."
>
> Management: "That's not what I wanted. It's subtotaled in the wrong places. And some of these numbers are out of the ballpark from what I expected. Why is that? And the dollar volumes don't mean much from week to week because of our sales cycle. Go back and give me a month-to-month comparison that makes more sense."
>
> Report Guy: "Okay. (*Two more hours or days pass*). "Here it is."
>
> Management: "Okay, this looks good, but now I wonder how this compares to last year? And what about the new guy in sales. Why isn't he here? And…"
>
> And on and on.

Sound familiar?

If you think about it, this is absurd. It's like trying to drive a car blindfolded, asking a passenger who's never driven a car himself an endless series of questions about what's in the road, what the driving conditions are, and when you should turn. Would you really expect to avoid a crash under these conditions? For how long?

Efforts to accomplish the full range of decision support by generating a wider and wider range of static reports are doomed to fail, especially when report generation is centralized, because they simply can't keep up with the exponential growth of possible ways someone might want to see their data. You don't need to display it in every possible way, but you need to be ABLE to display it any way you need it.

The conclusion almost everyone comes to is that the needed output, timely reports, are just not available or not practical to expect. That's where they are wrong.

III. Decentralizing Decision Support

Even a good static report, if it's worth the paper it's printed on, leads to more questions than it answers. Analytical CRM is about putting the power to ask questions of your CRMdatabase into the hands of the decision makers themselves. Only the decision maker can efficiently follow the trail of answers to additional questions, to more answers, and so on.

Analysis, in its simplest form, means skillfully querying your database to get answers. The "skill" required here is both managerial and technical. The most important distinction between analysis and reporting is that often, with analysis, you haven't clearly formed the question in advance, because you don't know what kind of information you're going to encounter. Your managerial expertise is required to blaze the trail through your data.

In the example described above, the manager started with a good idea of the *category of information* he wanted (sales), but really couldn't describe specifically enough what he wanted to receive it the first time. This is a natural way of seeking answers, but it's not efficient when it has to run through multiple people. If he had the relevant information summarized on a screen in front of him, and could arrange it with simple drags-and-drops and criteria selections, he would be in a much better position to seek his own answers.

Suppose you're a sales manager. Looking at a summarized list of call counts for your sales reps this week, why are two of the reps making only half as many calls as all the others? Drill down for detail and see that one was gone 3 days, but the other has a few calls each day and appears to be working half as quickly as the rest. Re-arrange the summary to see this week versus every other week in the year, and see that this pattern is consistent. Introduce other activities into the analysis and maybe we find out that this sales rep has twice as many appointments as everyone else. Compare that to sales volume, and we see that that sales rep has higher sales volume than all but 3 other reps. Analyze his combination of calls and appointments, find out what he or she is doing right that others are not, and teach it to them.

This string of logic takes us from one step to the next, from information point to information point, in a way that was unpredictable from where we started. A skilled sales manager, even a completely technophobic one, knows he or she needs to follow this logic and get answers to these questions.

Without on-the-fly analysis, the only alternatives are to quickly learn all about your report writer or keep asking for a steady stream of reports from the Report Guy over many days. With a well-deployed analysis system, the manager has these and thousands of other possible answers at his or her fingertips available in a couple of minutes.

There is no longer any excuse for "blind" decision making. Well-run organizations need to expect managers to take advantage of their CRM data at every level, as far as the technology permits. In the modern workplace, where information of all types is more accessible than ever before, managers have no excuse for failing to bring to bear all available information relevant to their decisions. To ignore the "goldmine" of information that's right under their noses is the worst mistake of all.

IV. Available Utilities in GoldMine®

GoldMine has a number of built-in utilities designed to provide for your information extraction needs. By the way, this suite of utilities is fairly typical of all CRM systems.

Everyone has the built-in **GoldMine report writer**. It comes with standard report templates that anticipate a fair number of standard information needs, but obviously these don't include your custom fields. Your GoldMine Solutions Partner is most likely to customize a number of reports to fit your uniquely customized installation. However, the GoldMine report writer can only produce what it is made to produce: Static reports. Also, the built-in report writer was not designed to work smoothly with SQL systems, so you often have long delays or even system overloading while generating a report.

For increased flexibility, and because most GoldMine operations do need some ongoing reporting capability, **Crystal Reports™** (from Crystal Decisions®, formerly Seagate Software), is often installed and customized for you to some degree. Crystal Reports is the industry standard, not just in CRM but in every kind of database administration, for producing static reports of the type we described earlier.

There is considerable overhead involved in creating customized Crystal Reports. You typically have to have a trained "Report Guy" on staff to run it for you and, in fact, most GoldMine solutions partners have at least one "Crystal Reports" expert on staff who spends most of his or her time just generating customized reports. For larger firms, report writing remains extremely centralized in the IT department, well away from the people who need the information being derived. Computer-phobic managers do take comfort in its "one-button" report-generating capability – but of course this only works if the report writing staff has correctly anticipated all of the manager's questions, or are available to make immediate improvements.

Several years ago, a prominent GoldMine reseller came out with "**Gold Reporter**", a kind of GoldMine-to-Crystal interface that anticipated some additional reporting needs that were not covered by GoldMine's canned reports, and lowered the technical hurdle for some report-hungry managers. As of this writing, I am unsure about the continued availability of GoldReporter and who is currently offering it.

Recognizing the need for critical information extraction, GoldMine has recently added an "Answer Wizard" capability to their GoldMine Front Office suite. For those who have Front Office, this is a step in the direction of "interview-based" information extraction. The **GoldMine Answer Wizard** gives you the ability to get specific answers based upon a tree-structured series of questions that home in on certain kinds of information and deliver them to you as pre-defined, static reports. It's meant as a management-friendly way to allow non-techies to select WHICH static report to generate, but not really a means of opening up the possibilities for formatting data summaries in the first place.

On the analysis side, there are several options as well:

For your one-time, on-the-fly information needs, current versions of GoldMine also include utilities for running **SQL Queries** against your database. If you have someone on staff who knows how to write SQL queries, or dBase expressions, they can construct these queries which are capable of asking and answering a simple question like, "How many of our prospects are coded "Industry 7", are in Territory X, and don't have a phone number?"

In addition to getting quick answers, you can use this utility to isolate certain segments of your database, and to build convenient filters and groups in GoldMine. These filters and groups can be used to send out mass e-mails, to do mass updates, or to give simple, direct marching orders to an admin or salesperson who will handle that particular subset of records. You just define the parameters of a group or filter, activate the group, and then use built-in functions in GoldMine to implement them. However, you do need to be rather nimble with SQL or dBase to make this work, so it's of limited use to non-technical managers.

Likewise, GoldMine has some **built-in analysis capabilities**, which you find on the bottom of the "View" menu and which also anticipate some on-the-fly information needs. In fact, as far as built-in capabilities, these come the closest to giving you real-time, comprehensive overviews of some of the critical "choke points" of your company, while allowing you to select some on-screen parameters to see the data summarized several different ways.

Unfortunately, they are rather limited in terms of WHICH data you get to see from GoldMine. For instance, you don't really get access to your custom fields and custom formats using this utility. Say, for example, you consistently use the "pending sales" and "completed sales" functions in GoldMine, and your sales model is consistent with how these analysis screens anticipate (which means you sell only in whole units, without volume discounts, with single-date delivery, etc.). You can get some powerful insight into your operations with these on-the-fly analysis screens, relating projected sales for any period of time to a number of key factors like industry, product, type of company, account rep, etc. However, if you don't use GoldMine in exactly this prescribed way, you may have some trouble getting real value from these screens.

V. Your GoldMine-specific Decision Support Alternatives

Finally, you have several alternatives to achieve the key "analytical" functionality that's really necessary to get the most out of your GoldMine system.

Most of the "up-market" CRM systems include a modularized analytical CRM capability which is, in fact, often one of their major selling points. Because a very sophisticated system presumes potentially very sophisticated management, these systems offer a great deal of analysis capability. Commonly known products of this type are SPSS®, SAS®, Brio®, Cognos® and there are many others. These packages are geared primarily to analysis, with their CRM capabilities more subsidiary – that is, they emphasize the ease with which managers can get information OUT OF their data, rather than collecting it in the first place. They are also typically several levels of magnitude more expensive than a GoldMine or comparable CRM system.

Nevertheless, the need remains for analytical CRM that's geared for smaller and mid-market companies as well, and that need is commonly filled several ways. Many GoldMine users who get beyond trying to use a report writer for their data analysis, and have an Access "guru" on staff, typically turn to customized Access solutions.

You can also make use of some stand-alone analysis packages that are designed to give you analytical capabilities regardless of their database source. **Seagate Analysis**, by Crystal Analysis, is one of these packages. It integrates with Crystal Reports and, like Crystal, requires significant training to get set up. There are also Microsoft® OLAP based products, like Cubularity's **Knowledge Prospector** and **IntelliBrowser** from Hungry Dog Software. In well-trained hands, these products can be used to build links to various tables in your CRM and build data overviews from the ground up in a purely analytical environment.

None of these products is closely integrated with GoldMine (or any other CRM system) out of the box. The difficulty here is that you typically have to have someone who is very well versed both in the technology of the analytical product AND in the CRM data structures to get anything useful out. There are any number of consulting firms which specialize in setting up custom analytical packages based on these and other technologies.

Most GoldMine managers don't know or care where the data are stored inside GoldMine, much less do they want to spend time learning how to operate specialized software that requires them to make all the logical links themselves. They want the information summarized and presented to them with a touch of a button, pre-organized according to the internal logic of the CRM system they are dealing with, while still allowing them to make simple follow-up queries into the data for detail on something that needs attention.

MasterMine for GoldMine, by MasterMine Software, Inc., is the only data analysis product that's specifically designed around GoldMine data structures. This gives you the GoldMine data organized and preformatted in a way that anticipates analytical needs in the context of how GoldMine is specifically designed. Distributed primarily through the GoldMine channel of solutions partners, MasterMine has immediate out-of-the-box value as a basic GoldMine-oriented data analysis tool. It allows any manager in a GoldMine environment to query the database without special training, without technical knowhow.

With the advantage of advanced training, MasterMine reports can replace up to 90% of what is traditionally forced through traditional report writers at great cost of manpower and time loss. This is true because most GoldMine operators are simply unaware of their analysis options, and so waste countless hours of their "report guy's" time creating reports for one-time needs.

Because MasterMine decentralizes decision support, putting the power to ask questions and get immediate answers back into the hands of managers, GoldMine solutions partners around the world recommend MasterMine as an integral part of any complete, GoldMine-based CRM solution.