

What is CRM?

A Definition of Customer Relationship Management and Constituent Relationship Management

Long a staple in the business-to-business sales world, CRM systems are databases created to hold information about people relevant to your organization. In the commercial business world, they are typically referred to as “Customer Relationship Management” systems. In the public sector or nonprofit/NGO realm, you may hear the term “Constituent Relationship Management” used instead to show the focus on service vs. revenue.

Typically geared to be a single source of information about the people who are connected to your organization – either directly or indirectly. The people could include:

- customers or program participants
- staff, volunteers, or Board members
- investors, funders or donors
- vendors, service providers or partners

CRM systems track activities for these people, including:

- Transactions and interactions: donations, products purchased, customer service or customer support interactions
- Time spent on: volunteer hours, development or service interaction, sales cycle length
- Communications documentation: dates, time and content of emails, phone calls or letters
- Participation in: events, marketing campaigns, sales or service processes

In the business world, there is typically a heavy focus on measuring and managing sales deals and effectiveness -- improving the ROI on sales and marketing expenses.

For nonprofits, the focus is on donor management, volunteer management, services enablement and program improvement.

Typically, a CRM system replaces or connects existing legacy systems. In a commercial environment, this could include integrating or replacing outdated:

- Sales Force Automation (SFA) systems
- Enterprise Resource Planning (ERP) systems
- Customer Service Representative (CSR) databases

In the nonprofit world, it is typically replacing an entire suite of older, disconnected or “silo’d” systems:

- Donor Management System
- Volunteer Database/Spreadsheets
- Program Management Package
- Mailing Lists living in an Email Distribution System

The idea behind a CRM is to create a central command system that interconnects the information you need to drive your entire organization. Need help defining CRM in your situation? Contact us for help at: 312-973-1112 or hi@socialraise.com.