White paper

Accelerate revenue by building a future-proof integration strategy

Discover how integrating one process between your ERP and CRM systems can positively impact your bottom line

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Integrating your Customer Relationship Management (CRM) and Enterprise Resource Planning (ERP) systems is not a new, groundbreaking topic for IT professionals. However, the topic still remains relevant within the industry because every business faces similar challenges around integration and process.

In today's world, software decisions are made by non-IT business leaders just as much as IT departments. These leaders often make their decisions based on specific features and functions that address the day-to-day pains they experience, without consideration for how well the software will integrate into existing business applications.

This can become a huge headache for IT leaders who have to figure out how to make all the systems work together. They're left with multiple cloud applications, on-premises applications and siloed data — plus business leaders who expect it all to work together seamlessly and provide the data they need in real time.

Here is an illustration of how complicated it can get with only one vendor:

As you can see, once you add more business processes into your organization, integration points become more pervasive and complex and the level of effort to implement and maintain increases. Imagine what this graphic would look like once you start adding products from other ecosystems.

To illustrate how integrating one process can benefit your organization, this white paper discusses the Quote to Cash (QTC) process because it is a process that all businesses can relate to in every industry. We will examine how to make it more efficient through integration and explore a success story.

Quote to Cash process

There is a process set in motion the moment a customer requests a quote, and it closes when your organization receives payment from that customer. This is defined as "Quote to Cash," and it encompasses everything involved in selling your products and services to your customers. Essentially, QTC measures your company's ability to generate revenue.

The way your organization handles moving from quote generation all the way to final payment is one of the most important factors to your company's success. Yet, often, the QTC process is chaotic, disjointed and delayed. If it takes too long for your staff to issue a requested quote to a customer or fulfill an order, or for a customer to pay you for services received, these delays cost your company significant time and money.

Often, delays in QTC are caused by breakdowns in communication across multiple teams that play a part in completing this process. The QTC process involves sales and marketing teams that rely on your CRM platform for their data and information,

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and fulfillment and financial teams that rely on your ERP platform.

Working on two distinct platforms without a seamless way to share information creates data silos, hindering both teams from getting the information they need efficiently.

You can optimize QTC and accelerate revenue by integrating your ERP and CRM systems to break down data silos between your teams.

Two different offices, two different systems and one process

The QTC process involves several steps that can be broken into two overarching categories, which we'll refer to as front office and the back office.

Front office (CRM)

Think of your CRM system as your front office platform. This is where your marketing team drives potential leads, where your sales team qualifies them, and where all of the touch points in the buyer's journey live. This half of the equation is essential — the CRM should be the source of truth for new customer information, which products or services they're interested in and any agreed-upon pricing or terms for the sale.

Once your customer receives a finalized quote, it's time for the back office to step in and work their magic.

Back office (ERP)

While the CRM supports your front office, your back office platform is an ERP system. This is where your sales operations or customer service staff enter the orders, your financial team approves them and order fulfillment takes place. ERP is also usually where invoicing and any other financial transactions happen.

Most times, ERP is the source of truth as to what has been sold. The order team enters the orders, reviews them to make sure there are no technical or logistical concerns and then sends them for a final financial review. Fulfillment happens next and could include picking, packing, shipping, electronic delivery or the kickoff of a scheduling process for service delivery.

This phase is when we see revenue recognition and invoicing; invoices are generated and sent to the customers when it's time to make a payment on the items they've ordered. Once the payment is made and applied to the order, we've reached the "cash" stage of our QTC cycle.

Because the front and back offices often work in two separate platforms, roadblocks can arise that delay the QTC process — and hinder your company's revenue — including:

- Lengthy turnaround from the time an order is submitted to when it is approved and fulfillment can begin

- Inaccurate quotes that cannot be filled in the timeframe promised

- Mismatch between the quote and the products or services that are delivered

- Mismatch between invoices or purchase orders and quotes given to customer

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- Sales team lacks information regarding which orders have been fulfilled and which customers have paid
- Sales and marketing teams lack awareness of customer renewal dates and other signals that indicate opportunities for upsell and retention
- Inefficiencies across the entire process due to manual entry of information in two systems

IT leaders have more insight than most

As an IT leader, you should have access to much more information and visibility across the business than almost anyone else in your organization. You can see into different departments in a way that other leadership roles wouldn't necessarily need to.

QTC touches every aspect of the business similar to the IT department, so it makes sense that every single element that's part of QTC has an IT component.

This means that IT leaders are in the best position to think strategically about how to optimize QTC and therefore accelerate revenue for their companies. Because, as an IT professional, you can see into both the front and back offices, and due to the intimate relationship between QTC and IT, you are in the best position to champion the solution.

Integration for streamlined QTC process

You likely have a well-defined process in each of your existing systems. In the front office, your systems ensure that quotes are generated properly. And in the back office, you're confident that orders and invoices are being handled correctly.

That may seem like a great place to be, but how is that information being transferred between these two systems and teams?

Integrating the front and back offices is the key to streamlining and making QTC as efficient as possible. Every business has some integration, but you may be using manual processes that are time consuming and more prone to human error. We're talking system-level integration as a solution — allowing these two systems to communicate directly with each other, reducing the effort and time to get from the beginning of QTC to the end point.

In a nutshell: Connecting your CRM and ERP systems can be an advantage to many areas of your business, all of which support a streamlined QTC process.

Benefits of integrating CRM and ERP

Here are some of the key reasons to integrate your front and back office systems.

Reduce time-to-order

Reducing the amount of effort required to place orders can translate to the ability to process more orders during the same window of time, using the same amount of resources. If it takes you a day to get one order entered and approved right now, you could be looking at a new process that takes just hours. That means a shorter path to cash and the ability to process more orders with the extra time.

Imagine a world where there's no buildup of orders at the end of the month — all because you've worked to reduce your time to order.

Improve quality of quotes and orders

Order quality is an issue that affects many companies. Whether it's issues with incomplete orders, delivered items not matching what was ordered, or another issue, these mistakes cost your business both in terms of money and reputation. If a quote contains pricing or timelines that aren't feasible for your business, this can eat into your margins.

By integrating CRM and ERP, you can ensure that only valid, saleable items are included on quotes, and your back office teams have a chance to review and verify that quotes are appropriate and logistically sound before they are sent to customers.

Match invoices to quotes and purchase orders

You need the quotes and purchase orders that are sent out to match invoices; this is essential for collecting payment. Customers may not pay you — or will slow payment down to investigate — if they receive an invoice that does not match the original documentation they were given.

Integration makes it easier to review the quoted offer against the accepted order and make sure that everything lines up, reducing the chance of confusion or delay.

Empower sales and marketing to close more deals

Having separate systems creates a disconnect between your sales team and the other teams in the business, which can cost you valuable opportunities to connect with and nurture your customer base.

For example, after closing a deal, your salespeople may not know about the status of that order, how satisfied the customer feels or whether the customer has paid. This is critical information that allows them to check in with customers without potential missteps, and without being blindsided by questions about existing orders. This information is typically gathered and maintained in the ERP system (back office); integration would allow your ERP to share some of this crucial data with the CRM (front office), so the sales team can access it.

Beyond that, if your sales and marketing teams are now aware of information stored in the ERP, like a customer's approaching renewal date, they can create targeted messages to retain and connect with that customer. They'll also have full access to all the information regarding a customer's purchase history and behavior, which can help them further drive sales.

Integrating your ERP and CRM gives you a chance to provide information to all relevant teams as efficiently and transparently as possible. It empowers your teams to be more effective, knowing they're all working off of the most up-to-date information.

Reclaimed time

If you're relying on staff members to manually enter data in both systems — often referred to as a swivel-chair process — then your staff is using valuable time that could be better spent elsewhere. When employees spend hours validating and entering orders, you lose time you could've put to use into areas of your business that can't be automated, such as serving customers, completing orders or working on nuanced analytical processes and strategy.

Integration results in personnel cost savings and higher throughput — not to mention the improvements that can result across your business when employees get to focus on more engaging tasks.

Integration methodologies to connect CRM and ERP

There are several integration methods to consider when integrating your CRM and ERP, listed here in order of complexity and up-front investment.

1. The swivel-chair (manual) process

We mentioned this method above, and it's common for companies to use this process when they are just starting out because it presents the lowest barrier to entry. This method is when a member of your team manually handles the double entry required to transfer data from one system to another.

While the low cost and effort involved in swivel chair can be attractive, it ends up with very high costs over the long term in the form of labor costs.. Transferring data manually also opens up your company to the risk of human error. Finally, this method doesn't scale well; as your company grows, you'll need to hire more and more people to manually transfer all of the necessary data between your CRM and ERP.

2. First-party tools

The software you're currently using for ERP or CRM may be able to help you integrate the two platforms. For example, your ERP vendor may have a CRM of its own, and by adopting that technology as well, you can take advantage of the shared platform benefits.

There are a few things to note when considering whether this method is right for your organization. If your existing ERP and CRM are from two different vendors, it may not be financially feasible for your company to switch one of the systems to another vendor in order to facilitate an integration. Implementing a new ERP or CRM is a major change that requires time, resources and a detailed change management plan. Due to the continued advancement in integration technologies, many companies are opting for multiple platform vendors to get best-of-breed products. Just because you're happy with your ERP doesn't necessarily mean the same vendor's CRM is going to be equally satisfying or fit your business needs.

Fortunately, there are ways to integrate your CRM and ERP successfully, even if they are from two different vendors.

3. Point-to-point integration

The most tailored solution is to connect your systems directly in a point-to-point fashion, typically through APIs from both systems. This involves using custom-written code to connect each system and usually requires high upfront development costs, as well as the highest maintenance costs out of all the options we've outlined.

Many organizations choose this route to avoid any costs to buy a middleware solution, however it is a short-term savings and integration strategy. It will become very complex and you will need a team of developers to manage. Before you choose this method, it's worth considering whether any other integrations are in your future. APIs are not scalable solutions, so you may not want to go this route if you know more technology changes are on the road ahead.

4. Middleware ETL solutions

If you're using different software for your CRM and ERP platforms, there are a variety of middleware solutions, each with different capabilities to connect multiple systems with each other.

Middleware tools are servers that you host and maintain, which are able to facilitate sharing between your two existing systems. They work in the way their name implies: they export data from one system, apply some translation, and then load it into the target (second) system.

You may already have a tool like this, and it's certainly worth checking before you start looking for a new tool. It's important to know that not all tools work equally well with all systems; some tools have pre-built connectors for major apps in use today, while others will require a more in-depth setup to enable a connection. Each middleware solution can be configured to have batch or real-time integration or a combination of the two. In addition, each can be configured to consume data in multiple ways, whether through data file loads, direct connections through APIs or through pre-programmed connectors that are specific to a given system or application.

Do your research or find a trusted integration expert that can help you assess the level of support any prospective middleware tool provides for the two systems you have.

Accelerate revenue. Partner with Rackspace.

Here is a description of how this issue was solved for one of our larger customers, from their point of view.

"While working with two of our biggest clients, we realized that our lack of integration between our ERP, CRM and billing program was a huge issue causing frustration for everyone involved in the process. Our employees had to manually enter data, which was time consuming and error prone. Our customers wouldn't receive their bills on time and sometimes they would not be accurate.

"Our organization pulled in Rackspace application and integration experts and decided to use an integration platform to integrate our ERP and CRM applications with billing to eliminate the inaccurate manual data entry, which was causing problems on both ends. By not thinking of this as just a one-off project and, instead, developing a longer-term integration strategy to connect the three systems, we were able to overcome our integration challenges. We used an integration platform that links customer accounts, primary and billing addresses and contact information through a back-end billing system that is flexible, scalable and reusable.

"In the end, we saw positive results, eliminated input errors, sent bills on time and sped up time to revenue — and our customers were extremely satisfied with the changes."

Remember that complicated graphic? Let us uncomplicate your integration strategy and accelerate your revenue, using a typical QTC process discussed in the white paper.

Here's an example of how simple it could look.

- **Mediation**
- **Orchestration**
- **Routing**
- **Transformation**
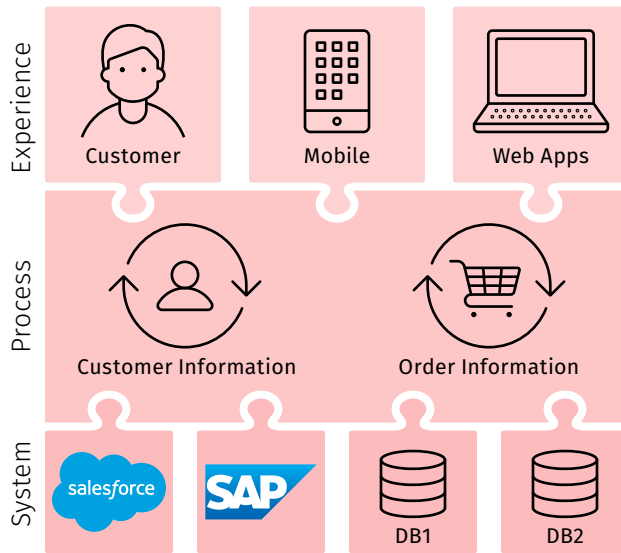
If you're ready to begin your journey to future-proof integration, the expert technology team at Rackspace can help guide you. We have extensive experience integrating CRM and ERP systems and thousands of other applications to help our clients drive their businesses forward. We employ a Process First. Technology Second.® approach that starts by assessing your business process and current technology tools, and then determining how those tools can be leveraged to achieve your goals.

Rackspace offers unbiased expertise, which means we can work with any platform. Our goal is to help you get to your desired end state with the least amount of disruption to your business.

Rackspace is a certified partner of leading iPaaS, API management, ERP and CRM vendors.

Our team of application and integration experts would love to start a conversation with you today. Contact us to learn more.

About Rackspace

At Rackspace, we accelerate the value of the cloud during every phase of digital transformation. By managing apps, data, security and multiple clouds, we are the best choice to help customers get to the cloud, innovate with new technologies and maximize their IT investments. As a recognized Gartner Magic Quadrant leader, we are uniquely positioned to close the gap between the complex reality of today and the promise of tomorrow. Passionate about customer success, we provide unbiased expertise, based on proven results, across all the leading technologies. And across every interaction worldwide, we deliver Fanatical Experience™. Rackspace has been honored by Fortune, Forbes, Glassdoor and others as one of the best places to work.

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