MODULE 2: MICROSOFT DYNAMICS CRM CONCEPTS

Module Overview

Microsoft Dynamics CRM is a customer relationship management (CRM) tool that enables organizations to deliver upon a customer relationship management strategy. As part of the application's core functionality, Microsoft Dynamics CRM enables users to:

- Record customer interactions
- Maximize revenue opportunities
- Manage customer service needs
- Identify trends in the organization's customer relationship management
- Proactively market to customers and track the performance of marketing campaigns

It also helps organizations optimize operations by automating routine tasks, standardizing best practices, and analyzing business performance. As a tool to help deliver upon a CRM strategy, Microsoft Dynamics CRM can be easily adjusted to support new business, process, and strategic initiatives.

This course provides a high-level overview of the capabilities of Microsoft Dynamics CRM and provides a foundation for other Microsoft Dynamics CRM training offerings.

Objectives

The objectives are:

- Summarize at a high-level Microsoft Dynamics® CRM and the sales, marketing and service areas.
- Describe the Microsoft Dynamics CRM Web and the Microsoft Dynamics CRM for Microsoft Office Outlook® clients.
- Explain the Microsoft Dynamics CRM security model.
- Summarize Microsoft Dynamics CRM records.
- Describe ways to navigate the application.

Microsoft Dynamics CRM Functionality

Microsoft Dynamics® CRM provides features that support the sales, marketing and service functions for organizations of all sizes. However, Microsoft Dynamics CRM has been designed so that it can be customized to support an organization's specific or changing needs. As such, the application can be extended to store additional types of records beyond those provided in a default installation as well as additional fields.

For example, imagine Microsoft Dynamics CRM was going to be used to support the CRM strategy for an automotive repair shop. The organization would likely be a B2C organization and track relevant information about the people (customers) served. Within the application, the information about these people would be tracked in a record type called, "Contacts". However, when thinking about the kinds of data that would need to be tracked, it might include elements such as purchase information, repairs, and tracking specific details about the customer's automobiles. In the native Microsoft Dynamics CRM environment, an organization such as this could easily track purchase and customer service related information. However, tracking information about a customer's automobile(s) is not something that is native to the product. On the other hand, a **Custom Entity** (an entity is equivalent to a record type) can be created to track needed information about a customer's automobile. In fact, the system can be designed in such a way that a customer could have one or more automobile records. This type of flexibility is a key feature that makes Microsoft Dynamics CRM such a valuable tool in helping organizations fulfill their customer relationship management strategies.

In addition, many third party vendors offer products that extend Microsoft Dynamics CRM functionality. Some extend the features of Microsoft Dynamics CRM, such as postal code verification, other applications provide highly specialized customizations for vertical industries such as real estate management.

Glossary of Terms

Some record names used in Microsoft Dynamics CRM may mean different things to organizations depending on the organization's industry or even the culture of the business. For example, some users may use the terms *opportunity* and *lead* interchangeably. However, in Microsoft Dynamics CRM these terms have distinct and particular meanings. An **Opportunity** is a potential sale to an **Account** or **Contact** whereas a **Lead** represents a person or organization that requires further qualification to determine if an opportunity exists or if the person or organization a viable customer for future business.

The following sections review the primary terms used with in the application. While there are other terms to be aware of and to master, the following list will provide a good starting point to begin to understand how Microsoft Dynamics CRM as a tool can support many of the key areas of a customer relationship management strategy.

Sales

Microsoft Dynamics CRM supports tasks associated with managing the sales life-cycle, which include the following:

- Prospecting and qualifying leads
- Managing opportunities and keeping track of the stages of deal closure
- Managing and tracking communications between salespeople and customers
- Maintaining a database of product information
- Using sales processes to guide sales representatives through the sales life-cycle using workflows and dialog boxes

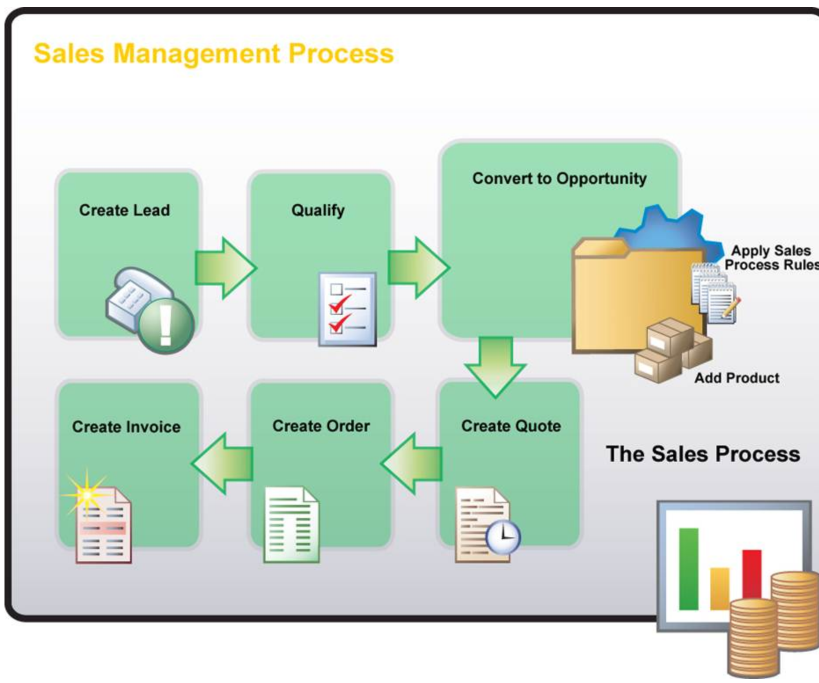


FIGURE 2.1: SALES MANAGEMENT PROCESS

Several record types are used to support sales activities:

Leads

A **Lead** represents a potential customer with whom an existing relationship does not likely exist. For example, if a salesperson meets someone at a tradeshow and gets a business card, they might not know if this person is a viable customer or not. It is only after the salesperson has called this person or has followed up with them in some way that they can determine if this person's needs align with what the salesperson and the organization can deliver. Once this is determined, the salesperson can measure how viable they are. If they are a viable customer, the lead would be *Qualified*. If they are not considered to be a viable customers, the lead would be *Disqualified*.

Opportunities

An ***Opportunity*** is a potential sale for a customer with whom the organization or sales person has an existing relationship or with an organization or person that is considered to be a viable customer. Organizations that sell some sort of product or service that requires some degree of a sales process and is not an immediate purchase by the customer, use a concept referred to as a *Pipeline* to measure value of their future potential sales and when these sales will be completed. When using Microsoft Dynamics CRM, *Opportunities* are used to populate the data for the *Pipeline*.

Quotes

A ***Quote*** is a formal offer for products or services, proposed at specific prices and related payment terms to a customer. For example, if a customer is asking for approximate costs or estimated costs for new computers for an office, within Microsoft Dynamics CRM, a *Quote* would be created to track this information. On this quote, there could be multiple line items where each of the products, the quantities, and price per unit is calculated and tracked. Within the application, these line items are referred to as **Quote Products.**

Orders

An ***Order*** is a confirmed request for delivery of goods and services based on specified terms. Another way of looking at an Order is that an order is a quote that has been accepted by a customer. Like a *Quote*, an *Order* can have multiple line items associated with it where the quantity, price and products being sold can be tracked. Additionally, for organizations that have Microsoft Dynamics CRM integrated with accounting applications, *Orders* are a common point of integration. This is common in scenarios where a salesperson would submit an order for a customer and the accounting team would handle the invoicing from that point forward.

Invoices

An ***Invoice*** is an order that has been billed to the customer. It is also a record of a sale to an account, including details about the products or services purchased. For organizations that have integrated Microsoft Dynamics CRM with an accounting application, this is also a common integration point. However, in integrated scenarios, invoices are pushed from the accounting application to Microsoft Dynamics CRM. This is due to the fact that while properly billing a customer is part of the overall customer relationship management process, it is primarily an accounting related function. However, it is still important for those responsible for CRM to be aware of what customer's might owe and have paid.

Accounts

An ***Account*** generally represents a company or an organization. In other words, an *Account* is a group of people. It is important to note that a company that uses Microsoft Dynamics CRM might or might not refer to an *Account* in this way and might use a different nomenclature. As part of the Microsoft Dynamics CRM customization and configuration capabilities, the names of any of these record types (entities) can be changed to align more closely with a company's needs and business.

Contacts

A ***Contact*** represents a person. An organization using *Accounts* within Microsoft Dynamics CRM, might decide to associate one or more *Contacts* with an *Account*. For example, if Microsoft were an *Account* within the Microsoft Dynamics CRM system, then the *Contacts* might include Bill Gates and Steve Ballmer. If an organization is a B2C type of organization, *Contacts* are used heavily within the application.

Products

A ***Product*** record in the application can represent the type of product that a company might keep in inventory, a product that is custom built, or it could even represent a service provided to a customer. For example, if beauty shop used Microsoft Dynamics CRM, the products could include various hairstyling and hair cleaning products. Additionally, the list of products might also include various services such as haircuts, coloring, and spa services. Products can also be associated with *Opportunities, Quotes, Orders* and *Invoices*. So, if a salesperson were to place an *Order* within Microsoft Dynamics CRM, the quantity and pricing of each item or service provided to a customer can be indicated.

Marketing

Microsoft Dynamics CRM supports marketing activity with the following record types:

- Quick campaigns
- Campaigns
- Campaign responses
- Marketing lists

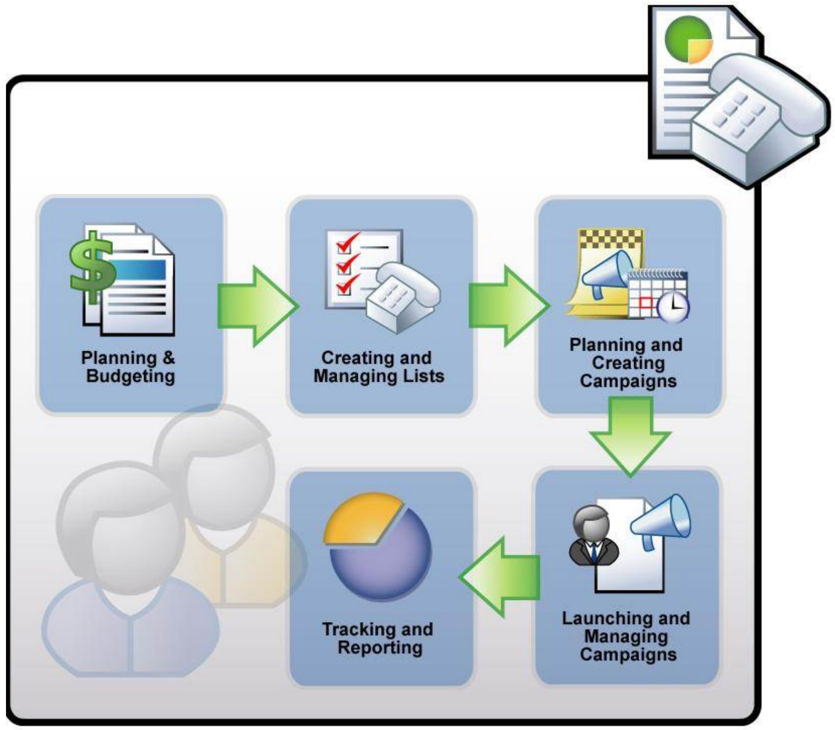


FIGURE 2.2: MARKETING LIFECYCLE

Quick Campaigns and Campaigns

Quick Campaigns and ***Campaigns*** help an organization automate the creation of various Microsoft Dynamics CRM **Activity** records (such as e-mails or appointments) for defined sets (**Marketing Lists**) of records. This can be used, for example, when a sales representative wants to send an e-mail to all contacts in a particular city offering a promotion. The difference between a *Quick Campaign* and a *Campaign* in the application is related to the level of detail that can be tracked and analyzed. A *Quick Campaign* will allow a user to organize, mass communicate, and track responses to these communications. A *Campaign* record will do the same; however, the *Campaign* record will enable a user to track planning tasks that would need to be accomplished as part of running a campaign, budget and financial goals, target response percentage, and allow for a multi-staged campaign. The other aspect of a *Campaign* record in the application that differentiates it from a *Quick Campaign* are the business intelligence capabilities built into Microsoft Dynamics CRM that help a marketing professional to analyze, monitor, and manage a campaign.

Campaign Responses

Responses to marketing activity are recorded using ***Campaign Responses*** which capture the information needed by salespeople to make follow-up calls. *Campaign Responses* can be converted to leads and opportunities providing a feed into the sales lifecycle.

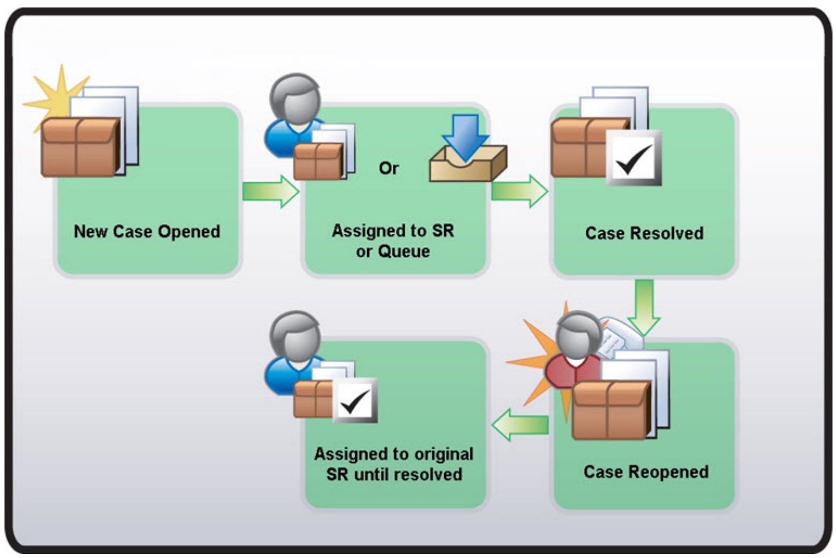
Marketing Lists

Marketing Lists are used to track customers and potential customers who may be part of a particular demographic (for example, female or male, age, etc.), have purchased particular products, have registered or attended some sort of event, for example. These lists can be thought of as a mechanism to identify and track target audiences for an organization's marketing campaigns and efforts.

Service

The service functions of Microsoft Dynamics CRM provide support for the following:

- recording complaints, problem, questions or other queries (case records)
- recording entitlement to service (contract records)
- defining services provided and the resources needed for the services
- scheduling appointments using the scheduling engine
- building a repository of documentation used to support customer service representatives



Case

A ***Case*** can represent a customer complaint, problem, or question that requires some sort of resolution. Each case must be linked to either an *Account* or a *Contact*. The goal of any case logged within the application is to reach a status of either resolved or cancelled.

Knowledge Base

The ***Knowledge Base*** is a repository of articles containing frequently asked questions, problem resolution information, best practices and other documentation that users need to resolve issues for customers. Using subject tags, Microsoft Dynamics CRM can offer a list of relevant articles for a problem to a customer service agent. Additionally, *Knowledge Base* articles can be associated with *Cases* as part of the case resolution process.

Contracts

A ***Contract*** can represent an agreement for services between the organization and the customer. Within the application, *Contracts* can be configured in such a way that they can be tracked according to a time frame a number of cases (i.e. a customer might purchase a contract for ten support incidents), or a number of minutes (i.e. a customer might purchase a contract for a thousand minutes of support time). Subsequently, as cases are created and associated with a customer, if that customer has a contract that they have purchased, the contract and its details can be associated with that case in the application.

Service Scheduling

The Service Scheduling engine is a powerful tool for identifying when required resources (staff or equipment) are available for a customer-requested service. Services are defined in the Microsoft Dynamics CRM application using selection rules which specify the required resources and any geographical restrictions.

Activities and Notes

While there are many other record types and terms to be aware of, the final terms to provide explanation and context are *Activities* and *Notes*.

Activities

Activities are a mechanism to track relevant interactions between the organization and their customers. For different organizations, the most common types of activities might differ. However, these interactions provide a great detail insight as well as historical tracking of customer interactions. Within Microsoft Dynamics CRM, there are nine default activity types: email, phone call, task, appointment, recurring appointment, letter, fax, service activity, and campaign response. Through the use of the Microsoft Dynamics CRM customization and configuration features, it is possible to create custom activity types as well to meet specific needs that the default options cannot accommodate. Additionally, activities that are tracked within Microsoft Dynamics CRM can appear as either *Open/Pending* activities or they can appear as *Completed.* This differentiation within the application enables Microsoft Dynamics CRM users to understand what has been done and what needs to be done.

Email

For companies that use Microsoft Outlook, **Emails** can be *tracked* and linked to existing Microsoft Dynamics CRM records. For example, if a user of the application gets and email from an existing customer related to an issue they are having with the product they purchased, the user of Microsoft Dynamics CRM can link that email to the customer's record and then convert that email into a support case from within Microsoft Outlook.

<u>Phone Call</u>

Phone Call activities can be used to track both incoming and outgoing phone calls related to a company's customer relationship management efforts. Additionally, when *Phone Call* records are created and given a due date, if the Microsoft Dynamics CRM user is also using Microsoft Outlook, those *Phone Call* records will appear as *Tasks* within Microsoft Outlook.

<u>Tasks</u>

Task activities can be used to track follow ups or items that a user must complete. For users that are also utilizing Microsoft Outlook, *Tasks* can be created within Outlook, tracked, and linked to existing Microsoft Dynamics CRM records in the same fashion as emails are.

<u>Appointments</u>

Appointments, much like *Tasks* and *Emails*, can be created in Microsoft Outlook, tracked, and then linked to existing Microsoft Dynamics CRM records. *Appointments* represent a one-time face to face, planned interaction where there might be one or more people attending.

<u>Recurring Appointments</u>

Recurring Appointments are the same kind of record as an *Appointment*. The key difference is that a *Recurring Appointment* is one that happens multiple times with the same people at regular intervals. For example, a student taking a course at a university is an example of a *Recurring Appointment* because the course typically meets more than once at a regularly scheduled time and day. Using the same metaphor, a seminar that might be attended as part of a course, might only meet one time. This would be considered an *Appointment* within the application.

<u>Letters</u>

Letters are used to track printed correspondence that between the organization and their customers and prospects. A common way that *Letters* are utilized within Microsoft Dynamics CRM is through the integration with Mail-Merge functionality found within Microsoft Word. *Mail-Merge* is a feature of Microsoft Office Word that allows a user to create a template for a letter and then insert placeholders within it to pull in data from some kind of data source. For example, if a company regularly sends out an annual holiday letter to their customers, a template message could be created and stored within a Microsoft Word document. Subsequently, from within Microsoft Dynamics CRM, this template can be referenced and data from the system can be pulled into these letters, the letters can be printed, and then sent through the mail. Once these letters are printed, Microsoft Dynamics CRM will create a *Letter* activity tied to each customer to whom this template letter was sent. Additionally, a copy of the merged document will be attached to the activity.

Faxes

Fax activities within Microsoft Dynamics CRM simply allows user to track the fact that they sent a customer a fax. The application does not actually send a fax.

Service Activities

Service Activities are directly associated with the *Service Scheduling* module within Microsoft Dynamics CRM. If a Microsoft Dynamics CRM organization is not using this module, they would not need to use *Service Activities*. However, for those who are using the *Scheduling* module a *Service Activity* enables users to identify a specific service, find a qualified and available resource, and schedule a time with the customer based on these criteria. In some way, it can be considered a type of "Field Service" tool.

Campaign Responses

Campaign Responses are used within Microsoft Dynamics CRM to not only track customer and prospect responses to an organization's marketing campaigns but to also take those responses and convert them into *Leads, Accounts, Contacts, Opportunities, Quotes,* or *Orders*. Campaign Responses are a key mechanism within Microsoft Dynamics CRM to link marketing efforts to sales efforts.

Notes

A ***Note*** within Microsoft Dynamics CRM can be used to track ancillary pieces of information about a record. For example, if a salesperson discovers that one of their customers is moving offices from one location to another, Notes could be a good place to track this information. Given that a business moving locations is not a universal piece of information that applies to all customers and will likely only apply to a small number of them, it is not likely there would need to be a field to enter or track this specific information. On the other hand, a *Note* would work well because it is not likely to be a piece of information one would report on even though it could provide valuable information in certain scenarios. *Notes* can also be used to attach documents to existing Microsoft Dynamics CRM records.

While there are numerous other types of records and terms to explore within Microsoft Dynamics CRM, this section is intended to serve merely as a tool to define the most common elements within each module. Later in this course, each of these modules will be explored in more detail.