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Why CRM for Transportation and Logistics

A Guide to CRM Software for
Logistics Management

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In Transportation and Logistics — CRM is Key

In the transportation and logistics industry, Customer Relationship Management (CRM) software doesn't get much recognition. Why? We're talking about an industry that is only just entering its digital renaissance.

However, in the last two years, the transportation and logistics industry has taken up eight percent of the United States gross domestic product. And the numbers continue to rise.

But despite growth, 50 percent of the logistics industry and only 30 percent of the commercial transportation sector have taken to the digital age. To put it simply, the industry is lagging in the adoption of modern technology.

Why is this the case? Many factors. Some include:

- Unfamiliar cost benefits.
- Lack of digital knowledge.
- Caution in adopting new technology.
- Large financial investment.
- Sales process is difficult to pin down.

But studies show that one of the most surefire ways to increase business growth and a return on your investment is by utilizing sales technology. And a great one to start with is Customer Relationship Management (CRM).

In fact, 74 percent of CRM users say their software allowed them better access to customer data. And this visibility has only helped them to increase sales.

So, how can one simple tool have the power to do something drastic for a business?

That's the beauty of the CRM. It's a means to track and manage leads, manage your sales pipeline, and deliver industry leading service. It captures the entire process, from first touch, to post sale, and beyond.

We'll give you the rundown on how a CRM platform works, as well as how it can be utilized across the transportation and logistics industry.

CRM Basics

Before we discuss how a CRM can be used in this line of trade, let's take a step back and define its key features. From there, you'll begin to see how it can be applied across industries—i.e. transportation and logistics.

In a nutshell, a CRM seeks to help companies organize and analyze customer data, in order to foster existing relationships, and develop future business. The idea is that the software will help in making sales predictions, decisions, and grow customer relationships.

And it's not limited in its abilities. Like any type of software, CRM's are highly malleable. You can tailor their functions to almost any business operation. From prospecting and converting customers on the front end, to developing relationships once the freight is on the truck, a CRM manages all stages of the customer life cycle.

Whether you want to use the tool for prospecting and closing deals, or for managing your existing customers, there's a function for you. Some of the most popular features of a CRM include:
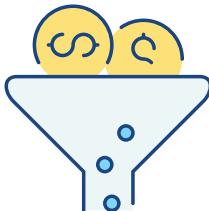
1. Sales Pipeline Management—

Track and manage each stage in the sales pipeline. Whether that be capturing prospect information at the top of the funnel, to tracking their progression through various deal stages as they turn from prospect, to lead, to sale. A CRM is a vehicle for visibility into the sales process, and beyond!
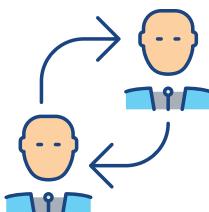
2. Lead Management—

Similar to sales pipeline management, lead management does exactly what it sounds like—manage leads. It essentially tracks and manages them as they flow through the sales pipeline, from first capture, to the final sale. CRM platforms provide a place to capture and organize all contact with leads, so you're better equipped to nurture them into a sale.
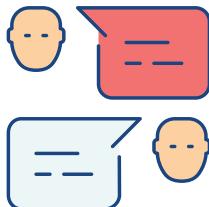
3. Client Management—

A key component of a CRM is being able to cultivate relationships with your customers. And with a CRM platform, you'll be given a means to manage and foster relationships with existing clients. From keeping track of important milestones, to understanding key contacts in the account, you'll begin to get a clearer picture of how to better develop and nurture these connections.
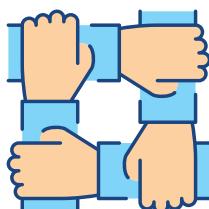
4. Team and Project Management—

CRM software works as more than just a channel for maintaining and growing relationships with customers. It also serves as a team management tool. From serving as a shared location for storing client information and projects, to helping bring visibility into team members' workloads—a CRM provides a means for collaboration and teamwork.

5. Visual Reporting—

By far one of the most powerful components of a CRM is its reporting features. Managing sales and customer relationships is only part of the equation. The other half is being able to track deals from start to finish, customer retention, and other statistics, in order to make predictions about the health of the company.

A CRM is a means for companies to manage and track customer data. From first contact to the final sale, a customer management system provides a pathway for understanding and managing the health of your business.

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With a CRM, you'll be able to track and manage your business from all angles.

Transparency brings a sound organizational structure, as well as a better alignment across your team.

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CRM for Transportation and Logistics

The transportation and logistics industry is far-reaching, with MANY moving parts. Between the production and distribution channels, there are multiple points of contact with customers on the road to delivery.

But the truth of the matter is that it's an industry that prides itself on being old school and has yet to broadly adopt technology to keep their prospects and customers in line.

The closest piece of technology logisticians use is the Transportation Management System (TMS). However, this software is primarily programed to monitor transportation operations, and not the customer relationship.

This is where a CRM platform comes in. It helps get your entire team on board with managing sales and business processes.

So, how can the various movers and shakers of the logistics industry find value and effectiveness in a CRM?

Through market research, customer testimonials, and reviews, we were able to analyze data, in order to make inferences on which characteristics of a CRM the transportation and logistics industry finds most powerful. So, what were our findings?

Stronger Visibility Leads to Streamlined Communication

In transportation and logistics, if you can't see the movement between the supplier, manufacturer, and distributor, then you can't expect a job well done. You need transparency to follow all the touchpoints of the supply chain.

And while TMS and spreadsheets are essential to this visibility, they don't tell the whole story. A 360 degree perspective is essential to stay competitive and that means visibility in every department, and every stage of the sales process.

With a CRM, you'll be able to track and manage your business from all angles. Transparency brings a sound organizational structure, as well as better alignment across your team.

For Crystal McLoughlin, Corporate Sales Manager at PACE, a leader in the logistics industry, the visibility of the PipelineDeals CRM was an eye opener for her sales team.

She loves how she can track deals in the company pipeline, and forecast how much revenue it could potentially generate.

> **Just being able to see that at a quick glance every day when I open up the app, it's like, 'Oh, okay, so we have 12 million dollars' worth of business in our pipeline.' It makes you feel like you're accomplishing something.**

And McLoughlin's not alone, CRM's assist with visibility and communication in a variety of ways.

Centralized Database—

Transportation and logistics are multichannel industries. And with many moving parts, it's imperative that the diverse teams learn to work together.

How can you guarantee that you can see the prospects in your salespeople's pipelines? And once a deal is won, how can they collaborate with account managers?

What about the need for customer service to communicate with claims and dispatch, in order to follow up with shippers? Better yet, what if you need to reference reports and claim activities recorded by your OS&D department?

A CRM provides a centralized location to store information on sales stages, relationships with customers, interactions with them, and much more. It provides a repository for shared information, allowing different teams to gather data and work together.

Kami A. of Gulf Coast Shippers says she was able to stay organized with the PipelineDeals CRM, and that it helped scale her business.

> **I like that I didn't lose any client information like I used to do prior to using a CRM. It allows you to store all information in one place and it updates it in real time. It streamlined my sales process.**
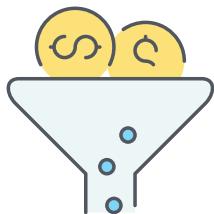
Pipeline Management—

In logistics and transportation, having a method for managing leads and prospects is imperative for any inbound and outbound distribution network. The industry relies on swift and efficient collaboration to get goods from Point A to Point B. This is why it's necessary to have a solid purview of the sales and management processes.

Not to mention, the services most logistics companies provide are vast. There's transportation, packaging, warehousing, security, and more.

Luckily, a CRM creates a window into all stages of your sales pipeline, where you'll be able to gain powerful insight into which activities gain customers and which keep them.

With reporting features like customizable deal stages and deal tracking metrics, you can view every stage in the sales funnel.

Sales pipeline management allows you to audit your sales team's progress, and organize and adjust team roles based on performance. Together, this leads to more streamlined communication.

With Visibility and Collaboration Comes Scalability

With transparent data and a team that's on the same page, you'll have the tools to grow and manage your customer base.

A CRM provides a means to scale your business through maximizing efficiency and nurturing customer relationships.

In an industry where it's easy for a customer's freight to wind up on someone else's truck, a strong operation is essential to keeping the customer satisfied. What if there is a miscommunication between your carrier and your shipper? Or what if your customer and your accounts receivable (AR) team can't seem to solve a dispute? You may risk losing the client to a competitor.

That's why it's important to develop solid relationships across teams, and among customers. Luckily, a CRM lends itself the ability to aid in fostering relationships.

Customer Management—

In a typical sales process, there is a certain cadence you must follow.

Capture the lead, and nurture them into a sale. But the job doesn't stop there. In order to develop a relationship with your customers, you'll need to prove your reliability, meet their needs, and manage their expectations. It's one of the most effective methods for keeping your clients satisfied, and reducing churn.

Luckily, with the PipelineDeals CRM, you'll be able to manage and track your customers throughout the post-sale relationship. With the tools the CRM provides, you'll be able to capture integral moments in the customer lifecycle, and nurture where it's needed.

With the PipelineDeals customer management tools, you'll be able to:

- Ensure a smooth lead-to-customer handoff between your sales and account management teams.

- Understand key contacts in the account, to ensure proper communication with customers.

- Keep track of important customer milestones and key deliverables.

- Cultivate customer relationships by monitoring the overall health of their account.

In essence, customer management features seek to accomplish what CRM stands for— Customer Relationship Management.

Reporting—

Not only does a CRM give you the ability to optimize your relationship with your contacts, but it allows you to CONTINUE to develop that bond.

With a CRM's visual reporting features like graphics and metrics, you'll be given the ability to make predictions about the state of your accounts, as well as analyze data and trends over time.

From tracking revenue across your production and distribution channels, to managing marketing campaigns, you'll be able to identify loopholes and solutions, based on the data provided. And from there, you'll be able to strategize better workflows.

How can I better align my operations and account management teams? What about external relationships with my suppliers? And how can I synchronize their role in the supply chain?

These questions can be answered with a CRM's reporting tools.
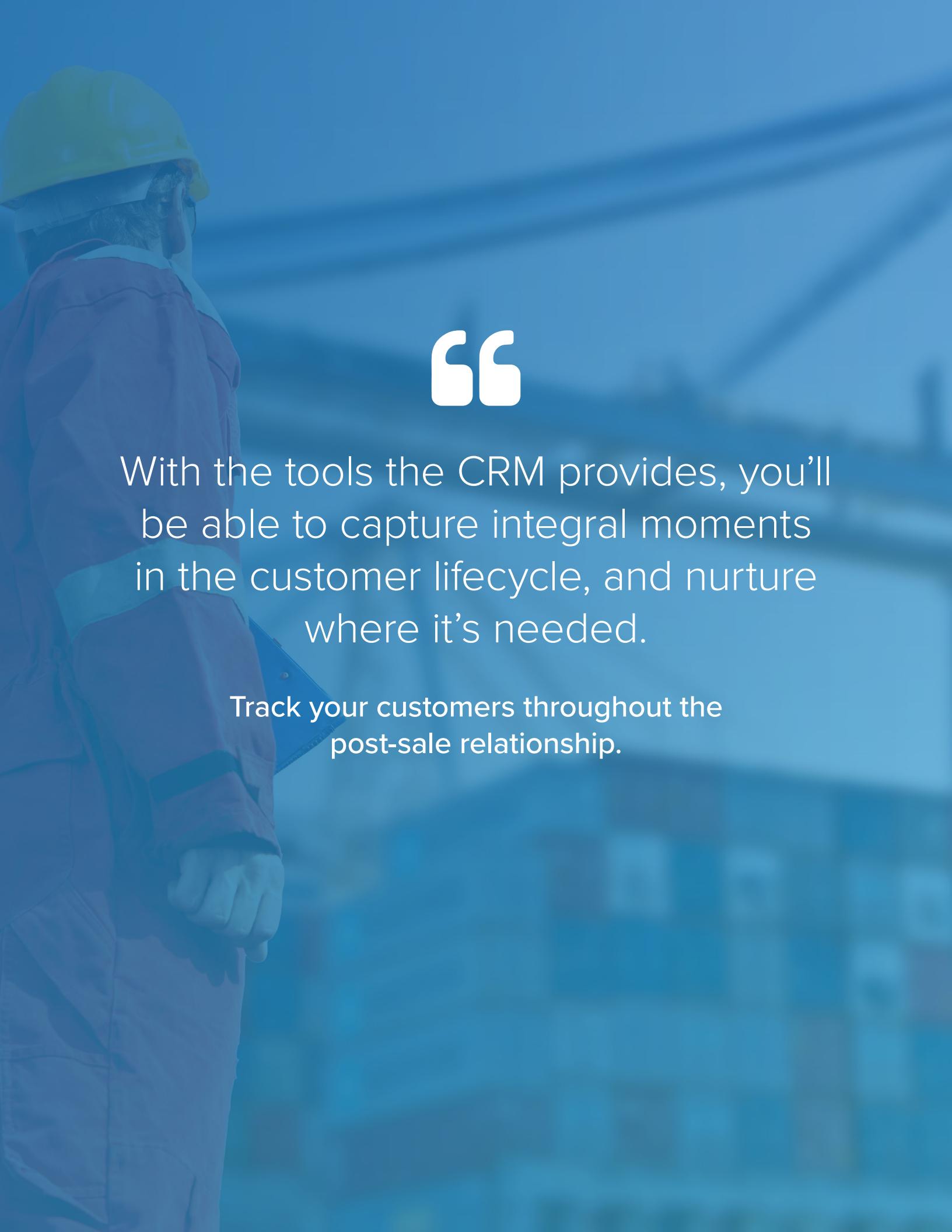
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With the tools the CRM provides, you'll be able to capture integral moments in the customer lifecycle, and nurture where it's needed.

Track your customers throughout the post-sale relationship.

Scalability Fuels a Larger Return on Investment

When using a CRM to keep your team on track, you'll begin to see positive growth within your company.

Aligning your team is one of the most efficient ways to retain existing customers, reduce churn, and grow your business.

The better your team is at cross collaboration and understanding individual roles, the closer you are to hitting that sweet spot—a significant Return on Your Investment (ROI). But you'll want ensure you understand where the ROI is coming from.

According to the Transportation Marketing & Sales Association's 2016 Sales & Marketing Metrics Study, the organization found that about one third of the people surveyed do not track key ROI metrics, or they track them manually.

Make sure you can track the source of the growth, in order to ensure future profitability. With a CRM, you'll be able to do so.

Blake Stoudt is a Digital Media Manager at StockPKG, a distributor of shipping materials.

> **Last year, we welcomed around 200 new customers each month. PipelineDeals has been essential to managing this rapid growth efficiently and keeping the customers we get. We've experienced a 25-30 percent increase in productivity since we started using the platform.**

And because Stoudt uses PipelineDeals, he can trace his growth directly to the CRM.

Transparency—

You want what you get out of your company to exceed what you put in. In other words, your return on investment should be greater than your initial investment. And you want to be able to track and monitor this upward progression.

Can you determine what caused the spike in profits? And can you replicate it? Because of the transparent nature of a CRM, you'll get a better perspective of your business trajectory, and how to forecast for future growth.

If there are flaws in your team's workflow, you'll be able to pinpoint them, and mitigate the issue.

Restructure Workloads—

Speaking of pinpointing issues, transparency helps you reevaluate your supply and distribution chains, in order to promote growth.

Is a customer expressing dissatisfaction after a few unsatisfactory experiences with your customer service team? Are your marketing and sales teams sourcing faulty leads? Or is your sales team losing clients they are pursuing, to competitors?

A CRM gives you the visibility to gain insights into the different teams across the supply chain. Is lead acquisition not working, or is your shipper incorrectly accounting for inventory? Maybe your carrier can't deliver on time, which adds an unnecessary cost.

If so, it may be time to reevaluate your team, and make changes where they are needed.

Everything Circles Back to Adoption

If you play your cards right and utilize the features of a CRM to their full potential, you'll be able to gain better visibility into the various channels of your supply, transportation, and distribution chains. This ultimately leads to a return on your investment.

But if you don't use the software, it will be hard to get that ROI you're looking for.

You want to ensure your team can adopt the CRM and understand how to use it, in order for them to gain value from it.

And in order to find a CRM that your team can get behind and adopt, there are a series of questions you should be asking yourself:

- How long will it take for my team to fully embrace a CRM, after switching from spreadsheets and other sales and project management tools?

- How easy will it be to make the switch and transfer data from my existing sales platform, to a CRM? What about the PipelineDeals CRM?

- What does the implementation process look like? Will I have to involve my I.T. team?

- What does the onboarding process with employees look like? How quickly can they learn the system?

- What information does my team need in order to do their jobs better? What data do they find most valuable and where can they find it as a resource?

But most important: make sure you understand how easy it is for the system to be adopted. Most CRM's are customizable, and you want to choose a CRM that can be tailored to your company's needs.

So, when searching for a CRM, make sure your criteria reflects the needs of your company, and those using the software.

For an unbiased account of the best CRM software for your company, check out G2 Crowd's guidebook on CRM implementation. Good Luck!

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Resources

http://blog.capterra.com/10-surprising-crm-stats-for-2016/

http://blog.capterra.com/customer-experience-future-for-logistics/

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