

# The Evolution of CRM and its Power to Change the Wine Selling Game

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**WHENEVER I ASK OWNERS** or managers of wineries if they use CRM in their trade sales process, I consistently get one of two responses: either “Yes” or “What is CRM?” If they are not already using it, they have never heard of it. If other industries have embraced CRM as a de facto standard for achieving high levels of sales performance, what can explain the drought of awareness in one of the most competitive consumer product categories in the world?

The key to this riddle lies in **Geoffrey A. Moore**’s 1991 seminal marketing book, *Crossing the Chasm*. Moore theorizes a sizable chasm exists between the early adopters of a technology product and the early majority or what Moore calls the “pragmatists.” So, while innovators do thrive among us in our industry, wine companies that fall on the wrong side of the gap abound. Given the increasingly competitive nature of the wine business, one could reasonably predict Moore’s “chasm” will soon contract by the sheer force of the marketplace.

While CRM is now widely used in the DTC channel of trade, this article aims to address the use of CRM within the three-tier distribution system, where its adoption lags considerably.

## So, What is CRM?

CRM (customer relationship management) is both a cloud-based, mobile-friendly software tool and a disciplined best practice for driving sales growth. **Salesforce.com** is the most well-known CRM provider and is deployed by one of every four CRM users. Other big players in the segment include **Oracle** and **Microsoft**. A throng of smaller, less expensive and less feature-laden tools, like **Sugar**, **Zoho**, **Pipedrive** and **HubSpot** make up the balance.

While most wine companies have yet to grasp the magic that is CRM, there are an ample number of forward thinkers who have been leveraging its power for years, including **Grgich Hills**, **Pahlmeyer**, **Gerard Bertrand** and **V2 Wine Group**, just to name a few. Even distributors like **Republic National Distributing Company** are jumping on the CRM bandwagon. To better understand and appreciate the ethos of CRM, we must travel back in time to observe the low-tech ways wine sales pros of yesteryear kept track of key buyer relationships and vital account details.

## A Tool as Good as the Wheel

Prior to the advent of computers and the internet, the most beloved relic of ancient days was the renowned and revered Rolodex. Central to the simple genius of the Rolodex was a system by which every “account” and “contact” (the center of the universe for CRM) had its own card, and the great advantage here was the ease with which you could organize all the cards. Each could be removed, moved and replaced within the little tracks that held them. The cards contained many important details about all the people in your life—both business and family. It was quite common to write various tidbits on the cards, like birthdays, spouse and kids’ names, hobbies, and other factoids. These precious tidbits would help build (and maintain) rapport with your contacts. Like modern CRM, all this critical customer data were always in the same place, right at your fingertips.

The drawback of the Rolodex was it wasn’t very portable. To compensate, many busy, mobile sales reps preferred a tabbed address book with a calendar included. Yet, while this book was easier to carry around, the Rolodex still held an important advantage—the cards could be removed and replaced so your contact list was always up to date.

The value of all this customer data could never be overstated. In the 1980s, it was common for companies to file lawsuits against former employees for taking their Rolodex with them. Sales reps of today feel no differently and this has become one of the major barriers to adoption of modern CRM.

## Reeling in the Chaos

In the early 1990s early adopters put their Rolodexes and Franklin Planners in their desk drawers (or safe deposit boxes) and uploaded (via CD-ROM) a cool new contact management software program called ACT. The massive leap afforded by ACT was that it expanded the number of “fields” you could use to track information on your accounts, as well as your contacts. Certain tasks, like setting reminders, could even be automated. Unaware of the significance at the time, this vault into electronic databases was the precursor to modern CRM.

Illustrative of Moore’s “chasm,” many salespeople still use their **Outlook** Address Book or **Google** Contacts (electronic versions of the old Day-Timer) as their primary vehicle for keeping track of customer interactions. What’s even more frightening is the dogged use of paper planners and calendars. Is it any wonder wineries new to the CRM game struggle with adoption by their sales team?

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## The Evolution of CRM

### Hey, You. Get Onto My Cloud

CRM advancements came fast and furious through the 1990s and 2000s as companies scrambled to consolidate and integrate various platforms and innovations. Insurance companies and banks led the way during this evolution, and were followed closely by healthcare companies. In 1991, Siebel launched the first mobile CRM (the Siebel Sales Hand-held). Considerably ahead of their time, these devices are remembered today by few.

The tipping point of CRM, however, came with the dawn of cloud computing. Spending tidy sums to maintain expensive, on-premise systems was no longer de rigueur. The cloud held open the velvet rope and ushered CRM to the VIP lounge of the IT world. Only the ubiquity of mobile devices would have a greater impact on CRM's contribution to the arsenal of revenue-generating weaponry.

### Modern CRM

While wine companies have been slow to adopt CRM technology compared to other industries, a cadre of capable outfits are standing by to help wineries take the plunge. Chief among these savvy firms is **GreatVines**. Co-founded by **Tim Jones** and **Jim Thompson** and led by CEO **John Collins**, the team at GreatVines has squired nearly 100 adult beverage companies in their quest to "cross the chasm." Built on the *Salesforce.com* platform, GreatVines has become the benchmark, not just for CRM but for pricing, surveys and trade marketing.

CRM functions best when it sits on top of retail account depletions (RAD). Users can have all the business intelligence they need right at their fingertips to run their business and chart a course for future success. There is also a staggering array of options with which to customize your company's "instance" of CRM, making it even more valuable.

### Unpacking the Power of CRM

How do you use it? What can it do? What does it cost? Is it worth it? Will my team use it? How do I measure the ROI? These are common questions among the pragmatic holdouts. The short answer is the value of CRM is not so much in the product itself as in how you use it. As with anything valuable, mastery takes time as does getting your entire team on the bandwagon, what we refer to as "adoption" in the CRM world.

The ultimate goal is to have more customers and more sales. But not just any customers. We're talking about the 20 percent of the customers that drive 80 percent of the sales. Identifying them, segmenting them, and tracking all sales and marketing activity against them are virtually impossible without a cloud-based, mobile-friendly, universally-collaborative tool like CRM.

In a fiercely competitive consumer category like wine, the difference between winning and losing isn't always what you do. It's what you don't do that can be the game changer. Ergo, one of the most valuable aspects of CRM is how much valuable time it saves. Time that used to be wasted trying to find out what's going on in each state, at each distributor, in each territory, in each channel of trade and with each customer can now be re-deployed into more revenue-generating activities.

It's a proven fact that most salespeople do not always spend their time and effort in ways that benefit the company's best interest. Often, they don't even allocate their time and activity in their own best interest. This is especially

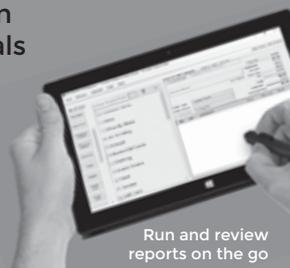
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true in the wine business because there are so many pleasurable diversions that drain away energy on true selling. Too much sniffing, swirling and talking going on and not enough disciplined focus on the business of the wine business. Time spent on “low value” activities can suck the life out of a winery’s P&L if not kept in check. The only way to rein in this “heat loss” is to have a clear line of sight into what is going on in your organization.

## Big Brother IS Watching

In response to one of the most common excuses for not using CRM, I say, “You bet ‘Big Brother’ is watching!” And why shouldn’t “he” be? There is something about the wine business that is particularly slack when it comes to being held accountable. We tend to revere wine knowledge and distributor relationships above commerce. While important, those strengths do not pardon your sales team from liability for results.

In addition to being exciting and romantic, selling wine is serious business. Unlike beer and spirits, wineries can’t just speed up or slow down production at will. Those dang grapes are growing in the vineyard, and the tanks and barrels are full. Here’s the kicker—there’s more coming next year and there’s nothing you can do to stop it. Therefore, a winery operation simply must achieve their volume goals year after year after year.

Selling all the wine you make every year requires discipline, focus, rigor and accountability, not just from your sales team but from everyone in the organization. The good news is there’s a powerful tool the entire company can use to consistently achieve results. Leveraging technology and the best practices that accompany it is a game-changer.

## What Can CRM Do for You?

In the CRM environment, everyone in the organization that needs access to what is going on with customers is issued a “user license.” In addition to a one-time set-up which typically includes training, the price of a CRM system is largely based in the number of users. While there are lots of moving parts in a CRM system, the crucial levers are “accounts” or “customers.”

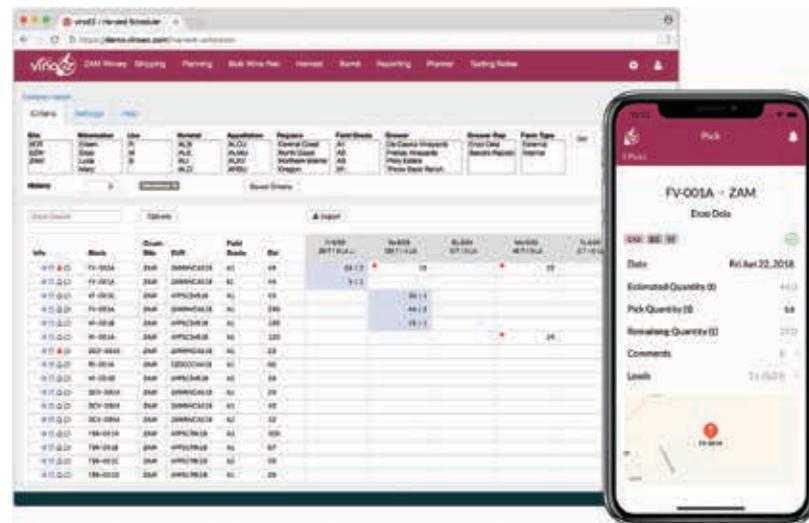
Accounts can be segmented and designated with vital “attributes,” such as account type, channel of trade, chain or independent, etc. Each account is “owned” by someone in the organization which, of course, is the fulcrum of the dreaded accountability. Each account is a “record” unto itself and, therefore, contains all manner of information including, but certainly not limited to, key buyer contact, sales history, and of course, the mother of all actionable data: the objectives.

Not all accounts are equal, not by a long shot. By identifying the accounts with the most potential to deliver on the primary business imperative of every winery (profitable volume), the time and effort of salespeople can be focused more tightly and directed accordingly. Therein lies one of the most powerful arguments for the investment and use of CRM: the optimal alignment of people and process to achieve your business objectives.

There are many other priceless elements and benefits of CRM that deserve more study than this single article can provide. Connecting with customers on a deeper level, discovering new insights that can be leveraged by the marketing team and advantages of being able to access the information any time from anywhere, including your mobile devices, come to mind. Suffice it to say, we are left with one final question: “How can any winery afford not to invest in CRM?” **WBM**



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