How to Avoid Channel Conflict Caused by Differing Incompatible CRMs

One of the major risks involved with the use of differing incompatible Customer Relationship Management systems (CRMs) is miscommunication, and the subsequent mismanagement, of sales leads. This can cause channel conflict, a highly unproductive scenario that occurs when your indirect sales partners are competing with your internal sales staff—or each other.

Lead generation is critical to building revenue and staying ahead of your competition. It is, however, only a part of the process. Lead *management,* a systematic approach to transforming leads into actual sales, is probably more important, especially for businesses that rely on indirect sales channels. Conversely, a lack of (or ineffective) lead management can create real problems in the channel.

In order to prevent channel conflict, it's important to understand why it happens. So let's take a look at how incompatible CRMs cause problems in managing sales leads. Here are a few of the issues:

- There is no organized procedure for channel partners to register leads.
- Because there is limited tracking and monitoring of sales leads, it is difficult to identify problems and provide support (i.e., help close the sale).
- With incompatible CRMs, monitoring and reporting on leads is extremely time-consuming.
- Generally speaking, channel partners tend to concentrate on immediate sales opportunities, as opposed to cultivating long-term relationships. The use of incompatible CRMs makes it difficult to log, monitor and manage sales lead over an extended period of time.
- If your current CRMs don't adequately track and manage leads, they can be lost through personnel turnover.
- When there is no system in place to capture important sales data, identifying the source of leads can be problematic, making it difficult to analyze the effectiveness of marketing programs.

The solution: Partner Relationship Management
The best way to manage leads effectively is to integrate your current CRM with a Partner Relationship Management (PRM) system. PRM software is specifically designed to help you manage, monitor and track the efforts of your indirect sales partners. Included in this system is a highly organized method for managing leads.

All sales leads are logged into a central portal so they cannot get "lost." Along with the contact information, all interactions with the potential customer (emails, phone calls, proposals, cost estimates, etc.) are also stored. Because this information is accessible to sales managers, it is relatively easy to track the progress of the lead and ensure that sufficient effort is being made to close the sale. A determination can also be made about the necessity of providing support to the partner.

PRM systems manage lead traffic by delineating territories and accounts across sales channels. By doing so, all sales personnel understand which accounts and territories belong to them. The communication portals, accessible to partners and managers, include customer information that is vital to pursuing leads and increasing your customer base. Combining all of these functions into one easy-to-access portal eliminates many of the variables that cause channel conflict.

Using PRM software can help your company get a jump on the competition by using a pragmatic, systemized approach to managing leads and avoiding channel conflict. Although this is a highly complex process with many variables, the proper software can be a valuable tool that not only simplifies these procedures but also makes for a more efficient workforce. Ultimately, that means more revenue and higher profits.