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# What is a modern CRM system?

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CRM has come a long way from a customer register to a dynamic customer experience management system. How do so-called Legacy CRMs differ from modern CRM platforms, and how does the system at its best support the work of sales, marketing and customer service? In this blog, we'll go through what modern CRM really means as a concept and what kind of added value it brings to both the organization's internal stakeholders and your customers. CRM is no longer just a sales system, but a database that brings together the entire customer lifecycle.

## Trends driving development

Change is the most important term used to describe the everyday life of companies. Occasional development projects have turned into continuous optimization, learning and development. Keeping up with change requires the right kind of culture, skills and technology. While technology is not a value in itself, it allows a huge range of competitive advantages. The reason to use technology is to keep up with the following key development trends:

- omnichannel experience
- customer experience centricity
- internationalization of competition
- 24/7 accessibility and
- agility and faster time-to-market

The customer must be served immediately and on all channels in a uniform manner. How to choose a CRM system that supports all these trends and is also right for our company and the marketing of your products?

## The meaning of CRM has changed

The word CRM refers to history: customer relationship management. These systems were originally the ones in which the customer register was stored and which may also have been able to predict and manage sales. Today, CRM systems are already being talked about more as tools for managing the customer experience. A good system takes into account the customer's preferences to do business on different channels online and offline, so that the service is continued on another channel seamlessly from where the previous one left off.

## CRM is not owned by sales

Customer experience consists of everything that the customer experiences at different touch points at different stages of the customer relationship when dealing with different representatives of the company. The experience suffers if there is no information passing between the different touch points. Up-to-date customer information should therefore be available to all those working with the customer.

CRM today is a word for a whole contact database rather than a static customer data storage. It is a central database owned by all the stakeholders working with the customer during his/her customer journey: from the first step they landed on your



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site to the end of the customer relationship. It collects all the information of all the touch points during the customer lifecycle under the same “umbrella”, from marketing to sales and customer service.

## Managing customer experience with knowledge

Indeed, managing by knowledge means that information is available to everyone in a comprehensible form. If the data is scattered between several different systems, it is impossible to see the overall picture of the customer base. Systems produce more data for us than ever before and at the same rate we lose the big picture of what all this data contains.

Data management is only possible when all the data (or at least summary of all data) is under one database and we have a system in place that chews and analyses the data to support our daily work. Managing the customer experience with knowledge is about making daily choices. The right system supports precisely this practical day-to-day work for people facing customers and, on the other hand, provides versatile reporting opportunities for management.

## Efficiency through automation

The data collected at different touch points can also be utilized by automating tasks aimed at raising the level of service experienced by the customer. At the same time, it improves efficiency, productivity and hopefully brings in more sales.

Automation has been referred to marketing automation and lead nurturing. But why not use the same tools and methods to nurture customers in every stage of their lifecycle? Automation and workflows are powerful tools to marketing, sales and customer service. Examples of an automation in different stages of a customer journey:

- Sales: automated tasks, updating the customer data based on activities, automated sales sequences
- Marketing: moving leads automatically to right internal stakeholders, like sales. Automated lead nurturing, lead scoring
- Customer service: automated feedback surveys, assigning tickets to the right stakeholders

Not everything can or should be automated, but supporting your daily work with automation saves your time for more valuable and convenient work.

## Evolution of the traditional CRM

The basic functionalities of the four largest CRM systems are more or less the same. Instead, the differences between them are found in how they can be used to manage the customer experience throughout its lifecycle. The big players of a CRM market offer robust systems to complex processes and tailoring the system to demanding needs, but the downside is a lack of intuition when it comes to the usage of the system.

Many of the traditional CRMs are built piece by piece through business mergers and acquisitions. This has enabled companies to grow rapidly but at the same time the usability and the core logic of the system gets more and more complex. Many times, the usability and the ease of use have been replaced with complex functionalities that require almost an engineer to keep up with.

## Inside-out or customer first?

When looking more closely at the evolution of these tools, the differences between some of the systems begin to emerge even more clearly.

All major systems (except HubSpot) have set in motion by how a company wants to manage sales and salespeople: results are predicted, and sales are controlled internally accordingly. Efforts are being made to monitor salespeople and their performance, meetings and efficiency as closely as possible to see how much revenue and earnings are expected. The starting point for these systems has thus been, in a way, inside-out: the main part has been the salespeople, their sales figures, the information to be derived from them and, through it, the management of the salespeople.

In this sense, HubSpot differs from its competitors. From the beginning, the system has been set in motion by the need to serve customers: how they are helped through online channels to find the company and its services. The system focuses on supporting the customer at all stages of the customer lifecycle. The starting point has been content marketing, which helps the customer to make a purchase decision. Various marketing automation options as well as sales facilitation and automated tools have then been developed on top of the inbound methodology.

## Is the CRM working for you or are you working for your CRM?

Modern CRMs are born user friendly. User friendliness is no longer a synonym for simple. You can get powerful and user friendly CRM in the same package. How have these modern systems like HubSpot succeeded in this? Well, the secret is a totally different approach to building the platform. As HubSpot says “crafted, not cobbled”. This describes really well why they excel in the category of user friendliness.

**Want to learn more? Check out the free webinar recording** "The Evolution of CRM Systems" with HubSpot's Steve Vaughan and Kaksio's Aleksi Lehtola.





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