



# CRM SOLUTIONS - BEST PRACTICES

# CRM Solutions – Best Practices

A Customer Relationship Management (CRM) tool is a software solution which is used by companies to primarily manage their business development efforts and track customer relationships. It is a productivity tool, which can be cloud-based or offline, and is widely used by business owners, sales teams and relationship managers to streamline their business processes.

It is widely used in the Financial Services sector, and has proved to be an extremely efficient tool for Private Equity and Investment Banking professionals looking to manage and analyze their dealflow in a structured manner, streamline the deal evaluation process and shorten lead times to closure.

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## MAJOR CRM SOLUTIONS

- Salesforce
- Insightly
- DealCloud
- Microsoft Dynamics
- Nimble
- Pipedrive
- ZOHO

A well-structured CRM enables to you manage and analyze vast amounts of data, create customized processes and generate targeted actions plans suited to your operational style. The following document guides you through some of the best practices to be followed across CRM platforms.

## EFFICIENT DATA LOGGING

Deriving optimum value out of the data logged on a CRM tool primarily involves inputting information into a well structured template. All deal related information can be processed logged and effectively tracked by placing it under one of the following blocks –

- Entities (e.g. Contact, Organization, Opportunity)
- Entity properties (e.g. Name, Location)
- Linkages among entities (e.g. Linking a Contact to an Organization)

For efficient dealflow management and marketing purposes, it is recommended to create the following entities and related properties on CRM, described in further detail below. All CRMs are flexible enough to let you create customized fields for all entities. The granularity of data logging should be evaluated at the time of creating the CRM template, depending on the level of detail at which information is to be analyzed.

# CRM Solutions – Best Practices

## ENTITY 1 – OPPORTUNITY

Opportunities are potential deals and form the crux of the CRM tool. The table below details all information to be logged whenever a new deal is received, which facilitates ease of access to information, data analysis and efficient progress tracking.

Particular	Details
Company Name	Full name of the target
Internal Reference Name	Project name allotted to refer to the opportunity
Received Date	Date of receipt of the opportunity
Person Responsible	Investment professional responsible for evaluating the opportunity
Business Description	Short description covering operations, products and services, locations, and founding date
Location	<ul style="list-style-type: none"> <li>• Headquarters (city, country)</li> <li>• Ancillary locations (city, country)</li> </ul>
Revenues	<ul style="list-style-type: none"> <li>• Last fiscal year</li> <li>• LTM (if available)</li> </ul>
EBITDA	<ul style="list-style-type: none"> <li>• Last fiscal year</li> <li>• LTM (if available)</li> </ul>
Ownership Status	<ul style="list-style-type: none"> <li>• Public</li> <li>• Private</li> <li>• Family owned</li> <li>• Trading company</li> </ul>
Sector	<ul style="list-style-type: none"> <li>• Healthcare</li> <li>• Energy</li> <li>• Business Services</li> <li>• Industrial</li> <li>• Retail</li> <li>• Media</li> <li>• Technology</li> <li>• Financial</li> <li>• Mining</li> <li>• Consumer</li> <li>• Food</li> <li>• Transportation</li> <li>• Pharma</li> <li>• Other</li> <li>• Data Centers</li> <li>• Education</li> <li>• Packaging</li> <li>• Real Estate</li> <li>• Agricultural</li> <li>• Aerospace</li> </ul>

# CRM Solutions – Best Practices

Investment Type	<ul style="list-style-type: none"> <li>• Control</li> <li>• Growth Capital</li> <li>• Liquidity</li> <li>• MBO</li> <li>• Other</li> </ul>
Equity Investment	Dollar amount of the investment
Deal rationale	Short description of the opportunity and the fit / misfit with the firm's investment philosophy
Deal Stage	<ul style="list-style-type: none"> <li>• Prospect</li> <li>• Information requested</li> <li>• NDA sent</li> <li>• Info received</li> <li>• Qualified</li> <li>• IOI Submitted</li> <li>• LOI Submitted</li> <li>• LOI Signed</li> <li>• Agreement in place</li> <li>• Invested</li> </ul>
Deal Status	<ul style="list-style-type: none"> <li>• Prospect</li> <li>• Add on</li> <li>• Information received</li> <li>• Active</li> <li>• Declined</li> <li>• Monitor</li> </ul>
Lead Source	<ul style="list-style-type: none"> <li>• Person or Firm which sourced the opportunity</li> </ul>
Bid Date	Date of submission of the first bid
Notes	Additional notes, if any
<b>Links to other entities</b>	
Organization	<ul style="list-style-type: none"> <li>• Company Name</li> <li>• Lead Source (Firm)</li> </ul>
Contact	Lead Source (Person)

CRMs with in-built email solutions allow dynamic linking across entities too, but it is best to review the linkages after each entry to ensure the integrity of the data

# CRM Solutions – Best Practices

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## ENTITY 2 – CONTACT

These are company employees, lead sources, or other professionals, who are logged as Contacts on the CRM.

Particular	Details
Name	Full name of the company employee / professional
Designation	Designation of the company employee / professional
Company Name	Employees' company details
Work Phone	Contact details of the professional
Email	Email ID of the professional
Address	Company's address
LinkedIn URL (If available)	LinkedIn URL of the professional
Background	A short description of the professional for future reference
<b>Links to other entities</b>	
Organization	Company Name
Opportunity	Links to any deals sourced (for lead sources only)

In case of contacts moving organizations, the contact should be linked to the new organization, with an appropriate note to log the association with the previous organization.

All contact details (Phone, Email, Address etc.) should be converted into a VCard for easy access across devices.

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## ENTITY 3 – ORGANIZATION

These could any of the following

- Investment Bankers
- Investors
- Limited Partners
- Targets
- Portfolio Companies

It is recommended to log the following details for any organization entered on CRM

Particular	Details
Name	Full name of the organization
Work Phone	Contact details of the organization
Company Email	Email address of the organization

# CRM Solutions – Best Practices

Website	Company website details
Company Address	<ul style="list-style-type: none"> <li>• Headquarters (city, country)</li> <li>• Ancillary locations (city, country)</li> </ul>
Background	A short write-up on the organization
Type of Investor	(For Investors and Limited Partners only) <ul style="list-style-type: none"> <li>• Fund of funds</li> <li>• Institution</li> <li>• Insurance</li> <li>• PE</li> <li>• Fundless</li> <li>• Consultant</li> <li>• Family Office</li> <li>• Pension</li> <li>• Endowment</li> <li>• Individual</li> <li>• Other</li> </ul>
Investment Criteria	(For Investors and Limited Partners only) Quantitative investment criteria
<b>Links to other entities</b>	
Contact	All contacts linked to the organization
Opportunity	Links to any deals sourced (for lead sources only)

## ENTITY 4 – TASKS

These are primary action items which form an important component of the CRM architecture. Tasks may be considered as the output of all data logging and analysis, and are therefore to be tracked and monitored actively. Further, it is important to link tasks to all concerned entities to ensure appropriate action and follow-up.

Particular	Details
Name	Name of the task added
Assignee	Name of the task assignee responsible for the task
Category	Task Category (Email, follow up, meeting, phone call, or To Do)
Date	Date of when the task has to take place
Description	Short write-up on the task
<b>Links to other entities</b>	
Contact	Assignee
Organization	All firms linked to the task
Opportunity	Deal opportunity related to the task, if any

Certain CRM solutions also allow the tasks to be linked to Microsoft Outlook.

# CRM Solutions – Best Practices

## TRACKING DEAL FLOW

TresVista recommends the following process to effectively log and maintain all deal flow activity –

- The client forwards the email received from the Investment Banker / Broker containing the teaser and other relevant information
  - TresVista logs all relevant information to CRM
  - Create and / or edit the necessary entities (e.g. Opportunity, Contact, Organization)
  - Fill out the properties (e.g. Lead Banker, Industry, Deal Size)
- Create links among entities (e.g. link the Opportunity to the banker's Organization)
- The client creates a mail ID for TresVista on its domain, and forwards / copies TresVista on all deal-related communication, including meetings and contact information
- TresVista creates Tasks (e.g. Meeting, Call, Email Follow-up) and Contacts on CRM and links it to all relevant entities
- The client assigns the appropriate Deal Stage to the Opportunity and further tasks are setup based on the Opportunity's progress through deal stages

## REPORT GENERATION

Reporting is another important CRM feature that enables one to create template-driven and customized data reports to track dealflow activity, evaluate and refine the investment process, and also monitor fundraising activity.

- Structured data logging enables one to gauge the effectiveness of one's deal flow network, and accordingly create targeted action plans to enhance the process
- Reports can be generated to analyse deal and funding activity based on various categories such as the lead source, industry sector, deal stage, deal size, geographical location
- Additionally, periodic progress reports can also be generated to track developments on the tasks set out. These tend to be critical in performing efficient follow-up with concerned stakeholders

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## ASSESSMENT OF THE DEAL FLOW NETWORK

- There will be certain Investment Banks and Brokers who don't provide quality deal flow and a few that provide high quality deals, as indicated by the progress of the deals across stages. Based on the output of the reports, these banks can be categorized into buckets and specific action plans can be created for each of these categories
- These action plans are devised to create active communication channels with the banks, and primarily focus on
  - Follow-up frequency and
  - Content

# CRM Solutions – Best Practices

- The following section provides further detail on devising action plans based on an analysis of the reports
- Similarly, customized reports can also be generated for other analyses such as a review of the deal evaluation process, effectiveness of fundraising strategies, etc.

## BULK EMAILS

TresVista provides active outreach support to its clients, and has extensive experience of managing customizable bulk emailing solutions. The decision to send bulk emails could be an outcome of report driven analysis or for a strategic objective to be achieved. In such cases, following are the typical steps that are followed –

- Identify the target audience to reach out to. These could include –
  - Investment Bankers / Brokers
  - Investors
  - Limited Partners
- Discuss email objectives and content with TresVista. Some of these objectives circle around the following ideas –
  - Introducing the firm to investment banks, brokers, and potential investors
  - Periodic outreach to investment banks and brokers
  - Maintaining contact with Limited Partners (on a biweekly, monthly or quarterly basis) with updates on portfolio companies, industry trends, internal newsletters and competitor news
  - Contacting potential investors for fund raising
  - Email version of a blog post to a list of subscribers (if any)
- Once an objective and target audience has been established, the client can
  - Give TresVista access to the company ID or set up a custom domain id to send out emails
  - Share all relevant documentations with TresVista and finalize content after draft reviews and iterations

The bulk emailing solution is a powerful tool which can transform the firm’s outreach capabilities.

To summarize, CRM solutions can form an integral part of the firm’s business practices, and should be viewed as an important productivity tool which streamlines an organization’s Business Development and Relationship Management efforts. It enables financial services professionals to act pro-actively on various sides of the business, such as maintaining contact with LPs and potential investors, analysing deal flow, and staying in touch with investment banks. Typically, these benefits tend to accrue overtime once the CRM has been setup and consistently managed over a period of time.