

# "Unlocking the Potential of CRM: How AI is Enhancing the Capabilities of Customer Relationship Management Tools"

## What is the need for a CRM?

The way products and services are marketed and sold is forever evolving in today's ever-changing corporate climate. Marketers all over the world may find it challenging to keep up with this dynamic way of doing things. The CRM (Customer Relationship Management) systems were designed to aid marketers and sales teams with the stated challenge. CRM systems have become an essential tool in running business operations. In this digitally connected corporate environment, manually handled and updated CRMs are becoming a reason for poorer productivity and efficiency for sales and marketing teams. As a result, better connected, automated, and managed CRMs have gained greater importance in recent years.

These CRMs began to offer new features and services to their users. These modern CRM capabilities not only enable the systems to facilitate sales, but also makes it optimised enough to do so independently. Thanks to the integration of CRMs with Artificial Intelligence and Machine Learning, we can notice significant changes in the way we look at CRMs.

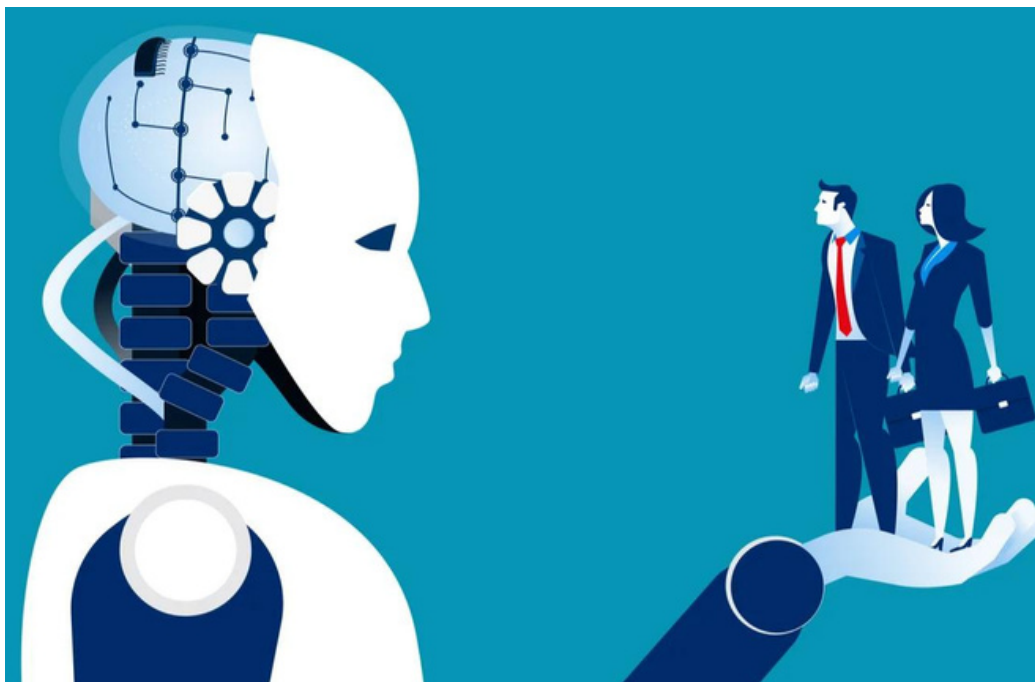


## The Modern CRM

To improve their go-to-market strategies, corporations are taking deeper and more customer-centric approaches. A CRM system that is robust and holistic enough to provide high precision, valuable information, and better predictions is the key to bringing more opportunities or paying customers.

Corporations have realised that customers can only be generated when the needs of customers and the completion of sales operations are in sync. This is only possible if the company's ability to analyse consumer data is effective enough to identify the value gap and hence deliver the value. It may be tough to complete this process without a high-quality application that uses cutting-edge technologies.

This is where AI and CRM integration become critical for bringing efficiency, not just in the short term, but also for providing holistic support for the future of data processing.



### How is AI transforming CRMs?

According to Interface.ai research, 87.5% of sales teams are dissatisfied with their current CRM systems. This is because many of the jobs they complete in the system are repetitive and necessitate manual data interventions. With the integration of AI, salespeople can spend more time on higher-value-adding activities instead of conducting manual tasks.

The application cases below show how the integration of AI and ML with CRMs benefits Sales, Marketing, and the Data folks.

## Marketing Teams

- **Lead Qualification**

A study shows that sales professionals spend about 38% of their time pitching and 26% of their working hours on administrative tasks related to their CRM system. This means that businesses should reduce their sales team's workload by implementing more automation in their sales processes. Using auto replies via chatbots, sales professionals can automate the lead qualification process by focusing less on manual tasks and more on strategies that directly align with the needs of their potential customers.

- **Sentiment Analysis During Calls**

To create trust with potential customers, it's critical to be able to grasp their emotional states. According to a study done by HubSpot Research, only 3% of customers trust their salespeople. AI-powered technologies can assist companies in this by analysing calls and analysing the emotional states of their potential customers during the call. The conversational analysis can later be used to improve the effectiveness of future conversations.

- **Recommendation Systems**

While CRM systems employ customer data to better identify potential clients, AI systems can give a more personalised experience by analysing their unique traits. After that, this strategy might suggest products and services that are most likely to suit their requirements.

## Sales Teams

- **Sales Forecasting**

One of the most critical features of a CRM system is the ability to forecast sales. With the help of AI, sales forecasting tools can now provide more accurate predictions. This helps them make informed decisions and improve the efficiency of their sales processes.

- **Predictive Lead Scoring**

AI-powered tools can also analyse the data collected by a CRM system to determine the buying readiness of potential customers by assigning a value score depending on various demographic and behavioural attributes. Companies can later use these insights to improve the efficiency of their lead generation processes, deploying more time and resources to the best MLPs (Marketing Qualified Leads), hence closing more sales.

- **Reduced Customer Churning**

One of the most critical factors that businesses consider when it comes to reducing their customer churn is the ability to identify the exact reasons behind their customers' dissatisfaction. An AI-powered tool can go through customer data to analyse specific patterns and identify reasons and historical evidence for customer churn. They can use this analysis to design and implement effective strategies to reduce future churning rates.

## **Data Teams**

- **Centralized Systems for Data Integration**

AI integrated CRMs give the ability to combine data from various sources, like emails, telephone conversations, and chatbots, and help create a richer and more centralised database for their customers.

- **The Integrity of the Data**

According to a survey conducted by Dun & Bradstreet, over 90% of the data in a CRM is incomplete. Due to the complexity of the data acquired and maintained in a CRM, maintaining a high level of accuracy with that data is becoming increasingly difficult for sales professionals. This is why it is critical to build an automated system capable of conveniently managing all of the data. Sales personnel can utilise AI to update and fill in missing information, hence enriching data in real time.

- **Data Cleaning**

Unfortunately, much of the data collected by a CRM system is not always accurate. By looking into the below aspects, having an AI-powered CRM system can help businesses improve the quality of their data.

1. Detecting potential issues
2. Cleaning duplicated data
3. Notifying the users to correct the errors
4. Looking for incomplete data in other systems
5. Suggesting actions to update potentially stale data

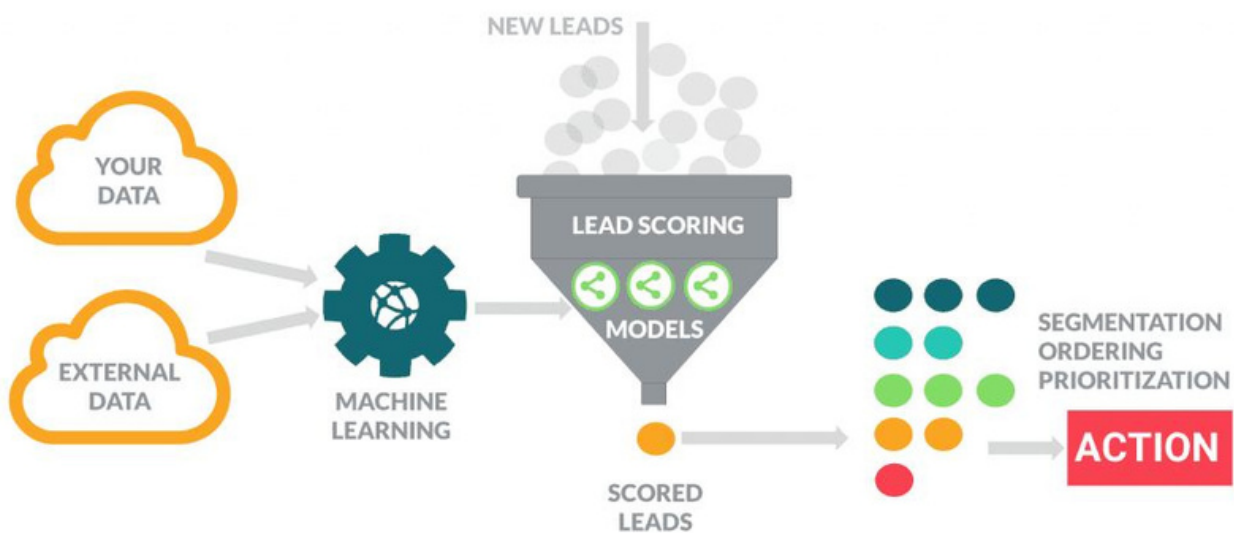
- **Data Entry**

One of the most time-consuming tasks that revolve around CRMs is capturing customers' information and assigning manual data entries for the same. With the help of AI-powered tools, it can now be done in a fraction of the time. With the various data capturing technologies, such as document capture, speech recognition, and image recognition, it can now automate the entry of customer data.

## Let's Dive Deep into the Predictive Lead Scoring Use Case

When it comes to converting leads into clients, one of the most significant criteria that sales teams evaluate is lead quality. Prior to integrating AI, most salespeople depended on predetermined and rule-based lead scoring criteria. They are finding it more difficult to understand the value of deploying a point-based lead scoring system, as the data collected and stored in a CRM becomes more sophisticated. This is why it's critical that they begin a conversation regarding predictive lead scoring solution. This technology uses AI and ML to analyse thousands of factors in real time to forecast a user's purchasing behaviour.

Using AI, salespeople can now predict the possibility of a user purchasing a certain product offered by a firm and highlight areas of sales where they can improve. This strategy can also aid in the identification of trends and the enhancement of GTM (Got-to-Market) strategies.



## Some Aspects to Consider for a Better Predictive Lead Scoring Model

Here we'll investigate some areas that all robust lead scoring models should have in common.

### Alignment between marketing and sales

If the marketing and sales departments are not on the same page regarding the lead scoring model, some of the great leads may fall through the cracks. This is why it is important that the sales and marketing departments work together to develop lead scoring modelling criteria and a lead scoring threshold. If any criteria of the model are changed, this needs to be clearly communicated to the other departments. This will allow the marketing department to identify potential leads and then refer them to sales.

## A lead-scoring threshold

A lead scoring threshold is a key component of a lead scoring model that determines if a prospect is ready to be referred to the sales team. When a lead's score reaches or exceeds this level, it becomes a MQL (Marketing Qualified Lead).

Getting the lead scoring threshold right is very important to ensure that the sales team has the best chance of acquiring the right leads. However, setting too high a bar can prevent the sales team from acquiring valuable leads. The threshold should be set based on the historical data that has been collected to determine if a lead is qualified. For instance, if a lead is requesting a product demo, then the threshold should be set so that the lead will be assigned enough points to automatically become an MQL.

## Garbage Data

Data quality affects lead scoring models. It's often found that CRMs contain duplicate records with conflicting information about their customers. This affects the efficiency of the predictive lead scoring model, as the information fed into the model tends to be inaccurate. Even third-party enrichment tools can have some values that are not ideal for modelling. One of the biggest issues that businesses face when it comes to implementing a lead scoring system is the lack of a link between the various systems that collect data. This makes it incredibly hard to create a comprehensive view of their customers and makes it difficult to construct a lead scoring model.

## Standard Model Performance Evaluation Metrics Aren't Relevant

A big challenge that sales teams face when it comes to using lead scoring is the lack of a comprehensive view that the model gives of their customers and leads. This is because traditional performance indicators such as the f1-scores, AUC, and R2 scores are not relevant in B2B lead scoring. For example, a false negative (a lead evaluated as bad quality but high quality) can affect your bottom line because low lead scores will have no sales reps speak with them. However, a false positive (a lead that appears to be high quality but is low quality) might undermine the model's credibility. Below are some of the metrics that might help solve the above issue.

- **Recall:** A recall is a statistical procedure that identifies the proportion of the positives that were identified correctly by the model. A model that produces no false negatives has a recall of 1.0.
- **Precision:** Identifies the proportion of the positive identifications that were correct. A model that produces no false positives has a precision of 1.0.

## Issues with Class Imbalance

In machine learning, class imbalance is a common issue that can prevent models from working well. This is because the number of classes of data that are positive is far less than the number of classes of data that are negative. ML models are commonly used for lead conversion, but they are also prone to performing poorly when the classes are not balanced.

Random sampling is a good strategy to reduce the number of negative-class data points. Another way to boost the number of positive-class data points is by adding conversions that were generated outside of the sample that was used to create the training dataset for the model.

## Predera's Value Propositions

We generally analyse clients' problem statements and come up with the following value propositions:

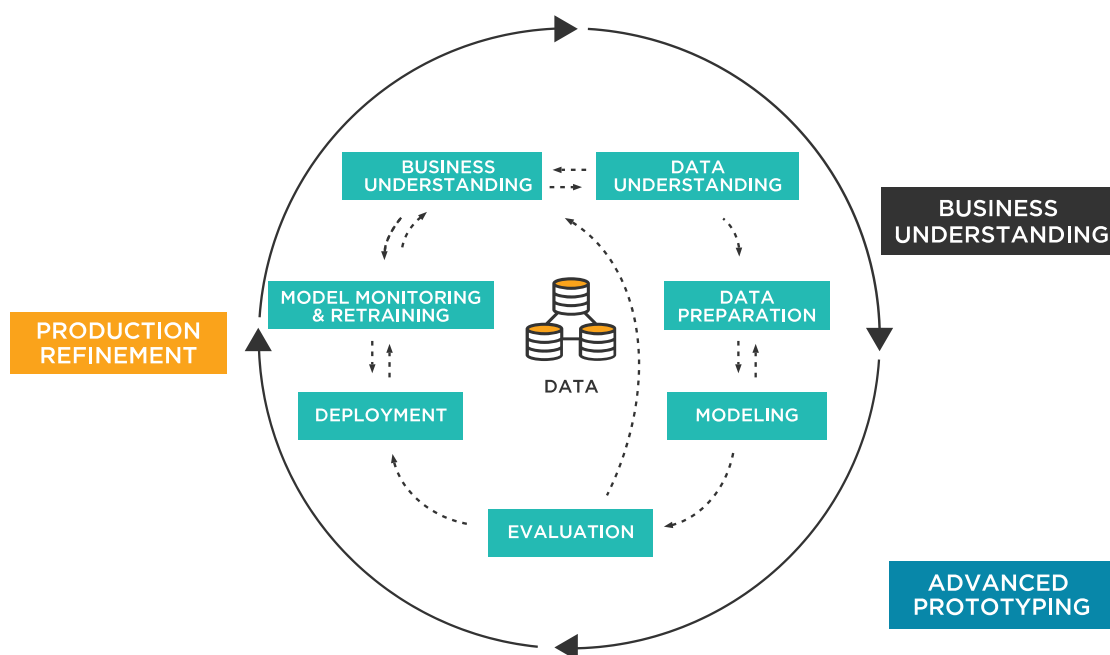
- Create a lead scoring attribute in the lead object in Salesforce or any other choice of CRM that is external to the CRM system and can be trained on all previously available data.
- For any product the client has to offer, develop a product/offer for the incoming lead matching model.

## Predera's Solution

We divide the entire life cycle of a lead scoring project into six phases and call it the CDS (Customer Data Science) approach. Below are the different phases of the projects.

- **Business Understanding:** This step focuses on a clear understanding of the domain and determining the business objectives. We try to understand the client's perspective on what they want to accomplish and then define a clear success criterion. We assess the situation based on resource availability, project requirements, associated risks, and contingencies
- **Data Understanding:** This focuses on identifying, collecting, describing, exploring, and verifying the data sets used for modelling purposes. The data sources are mostly from the client's CRM and data enrichment platforms. Examining surface properties like data format, number of records, and field records is done in this phase. Exploratory analysis like visualizing data and finding relationships among variables is also performed.
- **Data Preparation:** In this step, the final datasets that go into the model are created. This involves selecting, cleaning, constructing, integrating, and formatting datasets. Major EDA (Exploratory Data Analysis) and feature engineering are performed in this phase. Selecting important variables, normalizing and standardizing the data, and using several dimensionality reduction techniques are performed to make the data more understandable by the models.
- **Modelling:** This phase involves steps like selecting modelling techniques, generating test designs, building models, and assessing models. Several industry-standard modelling techniques are used for modelling purposes. The datasets are run through different iteratives of algorithms to find the one with the highest accuracy. Additionally, feature importance plots are generated to understand the variables that have a greater impact on the model's decision.

- **Evaluation:** The evaluation phase looks more broadly at which model best meets the business and what to do next. This phase has tasks like evaluating results, reviewing the process, reviewing the work accomplished and determining next steps. Evaluation metrics like classification reports, ROC AUC curves, and confusion matrix are used to determine the efficacy of the model, and the one with the highest efficacy is used for further deployment.
- **Deployment:** Planning deployment, integrating monitoring measures, and reviewing maintenance are all part of this step. AIQ (a proprietary tool of Predera) has the models logged in. Workflows are established to evaluate fresh lead data as well as the results and scores provided by the models, which are then delivered back to the PowerBi reports and the Salesforce lead object.
- **Model Monitoring and Retraining:** Performance monitoring is the process of analysing different performance metrics of the deployed ML model. Live data that machine learning models use might have potential problems that can impact the business decision. A good model monitoring pipeline is very important to ensure that your model is functioning properly. After monitoring and tracking the performance of the model, the next step is to train the model. This process is usually done to make sure the model is up to date.



## Bottom Line

Lead scoring enables sales representatives to give high value leads the attention they deserve, leading to higher win rates, increased sales velocity, and improved revenue numbers. It's a lot more effective to reach out to promising leads than to ones that give a feeling of uncertainty.

Don't have time to create a manual lead scoring model? Predera's Sales.ai can help. Consider using a CRM that automatically creates and updates lead scoring models. Contact for more details.





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