

# The State of CRM 2024 Report

# #1

## Navigating the AI-Enhanced Landscape

A comprehensive analysis of how AI integration and innovative technological advancements are reshaping CRM strategies and capabilities for future-ready businesses.

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This report emphasises the need for a critical review of CRM strategies, both for tactical and technological delivery, in light of the rapid advancements in AI and evolving software capabilities.

It underscores the necessity for companies to adapt their CRM approaches to stay competitive and current while also being mindful of the risks of overspending on technology.

The focus is on leveraging CRM's potential through AI integration, ensuring that businesses harness technological advancements efficiently and effectively to enhance customer engagement and operational growth without compromising financial prudence.

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# Embracing the Evolution of CRM in the Age of AI and Digital Transformation

Technological advancements are reshaping the business landscape. The role of Customer Relationship Management (CRM) has evolved from a supportive function to a strategic cornerstone where the focus is on creating true value for the customer.

As we delve into the complexities and opportunities of modern CRM, this report explores the imperative need for businesses to review and adapt their CRM strategies in 2024. We outline the key CX trends we are likely to see this year and how you can implement them in your business.

In a world increasingly driven by artificial intelligence (AI) and digital transformation, CRM has become a pivotal tool for companies to remain competitive, innovative, and customer-centric.

AI is revolutionising CRM, offering unprecedented capabilities in data processing, customer insight, and personalised engagement. As software manufacturers continually enhance their products, it becomes crucial for businesses to not only stay abreast of these developments but also to integrate them thoughtfully into their CRM strategies. This integration ensures that companies harness the full potential of technology without succumbing to the pitfalls of overspending or misaligned implementations.

We guide you through the multi-faceted impact of modern CRM systems on business growth, customer engagement, and employee productivity. Through insights from industry studies and expert analyses, we dissect how CRM, underpinned by AI and data-driven approaches, is a critical investment for any business looking to thrive in today's digital economy.

With our insight, businesses can make informed decisions, align their CRM strategies with emerging trends, and leverage technology to enhance customer relationships and drive growth in 2024.



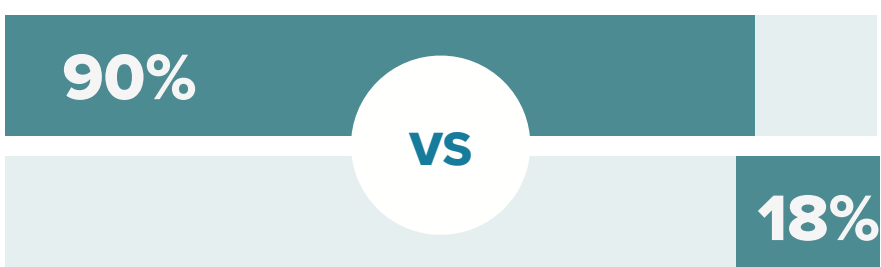


# 1

## Modern CRM Drives Behaviours with Direct Impact on Growth

When it comes to business growth and customer engagement, the strategic deployment of modern CRM technologies has emerged as a foundation for effective growth strategies.

Modern CRM is much more effective in helping brands improve revenue, customer retention, and employee engagement.



90% increase in employee engagement year-over-year in customer-obsessed companies versus 18% in customer-aware companies.

## The Role of CRM in Revenue Growth and Customer Retention

Modern CRM systems are transformative tools that extend beyond basic customer data management. They are instrumental in catalysing business growth. Companies deeply invested in sophisticated CRM strategies typically observe accelerated revenue growth and a significant enhancement in customer retention.

These improvements directly result from leveraging CRM to understand and meet customer needs, fostering loyalty and recurring business. Forrester's study, *The Future Of CRM: CRM Technologies Are A Differentiator For Customer And Employee Engagement*, found that customer-centric enterprises experience a marked increase in revenue and customer retention. CRM is a vital component in today's competitive environment, especially if you're aiming to scale your business in 2024.



## Employee Engagement and CRM

The influence of CRM on employee engagement is equally significant. In organisations prioritising robust customer relationships, employee engagement levels are noticeably higher. This can be attributed to the advanced CRM tools at their disposal, like AI and automation, which offer valuable insights into customer behaviour and streamline operational workflows.

These tools enhance job satisfaction and productivity by enabling employees to engage more effectively with customers and reduce time spent on mundane tasks. This, in turn, translates into more meaningful and impactful customer experiences, a key factor in building lasting customer relationships.

Forrester's Future of CRM Report

99%

vs

35%

99% of decision-makers in customer-obsessed firms plan to use cutting-edge CRM systems, in contrast to 35% in less focused firms.

**"Adopting a single-platform approach eliminates data fragmentation, reduces manual effort, and empowers teams with the insights they need to make strategic decisions that drive sales performance."**

How to maximise your Salescloud potential to impact your sales performance report

## Technological Adoption in CRM

Adopting the latest CRM technologies is a key indicator of a company's commitment to customer engagement. Progressive firms quickly implement state-of-the-art CRM solutions, recognising their strategic value in staying ahead of the curve. This adoption goes beyond just technological upgrades. It signifies a deeper understanding of the evolving customer landscape and the need for tools to provide real-time insights, predictive analytics, and personalised customer interactions.

In this light, the strategic adoption of advanced CRM technologies is about maintaining a competitive edge and reshaping the entire customer engagement model.



# Key Principles of Modern CRM

## Customer-Centric Approach

The core of modern CRM is its ability to pivot around customer behaviours and preferences. Businesses can tailor their interactions and offerings by leveraging data and analytics to meet each customer's unique needs.

This approach fosters deeper customer loyalty and drives repeat business, making it a cornerstone of successful CRM strategies.

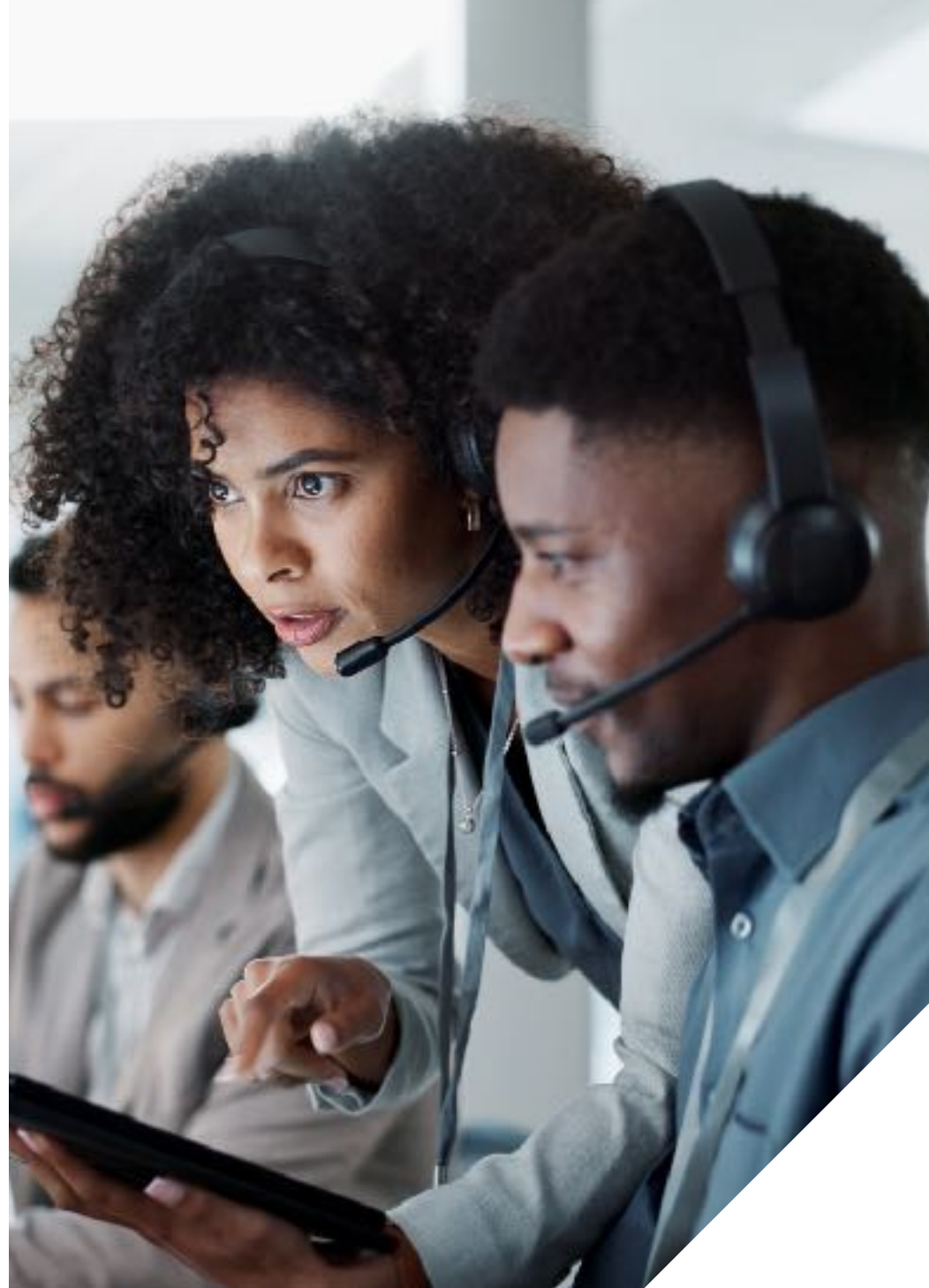
## Actionable Data Empowers Employees Through Useful Functional Tools

In a workforce increasingly dominated by digital natives like Millennials and Gen Zers, CRM systems that blend AI and automation are not just preferred but expected.

Such systems empower employees with tools that enhance decision-making and customer interaction. This empowerment is crucial for employee satisfaction and effectiveness, benefiting the customer experience.

27%

By 2025, over 27% of the workforce will be Gen Z, emphasising the need for impactful work beyond administrative tasks.





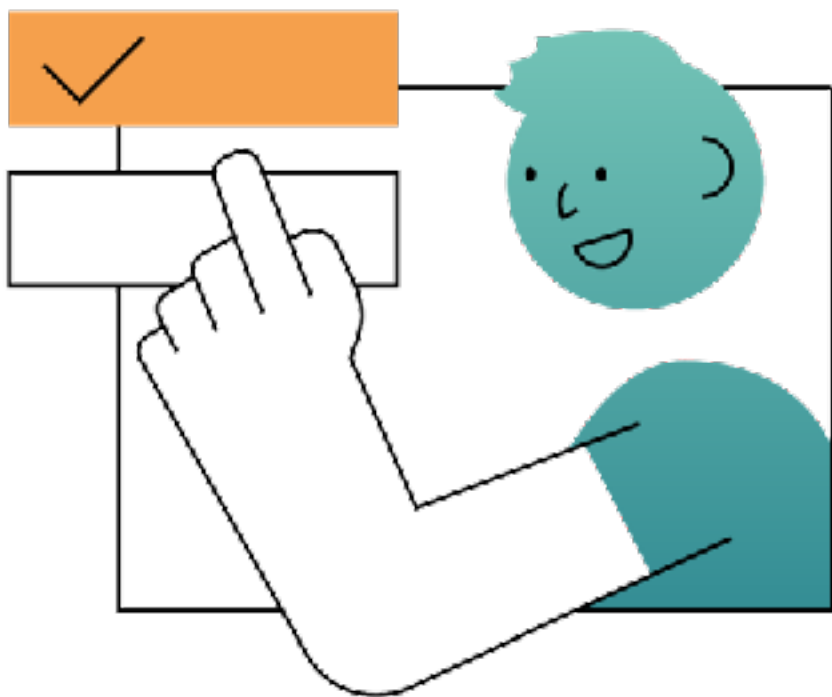
## ► Adaptability in Changing Markets

The agility offered by modern CRM solutions, particularly those based in the cloud, is vital in an era of rapid market changes and economic uncertainties.

These systems allow businesses to quickly adapt their strategies and operations in response to evolving market demands, ensuring they remain resilient and responsive to customer needs.

In summary, the role of modern CRM technologies in today's business world is multifaceted and indispensable.

They enhance customer and employee engagement, provide the agility to navigate market changes and drive revenue growth.



## Key Takeaways

- Modern CRM should be driving revenue
- Strategic CRM implementation is the key to a customer-centric approach
- AI and automation is delivered in the form of functional tools, in the software, that ultimately empower staff





## Case Study PSN Group

**“We chose redk based on their ability to ask the right questions at the right time, and the extreme care they took to understand exactly what we wanted and needed.”**

Grupo PSN, a prominent player in the insurance sector, sought to elevate its customer experience and streamline operations. To achieve this, they partnered with redk to implement a comprehensive digital transformation strategy.

The core of this strategy involved the integration of a suite of advanced solutions, including Acoustic for marketing automation, SugarCRM for customer relationship management, and Zendesk for customer service.

The integration was executed under a Service-Oriented Architecture (SOA) strategy, ensuring seamless interconnectivity and data flow between the different platforms. This allowed PSN to centralise and harness customer data more effectively, providing a unified, 360-degree view of each customer. As a result, PSN was able to deliver more personalised, timely, and efficient service.

This digital overhaul significantly enhanced PSN's customer engagement and satisfaction levels. It also streamlined internal processes, making them more agile and efficient. The case study underscores the transformative impact of integrating advanced technological solutions on customer experience and business operations in the highly competitive insurance sector.



# 2

## CRM Underpins Front Office Staff's Ability to Effectively Engage with Customers to Create Better Experiences

As the UK and European economies encounter roadblocks, there is a growing need for cost-cutting and profit protection measures. Business owners must make difficult decisions that inadvertently impact consumer interactions.

In this economic environment, the role of CRM systems is evolving. They are no longer just platforms for managing customer relationships but a pivotal element in balancing the need for cost efficiency with maintaining excellent customer experiences to drive repeat business and loyalty.

CRM now stands as a critical tool in understanding and mitigating the effects of these decisions on customer engagement. CRM systems must adapt to these challenges by offering more nuanced and responsive functionalities that align with business constraints and customer expectations.

Accenture's Annual Life Trends 2023

40%

Of CXOs say they plan to raise prices to pass cost increases to customers.

37%

Of people worldwide think that many companies are prioritising higher profits over better customer experience.





## CRM as a Tool for Empowering Employees in a Strained Business Environment

The current economic scenario has placed a new responsibility on front-office staff, as they are the primary interface between the business and its customers. Despite cost-cutting measures, CRM technologies are vital in empowering these employees to deliver positive customer experiences.

CRM systems help you streamline workflows and assemble high-performing teams based on data like prior performance, user presence and behavioural attributes. They can also personalise employee development by identifying opportunities for training and upskilling alongside employee incentive programs.

The role of CRM in facilitating effective communication channels between staff and customers becomes even more significant in light of the changing business landscape, where customer loyalty is increasingly fragile. CRM systems can help you understand customer needs better and respond effectively, building a centre of customer service excellence.

## Adapting CRM to New Consumer Realities and Business Strategies

The integration of AI and automation in CRM, as highlighted by Forrester, is more crucial than ever. These technologies enable CRM systems to learn from past customer interactions, tailoring services to meet evolving consumer expectations cost-effectively.

Accenture's Life Trends 2023 Report mentions that the adoption of digital technologies and the internet has led to a heightened focus on customer experience. CRM systems must now reconcile the tension between maintaining high-quality customer experiences and adhering to tighter business strategies. This involves using analytics and machine learning to predict customer needs, personalise interactions, and optimise resources, ensuring that customer satisfaction is not compromised even as businesses navigate economic pressures.

Accenture CXO Pulse  
survey, June 2023

47%

Of customers feel less valued due to poor customer service.



## Future Trends: Navigating Economic Pressures and Customer Expectations

As businesses continue to adapt to the dual challenges of economic strain and evolving customer expectations, the development of CRM systems will likely focus on further sophistication in predictive analytics and personalised interactions.

Future CRM development will emphasise deeper integration with digital experience platforms (DXPs) and Customer Data Platforms (CDPs), enhancing the ability of businesses to deliver seamless, meaningful, and economically viable customer experiences.

This approach aligns with the broader trend of creating business models responsive to consumer needs and cognizant of the prevailing economic realities.

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## Key Takeaways

- ▶ CRM supports cost-efficient delivery of customer experiences under an current environment of financial pressure and unpredictability
- ▶ CRM systems help you assemble high-performing teams by leveraging operational data and customer data
- ▶ DXP and CXP software can help manage fragile customer loyalty in this economic climate





# 3

## CRM is a Strategic Tech Investment That Drives Growth and Digital Transformation

Customer Relationship Management (CRM) has transcended its traditional role of enhancing operational efficiencies in sales, marketing, and customer service.

As detailed in Forrester's Future of CRM report, CRM now plays a foundational role in enabling customer obsession. However, one single person, or a single department, can't implement and drive a CRM transformation on their own. You need buy-in from stakeholders, support from teams across your company and an inclusive leader to push the transformation.

Forrester's Ready Or Not, Gen Z Is Already In Your Workforce Report

**“A true digital transformation begins with acknowledging the fact that it can't be bought, downloaded, or installed.”**

Salesforce

**27%**

By 2025, over 27% of the workforce will be Gen Z, emphasising the need for impactful work beyond administrative tasks.

Forrester found that the average investment in CRM technology has reached between \$5 and \$50 million annually for most large companies. This strategic shift signifies CRM's importance in streamlining business processes and driving substantial growth and innovation to achieve the necessary ROI from these investments.





## CRM as a Growth and Innovation Anchor

Aligning with Forrester's insights, CRM is now an imperative strategic initiative. CRM metrics have shifted focus from mere productivity measures to the quality and strength of customer relationships. This change reflects a deeper understanding of CRM's role in enhancing customer value and driving business success.

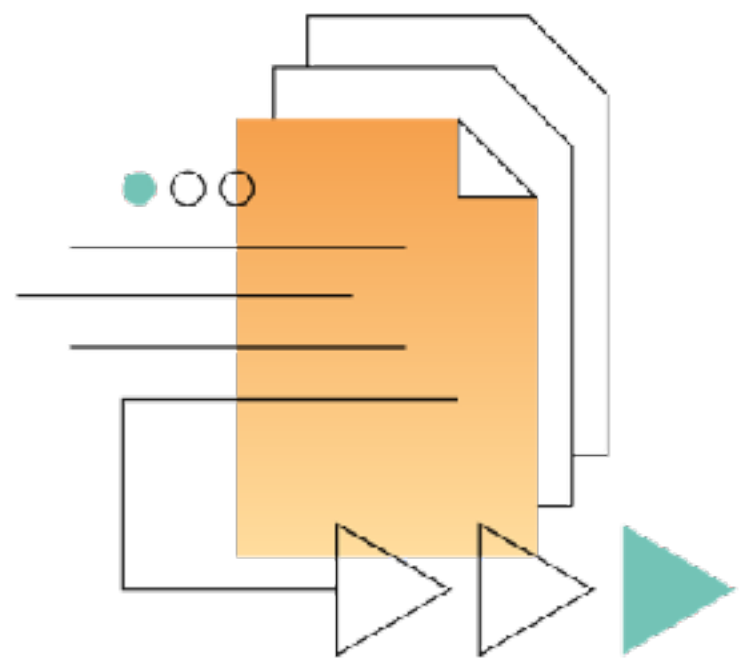
## CRM: Engineering Connected Experiences

Modern CRM is more than a set of standalone features. It is a system that creates interconnected experiences spanning the entire customer journey. This approach integrates seamlessly with back-office applications to support comprehensive processes like lead-to-cash. Forrester emphasises this evolution, highlighting the transition from selling individual CRM products to offering complete, interconnected suites.

## CRM's Third Wave: Strategic Transformation

The third wave of CRM adoption focuses on strategic transformation. Modern CRM systems can deliver real-time, 360-degree views of customers, facilitating the execution of personalised experiences along the customer journey.

This transformation is illustrated in Forrester's report through examples like the City of Los Angeles using CRM to distribute funds efficiently during the pandemic or Dayton Children's Hospital enhancing patient care to achieve national recognition. These cases exemplify how CRM can revolutionise understanding and response to customer and community needs.



## Empowering Employees with CRM

CRM technologies now embed onboarding and training workflows, facilitating just-in-time learning and unlocking capabilities based on competence. This evolution empowers front-office employees to anticipate and meet customer needs consistently.

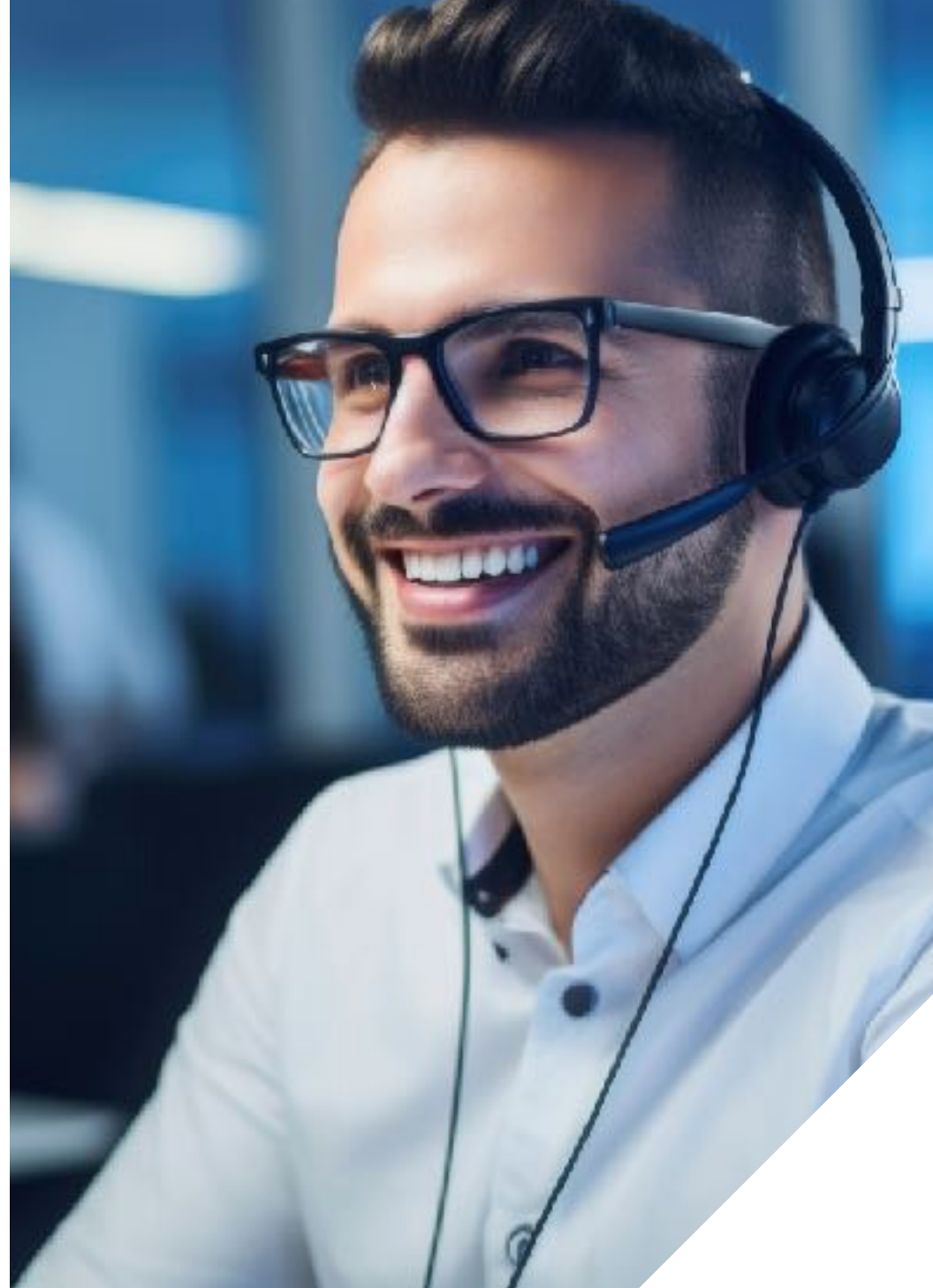
## CRM for Unique Journeys and Industry-Specific Needs

CRM is not a singular technology but a collection of composable technologies tailored to specific business models and industry needs. It extends through curated marketplaces of applications and low-/no-code platforms, enabling businesses to create unique customer experiences.

For instance, Saskatchewan Blue Cross increased employee efficiency by 25% by customising CRM processes through low-/no-code functionality, according to Forrester.

## Consolidation in the CRM Landscape

The CRM technology landscape is undergoing consolidation, moving towards unified solutions supporting all front-office roles. This trend is driven by digital-first customer behaviour and the overlapping needs of sales, customer service, and success teams. The demand for faster time-to-value and more unified tooling also shapes this consolidation.



## Key Takeaways

- ▶ CRM are heavy investments, companies should have clear ways to obtain ROI
- ▶ Modern CRM is no longer just about productivity, CRM is all about executing strategy
- ▶ The third, current, wave of CRM technology applies a transformative approach to customer operations





## Case Study Inspired PLC

**“redk made sure that the technology was aligned with the overarching business goals and robust enough, from an engineering point of view, to keep up with business demand.”**

Inspired PLC, a leading UK energy consultancy, excels in providing cost-effective solutions across various industries. Established in 2000, the company has grown significantly, becoming a part of the larger Inspired plc group.

With deep expertise in multiple sectors, Inspired PLC offers strategic solutions to manage rising utility costs, focusing on innovative internal and external practices.

The company faced a challenge in integrating digital platforms with transactional systems, crucial for adapting to dynamic market changes and various commercial models.

The collaboration with redk aimed to integrate vast transactional data from multiple business units into a unified CRM system. This complex task required a multidisciplinary approach, combining technical prowess with organisational change management.

The solution, built on SugarCRM, was meticulously engineered to align with business goals, ensuring scalability and robustness. Today, Inspired PLC's commercial and customer management teams leverage this CRM solution to provide exceptional service, showcasing the successful implementation of a digital roadmap that supports the company's strategic business objectives.



# 4

## AI is Changing CRM

Embrace What is Ready and Mature, Manage Risks Associated with New Technology



**Integrating Generative AI (GenAI) into CRM significantly shifts how businesses interact with customers.**

Forrester's report, How Generative AI Will Transform CRM: GenAI Will Revolutionize CRM, Not Erode It, addresses this topic and, more specifically, how to navigate GenAI adoption within your organisation.

GenAI can analyse and interpret large volumes of unstructured data from various customer interactions. This technology transforms CRM systems from a mere data repository to a dynamic tool capable of offering deep insights. This evolution in CRM is driven by GenAI's proficiency in conducting complex conversations and surfacing key insights from emails, meeting transcripts, and phone conversations.

By leveraging these capabilities, CRM becomes an operational tool and a strategic asset that enhances both customer experience (CX) and employee productivity.

Source: Salesforce's  
Untapped Data Research

80%

Of business leaders say Generative AI will increase revenue.



## Enhancing Front-Office Productivity and Innovation

The incorporation of GenAI into CRM systems is poised to revolutionise front-office functions in the following sectors:

### ■ In Marketing

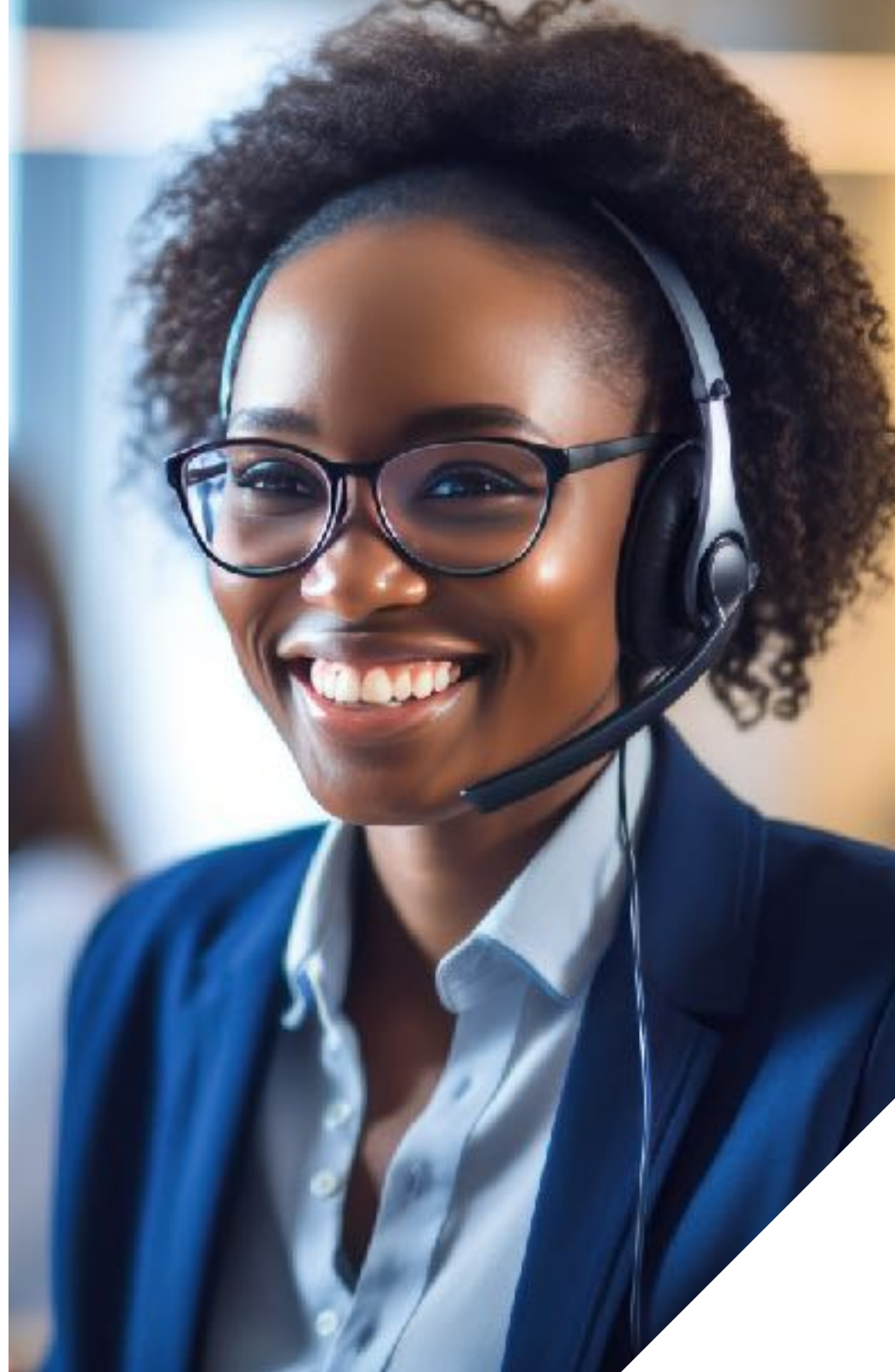
GenAI aids in generating creative campaign ideas and crafting compelling content, thus enhancing the quality and efficiency of marketing efforts.

### ■ For Sales Teams

It supports quick responses to buyer inquiries and assists in drafting detailed proposals, thereby streamlining the sales process.

### ■ In Customer Service

GenAI's role is crucial in improving response times and overall customer satisfaction by assisting agents in managing inquiries more effectively.



## GenAI as a Tool for Differentiated Customer Experience

In the realm of CX, GenAI plays a vital role in extracting and interpreting vital information about customers.

This capability is crucial for the front office to deliver value-added experiences. GenAI aids in preparing for customer interactions by surfacing essential talking points and recommending follow-on actions. This increases customer intimacy and builds trust, leveraging LLMs' ability to summarise and transform content effectively.

## Revenue Impact of GenAI-Powered CRM

GenAI's ability to enhance CRM functionality extends to its impact on company revenue. By improving the quality and completeness of CRM data and making this data more accessible in real-time, GenAI ensures that CRM systems become a more trusted and reliable source of insights.

This improvement leads to better decision-making and the creation of innovative products and services, ultimately impacting the top-line revenue positively.

## Navigating GenAI Challenges in CRM

Despite the potential benefits, adopting GenAI in CRM comes with challenges and uncertainties. For instance, initial offerings of GenAI functionalities in CRM may face integration challenges or limitations in understanding complex data. Some GenAI models struggle with quantitative analysis or produce generated content without appropriate referencing, thus violating copyright laws.

GenAI outputs aren't always reliable. Businesses must carefully evaluate these initial offerings and consider how GenAI can be pragmatically used within their CRM systems. Understand the current practical and tactical advantages GenAI offers and do not get distracted by the hype surrounding its potential.

## Key Takeaways

- **Generative AI transforms data into actionable insights**
- **AI helps with decision-making with a direct impact on revenue growth**
- **GenAI has challenges and is still evolving, so brands must be careful about investing in projects where the use case is not clear**





# 5

## Customer Data is a Brand's Most Valuable Yet Most Underutilised Asset

In the modern business environment, customer data emerges as a crucial asset for brands. Despite its value, many companies fail to harness its full potential due to a weak CRM strategy that fails to treat customer data as a vital resource.

The importance of customer data lies in its ability to drive growth, spur innovation, and enable companies to stand out from their competitors.

However, without a focused approach to data management and utilisation, businesses may miss significant opportunities for advancement and revenue generation.

### How to maximise your Salescloud potential to impact your sales performance report Quote

**“Real-time data processing ensures that information is processed and accessible immediately after it's captured. This instantaneous availability enables the continuous updating of customer data, ensuring that it remains accurate and up-to-date”**

Salescloud

80%

Of business leaders say Generative AI will increase revenue.

Source: Salesforce's  
Untapped Data Research

## Cultivating a Data-Driven Culture

The first step in unlocking the power of customer data is to foster a data-driven culture within the organisation. This process involves initiating projects on a smaller scale, allowing for experimentation and iteration, and gradually expanding successful practices.

For instance, strategic data analysis in sales territories can lead to optimised resource allocation and significant revenue gains. Creating a data-centric culture requires sophisticated tools and analyses and a shift in mindset across the organisation, from top-level executives to front-line employees.



## Empowering Employees through Data

Data-driven decision-making can profoundly impact employee engagement and productivity. When routine tasks are guided by data analysis, employees can redirect their focus to more strategic and meaningful work.

This shift improves employee satisfaction and enhances the customer experience as teams become more agile and capable of providing better service. The strategic use of data empowers employees to contribute more significantly to the company's goals, fostering a sense of purpose and achievement.

## Leveraging AI and Machine Learning in CRM

Integrating artificial intelligence (AI) and machine learning into CRM strategies revolutionises how companies make decisions. These technologies remove the uncertainty often associated with decision-making, allowing for faster, more accurate, and more effective business strategies.

AI and machine learning provide a framework for understanding and utilising customer data in a way that is both scalable and impactful, ensuring that companies are making the most informed decisions possible.





## Maximising Customer Data Value

To fully leverage customer data, companies should:

### ▀ Assemble a Diverse Team

Include members from various parts of the organisation to bring diverse perspectives and skills to data analysis and utilisation.

### ▀ Invest in Training and Technology

Equip teams with the necessary tools and knowledge to analyse and utilise data and use it effectively.

### ▀ Focus on the Human Aspect of Data

Despite technological advancements, the human element remains critical in interpreting data and making informed decisions.

## Real-World Impact of a Data-Focused Approach

Effective data management can lead to tangible business improvements. Companies that successfully integrate a data-focused strategy into their operations can experience increased sales, improved employee efficiency, and reduced time spent on report preparation and other administrative tasks.

By recognising the value of customer data and developing strategies to utilise it effectively, brands can unlock new levels of success and customer engagement.

## Key Takeaways

- ▀ **Good data is key to excellent customer experiences**
- ▀ **CRM will help you access, manage and surface actionable data so every employee can leverage its value**
- ▀ **AI can accelerate how customer data turns into actionable insights**





## Case Study Time Investments

**‘We wanted to bring our customer-facing teams closer together through the use of technology and automate a number of processes that were previously run through manual overrides – and in that way, support our internal teams to help them deliver best-in-class service to the market.’**

Nigel Ashfield, Founder and MD

Our work with TIME Investments highlights the importance of modern CRM technology in achieving predictability in financial returns. The redk team helped TIME Investments utilise technology to streamline data management and improve operational efficiency.

By implementing Salesforce CRM solutions, they optimised customer and partner operations, enhancing efficiency and allowing for more personalised customer relationships. This transformation, supported by redk, improved their technological capabilities and aligned with their long-term vision, demonstrating the impact of integrating modern technology in the financial sector.





# Getting the Most Out of CRM Technology Investments

**The success of CRM technology investments hinges on effective governance and strategic partnerships.**

Governance and sound methodology are crucial for harnessing the full potential of CRM technologies. It's about more than just implementation; it's about aligning CRM strategies with the business's core objectives.

This involves setting clear roles and responsibilities and employing proven methods for planning and executing transformation initiatives. Good governance mitigates risks like data fragmentation and ensures that CRM systems are technologically advanced and cohesively integrated within the business digital ecosystem.

redk offers technical expertise and strategic insight. Our approach goes beyond mere implementation, focusing on aligning CRM solutions with unique business needs. This is evident in our work with organisations like Flagstone, Time Investments or Grupo PSN, where we successfully implemented digital platforms to improve customer relations and operational efficiency throughout the customer life cycle.

Choosing a partner like redk can transform CRM investments into key growth and customer engagement drivers.



While embracing AI and analytics is key to modernising CRM systems, balancing this with financial wisdom is vital. Investments should be strategically planned, ensuring they align with business goals and offer a tangible return on investment.

This strategic approach, underpinned by strong governance, ensures that CRM technology keeps pace with business needs and contributes significantly to overall growth and customer satisfaction.

In conclusion, maximising CRM technology investments requires a focused strategy encompassing effective governance, the right partnerships, and a balanced approach to technological integration. By adhering to these principles, businesses can leverage CRM technology as a powerful tool for operational efficiency and sustainable growth.

Our technological partners

