




How to Build a Business Case for an Employee Incentive Program That Fully Utilizes Your CRM

From defining the value of your CRM to accounting for hundreds of thousands of dollars in ROI, here is the calculator you need to build a rock-solid business case for implementing an incentive program.

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Why You Should Incentivize More Effective CRM Usage in Your Organization

There's no doubt that CRM systems add substantial value to the organization and growth of a company, which is why they have become a critical tool for synchronizing efforts across departments and eventually driving sales.

And at the heart of a CRM system lies the source of this value: client and prospect data. Data which could translate into millions, if not *billions*, of dollars worth of sales. That means any data that is input incorrectly or maintained improperly throughout the customer lifecycle can quickly add up to become a huge liability to your organization.

But an incentive program that works *within* your CRM platform can boost the value of your client and prospect data, help generate more sales, and grow revenue—all by influencing employees to work more efficiently and accurately.

How to Build Your Business Case for a CRM Incentive Program

Follow along as we show you how to craft a business case you can use to illustrate the value of an incentive program that encourages employees to recapture CRM value and increase your organization's return on investment.

Step 1: Break Down the Value of Your CRM by Function

Your company may be planning to or has already signed a multi-month, if not multi-year, contract with a CRM provider. That can cost anywhere from a few thousand dollars all the way up to a few *hundred* thousand dollars. The upfront investment has already been put down in the hopes that the CRM will reduce overhead costs through new efficiencies and increased throughput on customer acquisition deals.

To truly understand the value of your CRM investment, we need to break down the value of each feature your organization uses.

First, note how much your company's total CRM investment costs per month:

Enter your monthly CRM investment (cost)

\$40,000

Next, take some time to review your CRM functionality and identify the most important features for your sales process. For example, you may identify these six key features:

- Forecast
- Quotes
- Demo
- Opportunity Closed
- Contact Info Updates
- Closed/Lost Reason

Now, take this list and assign a percentage that shows how valuable to your sales process each item is. That may look something like:

Enter your monthly CRM investment (cost)

\$40,000

What is the value (as a percentage of your CRM investment) of each CRM process?

CRM Feature	Value as a percentage (0% if not used)	
Forecast	20%	\$8,000
Quotes	15%	\$6,000
Demo	10%	\$4,000
Opportunity Closed	30%	\$12,000
Contact Info Updates	5%	\$2,000
Closed/Lost Reason	20%	\$8,000
Total	100%	\$40,000

Each percentage should translate into a real dollar amount that shows what portion of the total monthly CRM investment it constitutes.

This method provides a tangible way to visualize which CRM features are most valuable to your organization—which will matter as we start to look into how each is utilized.

Step 2:

Document How Efficiently Each Employee is Using Key CRM Features

How effective is your team at using your CRM platform?

With your newly-created list of important CRM functions, it's time to determine how efficiently employees are using each feature.

Consider all the factors when settling on a utilization percentage, including:

- Does your team always enter CRM data information on time?
- How fast are your salespeople at entering in contacts, leads, and deals?
- How often are inaccuracies entered into the system?
- How long do inaccuracies persist and how are they caught?

What percentage of salespeople are entering data for each process of your CRM?

CRM Process	Utilization (enter percentage)
Forecast	50%
Quotes	70%
Demo	80%
Opportunity Closed	90%
Contact Info Updates	20%
Closed/Lost Reason	30%



Step 3:

Calculate How Underutilization Impacts Value Loss—and How Much Value an Incentive Program Can Return

Once you have a sense of your team's CRM efficiency, you can calculate how much the value of your initial CRM investment is being squandered due to underutilization.

To find your inefficiency percentage, subtract the utilization percentage from 100%. Then, multiply the inefficiency percentage by the monetary value of each feature (which we determined in step 1) to calculate the total value lost per month.

Enter your monthly CRM investment (cost)

\$40,000

What is the value (as a percentage of your CRM investment) of each CRM process?

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Quotes	15%	\$6,000	
Demo	10%	\$4,000	
Opportunity Closed	30%	\$12,000	
Contact Info Updates	5%	\$2,000	
Closed/Lost Reason	20%	\$8,000	
Total	100%	\$40,000	

What percentage of salespeople are entering data for each process of your CRM?

CRM Process	Utilization (enter percentage)	Inefficiency	Value Lost
Forecast	50%	50%	\$4,000
Quotes	70%	30%	\$1,800
Demo	60%	40%	\$1,600
Opportunity Closed	70%	30%	\$3,600
Contact Info Updates	20%	80%	\$1,600
Closed/Lost Reason	30%	70%	\$5,600

		Percentage of CRM value lost	How much money has been lost due to inefficiency
Lost CRM Value	Monthly	45.50%	\$18,200
	Annual		\$218,400

In our example, you'll see that with a \$40,000/month CRM package, \$18,200 is actually being wasted due to inefficiencies and underutilization.

Annually, that adds up to \$218,400 of value left on the table!

But [with an incentive program that drives better employee behaviors and boosts results like Fielo](#), you should be able to reduce inefficiencies by 50%.

So, let's add 50% *back* to those inefficiency percentages to visualize the true value of an employee incentive program:

Monthly cost for CRM Investment	\$40,000
Monthly cost for Fielo incentive program	\$4,000
Incentive rewards budget	\$3,000

What is the value (as a percentage of your CRM investment) of each CRM process?					
CRM Feature	Value as a percentage (0% if not used)				
Forecast	20%	\$8,000			
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Opportunity Closed	30%	\$12,000			
Contact Info Updates	5%	\$2,000			
Closed/Lost Reason	20%	\$8,000			
Total	100%	\$40,000			

What percentage of salespeople are entering data for each process of your CRM?					
CRM Process	Utilization (enter percentage)	Inefficiency	Value lost	Utilization with Fielo	Value
Forecast	50%	50%	\$4,000	75%	\$6,000
Quotes	60%	40%	\$2,400	80%	\$4,800
Demo	50%	50%	\$2,000	75%	\$3,000
Opportunity Closed	70%	30%	\$3,600	85%	\$10,200
Contact Info Updates	40%	60%	\$1,200	70%	\$1,400
Closed/Lost Reason	40%	60%	\$4,800	70%	\$5,600
CRM average utilization	52%			76%	

	Currently	With Fielo
Lost CRM investment / Return on investment	45.00%	22.50%
Lost / Gain investment in dollars	\$18,000	\$9,000
Annual loss / gain in dollars	\$216,000	\$108,000

With Fielo, our example CRM utilization shot up from 52% to 76%. That boosts ROI by an additional 22.5% and cuts the annual value loss in *half*.

Step 4:

Establish How Increased Utilization Grows Closed Deals

Research shows that teams can waste as much as 50% of their time looking for, verifying, and even correcting data. This missing and inaccurate data results in a prolonged sales cycle — compounding costs and taking time away from prospecting and closing deals.

Let's look at an example where an **account manager**, a **solutions architect**, and a **sales engineer** are using a CRM with no incentive program to guide a prospect through the sales process.

Generally, the **account manager** will be oversee progress in the CRM as the prospect goes through stages of the selling process. The **solutions architect** and **sales engineer** will work together to take the prospect through demos and conduct meetings to determine the feasibility of the project and thoroughly review all sales details before moving forward. There is a significant amount of information that needs to be relayed between the **sales engineer** and **solutions architect** to ensure the entire process runs smoothly. When one of them forgets to enter the right data into the CRM, the **account manager** loses track of the progress, critical details and deadlines get missed, and people have to spend their weekends tracking down the information that should have *been right* there on their screen.

But by implementing an incentive program like Fielo to improve CRM usage, this hypothetical team can reduce the number of days required to close a deal and significantly improve its sales output!

Current CRM efficiency	52%
Expected CRM efficiency with Fielo	76%
Current number of days to close a deal	40
Number of salespeople in company	3

	Current	With Fielo
CRM efficiency	52%	76%
Number of days your sales team takes to close a deal	40	30
Number of deals	19.0	25.0

Step 5:

Build a Model to Project Efficiency Gains From an Incentive Program

Following the above step, we'll use the number of days required to close a deal as one of the elements in building a model to project increased efficiency and profits after implementing an incentive program like Fielo.

The first half of the model should show all the resources that go into closing an individual deal *without* an incentive program, such as:

- Average deal size
- Close rate as a percentage
- Average deal close time in days
- Average monthly salary for a salesperson
- The number of salespeople that are involved in a single deal

The second half will adjust those numbers based on the fact that, on average, Fielo increases the number of potential deals, the average deal size, and the number of closed deals by about 20%—accounting for a 173% increase in overall performance.

Average deal size	\$50,000	
Close rate as a percentage	80%	
Average deal close time in days	40	
Average monthly salary for a sales person	\$6,000	
How many sales people are involved on a deal?	2	

	Current	With Fielo
Number of deals per year	19	25
Annual deal profits	\$948,750	\$1,251,099
Percentage of deals that close	80%	96%
Annual salary for salespeople	\$216,000	\$216,000
Increase or decrease in performance	80%	172.80%
Annual profits	\$732,750	\$1,035,099

By implementing an incentive program to compound the benefits of efficient CRM usage, this example company was able to grow its annual profits — all without changing the size of an average deal or its sales team!

Step 6: Determine ROI After Integrating an Incentive Program

Each preceding step has helped you build the case for implementing an incentive program that will increase the utilization of and return on your CRM investment.

But, you're going to encounter one last question before your proposal can be approved: What's it going to cost us?

Fair enough.

To calculate your savings, we've accounted for the average monthly licensing cost to use Fielo as well as the budget for points and rewards within our incentive program. Remember that these numbers can fluctuate depending on your company's requirements, so you'll want to consult with our sales team to get the most accurate information when building your own business case.



Monthly cost for CRM Investment	\$40,000
Monthly cost for Fielo incentive program	\$4,000
Incentive rewards budget	\$3,000

Now, let's see how much these costs impact ROI as the incentive program works its magic on utilization and deal efficiency.

Utilization

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Deal Efficiency

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Expected CRM efficiency with Fielo	76%
Current number of days to close a deal	40
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	Current	With Fielo
CRM efficiency	52%	76%
Number of days your sales team takes to close a deal	40	30
Number of deals	19.0	25.0

Average deal size	\$50,000
Close rate as a percentage	80%
Average deal close time in days	40
Average monthly salary for a sales person	\$6,000
How many sales people are involved on a deal?	2

	Current situation	Incentivized with Fielo
Number of deals per year	19	25
Annual deal profits	\$948,750	\$1,251,099
Percentage of deals that close	80%	96%
Annual salary for salespeople	\$216,000	\$216,000

Increase or decrease in performance		172.80%
Annual profits	\$732,750	\$1,035,099

Even with the cost of an annual Fielo license (\$48,000) and the annual incentive program rewards (\$36,000), the value gained from better CRM utilization (\$108,000) and extra closed deals (\$302,349) **adds up to \$326,349 in additional annual profits!**

How's that for ROI when it comes to workplace software?

Summary

Making a large, long-term investment in CRM comes with the expectation that the value gained will outway the initial implementation cost and monthly fees.

However, as we've explored today, employee habits and usage play a critical role in maintaining that value.

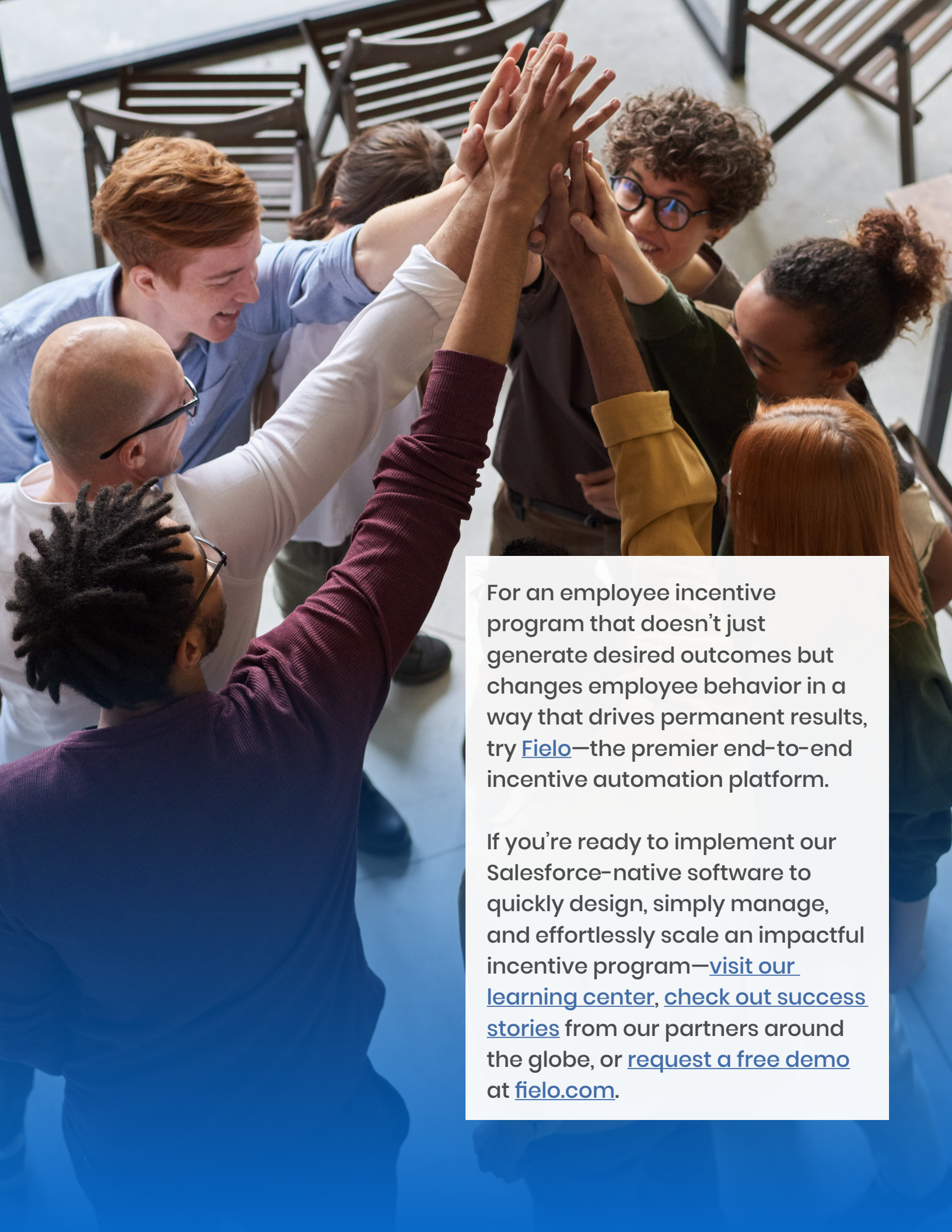
If your CRM platform is not properly utilized, it can result in:

- Significantly lower sales productivity and cost-efficiency due to inaccurate or substandard data.
- Exponential spending to bring data accuracy back to an acceptable level over the course of finding and implementing the right system(s).

Employees don't always fully understand, or care about, the long-term value of keeping sales data up to date. And we get why it can be hard for them to see *any* personal benefit in taking time out of their busy days to maintain a CRM. **This** is *exactly* why you must incentivize better CRM behavior among your employees to bring back lost value and increase performance.

By plugging your own numbers into the models we've provided above, you should have everything you need to build a business case for an incentive program that will boost productivity, shorten the time to close a deal, and ultimately recapture value lost due to inefficiencies.





For an employee incentive program that doesn't just generate desired outcomes but changes employee behavior in a way that drives permanent results, try [Fielo](#)—the premier end-to-end incentive automation platform.

If you're ready to implement our Salesforce-native software to quickly design, simply manage, and effortlessly scale an impactful incentive program—[visit our learning center](#), [check out success stories](#) from our partners around the globe, or [request a free demo](#) at [fielo.com](#).

The background of the image consists of several overlapping, wavy, organic shapes in various shades of blue, ranging from a deep navy blue to a lighter sky blue. These shapes create a sense of movement and depth.

fielo
incentive automation