

Web-based CRM? You Must Be Kidding!



Where does your CRM data reside? Is it safely under your control, or is it out there in the "ether" somewhere?

How you answer those questions could have significant implications for the future of your business!

Many software vendors, aggregators and franchise groups proudly announce that their Customer Relationship Management system is on-line, as if that's some kind of benefit.
But is it?

You should be extremely cautious before committing to such a system. If you look carefully you may find that such systems seem to be designed to benefit them, not you!

Security

One of the claimed benefits of a web-based system is that somehow your data is more "secure" when it's on-line. But how can that be? If you don't know the security arrangements of where your data is held, how can you be sure it is any more secure than being on your own office computer, password-protected, and behind a locked door at night?

If The Pentagon can be hacked, so can your data! Of perhaps more realistic concern is that a web-based system means you must totally trust the staff who have access to your data. Whether they are a third-party software vendor, an aggregator or a franchise head office you need to have confidence that your clients, prospects and referrers will not be passed on to someone else, or used for purposes that you don't wish.

I recently heard of a major franchise group in Australia that gave a client list of one member to another member. The second member wrote new loans for them but later denied it – until the first member visited one of the clients and saw fridge magnets from the second member!

In addition to what your aggregator or group head office may claim is a legitimate use of your data, there is also the threat of rogue employees who might see an opportunity to misuse or sell your client or referrer lists. Why take the risk?

One broker summed it up well: "What I really like about [my system] is that it's NOT on-line! I don't like my database going anywhere out of my control!"

Remote Access

Another claimed benefit of web-based CRM systems is that you can access your data any time you like. But is that really true? And is there a better way?

Who controls the switch? For example, what would happen if you had some kind of dispute with your aggregator or

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Even if you use an independent software supplier can they switch you off? Web-based systems cannot be bought (try asking!). You are totally dependent on the provider and locked in to making payments - forever!

By contrast, there are plenty of ways you can remotely access data that is safely stored on your own office computer. For example, Windows comes with the free Remote Desktop Connection. There's also LogMeIn or RealVNC, and for more sophisticated users there are VPN's or Terminal Services.

In addition, programs such as LoanLinx also offer mobile lenders the ability to create replicas of their data to take away from the office and work off-line, so that no internet connection is required and no third party gets to see your data (unlike some aggregator's systems which synchronise through – and keep copies on – the aggregator's servers).

So there is no reason to suffer a web-hosted system where you are obliged to relinquish full control in order to access your data.

Backing Up

Some brokers like the idea that a web-based system get's backed up every day, so they don't have to worry about it. But, if this fails, who is responsible? What's in the small print?

There are some excellent – and often free – off-line backup systems which brokers can use (as mentioned in a previous article). These will encrypt and back up your data to a site unrelated to lending. Why risk your data and your business when there are such independent facilities offering you all the benefits and none of the risks?

The Missing Bits

Most CRM systems – whether online or not – are just CRM systems. But brokers have greater needs which should be carefully considered. For example, a good system should allow a quick link from the client record to correspondence such as their letters, faxes and emails and this cannot be achieved with a web-based system.

And finally, a good "on premise" system – controlled by you – will allow you to independently check your commissions, collecting some of that \$10M or more sitting in orphan accounts.

Such independence would not be possible if all you have is a "one-sided" system supplied by your aggregator or group head office.

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