Instructions to Decide Between CRM Software and On-Premise CRM Software.

The potential benefit of a customer relationship management (CRM) solution for business has made implementing and integrating CRM solutions almost mandatory. CRM has enabled greater reach and improvement in service delivery to customers and personalization. The CRM can assist in applying analytics to customer data, increase sales, and enhance customer satisfaction. **Sales management software**

The decision to implement CRM is accompanied with the decision to choose the correct approach for implementation. There are various ways of CRM integration. Each has distinct competence and qualities.

The two most widely known approaches are on-premise CRM and Software-as-a-Service (SaaS) CRM.

On-premise CRM: A traditional method of CRM implementation. It involves installing CRM software for the company's in-house data center computers. The entire responsibility of maintenance, control, and management of the application rests on the IT department of the organization. This approach allows control over all facets of the CRM application. This includes the service level agreements, security, and compliance policies. The on-premise approach limits the risk of data inaccessibility to the organization on account of connectivity issues with the CRM vendor. On-premises CRM implementation effectively handles issues related to security, reliability, and data migration.

Software-as-a-Service (SaaS) CRM: SaaS CRM is being widely adopted by organizations because on-premise CRM are becoming redundant and obsolete in capability and requirement handling. They are either integrating poorly with the other enterprise systems or are unable to handle the organic growth of the organization. This has necessitated the need to shift towards the SaaS model.

The SaaS CRM model involves implementing a web-based CRM software from a CRM vendor. The CRM software is configured either by the enterprise's IT department or a service provider and maintained by the SaaS vendor. The approach is easy to maintain, cost efficient, and accommodates the dynamic nature of fluctuating CRM requirements.

Which Approach to Implement?

There are certain factors that can help an organization decide the correct approach of CRM implementation. They have been discussed below:

Implementation Cost: On-premises implementation is expensive due to capital investment in hardware, license agreement fees, manpower, and facility cost. On the other hand, SaaS CRM provides a cost advantage over on-premises because the organization is required to pay a monthly or annual subscription charge for SaaS purchase. The level of involvement of the in-house IT staff for deployment and integration is lower for SaaS as compared to on-premises CRM implementation. SaaS model is beneficial for a restricted budget. Even if the budget is flexible, and on-site implementation is done, in the long run, the cost of maintenance is high compared to cloud CRM which involves only subscription fees. Cost advantage offered by cloud CRM depends on the volume of users, as the price is linked to cost-per-seat. The cost of SaaS CRM increases if the seats (users) rise. Therefore, the overall cost advantage, with respect to operational efficiency, needs to be calculated to decide the most appropriate model for the enterprise.

Scheduled Maintenance: An on-site CRM deployment allows the flexibility to manage maintenance as per the organization's requirements. SaaS deployment restricts such flexibility because upgrades and maintenance occur as per the choice of the CRM service provider. An unscheduled upgrade during an important business operation might create the problem.

Advanced Expertise: The IT personnel of the organization might not possess the advanced capabilities to handle and maintain crucial IT operations associated with the CRM solution. A SaaS model allows a

software service provider, having an advanced expertise to handle such issues, thereby allowing the IT team to focus on the core operational area

Customization and Upgrades: SaaS CRM allows multiple users to share software solutions, thereby restricting the scope of customization. Some degree of customization is allowed to users, but the nature of SaaS limits advanced customization as per the user's requirements. Organizations that have customization requirements should opt for on-premises CRM solution.Ease of standardization makes SaaS model the desired choice.

Flexibility: SaaS model allows greater flexibility. It allows scalability in a short time, compared to on-site CRM deployment, which is more tightly integrated and does not scale up as per the corporate growth.

Having said this, tight integration and security might be a top concern for certain organizations that would otherwise not be very comfortable with huge crucial data migration across the internet. For such enterprise, on-site CRM deployment is more **favorable**.

Accessibility: SaaS CRM is delivered through a standard browser that allows accessibility through various virtual devices such as smartphone, tablet etc. On-site CRM solution restricts mobilization and multi-device accessibility. Since cloud CRM is dependent on internet connectivity, accessibility is hampered during downtime. If the agent is in an area of limited wireless service, this results in operational backlog. An on-premise CRM solution does not face operational inefficiency due to accessibility or poor connectivity.

The choice of CRM model depends on the unique business requirements, organizational structure, and nature of business operation. It is necessary to determine the requirements in terms of implementation cost, ease of maintenance, upgrades, flexibility, accessibility, and customization. Determining the priorities and goals of the company helps in making the best possible implementation choice. This delivers the best results and optimum benefits to the company.