



## CASE STUDY

## COLONIAL SAW

# Colonial Saw Shows CRM Works for Smaller Companies, Too



**Company Name**  
Colonial Saw

**Industry**  
wood/metal-working

**Web site**  
www.csaw.com

**Solutions Partner**  
Beringer Associates

**Solution**  
GoldMine® FrontOffice 2000

- Business Benefits**
- Centralization of data on over 30,000 companies from a dozen databases into one GoldMine database
  - Integration with company's legacy distribution management system
  - Interconnection of all departments within the company
  - Outside sales force can now access centralized information quickly and easily

**Quick Stats**  
Employees: ??  
Users: ??  
Operating Environment: ??  
Add-ons: Prophet 21Commerce Center

For many, CRM (Customer Relationship Management) software is viewed as complex and difficult – a vast undertaking best left to large organizations who can afford to tie up lots of money and top IT personnel for however long it takes to reap consistent benefits.

Many organizations have lived out this exact scenario. According to a 2001 Gartner report, it's not unusual for large businesses to spend between \$30 and 90 million over a three-year period investing in technology, labor, consulting services, and training related to CRM initiatives. Even with this level of investment, there's no guarantee of success. Estimates of failed CRM implementations by some experts range as high as 70 to 90%.

Yet plenty of small to medium-sized companies (less than \$500 million in sales, fewer than 5,000 employees) are thriving, due to productive, focused and cost-effective CRM implementations as is illustrated by the real-world success of Colonial Saw.

Based in Kingston, Massachusetts, Colonial Saw (www.csaw.com) is a 50-year-old vendor of precision machine tools for the wood products and metal-working industries. Their customers manufacture cutting tools, knives or saws; operate sharpening shops; or manage in-house tool service facilities. They all depend on Colonial Saw to provide state-of-the-art technology and service to stay competitive.

Rapid growth in the late 90's, which saw annual sales more than double from \$5 million to \$12 million, was outstripping Colonial Saw's capacity to keep up with customer demands and deliver top-rate service. A big part of the problem was that too much valuable customer information was falling through the cracks. Information such as sales leads, equipment quotes, and service status reports – the lifeblood of any business – wasn't being put into useful form and acted upon.

Often employees didn't know key information even existed, and other times it was simply lost.

Like many small to mid-sized businesses, Colonial had valuable information scattered throughout the company in at least a dozen stand-alone databases, each dedicated to serving a specific function or department. Employees could not access or share cross-functional information that could make them more responsive and productive. And customers weren't always getting the attention they needed.

Colonial Saw had been relying first on ACT!®, a single-user, sales automation product, and then Microsoft® Outlook® and Exchange Server, which provided rudimentary contact management but lacked the integrated customer management capabilities they were seeking.

For that need, Colonial Saw chose GoldMine® FrontOffice 2000 from FrontRange Solutions of Colorado Springs, Colorado. According to David Rakauskas, Vice President of Colonial Saw: "Outlook did not handle sales functionality such as forecasting and analysis, and it did not handle technical and customer support activities as well as GoldMine. What we needed was a CRM system like GoldMine that was built for workgroups rather than individuals."

To implement GoldMine, Colonial Saw sought out Beringer Associates (www.beringer.net), a GoldMine Premier Solutions Partner specializing in CRM solutions for the wholesale distribution industry. The resulting implementation, brought online in September, 2001, focused on two key areas:

- The data dispersed over a dozen databases was consolidated in a centralized GoldMine database. The information Colonial had collected on almost 30,000 companies, including customers, dealers, prospects,



With 20 years of business information in their GoldMine database, Colonial Saw is in a position to track which machines a customer has purchased (or not purchased) over time. Armed with this, they can send service notifications or target direct mailers for specific machines.

vendors and competitors, could now be easily segmented and tracked, and initiatives and interactions better managed.

- GoldMine was integrated with Colonial Saw's legacy distribution management system, the Prophet 21 Commerce Center, from Prophet 21, Inc. of Yardley, PA. This integration supplemented existing Profit 21 information such as order placements and payment records, with GoldMine capabilities such as prospecting, scheduling and customer service. "The idea," according to David Buggy, Vice President of Sales and Marketing for Beringer Associates, "was to bring historical information from Profit 21 into GoldMine, where it's integrated and easy to view. The result is a 360-degree view of the customer."

This complete view of the customer, now readily available throughout the company via GoldMine, is the real payoff for Colonial Saw. Internally, it ties the front and back office together, bringing sales and marketing into close contact for the first time with departments that traditionally do not face customers, such as accounting and warehousing. A service technician, for example, noticing that a customer is considering a \$100,000 machine, will take extra care to impress the customer.

The outside sales force realized immediate dividends. Previously they were often on the road and out of touch with back-office interactions with customers. Now, anytime, anywhere, they can access centralized information that makes them far more effective.

For example, valuable leads that were lost in pre-GoldMine days are turning up again, and new leads don't get lost. Leads resulting from customer service inquiries about accessories or upgrades are automatically correlated. Open quotations from the Profit 21 system are delivered daily to the GoldMine system where they are automatically added to the sales forecast.

GoldMine helps accelerate sales cycles with timely reminders to follow up with calls. This is significant because sales cycles average

from six months to two years, starting with a trade show contact. Without prompts and alerts, it's easy to delay or forget to make a call.

Account intelligence helps sales personnel size up customers and decide the best way to approach them. It also helps them avoid awkward situations. As David Rakauskas puts it: "Instead of blindly stepping into a tornado, our sales person can click on the "Projects" tab (in GoldMine) and get complete, up-to-date account information ahead of time."

Marketing is another area to realize significant dividends. David Buggy points out that, without CRM help, many companies shy away from marketing campaigns completely, or if they do proceed, they can't measure their effectiveness.

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*– David Rakauskas  
Vice President, Colonial Saw:*

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The GoldMine solution changes this dynamic by improving execution and follow-through. Literature requests, for instance, are automatically fulfilled. Colonial can track its





marketing campaigns from a single place and quickly produce professional direct mail pieces. Suddenly there are plausible answers to questions like: How many leads did we get from this source (such as a trade show)? How many resulted in sales?

With 20 years of business information in their GoldMine database, Colonial Saw is in a position to track which machines a customer has purchased (or *not* purchased) over time. Armed with this, they can send service notifications or target direct mailers for specific machines. For example, a mailer could be sent to all customers who own a certain machine that is 10 years old and has a 15-year lifespan. Customers appreciate dealing with a company that knows their installation so well and uses detailed, live information to help them maintain it.

Despite clear benefits to Colonial Saw, Mr. Buggy points out the difficulty of predicting or calculating return on investment numbers for a CRM system. Typically the available baseline information doesn't exist, is of poor quality, or is difficult to project to a particular situation. Beringer Associates bases its ROI predictions on examples of how similar implementations have fared.

One GoldMine benefit that particularly impressed Mr. Rakauskas was the support costs of GoldMine. He has not been forced to find someone with unusual and costly MIS expertise to make it work. He performs day-to-day operations for Colonial Saw himself, and that includes running GoldMine.

Mr. Rakauskas also liked the modularity of GoldMine, allowing him to reduce risk and implement the full system on his schedule, by adding new modules incrementally. He says it took only a couple of months to get GoldMine operating the way he wanted it, compared with implementations that can take years in some large corporations.

Now that the system is up and running, he believes GoldMine has bolstered Colonial Saw's competitive edge in sales force automation and technical support. Mr. Rakauskas credits GoldMine with smoothing out the affects of the economic slowdown on Colonial Saw's business. He adds: "Looking at overall performance since we

implemented GoldMine, we've increased the number of our customers from 3000 to 3600 and the number of prospects from 30,000 to 38,000."

Mr. Buggy predicts that companies of this size that have no CRM capability will lose the leverage of their valuable business information and put themselves at a disadvantage. The good news is that the antidote – a well-focused, cost-effective, and modular CRM implementation – is well within their grasp, and they need only look to the experience of Colonial Saw for proof.

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