NUCLEUS
RESEARCH

WHY MANUFACTURERS CHOOSE SUGARCRM

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THE BOTTOM LINE

Nucleus interviewed SugarCRM customers in the manufacturing vertical to better understand why they chose the solution over other competitors in the CRM space. Users reported that they opted for Sugar due its process automation capabilities, the platform's adaptability and scalability, and its ability to help strengthen customer relationships. Nucleus found that these features translate to benefits including an 11 percent average revenue increase, a 17 percent improvement in employee productivity, and a 32 percent reduction in software customization costs. These benefits highlight Sugar's competitive advantage for mid-market manufacturing firms, and demonstrate its effectiveness in addressing the unique challenges of this sector.

OVERVIEW

Over the last few years, organizations have increasingly sought industry-specific software solutions that offer tailored functionality without necessitating extensive custom development. Manufacturing organizations, in particular, have unique needs that make a specialized CRM solution essential. These needs include managing complex supply chains, coordinating production schedules, and maintaining quality control standards. A CRM solution that deeply integrates with a manufacturer's enterprise resource planning (ERP) system is crucial for bridging front and back office operations and ensuring that customer orders, inventory levels, and production schedules are in sync. This integration provides a comprehensive view of the entire operation, from customer interactions to manufacturing processes, enabling more accurate demand forecasting, efficient resource allocation, and timely delivery of products. By eliminating the need for extensive customization, such CRM solutions empower manufacturing organizations to focus on optimizing their operations and achieving strategic objectives, fostering greater efficiency and competitiveness in the market.

SugarCRM improves revenue generation by 11 percent

WHY VENDOR

In conversations with end users, Nucleus identified the three primary reasons why manufacturing organizations chose SugarCRM:

PROCESS AUTOMATION

SugarCRM offers purpose-built capabilities for automating the complex operational workflows essential in manufacturing. The platform includes automation tools that facilitate the management of repetitive tasks such as order processing, inventory management, and customer onboarding. SugarBPM, the vendor's business process management tool, enables manufacturers to create customized workflows that are tailored to their specific operational requirements. This automation minimizes the need for manual intervention, reduces the likelihood of errors, and enables staff to concentrate on more strategic tasks.

PLATFORM ADAPTABILITY AND SCALABILITY

Manufacturing organizations often encounter fluctuating market demands and regulatory changes, which require a CRM system that is adaptable and scalable. SugarCRM's architecture supports extensive customization to meet diverse business needs with minimal coding, making it suitable for manufacturers of varying sizes and technical prowess. The scalability of SugarCRM ensures that it can grow in relation with an organization, accommodating increasing complexity without performance degradation. Additionally, SugarCRM integrates effectively with other critical systems, including ERP and supply chain management tools, to foster a unified technology environment.

IMPROVED CUSTOMER EXPERIENCES

Delivering elevated customer experiences is crucial in the competitive manufacturing industry. SugarCRM addresses this need by enhancing customer interactions through its integrated view of customer data and advanced analytics. The platform consolidates information from multiple customer touchpoints across both CRM and ERP systems, providing a comprehensive profile of customer activities and preferences. This integration enables manufacturers to customize their interactions based on detailed insights to improve customer engagement and satisfaction. In addition, SugarCRM's analytical tools offer predictive insights into customer needs and behaviors, supporting proactive customer service and retention strategies.

KEY BENEFIT AREAS

Nucleus analyzed the experiences of several SugarCRM users in the manufacturing space over the past two years and identified common benefits including increased revenue, improved employee productivity, and reduced customization costs.

- **Increased Revenue**. Nucleus found that SugarCRM helps manufacturers increase revenue generation by an average of 11 percent. This improvement was primarily driven by Sugar's ability to provide users with comprehensive customer data and actionable insights, enabling sales teams to identify and capitalize on cross-selling and upselling opportunities more effectively. Additionally, SugarCRM's analytics solution that pulls data from both CRM and ERP systems help predict customer buying behaviors, enabling manufacturers to tailor their sales strategies to meet anticipated demands. In addition, Nucleus found that Sugar customers using sales-I, a recently announced partnership to strengthen Sugar's sales intelligence capabilities, improved win rates by an average of eight percent, further contributing to increased revenue generation.

- **Improved Employee Productivity**. SugarCRM improves employee productivity by an average of 17 percent through its intuitive interface and automation capabilities. By automating routine tasks such as data entry, follow-up scheduling, and customer communications, SugarCRM enables users to focus on more complex and value-added activities. Specifically, SugarBPM facilitates the design and execution of customized workflows tailored to unique manufacturing processes. This automation capability ensures that processes are executed consistently and efficiently, reducing the potential for human error and enhancing overall operational effectiveness.

- **Reduced Customization Costs**. Nucleus found that SugarCRM helps manufacturing organizations reduce customization and integration costs by as much as 32 percent compared to modifying alternative CRM solutions to meet specific manufacturing needs. SugarCRM's platform inherently includes numerous out-of-the-box features that are tailored for manufacturing-specific tasks, such as inventory management, order processing, and client relationship tracking. These pre-built capabilities reduce the need for extensive customizations and accelerates the platform's time to value. Additionally, the ease of customization and the extensive configurability of SugarCRM reduce the burden on IT departments, as less technical resource allocation and lower external consultancy costs are required to adapt the system to specific business processes.

LOOKING AHEAD

As CRM technology matures, vendors in the market face the challenge of differentiation, competing to offer distinctive features and capabilities that can attract businesses away from their competitors. Sugar has made a series of investments and partnerships to strengthen its positioning in the mid-market manufacturing space. The introduction of Generative AI capabilities, now generally available, are designed to be approachable and accessible to the mid-market, ensuring that smaller to medium-sized organizations can justify the cost of the new technology to optimize their customer and operational strategies. SugarCRM's acquisition of Sales-i also aligns with this strategic direction, offering enhanced sales intelligence that supports precise customer engagement and improved sales outcomes. For Sugar customers, these strategic investments and technological advancements provide increased functionality in a more accessible CRM system that enhances their operational efficiency and customer relationships. The integration of Generative AI capabilities and enhanced sales intelligence tools enables organizations to predict and meet customer needs more effectively, driving improved business outcomes in an increasingly crowded market.