

ENGINEERING
INDUSTRY
EDITION

THE 2021 STATE OF CRM IN PROFESSIONAL SERVICES

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EXECUTIVE SUMMARY

This white paper is a continuation of similar studies conducted by Ackert Inc. since 2015. It examines trends in CRM utilization based on the responses of 175 U.S. engineering firms.

Key Findings:

Nearly all engineering firms (98%) have a CRM platform.

Engineers use CRM at only 10% of engineering firms.

Only about 1 in 10 engineering firms rate their CRM as being highly effective for pipeline management.

Fewer than half of engineers with access to CRM use it regularly for sales pipeline management.

6 out of 10 engineers still use Word documents instead of CRM, and nearly as many still use Excel spreadsheets.

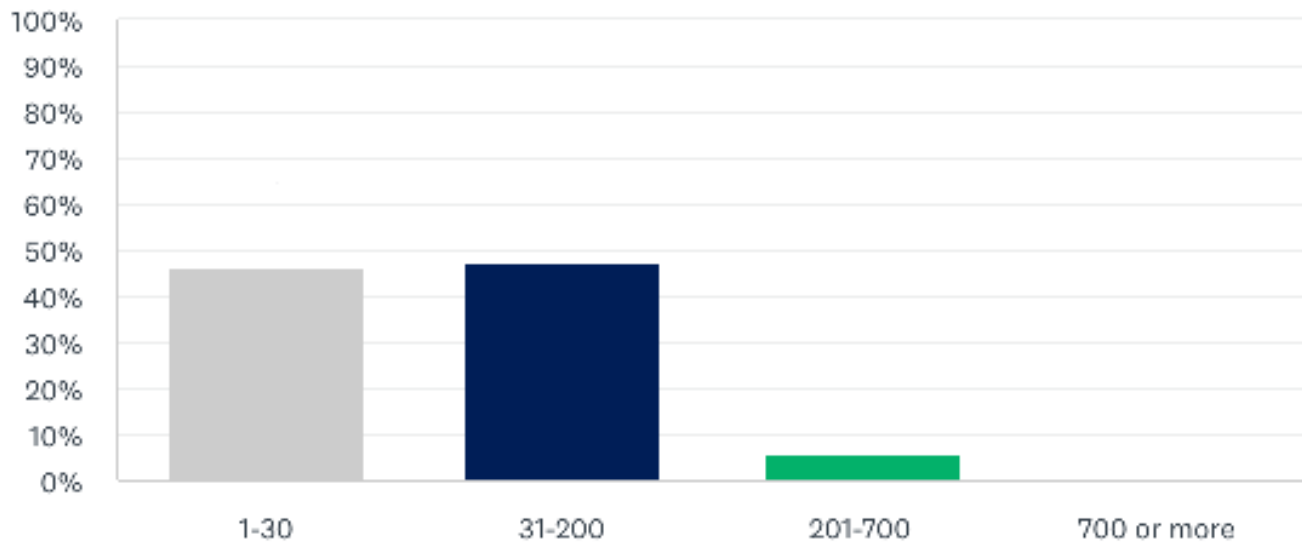
Engineering firm marketing/business development leaders lack an understanding of accountability's critical role in ensuring engineers' CRM adoption.

More than 6 out of 10 engineering firms report engineers' lack of technology they need to be effective as their top business development challenge.

DATA ANALYSIS

We asked 175 primarily U.S.-based engineering firm marketing and business development professionals to answer a series of questions regarding demographics, technology platforms, budget allocations, user adoption, ROI, integration, support services, and business development tracking and accountability initiatives.

Data Analysis

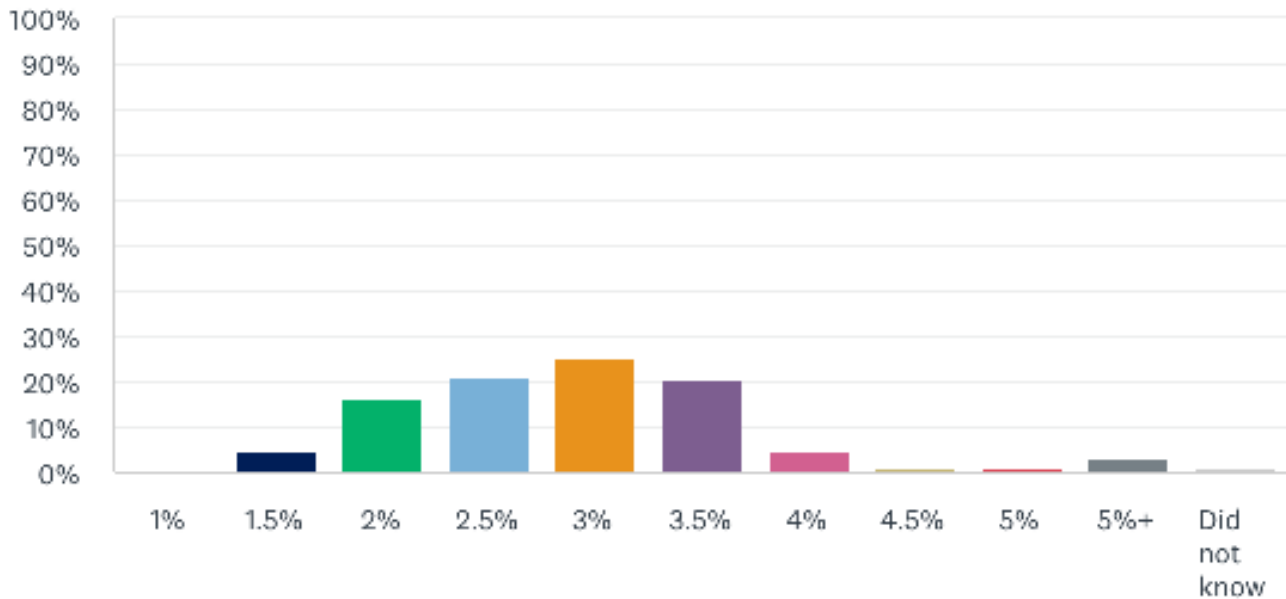


Survey respondents represented firms of all sizes. We asked them to quantify the size of their firms based on the number of engineers. 93% of firms have between one and 200 (46% have 1-30, and 47% have 31-200). 6% of firms have 201-700 engineers, and one firm surveyed has 700 or more.

MARKETING BUDGET

We asked respondents to quantify the size of their marketing budgets as a percentage of firm revenue, excluding salaries. The response to this question indicates whether a firm can afford or how much of an investment it can make in CRM.

Marketing Budget

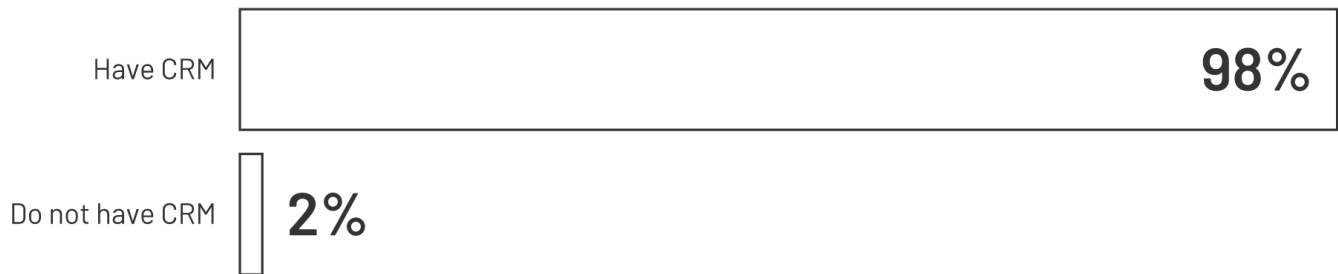


The greatest number (25%) of engineering firms have marketing budgets of 3%. More than eight out of 10 (84%) have marketing budgets between 2% and 3.5%.

HOW MANY ENGINEERING FIRMS HAVE CRM

According to respondents, nearly all engineering firms (98%) have CRM. Just 2% say they do not because their firms do not need it.

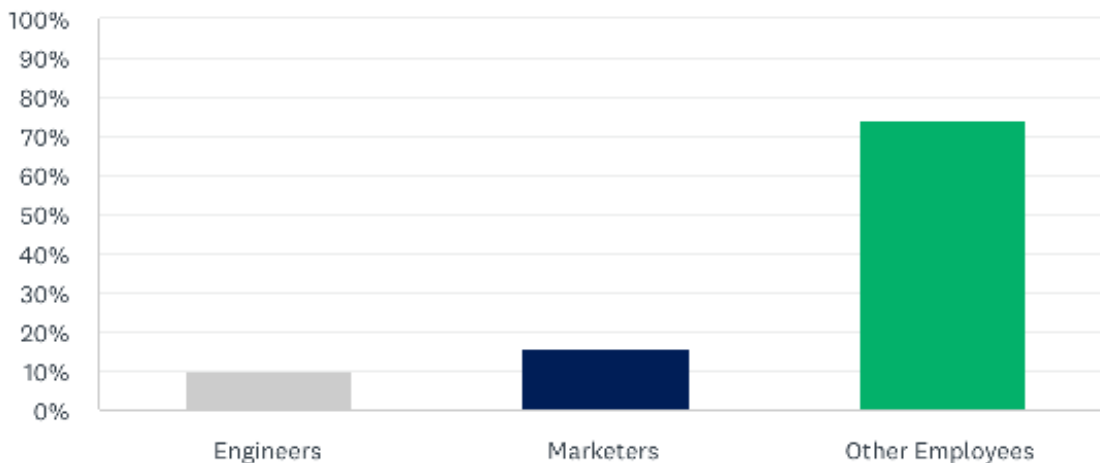
How Many Engineering Firms Have CRM



HOW MANY ENGINEERS USE CRM

We asked respondents to identify the CRM users in their firms, engineers, marketers, or other employees. Only one in 10 firms report that engineers are CRM users. Marketers are the CRM users at 16% of engineering firms, and the remainder are other employees.

How Many Engineers Use CRM



HOW MUCH ENGINEERING FIRMS SPEND ON CRM IN A TYPICAL YEAR

Engineering firms devote a significant amount of money to their CRMs each year. 28% of engineering firms surveyed spend between 75,000 and 150,000 U.S. dollars per year on their CRM platform, and nearly one out of five (19%) spends between \$150,000 and half a million dollars. Around one in four firms (24%) spends \$10,000-\$25,000.

How Much Firms Spend on CRM



Dianne Lee

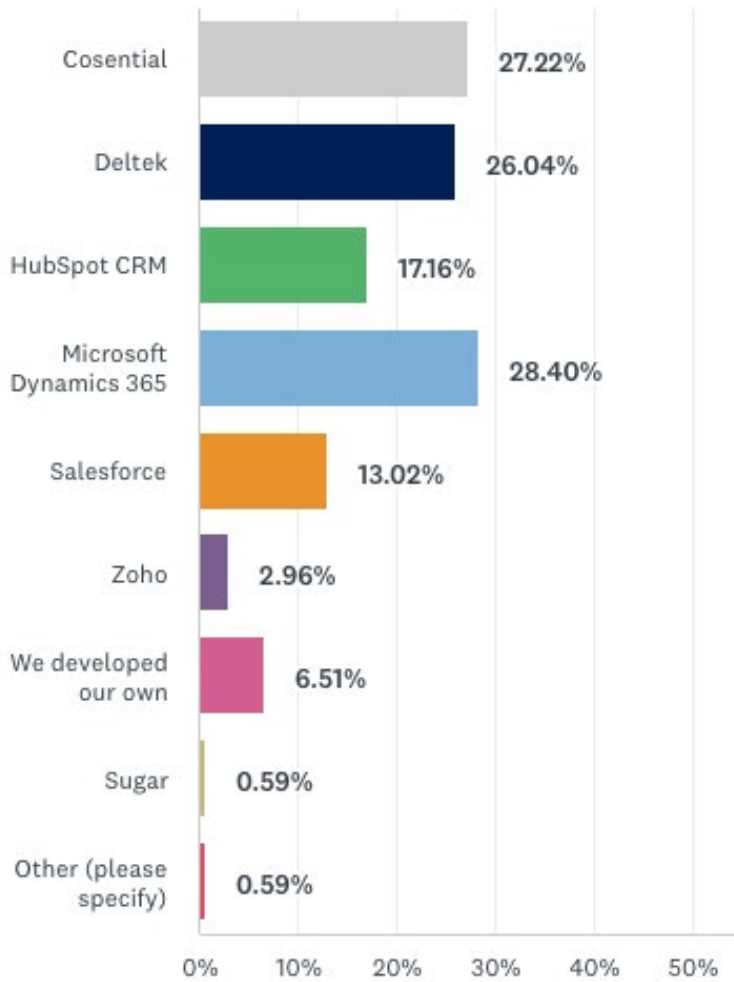
Architecture, Engineering and Construction Industry Professional

It's not surprising that firms that spend less on an effective CRM system in support of their marketing and business development efforts tend to have fewer prospects or targets in their pipelines. In addition, the lack of a user-friendly and functional CRM platform increases the chances of working in silos and creates a disconnect amongst key team members, which ultimately decreases overall productivity and focus.

When the team responsible for generating new contracts is unable to see what's coming down the pipeline, they are then forced to be reactive to the market. This lends itself to a domino effect of being less prepared to respond to RFPs and RFQs, which directly creates an environment of disorganization and chaos. Teams that are unprepared generally end up with a shotgun approach to their business development and marketing efforts, which can be futile, especially in such a competitive and saturated market.

TYPES OF CRMS AND ADD-ON PLATFORMS

Types of CRM Platforms and Add-Ons



Of 16 types of CRMs and add-ons, the platform used most by engineering firms is Microsoft Dynamics 365 (28%), followed closely by Cosential (27%) and Deltek (26%). Judging by the responses, it is common for engineering firms to have multiple CRM platforms and add-ons.

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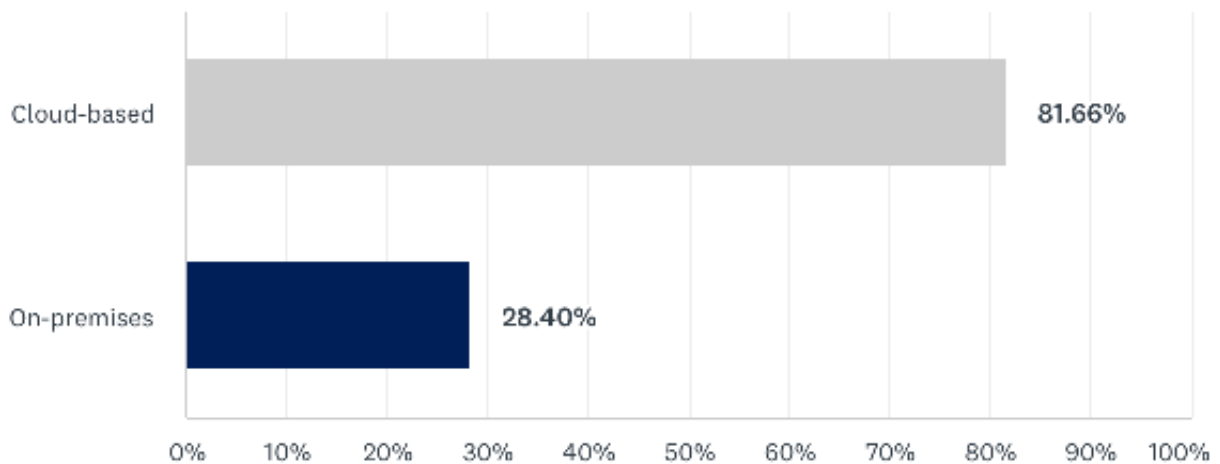


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CLOUD-BASED VS. ON-PREMISE CRM SYSTEMS

We then asked whether their engineering firms' CRM is cloud-based or on-premises. More than eight of 10 firms (82%) report using a cloud-based CRM, which is not surprising. However, 28% report they use an on-premises CRM, indicating one in 10 engineering firms uses both a cloud-based and on-premises CRM platform.

Cloud-Based vs On-Premise CRM



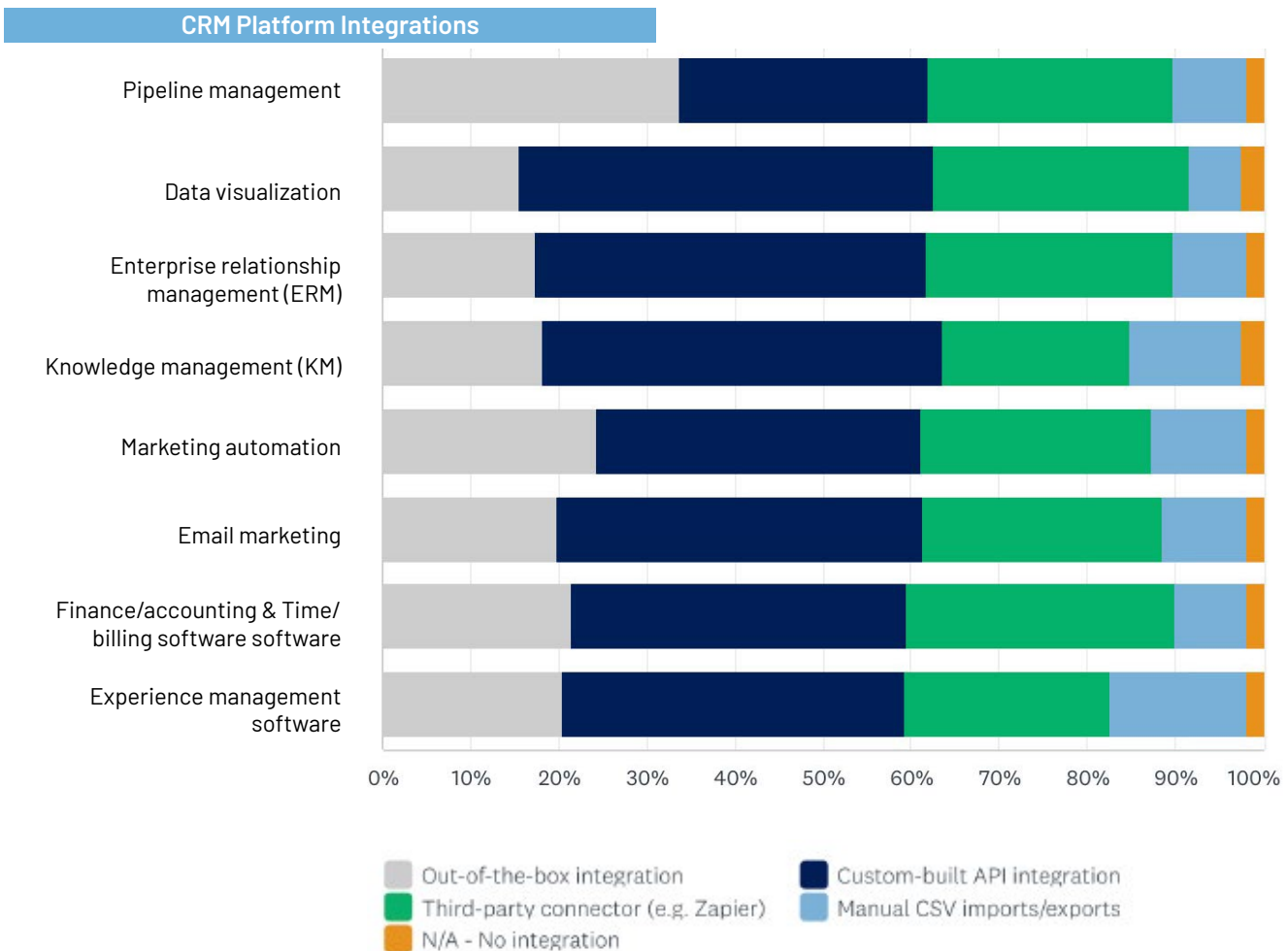
1 in 10 engineering firms uses both a cloud-based and on-premises CRM platform.

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CRM PLATFORM INTEGRATIONS

Of eight types of CRM software integrations, an average of 98% of engineering firms surveyed has every platform.

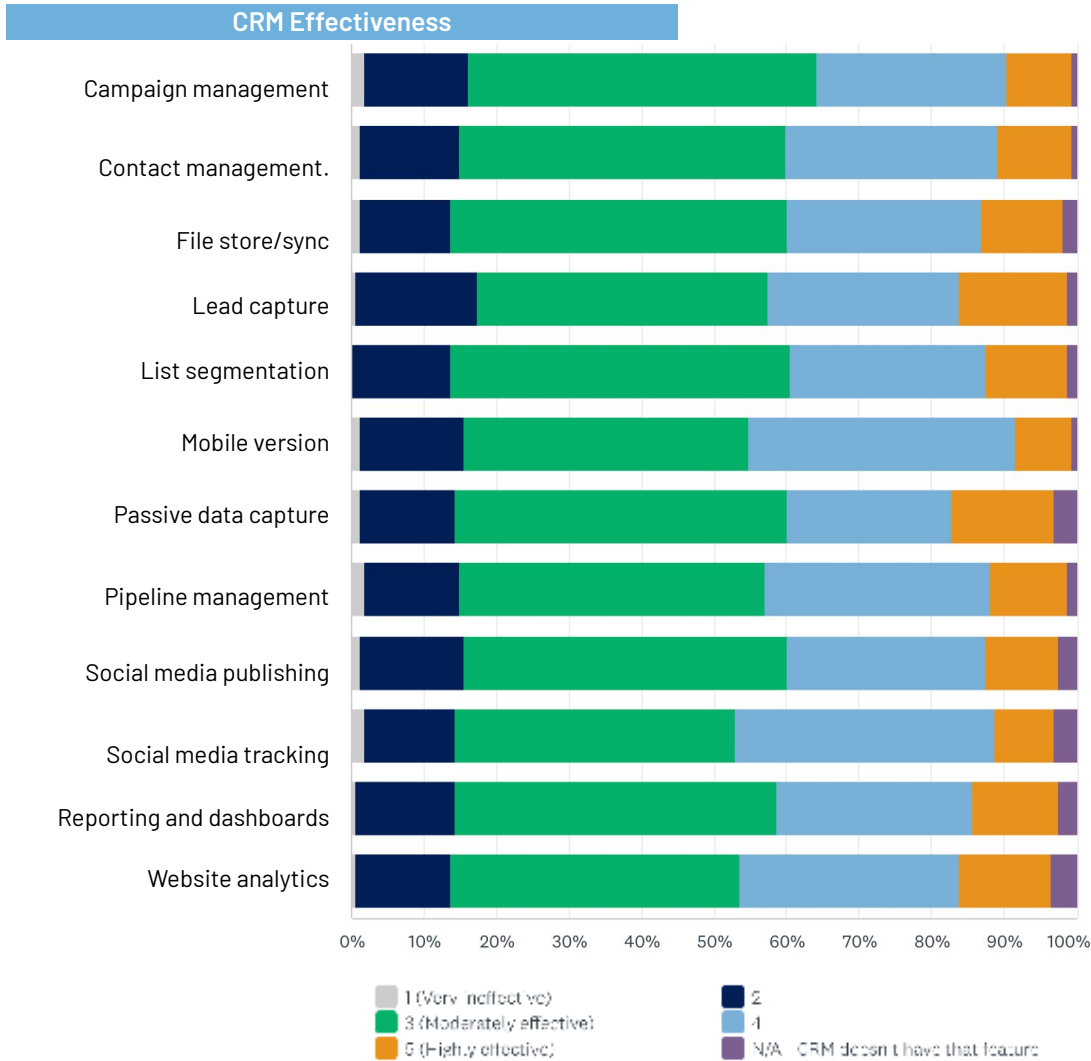
We asked respondents what type of integration their firms use for each platform: out-of-the-box, custom-built API, or third-party connector. Four out of 10 firms use custom-built API integrations for each platform.



On average of 27% of engineering firms integrate platforms with third-party connectors like Zapier, and an average of 21% use out-of-the-box integrations for each platform.

CRM EFFECTIVENESS

We asked respondents to rate the effectiveness of their CRM tool on a scale of 1-5 (1 being very ineffective and 5 being highly effective) for each of 12 essential marketing/business development functions. Overall, an average of 43% of engineering firms rate their CRMs as only moderately effective across the 12 functions. Only 11% of firms rate their CRM highly effective across marketing/business development functions. Perhaps not surprisingly, the functions the highest percentage of firms rate their CRMs highly effective are lead capture (15%) and passive data capture (14%).



Only 11% of firms rate their CRM highly effective across marketing/business development functions.



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HOW MANY ENGINEERS USE CRM FOR SALES PIPELINE MANAGEMENT

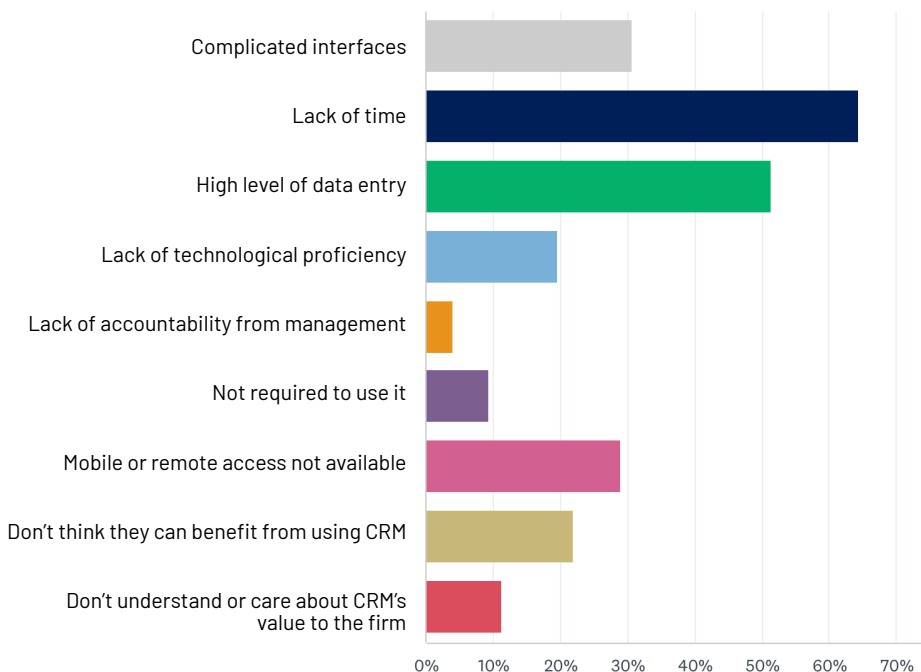
Next, the survey asked of the engineers who use CRM at their firms what percentage regularly utilize it for sales pipeline management (defined as at least once every two weeks). According to respondents, engineers at 55% of firms use it regularly for pipeline management.

Considering engineers are CRM users at 10% of firms, engineers use CRM regularly for sales pipeline management at just between five and six percent of firms.

CRM ADOPTION CHALLENGES

For those engineers who do not utilize CRM for business development at their engineering firms, the survey asked respondents to select the top three of eight factors they believe contribute to low adoption. Perhaps not surprising to marketers and business developers, more than six out of 10 engineering firms (65%) cite lack of time as their leading CRM adoption challenge. More than half (51%) cite the high level of data entry required by CRMs.

CRM Adoption Challenges

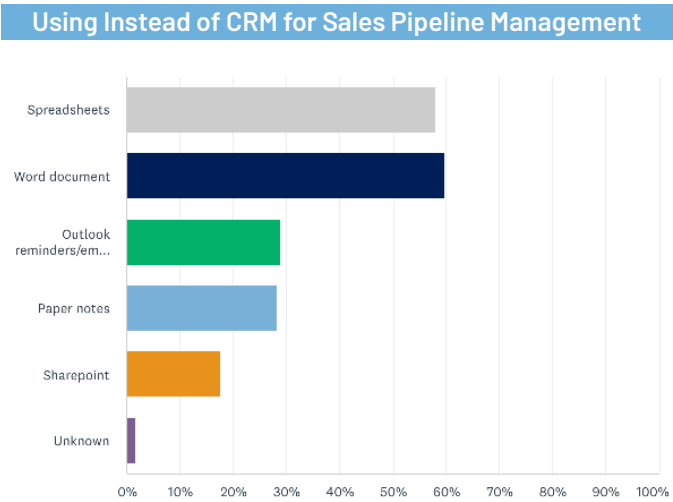


The third most-cited challenge is CRMs' complicated interfaces, identified by 31% of engineering firms. The least cited factor engineering firms cite as impeding CRM adoption is lack of accountability from management (4%).

WHAT ENGINEERS WHO DON'T USE CRM FOR SALES PIPELINE MANAGEMENT USE INSTEAD

According to our survey, despite all the press about how engineering firms boosted their technology adoption due to the pandemic, nearly six out of 10 engineers still use Word documents and Excel spreadsheets instead of CRM to track business development (60% and 58%, respectively).

Nearly a third of engineers still use Outlook reminders/emails and paper notes for sales pipeline management (29% and 28%, respectively).



Dianne Lee

Architecture, Engineering and Construction Industry Professional

The data reflected in the CRM adoption challenges is a clear indication of the realities of the lack of importance and utilization in the industry. The numbers further validate why so many shy from using a CRM system. A majority of the CRM systems in the market are seen as clunky and cumbersome. The most utilized CRM systems instantly create a platform that is an effective tool to capture notes and important pieces of information and allow the team to anticipate and prepare for the future. It is important to note that several elements need to exist in order for a CRM platform to work for everyone on the team, technical and non-technical. It first starts with a cultural shift, requiring team members to embrace a client relationship-first mindset, followed by a CRM system that is intuitive, increases efficiency, is accessible, and enhances an environment of collaboration.

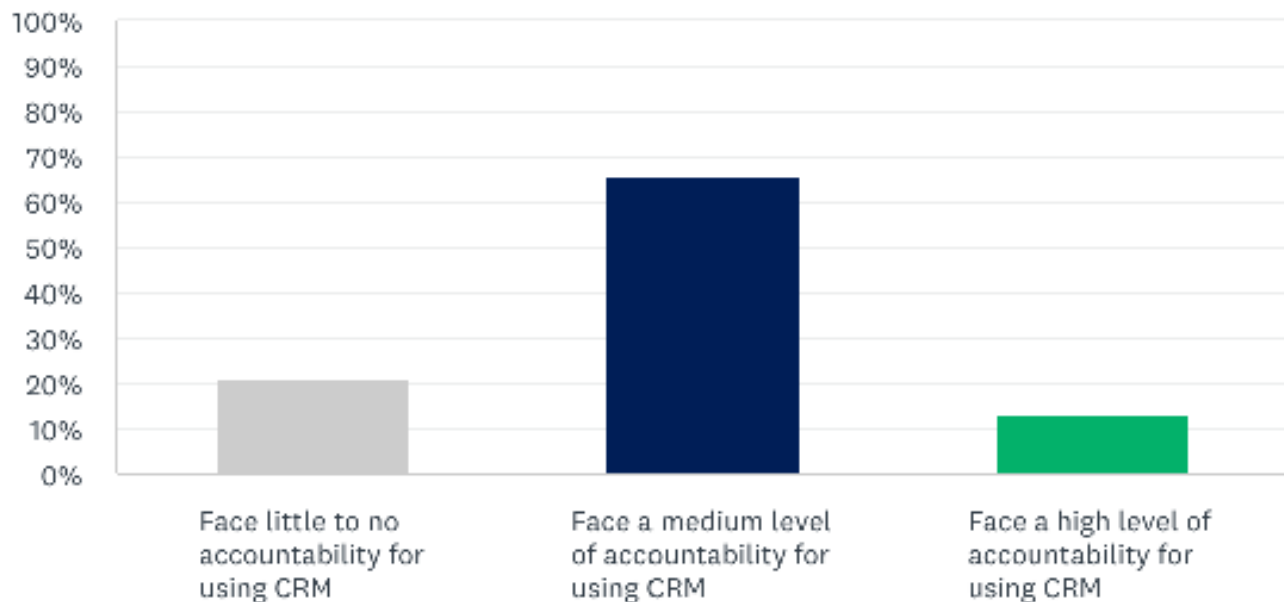
While the industry has made substantial progress in the adoption and utilization of CRM systems, more could be done. The pandemic has certainly shown us how having the right technology can help facilitate continued conversations and project execution with our clients.

As an industry, we continue to learn, evolve, and transition sometimes out of necessity. We continue to explore and embrace the benefits of collaborative tools, sharing of documents, information, and activity tracking to achieve a collective goal.

ENGINEERS' ACCOUNTABILITY FOR USING CRM

When we asked respondents earlier in the survey to identify the top three factors contributing to low CRM user adoption at their engineering firms, just 4% cited lack of accountability. But in decades of work with professional services firms, we have witnessed how critical it is for leadership to have accountability measures in place for engineers to optimize a business development program's success.

Engineers' Accountability for Using CRM

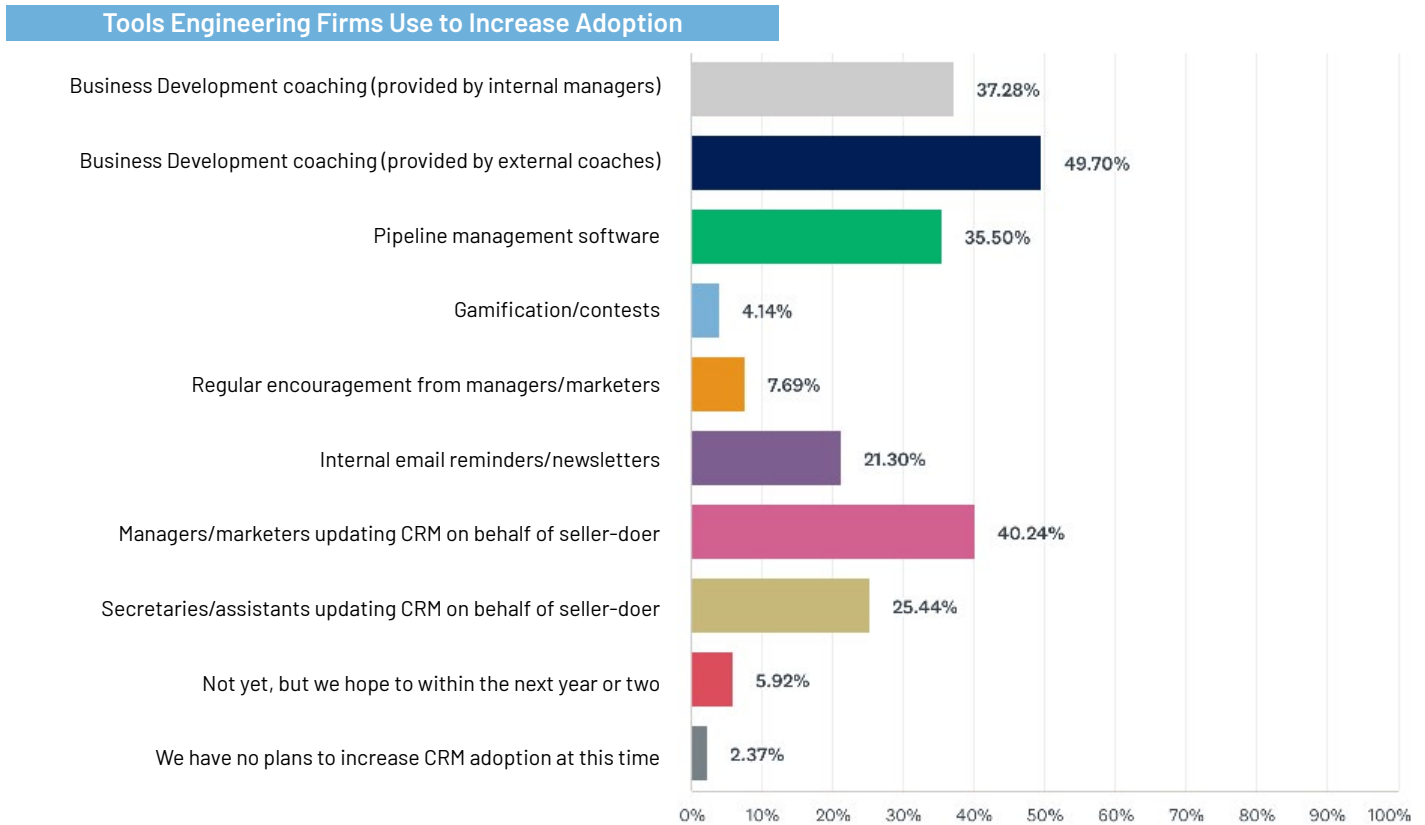


To further explore to what extent engineering firms hold engineers accountable, we asked respondents to describe, based on a scale of 1 to 5, the level of accountability firms hold them to for using CRM regularly for tracking business development. Engineers face a medium level of accountability for using CRM regularly for business development at two-thirds of firms (66%) and little to no accountability at more than one in five firms (21%). Only 13% of firms hold engineers to a high level of accountability. Few engineering firm leaders hold engineers to a high level of accountability for using CRM regularly for business development. Yet only 4% of firms acknowledge lack of accountability as a leading CRM adoption challenge.

It seems that firm marketing/business development leaders may lack an understanding of the critical role accountability makes in ensuring engineers' CRM user adoption.

TOOLS AND INITIATIVES ENGINEERING FIRMS USE TO INCREASE CRM ADOPTION

In addition to accountability, firms can implement many other tools and initiatives to boost CRM user adoption among engineers. We asked respondents what their departments have used from a list of eight options.



Half of firms use business development provided by external coaches to increase CRM adoption. Interestingly, managers/marketers at more firms update their CRMs on behalf of engineers (40%) than offer them business development coaching (37%). Secretaries/assistants update CRMs on behalf of engineers at a quarter of firms.

More than a third of firms (36%) use pipeline management software to boost CRM user adoption.

A telling follow-up to our findings on the level of accountability firms hold engineers to for regular use of CRM for business development is that they receive regular encouragement by managers/marketers at only 8% of firms.



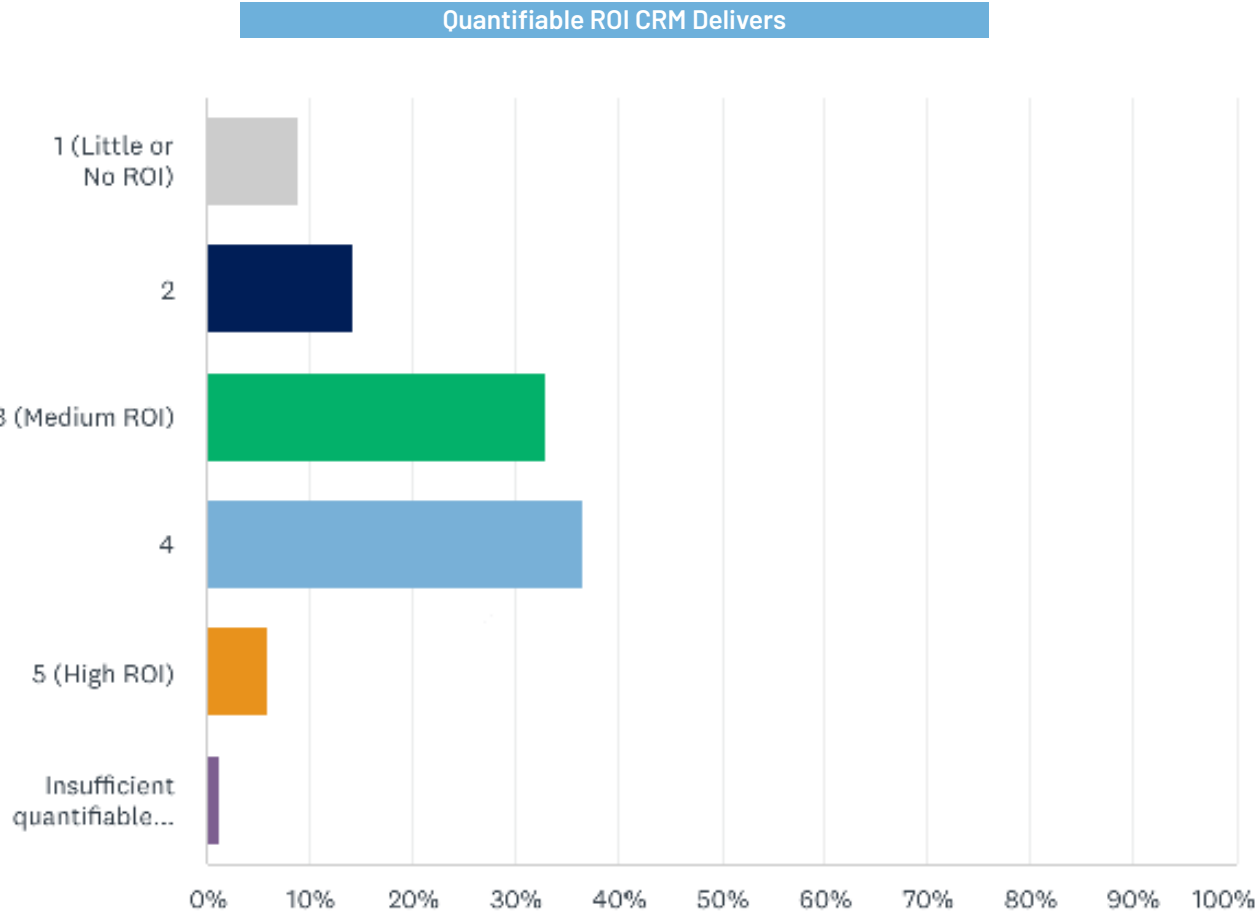
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QUANTIFIABLE ROI CRM DELIVERS

Perhaps the million-dollar question is how much return on investment engineering firms get from their CRM platforms. On a scale of 1 to 5, we asked respondents what level of quantifiable investment their CRM delivers.

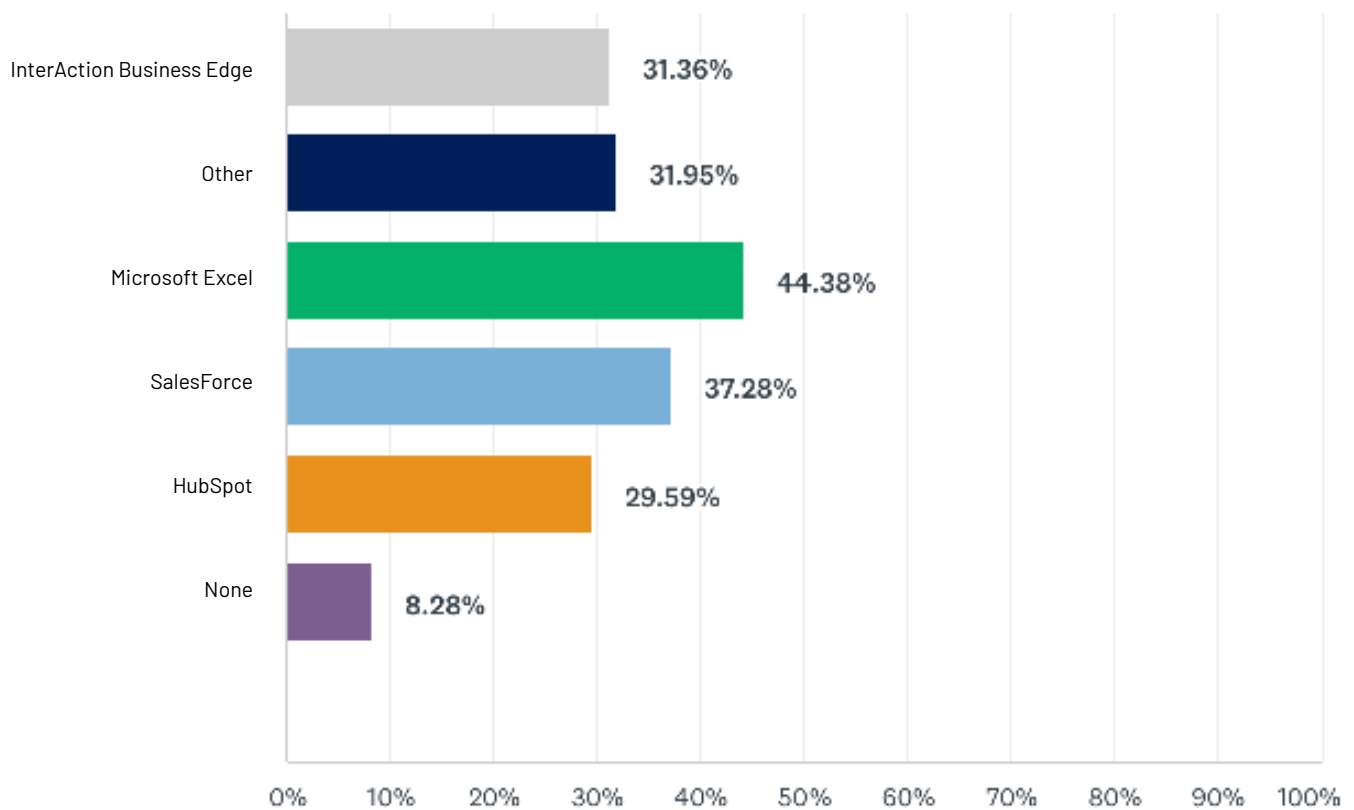
37% of engineering firms report that their CRM delivers a level 4 ROI, and one-third report it delivers medium ROI. Only 6% of firms say their CRM's deliver a high level of ROI versus more than one in ten (11%) who say it provides little to no or a level 2 ROI.



PIPELINE MANAGEMENT TOOLS USED BY ENGINEERING FIRMS

We then asked respondents what pipeline management tools they use at their firms. More engineering firms use Excel spreadsheets for pipeline management than any other tool or platform (44%). The second most popular tool they use is Salesforce (37%).

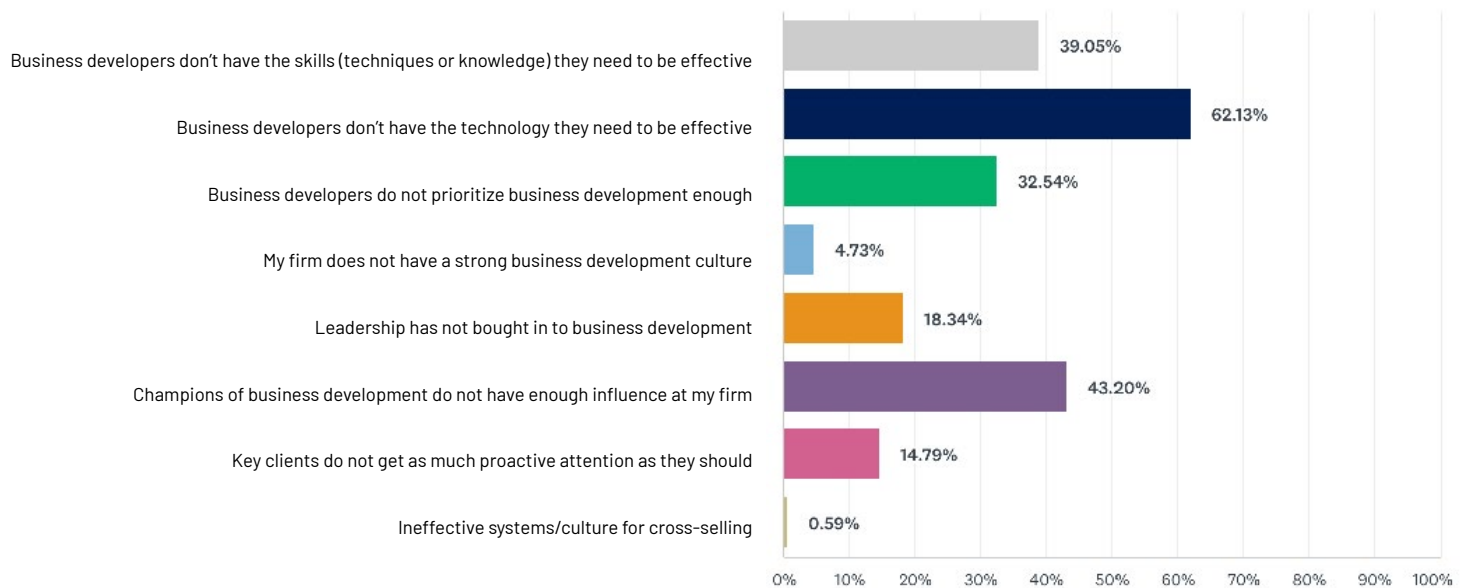
Pipeline Management Platforms Used by Engineering Firms



ENGINEERING FIRMS' BIGGEST BUSINESS DEVELOPMENT CHALLENGES

Our survey concluded by asking respondents to share engineering firms' biggest business development challenges during normal market conditions. More than six out of 10 firms (62%) report that engineers don't have the technology they need to be effective.

Biggest BD Challenge



More than four out of ten engineering firms (43%) say that champions of business development don't have enough influence, followed by 39% of firms who say engineers don't have the skills/techniques/knowledge they need to be effective at business development.



More than six out of 10 firms (62%) report that engineers don't have the technology they need to be effective.

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The survey results outline how critical it is for the business development and marketing team to work hand in hand with the technical team. While one position may be better skilled than the other, this further confirms how important it is for all team members to support and rely on each other for successful outcomes. Each team member should be empowered to bring critical, in-depth knowledge about a project or a client's concerns, so a plan of attack can be established. With a functional CRM system, it allows the team to be aligned on next steps and helps define areas of focus everyone is responsible for in order to move the strategy forward. At the end of the day, the combination of both skill sets (business development and technical) is required for successful outcomes.

CONCLUSION

Since the onset of the COVID-19 pandemic in the first quarter of 2020, engineering firms have experienced a digital transformation, with even the most conservative and tech-averse firms quickly pivoting to enable remote work and meet rising client demands. With traditional business development activities like in-person meetings, conferences, and networking events put on hold indefinitely, firms quickly learned to rely on webinars, podcasts, blogs, virtual events, and social media to gain business development leads and nurture relationships through the funnel.

But no matter what the tactic, business development takes consistent and persistent work. Busy engineers, who are more interested in and comfortable doing the work they were trained to do, rely on marketing and business development leaders to provide the training, systems, and tools to make business development possible.

Unfortunately, as our research shows, while nearly all engineering firms have a CRM platform, few report getting a high, quantifiable return on investment from it. And, while firms find their CRM to be effective for a few marketing/business development functions, very few find it highly effective for pipeline management, which is a crucial aspect of growing firm business.



What's more, our research shows that engineers use CRM at only one in ten firms, and little more than half of them use it regularly for sales pipeline management.

So why are firms' CRM platforms not being widely used for pipeline management?

It may not be a surprise to engineering firm marketers/business developers to learn that 65% of firms say engineers' lack of time is their biggest CRM adoption challenge. And more than half of firms (51%) cite the high level of data entry required by CRMs.

Do firms hold engineers accountable for using CRM?

The results on this topic were troubling. When asked about factors that contribute to low CRM adoption, the lowest percentage of firms identified lack of accountability from management. Yet, respondents also report that leaders hold users to a high level of accountability for using CRM at just 13% firms.


It seems that marketing/business development leaders lack an understanding of the critical role accountability makes in ensuring engineers' CRM user adoption. Outside of not doing a great job of holding engineers accountable for using CRM, it's not as though firms aren't using tools and initiatives to increase adoption. The research shows that half of engineering firms use business development provided by external coaches, and marketers/managers update CRM on behalf of engineers at four in 10 firms.

When asked about their usage of pipeline management tools specifically, all firms are using something; however, the most used tool (44%) is still Excel spreadsheets.

Despite the digital transformation journey engineering firms quickly embarked on when the pandemic hit, they still rely heavily on Excel spreadsheets and Word documents for business development and sales pipeline management – table stakes digital tools introduced before the digital transformation even began.

Top PIPELINEPLUS benefits for AEC firms:

1. Turns the typical business developer into a rainmaker
2. Easy to use, encourages valuable information sharing
3. Creates efficiency with real-time access
4. Provides mobile accessibility, at your fingertips
5. Initiates conversation starters, internally and externally

- 
6. Facilitates team collaboration and pre – positioning efforts
 7. Advances proactive business development efforts
 8. Increases internal engagement between technical and BD/marketing teams
 9. Elevates business development strategies for the average business developer, by creating efficient reports on activities and tracking
 10. Prevents loss of business development information and progress when a team member leaves the firm

PIPELINEPLUS is a relationship management system for the busy professional. With a simple, intuitive interface, it solves many of the biggest challenges associated with low CRM adoption like excessive data entry and constrained time. With our quick setup process, users have a sales pipeline up and running in just 5 minutes.

PIPELINEPLUS prioritizes users' most important relationships so that business developers stay focused. It also provides AI-powered insights and recommendations on how to close new business, addressing the business development skills gap cited by many firms in this study. Built-in tutorials provide business development best practices, so business developers always know what to do next.

PIPELINEPLUS integrates with Outlook calendars and can be used as a standalone tool or integrated with CRM as a power app to boost pipeline adoption.

To learn more, visit www.ackertinc.com
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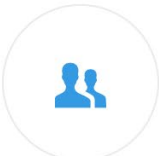
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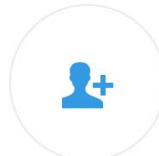
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TRAINER**



CONSULTING



FRACTIONAL CMO



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AUTHORS



Donna Fulmer is Ackert's Manager of Research and Content. Prior to joining Ackert, Donna served several technology companies as an independent marketing consultant, and was the market research and media communications manager for a leading cross-channel marketing platform.



The Executive Director of Business Development at Kitchell, Dianne is a transformational leader focused on project and construction management, with an emphasis on client identification and engagement, industry partnership and collaboration. Dianne is the immediate Past President of the Asian American Architects and Engineers Association of Southern California and the 2022 Construction Management Association of America Southern California (CMAA SC) chapter Board of Director and Program Chair. Additionally, Dianne is on the Board of Directors and Program Chair for the Society for Marketing Professional Services (SMPS LA Chapter) and on the Executive Board of the Western Winter Workshop™ conference.



David Ackert, M.A., is the President of Ackert Inc. and its subsidiaries, and business development mentor to thousands of high-achieving professionals in the legal, corporate, A/E/C, and accounting sectors.

Over the past two decades, David has developed and implemented revenue acceleration programs for hundreds of professional services firms around the globe. He is the founder of several technology platforms including the *PIPELINEPLUS* software suite. His programs are winners of "Your Honor Awards" in both the U.S. and Canada, are featured in NLJ's "Technologies on the Rise," and rank as the top-rated offerings in their G2Crowd category.

David regularly keynotes at partner retreats and serves as a guest lecturer at USC's Marshall School of Business, Carnegie Mellon University, and at the UCLA School of Law. His work has been published and quoted in several business books and media, including the Los Angeles Times, the National Review, the Daily Journal, and more.