

ARE YOU READY FOR AI?

How to Prepare Your Data for
the Future of CRM



TABLE OF CONTENTS

- 03 All Eyes on AI
- 04 Applications in the CRM
- 05 Why Prioritize AI Right Now?
- 06 What's Limiting AI's Potential
- 07 Steps to Prepare Your CRM Data for AI
- 09 Beware These AI Myths
- 10 Conclusion

ALL EYES ON AI

AI has generated major buzz over the past few years—and it's easy to see why.

The explosive field has major implications for virtually every line of business. Experts predict AI could create a **\$13 million** uptick in the global economy by 2030.

But there's a lot of confusion over what AI actually means. *Artificial intelligence* refers to systems or machines that mimic human intelligence to perform tasks and can routinely improve themselves based on the information they collect.

Should we panic about a robot invasion?
Prepare to make peace with our robot overlords?

DID YOU KNOW?

The term "artificial intelligence" was first coined in 1956, at a conference at Dartmouth College.

Not so fast. Chances are, you're already using AI: Intelligent algorithms are deeply embedded in everyday life. If you've taken an Uber ride, browsed your personalized Netflix recommendations, or opened your iPhone with face recognition lately, you have AI to thank.

AI's takeover of the CRM is already in full swing. But harnessing the full potential of an AI-powered CRM (or any other higher-order automation like chatbots, next-best action, etc.) takes preparation.

Read on to learn how your team can successfully navigate the AI boom.

APPLICATIONS IN THE CRM

The benefits of AI can seem abstract (Smarter decisions! Higher revenue! Faster processes!).

So, let's talk specifics.

AI boosts CRM output and helps users achieve productivity and revenue gains in areas like the following:

LEAD SEGMENTATION

With the help of intelligent algorithms, teams can easily segment customers and leads based on demographics, purchasing behavior, or likes and dislikes.

CUSTOMER SERVICE

Don't worry about forgetting to follow up with a lead or acknowledging a customer request. AI-powered chatbots can mimic how humans communicate to instantly handle FAQs, product-related queries, complaints, and other routine communications. Some chatbots are even introduced as full-fledged members of the sales team, complete with their own names, titles, and email addresses.

CLOSED-LOSS ANALYSIS

An AI-powered CRM can study different scenarios where sales are most successful or where deals were rejected. This helps teams improve win rates and learn from their mistakes. For example, an AI algorithm can analyze past performance to tell teams the ideal discount rate they should offer to win a deal.

MONITORING CUSTOMER BEHAVIOR

AI-powered CRMs can use Natural Language Processing (NLP) to track data from all customer interactions and provide an accurate analysis of their behavior and intentions. This might involve parsing through online feedback or reviews submitted by customers to determine their general tone. Armed with these insights, teams can personalize their touchpoints and build more targeted offers for their audience segments. When customer sentiment trends negatively, teams can contact dissatisfied customers proactively—before they cozy up to competitors.

These capabilities are just the beginning. Enterprise-level CRM platforms are rushing to integrate AI into their offerings. ([Salesforce Einstein](#) is widely considered the pacesetter.) Even smaller platforms are expected to join the fray soon.

As each vendor takes AI in its own direction, CRM users should expect platform capabilities to become more intelligent and better aligned with their specific needs.

WHY PRIORITIZE AI RIGHT NOW?

The business case for AI in the CRM is clear. But are the benefits worth the headache of adding to your tech stack? A few key factors make this functionality a must-have right now:

THE COVID CRUNCH

Market disruptions caused by COVID-19 made it difficult for sales and marketing teams to deliver strong, consistent results—particularly as in-person meetings and industry events dried up overnight. As shown in the previous section, AI-powered CRMs can make core revenue-adding activities more successful to offset ongoing market uncertainty.

MO' DATA, MO' PROBLEMS

Welcome to the age of Big Data. Current estimates reveal **1.145 trillion MB of data is created per day**. Humans simply can't manage these massive volumes of data and make meaningful decisions unaided.

GROWTH IN OVERALL SALES VOLUME

Driven in part by the recent explosion of ecommerce, overall sales volumes are growing, and sales relationships are becoming more complex. These shifts are creating a proliferation of unstructured data (data not organized in a pre-defined format) in the CRM. AI tools can turn unstructured data into structured data with minimal administrative effort.

ADVANCEMENTS IN THE FIELD

In the past, excessive costs and a shortage of data scientists kept AI out of reach for most organizations. Now, this technology is becoming more affordable and accessible. An AI-based contemporary image-recognition system cost **\$1,100** to train in 2017. Today, it costs \$7.43.

Experts suggest AI will become **table stakes** for growth-minded sales and marketing teams—particularly as more teams regain their budgets as COVID concerns wane. According to a recent McKinsey **study**, 74 percent of respondents whose companies have already integrated AI into their tech stack plan on increasing AI investment in 2022. Those who ignore AI advancements risk falling behind their competitors.

It's been a long time coming

AI might seem like it exploded from nowhere. But myths about artificially intelligent beings trace back thousands of years. Ancient Greek myths featured Talos, a bronze giant who protected Crete by patrolling the island and throwing boulders at invading ships.

LINGERING SALES PRODUCTIVITY CHALLENGES

Teams still working with slashed budgets due to COVID-19 should consider what they stand to gain from tools that make their team more productive. The average salesperson spends just **33 percent** of the day selling, and the rest of the time writing emails, researching leads, and entering data. As we've seen, AI can eliminate these administrative tasks and let sales professionals focus on revenue-driving activities.

As AI-powered CRM tools become smarter and more accessible, the question might soon shift from "Can I afford to invest in AI-enabled CRM?" to "Can I afford not to?"

WHAT'S LIMITING AI'S POTENTIAL

AI's impact on the CRM seems limitless. But before sales and marketing teams can tap into these benefits, they need to clear one giant hurdle: poor data quality.

Some teams think they can integrate an AI-powered tool (or any other higher-order automation tool) and let the machine do the rest. This is a costly mistake.

An AI-powered CRM is only as smart as the data you feed it.

In other words, the impact AI-based apps and platforms will have on any CRM is more dependent on clean data than the features of the AI tool itself.

This is a problem for sales and marketing teams. They're renowned for having data quality problems, since data governance isn't typically a core focus of either department. Conflicting data structures and inconsistencies across databases are common, which result in low-quality data in the CRM.

A recent [report](#) from Validity revealed over one-third of study participants have either no CRM data management process or one that is ineffective. To be truly ready for AI, your team needs to make CRM data quality a top organizational priority.

See how Akamai Technologies used DemandTools, a market-leading data management platform from Validity, to clean their data **300 times faster**.

[Read the case study](#)

STEPS TO PREPARE YOUR CRM DATA FOR AI

According to Validity's [State of CRM Data Management](#) report, almost half of CRM users estimate annual revenue losses ranging from 5-20 percent due to poor data quality.

OBTAIN LEADERSHIP SUPPORT

A data-driven culture starts at the top. According to a recent [study](#) from Validity, 90 percent of study participants reported “good” to “very good” CRM data quality if their leadership prioritized data hygiene.

If your team is eager to try new AI-powered CRM tools (or is under pressure from higher-ups to do so) start by educating your organizational leaders on the business case for clean, actionable CRM data.

ESTABLISH A CULTURE OF DATA GOVERNANCE

With leadership on your side, it's time to identify chief internal stakeholders and work cross-functionally to establish a culture of strong data governance. Key steps include documenting a process for data entry and management, determining specific team requirements for CRM data, establishing limited user permissions, and setting concrete benchmarks by which you'll evaluate your data quality.

All employees should understand that maintaining high-quality data doesn't fall on any one person's shoulders—everyone has a role to play. Sharing real use cases associated with poor data quality can help put the issue in more relatable terms.

DECIDE WHAT YOU WANT TO PREDICT

Given the vast amounts of data in play, it's easy to become bogged down by “analysis paralysis.” Start by defining in measurable terms, what you're trying to predict. Remember: if you can't report on it, you can't predict it. Knowing what you want to predict will help you decide which data is most important to collect and prepare.

UNDERGO A DATA-CLEANSING PROCESS

Then it's time to roll up your sleeves and clean your data. Specific organizational requirements will vary, but any cleaning efforts should be built around these core steps:

- **Profile:** Understand and evaluate the current state of your data. Look for accuracy, completeness, and patterns.
- **Standardize:** Convert data into a uniform format so it's ready to be processed and analyzed by AI tools.
- **Merge:** Establish a cross-functional definition of what a duplicate is, then start merging to eliminate redundant information.
- **Verify:** Put a plan in place to keep up with changes to your database. This is particularly important during the "Great Resignation" while contacts are changing more frequently. Focus on verifying only the information you need to reach your target audience and serve them best. Bloating your database with unnecessary information will hinder adoption, so reduce unneeded datapoints (like street addresses, home phone numbers, etc.) when appropriate.

- **Monitor:** Data management isn't a one-and-done process. You'll need to perform the above steps regularly even after you implement AI technology. Set a schedule by which you'll perform follow-up cleaning activities and reevaluate your data governance structure.

For more information on keeping your data clean and actionable, read Validity's eBook, "[The Dirt on Data Quality](#)."

INVEST IN A DATA MANAGEMENT SOFTWARE PLATFORM

It's possible to manually clean and prepare your data for AI. But particularly for growing businesses, these manual processes take massive amounts of time and lead to costly errors.

According to one [study](#), between 10 percent and 25 percent of contact records include critical data errors that impact day-to-day sales and marketing operations. Businesses will see better results from investing in a data management platform that keeps data clean and actionable at all times.

As part of your ongoing data cleaning efforts, remember to follow the three C's. CRM data should be:

COMPLIANT: Collected, stored, and used in line with relevant legislation and standards

CORRECT: As accurate, error-free, and true as possible

COMPLETE: Inclusive of all the information required to fully understand the contact

BEWARE THESE AI MYTHS

Low-quality data is the number one threat to your success with AI. But falling for common AI myths might be a close second.

As AI continues to grab headlines, sales and marketing teams should be careful to separate fact from fiction before making any investments.

MYTH #1

Process automation = AI

As more CRM vendors jump on the AI bandwagon, beware those attempting to oversell mediocre AI capabilities. Many masquerade simple process automation or machine learning features as AI. This process is commonly known as “AI washing,” a marketing effort that falsely implies a company’s brands and products involve artificial intelligence technologies.

Remember: AI mimics human intelligence to make decisions and predictions. Automation focuses on streamlining basic, repetitive tasks. If your tool can’t learn from its mistakes or make intelligent predictions, it probably isn’t AI.

MYTH #2

In AI-powered CRMs, more data is better

True, AI can manage vast datasets more easily than humans. But poor data in = useless insights out. For example, a sales forecast based on data riddled with duplicates and inactive contacts is of limited value. For your system to deliver accurate insights, focus on keeping your data clean, relevant, and current.

MYTH #3

AI will replace sales professionals

Many have the perception that AI will make them redundant. For most sales and marketing professionals, this is unlikely. Rather than replacing sales and marketing professionals, AI-powered CRMs are augmenting their abilities, equipping them with insights that fuel meaningful conversations and eliminating tedious tasks so they can focus on strategic work. For example, chatbots can handle simple customer questions, but [research shows](#) the majority of consumers prefer chatbots only in limited circumstances. This in mind, set the sales team’s mind at ease as you champion AI in your organization.

MYTH #4

AI is foolproof

Gartner famously predicted that through 2022, 80 percent of AI projects will fail due to poor data quality. A common reason for AI failures is biased data. AI-trained tools can produce the wrong answers when they lack proper context. An AI model trained on data from the past two years will assume consumers always behave under pandemic conditions. Organizations should actively seek ways to identify and eliminate bias when using AI.

CONCLUSION

If your team is anxious to take the leap to AI, keep in mind these machines don't get "smart" on their own. Your success with AI hinges on the availability of clean, actionable data.

The same can be said of any other higher-order automation in the CRM. The spotlight is on AI right now, but this won't be the last "next big thing" to revolutionize the CRM.

No matter how advanced these tools become, clean data is still the fuel that powers the engine. By keeping data clean and report-ready at all times, you'll be ready for AI, or whatever else the future of CRM may hold.

Cue DemandTools, from Validity. This market-leading data management solution empowers sales and marketing teams to manage their data in minutes—not months.

To learn how [DemandTools](#) can improve your data quality, schedule a demo with our team of experts.

[SCHEDULE A DEMO](#)



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