



468 N. Camden Drive, Suite 278, Beverly Hills, CA 90210 (o) 310-860-4795

**CRM In The Lord's House**  
**The New Business Trend for Ministry**  
**By Temeko Richardson**

CRM visions have proven their worth in the conglomerate corporate businesses in the entertainment, healthcare, financial, energy, and communication industries when implemented strategically within specific time, resource, and budget constraints. The ability to view the customer and its sales, call center, and marketing interactions provides a holistic summary of a company's standings with the services and products offered. CRM has now taken a leap into another market that is not so traditional in terms of evaluating ROI and marketing effectiveness – the church or what is loosely referred to today as ministry.

Let's face it the church of yesterday in no way models the modern day church. As of 2006, there were at least 1200 mega churches that represented three tenths of one percent of all congregations that consistently have at least 2000 weekly "visitors".<sup>(1)</sup> There were mega churches in 45 out of 50 states. The states with the most mega churches are Texas with 174 (14%), California with 169 (13.7%), Florida with 83 (6.7%) and Georgia with 64 (5.2%). Houston and Dallas alone account for 56 mega churches or 4.5% of the total<sup>(2)</sup>. These numbers have increased by at least 15% in the last year. Needless to say, there are enormous contributions provided through regular tithes and offering from parishioners or members. Additionally, the modern non-denominational church may sell products and services to parishioners or ministry partners. Each church may have multiple ministries that focus on a particular mission. Additionally the modern-day pastor may have a separate "ministry" or "enterprise" of which his/her products and services are sold to spread the gospel. All of these components, while not necessarily the vision of God, provide a clear reason to consider the church as a business, sometimes with both a profit and non-profit arm.

Based on multiple annual reports of churches that boast 3500-4000 congregations per Sunday, approximately \$5M is required to operate to provide very minimal assistance to the needy (of which a minimum salary of \$200K is provided to the pastor). Even for the 100-member church with the \$200K operating budget, it is imperative for the church leaders to have visibility into the contributions and expenditures very similar to the Coca-Cola, Toyota, and Dell corporations. If the church or ministry is viewed as a business, a clear CRM vision can answer the normal questions required to operate: 1) How much revenue is being generated by a specific product or service? 2) What services or products are better marketed in specific geographic areas for a greater return? 3) What are the expected operational expenses for the ministry? 4) What are the expected contributions to anticipate the new marketing strategies or services that should/can be offered in the future? 5) What products and services have a low market value and high market value and should have increased or decreased promotion?

The mapping from the traditional CRM solution to ministry terminology is quite simple if the ministry purpose is slightly obliterated from the vision. Gartner's definition of CRM being a "business strategy with outcomes that optimize profitability, revenue, and customer satisfaction by organizing around customer segments, fostering customer satisfying behaviors and implementing customer-centric processes"<sup>(3)</sup> fits the modern ministry model with strategic term definitions for the following five key ingredients that shape the financial success of the ministry:



468 N. Camden Drive, Suite 278, Beverly Hills, CA 90210 (o) 310-860-4795

### 1) **Customers**

Parishioners, any individual that attends the church or “partners” with the ministry, or members of the church based on the definition provided by the church would fall into this category.

### 2) **Payments**

Each “customer” contributes a tithe or offering. Mega churches have now implemented the idea of an annual subscription where a person signs an intent to pay (like a promissory note or pledge) a certain amount of money to the church within the year. This helps the church identify how well incoming contributions will offset the operating expenses that include the ministerial and administrative staff salaries and the normal operations like musical equipment, mission and education, marketing, assistance to needy, and maintenance.

### 3) **Products**

Most churches have a physical or online bookstore where spiritual books (like Bible or authored by motivational speakers or other ministers), CDs, tapes, DVDs, and mp3 files are sold of sermons, bible lectures, or a series of topics to reach all audiences and spread the gospel.

### 4) **Services**

In the case of most ministries, specifically pastor-originated, a fee is charged for the minister to “preach”, speak, pray, or attend another church or conference. There are also fees charged for an organization to rent the church space. Additionally, there may be a fee charged for a choir to sing at an event.

### 5) **Marketing**

Marketing can be as small as promotional flyers to promote a Cancer Walk-a-Thon or as large as television advertisement, [Streaming Faith](#) (online presence of the church’s services), or network television presence. Some mega churches also employ Call Centers to call “partners” or “members” to promote specific events. There may even be trade or promotional spending to persuade retailers or other ministries to carry certain products in their inventories.

There are many CRM packages that can handle the CRM vision of pastoral leadership. However, the costs can be enormous based on what is really necessary to provide reporting, analytics, and effective tracking to forecast incremental membership and “revenue” growth. For example, Siebel is an enormous undertaking and a tremendous expenditure upwards of millions that require continuously large operational expenses with a minimum integration time of six months to year. SAP CRM is less user-friendly than Siebel and usually requires at least a year to implement with many caveats. Razor’s Edge lacks user-friendliness, customizability, maintainability, and upgradeability and is not as strategic and analytical in the reporting compared to other CRM packages that are less expensive. Salesforce.com and Sugar CRM are by far the better options in terms of implementation time, ability to combine analytics and reporting with external systems, user-friendliness, data integration and conversion timeliness, accuracy, and effectiveness, and overall minimal costs for production support. Indeed, there are a few ministries (mega churches) that spend millions of dollars on Siebel implementations for an initial implementation and post-production support. Keep in mind that the recommendations provided are based on a system providing effective functionality with the ability to keep costs at a minimum such that the ministry can focus on spending most of its money on programs/outreach with the mission to help the less fortunate.



468 N. Camden Drive, Suite 278, Beverly Hills, CA 90210 (o) 310-860-4795

Nonetheless, ministry today operates as a business with the same needs as the conglomerate corporate enterprises that desire marketing, sales, spending, and management visibility into the success of their products and services as it relates to target demographics, niche markets, and seasonal periods. CRM solutions provide the forecasting, regulatory compliance standards, data integration with financial systems and old legacy systems, and accessibility required for trend analysis to track contributions, membership and revenue growth, and analysis of future operations and spending. It is, however, scary that while CRM provides a holistic overview of the parishioner, partner, or member's contribution to the ministry's ROI, it never can measure the true essence of the ministry's purpose – saving a soul.

#### About the Author:

Temeko Richardson, a principal consulting partner at TSG One Stop, has a combined ten years of experience leading the architecture and implementation of CRM solutions ranging from Siebel, SAP and Salesforce.com across various industries for strategic business models and processes. For more information about structuring CRM solutions to fit a business model or business process of your ministry, contact the solutions group via email at [crm@tsgonestop.com](mailto:crm@tsgonestop.com) or call 310-860-4795.

(1) <http://hrr.hartsem.edu/megachurch/megachurchresearch.html>

(2) Chavez, Mark. ***Congregations in America***, Harvard University Press, 1994, pp. 18 – 19

(3) Radcliffe, J., Kirkby, J., Thompson, E., ***The Eight Building Blocks of CRM***, Research Note, 17 August 2001.