



Independent Guide
to Customer Relationship
Management software

How technology can make every person in your business a salesperson

More than two-thirds of all people stop buying from businesses because of... indifference. They simply take their business elsewhere because they don't feel valued.



to Customer Relationship Management software

Introduction

Let's face it, most products or services offered by businesses are not unique. Competition is tougher now than it's ever been. And that means fighting harder than ever to win customers, retain customers and win back customers.

To do that, each and every customer must feel that they are the most important customer to you. That means getting every single person in your company delivering great customer service and 'selling' your business. You can only do that by getting every member of staff to know everything there is to know about that caller and their business.

This advice guide will help owner managers of SMEs put customers at the very heart of your business and show you how technology can help you and your team deliver great customer service.

Contents:

Page 2

Businesses are about doing business with customers

Page 3

Don't put the cart before the horse

Outshine your competitors

Page 4

Eliminate communication gaps

Reproduce positive results and end negative patterns

Page 5

Identify your best customers with a 360 degree view

Can I afford to do it now?

Page 6

Choosing the right Solution for your business

Page 7

Summary



Businesses are about doing business with customers

Businesses are not about products or services. They are about customers. Because without them, there would be no business. In fact, there is little connection between how great your product or service is and how much money you'll make. Business success is all about customers - and how you market to them. It's about generating more leads, making more sales, and retain more customers.

It requires a lot of effort to manage customers via a mix of emails, calls, meetings, documents, spreadsheets, and notes. And that is only your own interaction. Multiply that 10 fold if you have 10 people interacting with customers. Making sense of it all can be very time-consuming and sometimes confusing.

How much time and effort would you, and others in your business, save if you could keep all of your customer information in one easy-to-access place? It would enable you to spend more time actually doing business and less time managing it.

To make sense of it all you need a system to record all of this information and make it available to different people in your organisation in a simple to understand format.

What you need is CRM (Customer Relationship Management) - see panel opposite for an explanation of what CRM is.

CRM (Customer Relationship Management)

It's original meaning is not about software or systems, it's about the way a company interacts with its customers through its people and its culture.

No computer system will change the way people interact with customers, it can at best simply help them do what they want to do more efficiently.

Don't put the cart before the horse

Technology is a powerful enabler of CRM, but it is important to put the strategy in place and get the culture right before deciding on the system. Later in this series of 'Essential Business Guides' we will look at "ten things you need to consider when choosing the right sales database or contact management solution for your business". We will look at topics such as: how to get the strategy right; product selection; relevant technology; planning; project implementation and integration to make sure your contact management project is a success.

This 'Essential Business Guide' looks at how technology can make every person in your business a 'salesperson' and contribute to making it more successful.

Outshine your competitors

CRM software is a tool to improve the way you build and maintain business relationships and enhance your professional image. It empowers you to focus on profitable endeavours, such as outshining your competition, by making every one of your prospects and customers 'feel special'. It's an essential tool for consistently transforming prospects into customers and customers into repeat buyers.

Compiling contact and customer data in one system saves hours of wasted time. It eliminates potential errors and the need to perform duplicate tasks. It frees you from the hassle of maintaining a contact list in one application, account history in another, email communications and appointments in yet another, and keeping track of multiple documents on your hard drive.

There is nothing more infuriating for customers than to have to repeat conversations. They don't feel valued and you run the risk of them moving suppliers.

Eliminate communication gaps

Working with isolated information silos is not only cumbersome, it jeopardises the future of your business. When you use CRM, you eliminate potential communication gaps, such as losing handwritten notes from a sales call or forgetting where you jotted your to-dos during a meeting. With CRM, these preventable failures are far less likely to occur.

CRM equips you and your team with instant access to nearly limitless notes and history for each contact, so you're never caught off-guard when a customer calls. See details of your last correspondence, and when your colleague sent the proposal. It also means never having to frantically search through your sent email again! Every interaction (including email) can be tracked on the contact record, so you and everyone else have a history of all communications with each customer.

Reproduce positive results and end negative patterns

To manage and grow a successful business, you need access to highlevel information that consolidates related data. This type of intelligence allows you to identify trends, lets you see the consistency of day-to-day operations from a distance and makes it easy to isolate subsets of data that require separate analysis. As a result, you learn how to reproduce positive results and quickly end negative patterns. In other words, develop 'best practice' for all employees communicating with customers, turning each and every one of them into a 'salesperson'.

Without CRM, different departments could have different views on particular customers:

The Sales View

Helen is a great customer, having bought more than £200 of products every year for the last 3 years. She is therefore entitled to an additional 10% discount. Her preferred method of communication is email. She has recently moved offices.

The Marketing View

Helen is hard work, having received four catalogues in the post in the last year and numerous calls from the telemarketing team. She has only responded to one, spending a total of £250 (including £25 discount) this year.

The Support View

Helen is a nightmare! She has made over 20 calls this year, using more than 13 hours of staff time and cost £500 last quarter to support.

The Finance View

Helen is a problem as she never pays her invoices. She is 90 days past due and on credithold because they think she has gone out of business as the phone number is disconnected.

Identify your best customers with a 360 degree view

CRM provides a single, holistic view of your contact information across the organisation. Why is this important? Firstly it will give you analysis on how many customers you have, what they are worth, how much they cost to acquire, how many you have lost and which products sell to particular types of customers.

Secondly it provides the knowledge to communicate with customers in the most effective medium, whether that is email, letter or phone. The communications can then be targeted to the right customers with the right message at the right time.

A 360 degree, single overview will also highlight your best performers internally, particularly sales people, allowing you to help those who may not be performing become more effective by putting sales processes in place to manage change and encourage best practice.

Can I afford to do it now?

As the uncertainty around business confidence continues, many businesses retreat into 'saving mode', trying to reduce costs as much as possible. However, others who have been through previous recessions will know that investing now in tools that can make substantial bottom line savings and making them more profitable, is sound business practice.

Rather than get caught up in the doom and gloom of the current economic situation it is time businesses looked to investing in CRM as an opportunity rather than a cost, and allow the technology to be viewed as a tool to safe-guard customer retention. A CRM system is important for small businesses in the good times in order to sell more effectively and more profitably, but it definitely is a 'must-have' right now since it can provide the competitive advantage necessary to retain existing customers and also to gain new ones.

The cost of not implementing CRM?

Difficulty identifying quick win, cross-sell and up-sell opportunities within your current customer base

A sales executive spends six weeks closing a £10,000 opportunity with a new customer rather than spending two weeks closing a similar opportunity with an existing customer [£20,000 opportunity cost]

Too much time spent on administration

A sales manager with a base salary of £40,000 per year spends 10 hours per week on sales administration [£10,000 direct salary cost per year]

Poor visibility on sales, marketing and customer service performance

A marketing manager spends £20,000 a year on advertising but can't track how many leads it produces. [£10,000 wasted if assume 50% of advertising is ineffective]

Customer service errors and declining satisfaction

At a company with 400 customers on £2,000 per year service contracts, a 30% increase in call queuing time translates into a 15% increase in nonrenewal of service contracts the following year [£120,000 in lost revenues]



Choosing the right solution for your business

There is a lot of software out there, and in a future 'Essential Business Guide' we will cover this in more detail, but for those organisations already looking at potential solutions, a quick checklist of considerations will be useful:

- **Simple, easy to use interface** which is intuitive to make everyone more productive. Otherwise you don't get buy-in from everyone and run the risk of getting 'rubbish in, rubbish out'.
- **Powerful 'out-of-the-box' functionality** that will deliver over 80% requirements, but is flexible and scaleable enough to deliver the remaining 20%.
- **Adaptable enough to be configured** for your information, in the way you want it, to replicate your business processes. But not too restrictive so that if your business needs change, the system can't change.
- **Able to deliver benefits fast** to maintain momentum with your people and provide a rapid return on your investment (ROI).
- **Flexible** enough to use it 'anywhere on any device', and to integrate seamlessly with the other software you use.
- **A large installed base of customers** with referencability in all key markets so you have the confidence that the product delivers what it promises.
- **A development roadmap** that shows you where the product is going and gives you the reassurance that it will still be the right product for you in the future.
- **The backing of a financially stable company** committed to supporting its customers directly and through a network of business partners who provide installation, customisation, support and training at a local level.



Summary

Never lose sight of your overall objective - to serve your customers better than anyone else does so they keep buying from you. Embrace the fact that no one is interested in you or your products and sell on the 'benefits' you offer - a great customer experience.

To do that you need all the help you can get. Giving each of your customer-facing staff (from finance to marketing to support) the tools to turn them into a 'salesperson' will help everyone build relationships with customers to ensure they don't take their business elsewhere simply because they do not feel valued.



About Essential Business Guides

This guide is the first in a series of essential guides on how technology can help organisations put customers at the heart of their businesses to generate more leads, make more sales and retain more customers.

1. How to make every single person in your business a sales person?

- This advice guide will help owner managers of SMEs put customers at the very heart of your business and show you how technology can help.

2. How to turn prospects into leads?

- This advice guide will show sales managers how to unlock the potential of your database by turning more prospects into leads - by building relationships and lead nurturing, and show you how technology can help.

3. How to market your business in a recession?

- This advice guide will help marketing managers in SMEs create an emarketing plan and show you how technology can help.

4. Ten things you need to consider

when choosing the right sales database or contact management solution for your business. - This advice guide will help owner managers in SMEs plan wisely when deciding to implement a contact management or CRM strategy and show you how technology can help.

Showcase - ACT! by Sage CRM software

ACT! by Sage has been the number 1 selling entry-level CRM solution for over 20 years, and continues to bring the latest, most intuitive technology to businesses across the globe. ACT! by Sage has more than 2.8 million individual users in every type of SME in 26 countries.

Because ACT! by Sage supports an “anywhere” workforce with seamless online, offline, and mobile access solutions, it works for any business environment. With ACT! by Sage you and your team can achieve maximum productivity so you have time to focus your attention on better customer experience.

We understand that each business is unique; therefore we offer a range of CRM applications to suit businesses of all types and requirements.

Our portfolio of market-leading applications consists of:

- ACT! by Sage
- Sage CRM
- Sage SalesLogix



For further
information about ACT!
call **0800 6940569** or
visit www.sage.co.uk/act
or www.act2009.co.uk

About Sage

Sage is a leading supplier of business management software and services to 5.8 million customers worldwide. From small start-ups to larger organisations, we make it easier for companies to manage their finances, people and customers. Our purpose is to help our customers run their businesses more effectively, helping them to gain greater insight into their business activities and providing them with lasting benefits by automating their business processes.

We have global strength and local focus. Our direct coverage in 26 countries and global network of over 30,000 Sage-certified business partners provides unparalleled business software and services expertise.



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'How to make every person in your business a salesperson' is written by bm-bm, an e-marketing consultancy specialising in generating CRM leads for B2B clients.

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