

Independent Guide
to Customer Relationship
Management software

How technology can turn prospects into leads through nurturing

A prospect database is a significant asset that is often undervalued. If the cost per new prospect is £20 and you have 20,000 contacts, then your database is a £400k asset.

Introduction

This advice guide will show anyone involved in sales and marketing 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.

Many marketers today are overly concerned with the quantity of leads they deliver to sales teams. That's not surprising, as the focus, and measurement of success has been on lead volume, not lead quality.

And they are delivered in 'big chunks' following a tradeshow or a major marketing campaign, with much fewer created for the rest of the quarter.

Contents:

- Page 2**
Pre-qualifying leads will improve conversion
- Page 3**
Reap the benefits through nurturing
- Page 4**
Make it useful, easy, succinct, relevant, timely and frequent
- Page 5**
Content in a defined and logical format
- Page 6**
Integrating CRM with other systems
- Page 7**
Scoring leads improves targeting
- Summary



Pre-qualifying leads will improve conversion

So regardless of volume, all leads are passed straight to sales without pre-qualification. Maybe 50% of all leads generated are not yet interested in or ready for a sales call, but marketing pass them to sales anyway.

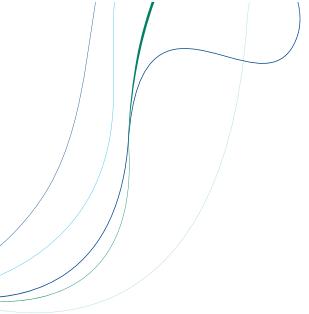
What about the other half? Well maybe only half this group should be classed as opportunities, with the other half discounted as either duplicates or time-wasters.

So that's only 25% of all leads generated being of value to the sales team. It's no wonder that the sales team's impression of marketing is that marketing-generated leads are usually not worth their time pursuing.

And that's the big problem. The sales team don't, or can't, differentiate between leads so they are not motivated to pursue leads in a targeted fashion. It's a random attack on all leads regardless of where and when they were generated. The result is that unless they get clear and imminent buying signals, the leads are forgotten about - dumped in a database and left!

Maybe they are sent a semi-regular newsletter and other ad-hoc communications but there is no defined process for recycling them back to sales at the right time.

Critical assets, that cost significant amounts of money to gain, sit idle. The sales team put pressure on marketing to generate more new leads, further perpetuating the inefficient process.



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Reap the benefits through nurturing

These leads therefore need to be nurtured, maintaining a relationship by staying in touch and reacting to communications from them. Only with this conversational view of lead nurturing will you reap the benefits.

And the benefits will be significant, potentially producing hundreds of new leads over time that would have otherwise withered and died.

So how do you go about building and nurturing relationships with prospects and customers? It seems obvious, but it's all about having the knowledge and flexibility to deliver what they want, when they want. In other words delivering a great customer experience so they value the interaction with you.



Make it useful, easy, succinct, relevant, timely and frequent

Looking at six simple things will improve these interactions:

- 1. Make it useful** - If it's not helpful or useful to them, or you ignore their preferences, they can sever the relationship with the click of an unsubscribe link.
- 2. Make it easy** - Buyers are unlikely to be looking at just your products or services and could be bombarded with information from suppliers. So deliver easily digestible content that does not demand a lot of effort to receive.
- 3. Make it succinct** - Multimedia content such as video case studies and product tours from dedicated landing pages will get the message across quickly and effectively.
- 4. Make it relevant** - Buyers find content targeted to their role or industry much more valuable than generic content. It shows you are listening to them and understand their needs.
- 5. Make it timely** - Different types of content appeal at different stages of the buying cycle. Comparisons, reviews, case studies and testimonials work really well at the research stage, whereas offers and company information work best during the negotiation stage.
- 6. Make it frequent** - Marketers often make the mistake of only contacting buyers once a quarter. Even once a month is probably not enough. If you make it useful, easy, succinct, relevant and timely, them buyers will look forward to receiving and feel that you are building a relationship to their benefit and you are putting them first. If you have the infrastructure to support it, consider giving your audience a choice about the frequency they want.

Content in defined and logical fashion

To deliver 'what they want, when they want', you need to capture lots of information about the companies and individuals interacting with you, and ensure you act on this every time you communicate with them.

How do you go about gathering this information and using it to target the right people with the right message at the right time?

You must create a single customer view to leverage the information you have in your customer information. Only when you have done this are you able to produce a clear and accurate understanding of your customers profile in a defined and logical format and gain the insight into what value can ultimately be attributed to that customer for effective communications to take place.

What you need is a sales and marketing database or CRM (Customer Relationship Management) - see panel opposite for a definition of what CRM is.

Part 1 of this 4 part guide went through a quick checklist of considerations when buying CRM software, and part 4 will cover this in more detail, so for now we will focus on what should be captured.

Firstly, it is important that all your customer-facing people can access and update records in a CRM system, cleansing and enhancing data to improve the quality of intelligence you have on every single contact.

Secondly, you need to define what information everyone needs to capture. Notes in a text field are of very little use. Content is king, but only if it is structured content that can be analysed through searches, groups, reports and exports.

What is CRM? (from Wikipedia)

Customer relationship management (CRM) consists of the processes a company uses to track and organise its contacts with its current and prospective customers. CRM software is used to support these processes; information about customers and customer interactions can be entered, stored and accessed by employees in different company departments. Typical CRM goals are to improve services provided to customers, and to use customer contact information for targeted marketing.

While the term CRM generally refers to a software-based approach to handling customer relationships, most CRM software vendors stress that a successful CRM effort requires a holistic approach. CRM initiatives often fail because implementation was limited to software installation, without providing the context, support and understanding for employees to learn, and take full advantage of the information systems.

CRM can be implemented without major investments in software, but software is often necessary to explore the full benefits of a CRM strategy.

Integrating CRM with other systems

A CRM system will be significantly enhanced through integration with your back-office solutions and other 'smart' tools which support data exchange.

- **Accounting software** is usually very tightly owned by the finance department but the best CRM systems will deliver key financial information usually beyond the reach of customer facing teams that is very useful for painting picture of a customer's importance and the amount of focus placed on them by sales and marketing teams.
- **Email software** that allows you to send emails directly from your CRM software, whether they be individual contacts, all contacts or lookups based on complex criteria - from yourself or on behalf of other sales or marketing team members. You can then easily track who opened, clicked, bounced and more.
- **Deal Analytics software** is a new area of CRM that can be very useful in improving close rates. These tools can analyse past customer behaviours, cross-selling data, and demographics to pinpoint areas of high interest to a customer. It is a sales process automation tool that enables sales and marketing managers to automate 'if-then' processes for follow-up calls and mailings. For instance, if a salesperson puts notes into your CRM that indicate a prospect was contacted and that he or she was moderately interested but did not wish to buy anything this year, the Deal Analytics tool can be configured to use that information to trigger a monthly newsletter mailing to that person, written as if from the sales rep, which provides updates on the product and related information. And remember that with this intelligent technology you can send different messages to contacts based on their previous actions. For example, send a postcard to those that did not open the previous email - automatically!

What data should your sales and marketing teams capture?

Standard contact

information (like you would get on a business card) - name, company, address, phone email etc., which will enable you to communicate effectively by phone email and post and segment your contacts by region/territory.

Profile information - if you are selling B2B you will want company size (turnover, no. of employees, profitability etc.), company hierarchy (parent, division, branch etc.). If you are selling B2C you will want gender, age and other socio-demographics.

Activities and History - a complete chronological record of all past and future activities with a contact from everyone in your business.

Trading history - A summary of financial history such as sales year-to-date, payment terms, transaction history, amount owed etc.

Key Dates - This could be Financial or Payroll Year End, or more personal information like birthdays and anniversaries.

Opportunities - A complete record of all past and future opportunities for each contact (both won and lost), enabling you to analyse on time to close, best/worst sales people and products, revenue forecast etc.

Documents - A quick and easy way of finding documents (quotes, proposals etc) sent to contacts.



Scoring leads improves targeting

And it can go even further. If the lead then clicks on URLs in the email, or it is a prospect who has opened previous emails from you five times, the Deal Analytics tool can record that and assign a score to the lead.

Based on that score, the software might alert the sales team that he's showing more interest. It can help you really segment which people you should focus on.

The best solutions go one stage further, placing other important information about your customer from internet sources like LinkedIn into a display that's intuitive to read and use.

Summary

Prospects are very expensive to acquire. Giving them straight to sales teams without pre-qualification will create frustration for sales teams and customers alike, and end in broken relationships, both internal and external.

CRM software can really help unlock the wealth of information in your database by nurturing leads, turning your database into a significant asset and improving the ROI of your sales and marketing activities.



About Essential Business Guides

This guide is the second 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 anyone involved in sales and marketing 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 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.



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Showcase - ACT! 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! has more than 2.8 million individual users in every type of SME in 26 countries.

Because ACT! supports an “anywhere” workforce with seamless online, offline, and mobile access solutions, it works for any business environment. With ACT! 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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