

Planting the seed for future business

Cultivating your past and current customers is a guaranteed way of building future business. But for this to succeed you will need to have a thorough and functioning Customer Relationship Management system in place, as **Raz Chorev** explains

EVERY TIME YOU close a sale, you plant a seed. If you ignore it, it will have little chance to take root. You will continually search for new sources of seeds to plant in its place. Customer-relationship management (CRM) is all about tending this garden. With a little thought and some care, your sales success can be converted into a continuing source of new business that can sustain you for years.

No man or woman is an island. Most customers have friends or family members who could also benefit from your services.

Without an intelligent CRM plan, you'll have to work much harder just to maintain the status quo or to take your business to the next level. Whether it's by pounding the pavement, advertising in the newspaper or purchasing leads of questionable quality, ignoring the new-business potential that's no further than your own filing cabinet is short-sighted, detrimental to growth, and just plain bad business.

Studies have shown that most buyers are satisfied with the service they receive from their suppliers. They'd not only consider returning to them the next time they are in the market, but they also would be willing to refer family and friends. Good, right? Yes, except that most buyers forget their supplier's name within a few years. Not so good.

Businesses that do nothing to maintain their relationships with customers can lose two-thirds of their clients' next deals. Call your customers of three-to-five years ago and see how many of them have since done business with another supplier. You may have been fired without knowing it. If you didn't do anything to stay in front of these clients, you never really gave yourself a chance.

Your customers don't stop doing business; it's just that many of them stop doing business with you — that is, unless you have a plan to keep them.

Tend to your garden

If customers are seeds, then customer service is the soil in which they live or die. Even the best CRM program will have an uphill battle if you haven't delivered superb, memorable service first. You don't get extra points for doing what customers expect. There's nothing memorable about simply meeting someone's expectations.

Exceeding expectations is what gets remembered and talked about. To see your referral garden flourish, consider the following suggestions:

- **Include everyone:** Aside from memorable service, the most important aspect of any CRM program is universality. Include all your customers in your program. Too often, people will try to nickel-and-dime their way out of including everyone in their program. But doing so is penny-wise and pound-foolish. The few dollars you'll save by not including someone is insignificant compared to the profit potential of future business and referrals.

- **Spice up your mailings:** Letters, greeting cards, newsletters, postcards — mix it up. Sending the same tired envelope, postcard or newsletter every time runs the risk of finding the round file before the letter carrier gets to the next house.

- **Measure the results:** If you can't determine with a reasonable degree of accuracy how well your program is working, you'll have a difficult time measuring your return on investment. If the only answer you can give someone who asks about the

effectiveness of your CRM program is, "Pretty good, I guess," then you're not in a position to evaluate it adequately.

- **Make it easy:** Your customers should reach you more easily than they can reach anyone else. Consider including a postage-paid reply piece with everything you send. Be sure to add every way your customer can contact you (eg your email address, website, mobile phone number, fax number and mailing address).

- **Strive for top quality:** Your marketing pieces should appear professional and not be of poor quality. Rely on common sense, and don't dwell on how pretty they are. Remember, quality, not aesthetics, is what counts. If what you're about to drop in the mail doesn't convey a sense of quality, drop it in the trash instead. Your professional image is at stake. Protect it.

- **Consider personal versus sales:** Stay away from signature stamps or digitized faxes. Opt instead for hand-signing, even if someone else does it for you. As for address labels, nothing screams, "I sent this exact same piece to 400 other people, too!" more. Opt for personal over slick, salesy and glitzy. Also, resist the urge to slap logos or pictures of yourself on everything. You're already past the name-recognition and brand-identity hump. Save the photos and logos for your marketing efforts to potential new clients who don't already know who you are. Keep it personal! What would you rather get?

- **Say thank you:** customers love cookies, flowers, fruit baskets, etc, but these gifts probably won't make your phone ring four-and-a-half years after the sale. Sure, use these thank-you gifts to your advantage; ►

MANAGING YOUR BUSINESS

just don't rely on them exclusively to earn your customers' loyalty.

• **Stay in-house or outsource?** In-house marketing and outsourcing your marketing each have pros and cons. Doing it in-house affords an unparalleled degree of control and flexibility, but program implementation and maintenance can be expensive and time-consuming. Outsourcing frees you to focus on your primary function: producing and selling your goods or services, and showering customers with service. Some CRM-providers can even manage the responses and sales leads that their programs generate for you although this can come at the expense of complete control and can limit flexibility.

• **Invest wisely:** Remember, CRM is about increasing profits, not expenses. If your plan is too expensive, you'll be tempted to end it when business slows down (which is precisely when it can help you the most). Earmark a small portion of each deal or commission for CRM. The best plans are those that are simple and affordable so as to provide a solid return on investment.

• **Remember why the hare lost the race:** CRM is a long-term endeavour, not a quick fix. Chances are that your phone won't start ringing off the hook with repeat and referral business six weeks after you implement your program. Even a seemingly modest reply rate of five per cent can translate into a successful program when you consider the high quality of referrals and leads from past customers.

• **Ask and you shall receive:** Don't be shy about asking for referrals. Remind customers that you value the opportunity to serve their friends and family just as you served them. If you've established any sort of rapport with them, they will understand that this is your livelihood, and they won't mind being asked.

• **Satisfaction surveys:** Consider developing and using a satisfaction survey. Mention that you take the surveys seriously and that you'd consider it a personal favour if they could take a few minutes to complete it honestly and return it. These surveys you do get back will usually be more comprehensive, complete and honest. For a real eye-opener, include the following question on your survey: "What was the

most memorable aspect of your experience with us?"

• **The right frequency:** The key is to reach out often enough to increase your odds of being in the right place at the right time — but not so much that your contact becomes routine.

Usually, a mailing every few months and the occasional phone call will do nicely. In the end, remember: If you're not tending your garden, you can rest assured that someone else is. ●



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