

# Customer Relations - Embed them in Your Business

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Ruben Suare  
Deven Pravin Shah

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Suare Shah Strategy Group

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## OVERVIEW

The fuel of any sales strategy is customer relations.

- How do you manage your prospects database?
- How do you cultivate confidence and credibility with them?
- How do you track and understand them?
- How do you segment them and customize your follow up and communicate with them?
- What would be the next step in converting a prospect? What are his/her needs?

Every business grapples with these questions every day of life.

We have worked with a number of partners in resolving this. The answer is to have an effective Customer Relationship Management (CRM) system.

In this whitepaper we explain our perspective and share our experiences about it.

## BUSINESS OBJECTIVES

While thinking about streamlining your sales process and customer relations, have a clear list of goals and objectives in mind. For example:

- I want to improve my sales closing ratio.
- I want to discover and execute on opportunities for improving my sales strategy effectiveness.
- I want to set up a sales rep organization, and these are my revenue expectations.
- I want to eliminate customer inquiries falling through the cracks.
- I want to scale my sales organization.

## WHY CRM?

## BUSINESS LEADS

### LEADS GENERATION

Leads are so important for a business. They keep your sales funnel vibrant and vital.

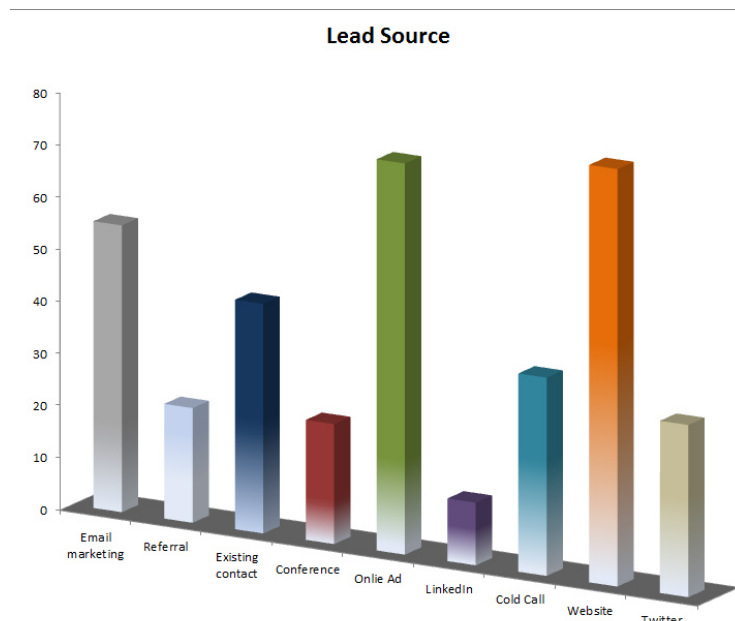
How do you get your business leads?

- Setting up a sales rep organization?
- From the search engines such as Google or Yahoo using search engine optimization (SEO) and/or Search Engine Marketing/Advertising?

- Pulling targeted prospects using social media?
- Conducting workshops, seminars and/or webinars, other speaking events?
- Networking?
- Business partnerships?

Do you track or remember how you got each one of your leads, and when? What would be the targeted applications a prospect would be interested in?

A CRM system can help you in capturing the source of each one of your leads, as well as when you got them.



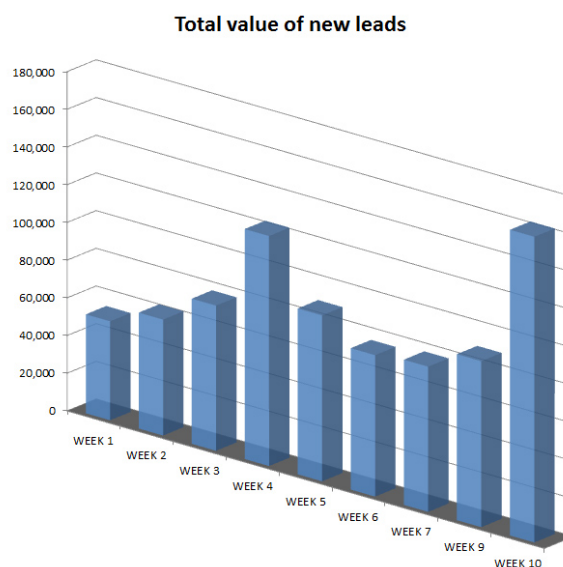
## VALUE OF A LEAD

What is the quality of your leads?

What is the revenue potential of a lead or a group of leads?

Defining the value of the leads could be done several ways. You could identify the lead by the source; a lead brought in by a sales rep could be considered good quality because of his/her active relationships with the customers. You could also categorize the lead in relationship to the inquiry potential and place the lead a step closer to closing in the sales process. When you get a lead from a search engine it can be considered a warm lead if someone is searching for a quick answer, or it could be very insightful for opening up to a new market segment all together.

A CRM system helps you categorize your leads and quickly understand which are “high quality” to track them all the way to customer conversions. When you create custom reports to classify and understand different types of leads, you have a very powerful and efficient system to qualify your leads.



## LEADS CULTIVATION

We hear this so many times –

“We have had so many contacts and leads in last five years. Only if we had a way to track them, understand them, and communicate with them.”

“Key to scale my sales operations is to hire sales reps, how do I support them with an effective communication and relationship development?”

“What are the challenges in converting my business leads? How can I improve the sales strategy of my business?”

“How do I know what’s lacking in our training of the sales force?”

“As a sales rep, how do I understand how to improve my performance? What can I use to cut down my follow up headaches? It’s overwhelming as to how I remember and track different leads that I have.”

“How can we automate communication with customers so that we can maintain relationships more efficiently and more effectively?”

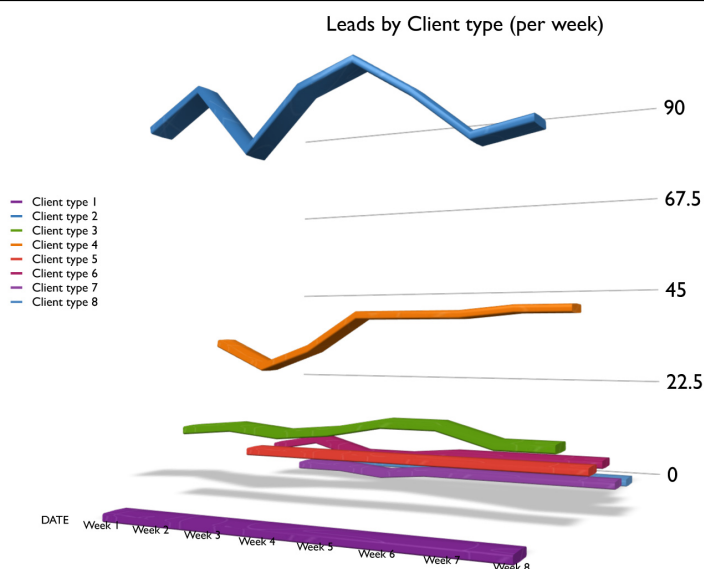
A CRM system helps in answering all of these questions.

## CUSTOMER INSIGHTS

The sales team members always brings ton of insights from their interactions with prospects. Use a CRM system to capture them systematically and efficiently. You always get more business from your current customers and people that you know of. A CRM system helps you in understanding and streamlining it.

The marketing, public relations, initiatives of individual sales reps bring leads in to the sales funnel. End of the day ... which of these leads are the most worthwhile? How do you handle leads from a specific source to maximize your bang for the buck? A CRM system helps you with this as well.

Understanding which the most requested issues from customers are is a powerful tool to increase the level of customer service as well as knowing which are the products, services and samples that are requested the most. A CRM system will help you in capturing and reporting this information.

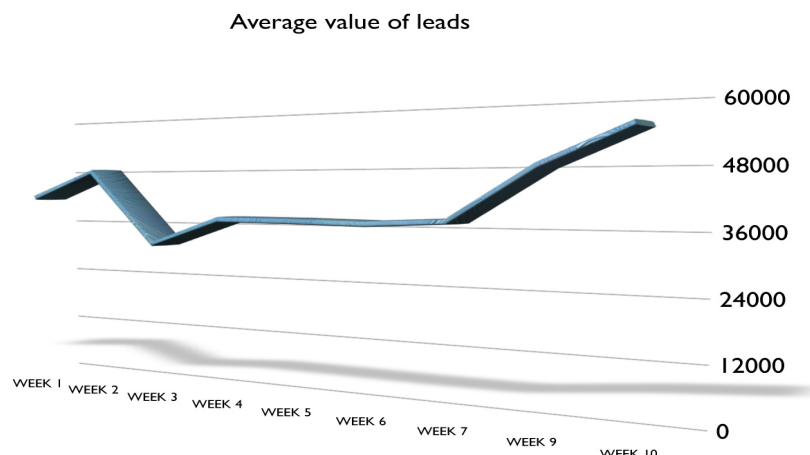


## SCALABILITY OF YOUR SALES OPERATIONS

How a CRM system makes the sales organization and customer fulfillment process more scalable.

Have you ever had to call someone in the organization to find out if something a lead requested was sent, or have you seen people doing searches in their email system to find the history of the communication that the company

has had with the lead? Now imagine that you have all of the communication that has taken place with all of the leads in one place for anyone to see at any time, and where you can also see anything that has been sent to each lead including samples and supporting document. A CRM system can help with this and will cut down the time spent by sales people in non-sales activities, increasing their productivity and ability to close sales.



## HOW TO SET UP A CRM SYSTEM

There are a number of CRM solutions available for your business. The key is to clearly identify what your sales objectives are, and make sure that the CRM system can accommodate that,

### STEP ONE – YOUR SALES PROCESS

What are the milestones in your sales process? Make sure you clearly state them and communicate them with your sales team.

An example flow for guiding a lead to a happy customer –

1. Understand their design requirements; identify the right product and installation requirements for them.
2. Send sample(s).
3. Set up a meeting to follow up or review the project details.
4. Provide a quote.
5. Understand their project schedule, and have check points for communication, providing information.
6. Communicate relevant information, ideas to cultivate relationships.
7. Get the order and close the sale.
8. Post process review to understand the main reasons why the sale was closed.

Set up a milestone in your CRM workflow that would represent steps along the sales process. It's very important that milestones are fitting your sales process like a glove.

One of the greatest benefits of a CRM system is that it will make you think hard, and brainstorm with your team the details of your sales process. Be prepared to adjust the process several times before you finalize it. In occasions, you will have a need to run one or more processes at the same time, perhaps a nurturing process along with a sample process.

The CRM system should be able to generate reports so that you can clearly understand the maturity of your sales strategy, and have confidence in your sales forecast.

## STEP TWO – CLASSIFY YOUR LEADS

Have a comprehensive list of categories and groupings, so that each lead can be assigned to appropriate categories. This is crucial for segmenting your leads using relevant criteria.

Here are examples for grouping sales leads:

Segmentation by industry

Segmentation by market verticals

## STEP THREE – SETUP THE DATABASE

A CRM system is only as good as the quality of the data you have in it. As they say “garbage in, garbage out” Therefore, due diligence in setting up all of the fields to make sure that you capture valuable information for your company is crucial.

Examples of what to track are:

Source, product / service, industry, application type (market vertical), competitor, estimated closing date, bid date, terms, etc.

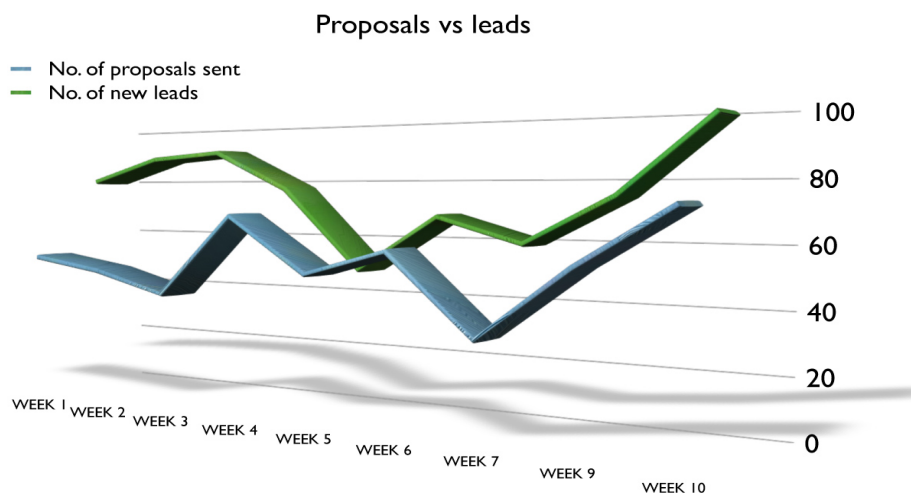
## WHAT TO EXPECT

### WHEN YOU JUMPSTART

Setting up a CRM system is a major change in your sales strategy execution.

The benefits of a CRM system are huge for a sales organization – that is for sales management, forecasting, and follow through and tracking for individual sales person. Make sure to take time and explain it to your sales reps and the entire organization. As the saying goes, change isn’t without inconvenience even if it’s for good. Clearly showing them the value as to how it will simplify their life is a crucial first step in the process.

Also, involve your sales reps in defining the sales process. They after all, have a lot of experience and stake in it.





## WHERE ARE MY LEADS?

Don't be surprised or frustrated if pulling in all the leads into the CRM system becomes a challenge. Rest assured you are joining a club of companies and professionals that have to navigate this ocean.

Start with leads that you can easily capture. It might take a few weeks, or in many cases months, but sooner or later you will get it all in. What if you can't get part of your leads into the system because you don't have all the info? Import what you can for each of these leads. As a sales organization, you lost part of this information. Take the glass as half full – now, you at least know what you don't know about your leads and prospects. Take it as a lesson learned, and a starting point.

Most importantly, make sure that you have discipline to enter every new lead into the CRM system immediately.

## IT'S A PROCESS

Be realistic about your expectation with the CRM system.

A few of our lessons learned while setting up CRM systems for a number of our partners –

- Getting every lead into the CRM system will be painful. Embrace, enjoy the journey. The insights you will have about sales while going through it is more than worthwhile.
- Don't expect overnight miracles. This is a new way to think and execute your sales strategy. As in everything in life and business, it takes time for it to mature.
  - Sales teams may not have discipline to assign all the fields/categories to the leads when they enter them. Coach them. Guide them. Show them how this will simplify their life. They will get it.
  - You will go through an “adapting / adopting” phase where some of the sales people will have a difficult time changing the methods that they have used for years and are accustomed to. The key to successful adoption is to gradually phase the process. Look at the data that the sales rep has been capturing and organizing in their excel sheets or task organization tools, replicate that in the CRM and show them how much more information and reporting they can get with the same amount of data, likely, with the press of a button.
- Your reports won't be perfect the first time. As you go along, you will see how to adapt, customize the reports better. It's a continuous process, and not one-time tick mark.
  - The more you work with the reports the better the quality of the information and your ability to decide which information is valuable to track will increase significantly. Don't be surprised if what you thought was important to track at the beginning of the system set up suddenly becomes irrelevant. Understand that CRM systems are like living organisms inside an organization and that as the organization changes (which they always should) the system will change with it, always adjusting to capture the most relevant data available to make sure that you stay at the top of your game with your customers.

## ADAPT YOUR COMPANY CULTURE

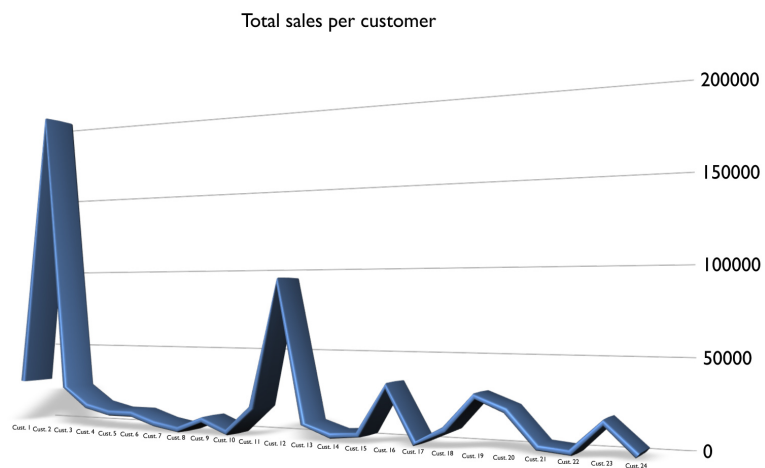
If your sales force wants to stick to the old ways of doing things, again, welcome to the club. Every business, every sales organization has to go through this.

Here are the keys to success.

## COMMUNICATE WITH CLARITY

Describing the specific strategic purpose and outcome of the CRM system in the organization is fundamental to get buy in from all parties.

- Create an online searchable CRM manual for your company describing the main tasks of the system.
- Always have a person that knows the system well to answer questions.



Understand that having good resources at the beginning of the implementation is key to the success of the system. Make sure that everyone understands the time commitment that the system will take.

## SET EXPECTATIONS

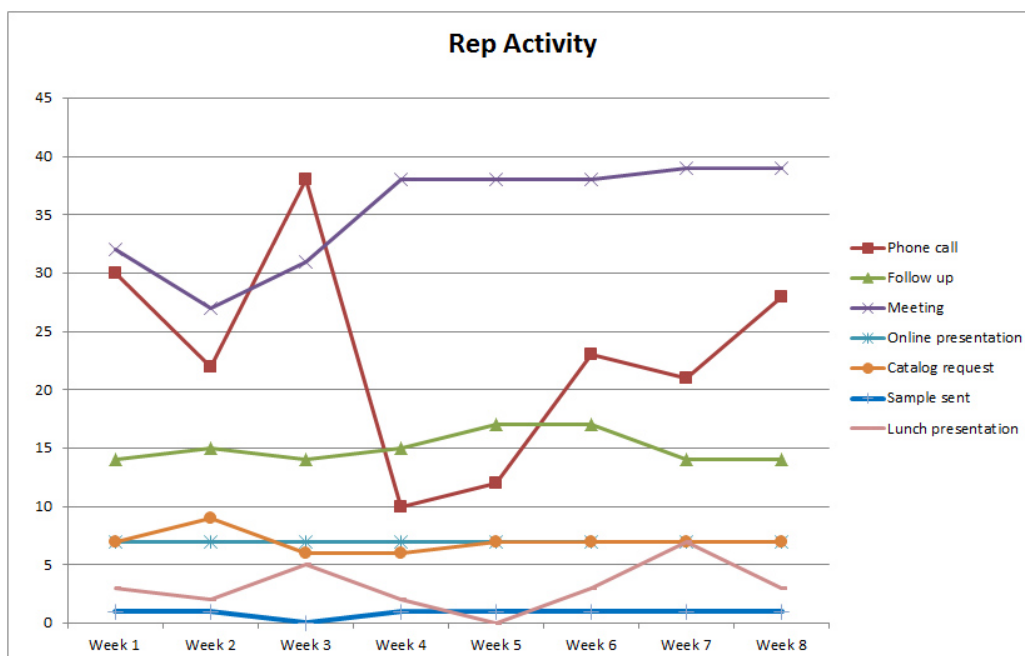
CRM system should not be thought of as impacting only the sales department and should become part of the company strategy meetings to clearly understand the impact throughout the organization and to make sure that expectations are clear to minimize the potential of failure or significant problems. Many of the failures that we have seen occur because people have the wrong expectations of the systems and often they think that these systems, out of the box, should resolve all of the customer relationship problems at once.

## INSERT RIGHT CHECK POINTS

As the data is being entered into the system, create weekly reports that allow everyone to see where the holes in the information are. It is easy to create reports that show valuable data missing on each lead, and of course it is also easy to use these reports to add the information. Create monthly company surveys to understand which areas of the system are the most valuable and why. Capture the company's idiosyncrasies and adjust the CRM system to perfectly mold to them.

## CREATE RIGHT INCENTIVES

The CRM system can allow you to measure your performance with different market channels and verticals. Once you understand this clearly, build incentives for the sales force to focus on the channel or vertical that is giving you the best results. The CRM system can also allow you to measure the activity of each sales rep. Look at the activity of the best reps and find out why these reps are getting the best results. Perhaps you find that phone calls are giving you great results for a particular product, or that in-person meetings are great to build the pipe line. Another example is measuring the number of quotes against the number of leads per week, if you know this information you can then build incentives to focus on one or the other as necessary depending on the closing rate and pipe line.



## ESTABLISH ACCOUNTABILITY

One of the greatest values of CRM systems is the ability to have all of the data in one place to easily show who is really taking advantage of it and who is not. Have the sales person that is using the system well, describe to all of the organization the value that the system is providing to him/her. This will do wonders in getting buy-in from everyone.

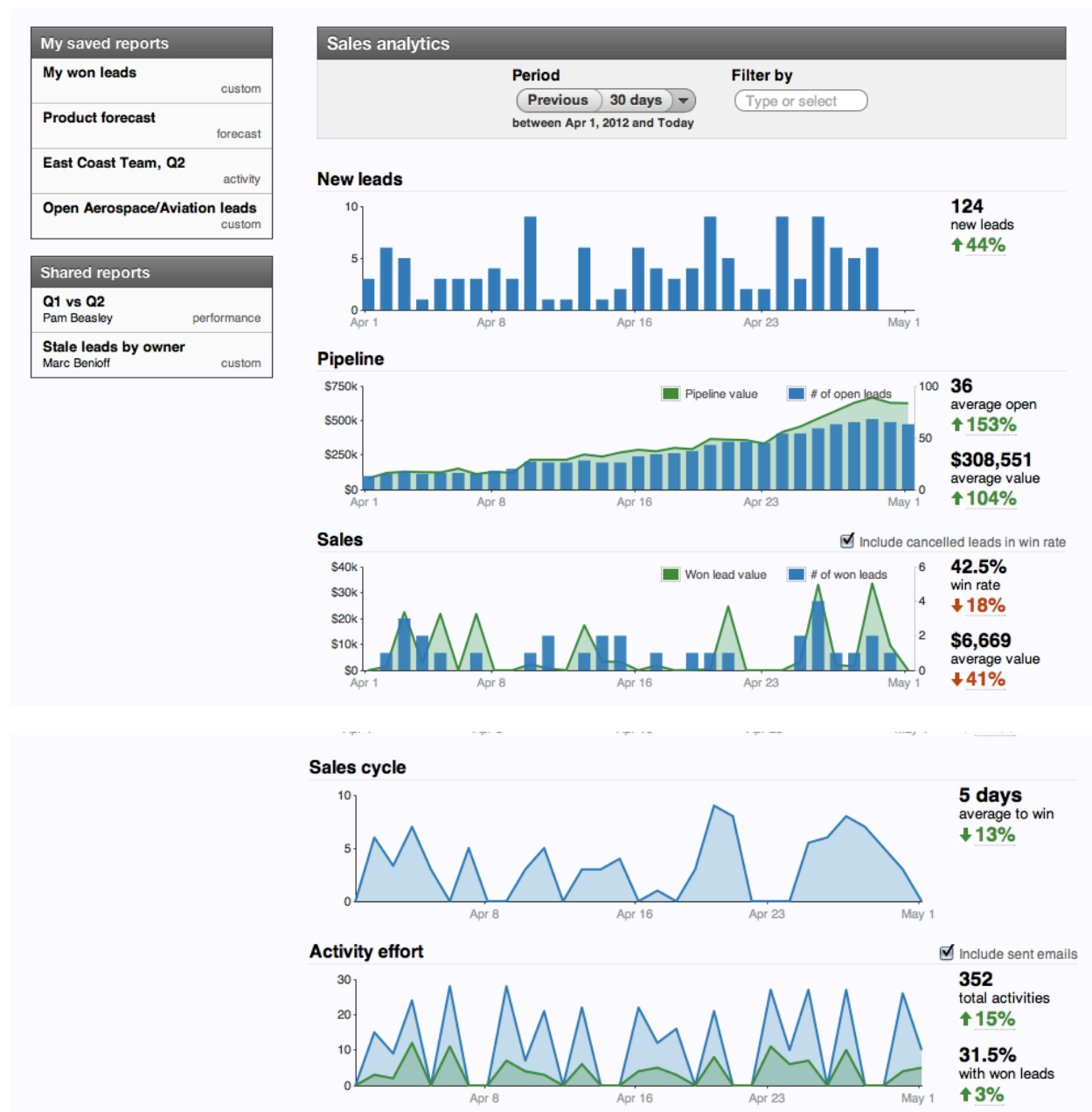
## USE CUSTOM REPORTS

This is an extremely critical factor for success.

Why is that? For one very simple reason – it shows the value clearly, easily and visually.

A report with meaningful insight galvanizes the idea more effectively than anything else. The beauty of visuals is that people can see the value much faster and way more easily than anything else. Use it to get your sales force on-board with it.

Whether you are a sales manager or a sales rep – ask this question everyday of your life. “What can I learn from this CRM system? How can this simplify my life? **What kind of report will make it even more meaningful for me?**” Hire a consultant that has done this before. You will be amazed how much easier and simpler it becomes when you have an expert hand guiding along the process. **Remember, your data is only as good as your ability to interpret it and generate meaningful insights.**



Sales cycle

5 days average to win

↓13%

Activity effort

☒ Include sent emails
 

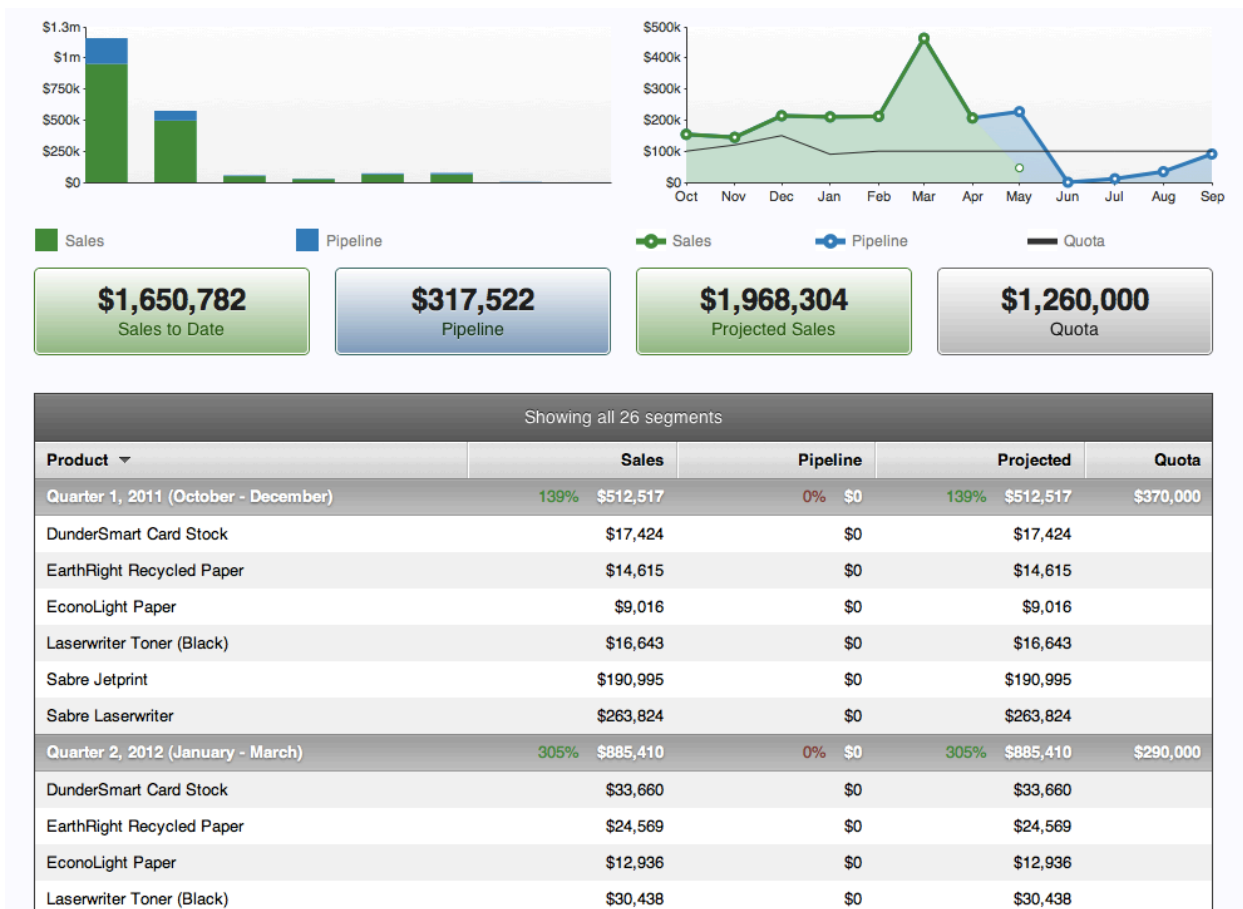
352 total activities

↑15%

31.5% with won leads

↑3%

Note: Graph by Nutshell CRM



Note: Graph by Nutshell CRM

## SUMMARY

Think of the system strategically and always realize that it will have a significant Impact in the entire organization. If you keep this in mind at all times, you will set the correct expectations and buy-in from all will be much faster.

Realize that the system will likely not do everything that you think it should, but understand that it will achieve the goal of making your organization much better at managing your customer service, leads and sales, and this is a great value to any organization specially in a competitive market such as the one that we all face today.

Be realistic about the time that it will take to get the system up and running and understand that it will not be as soon as you install it. Know that it will take months and even when running smoothly, it will change and adjust, as it should, to always add more value to the process.

Work with your team and use the people that are getting the most value from the system to train the rest of the sales force.

End of the day, you will be happy to see the rewards that will make it more than worthwhile.

## ABOUT AUTHORS

### RUBEN SUARE

Ruben is partner at 3SG Consulting.

Ruben has successfully defined and led strategy of a number of companies in the architecture, construction and manufacturing industry. Ruben enjoys identifying business insights and capturing them in an appropriate data model.

### DEVEN PRAVIN SHAH

Deven is partner at 3SG Consulting.

Deven has successfully led product strategy for technology products that met revenue goals and market share targets. Deven enjoys measuring effectiveness of marketing, and using technology to solve business problems.