

## WHAT THE HECK IS CRM?

So you're an SME, and you need or want to look at this buzzword that is called CRM? There has been much written and discussed about the theory of CRM – or Customer Relationship Management. But what about the "practice"? What is it, and how do you actually implement it and combine the theoretical "feel good" talk with practical actions which work and achieve results?

*First, we need to understand what CRM actually is.*

CRM is simply a method of selling products and services by recognising the value in building a relationship with clients and prospects. In an era of increasing customer skepticism and education, it is quite simply the only common sense way to sell within an increasingly sophisticated marketplace.

The days of the hard sell are dead. You saw what happened to Gordon Gekko with his "Greed is good". Customers today are simply too smart and too educated to be "conned" or "sold". The key is to make them want to buy – from you!

You need to build a "relationship" with your customers and prospects.

What is a relationship based on?

**Trust.** Think of your personal relationships. Is it possible to have a relationship with someone you don't trust? Is it true that your best relationships are with those people you trust the most? The same principle applies with a business selling products and services. People will buy from those businesses whom they trust the most.

So how do you build trust in a business relationship?

In the same way as you build trust in any relationship – by going out of your way to give, and to continue giving **consistently** until that client or prospect builds up a trust in you, and what you are offering.

Research conducted in the early 90's by US Life Insurance Association, "LIMRA" analysed the habits and traits of their best salespeople against those of their average salespeople. Their findings were stunningly simple. The average salesperson stopped trying at 2/3 contacts. The top salespeople made up to 7 contacts. They developed a relationship of trust through their consistency – and they were top of mind when that prospect wanted to buy.

Just as we don't form lasting personal friendships from just one contact, neither do we form lasting business relationships – it may take up to 7 contacts. And those contacts have to be about:

- recognising the customer/prospect for what makes them special, or unique, or different,
- communicating with them in a manner which is relevant to them, and,
- doing what we say we are going to do, when we say we are going to do it! (Think of the "friends" you bump into from time to time who say "We must catch up for a coffee!", and then you never hear from them – do you *trust* them or the friendship?)

What is the benefit of building a relationship with a client after they have bought?

Quite simply, not only repeat business- but potentially far more powerful and profitable – is the prospect of referral business.

Clients have the power to grow your business exponentially. Don't you feel better when a friend or colleague tells you about their successful experience with a product or service they have purchased rather than you starting out "cold"?

So come back to those 7 contacts. Assume you or your company has just sold a client their first purchase from you. They are obviously at their most susceptible and most impressionable at the very early stages after their purchase – because your product is something new to them. Your objective now is to build a relationship with that client to turn them into an advocate – a source of referrals - for your business.

You do this by winning their trust to refer that business to you –without the need for you to ask! How? **By the way in which you communicate with them!**

Collect the information you need about your client – usually the basic information which your salespeople normally collect when they are taking an order will suffice. Your salespeople will be introduced into CRM without the need for massive culture changes which have so often destroyed CRM intentions. (Overkill in the first instance may lose them forever!)

Clients can then be "grouped" or segmented" into like interest or trigger areas. You develop a contact strategy based on those segments – which gives them 7 contacts from your business over the first 12 month period. (Timeframes will differ according to the type of product being sold – this timeframe generally suits products and services which have a longer product life cycle.) These contacts are made up of a combination of 5 personally addressed and signed one page letters or emails, with information directly relevant and of value to your client. The other 2 contacts are personal telephone calls from either the salesperson or a senior executive – but with genuine "giving" reasons for the call. (For example – 1 week after the sale to ensure the client is happy with the product – and on the yearly anniversary.)

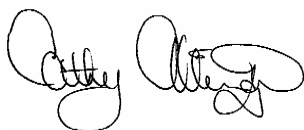
Remember that your objective with this strategy is to gain sufficient trust from that client to both retain their business, and to give them the opportunity to talk enthusiastically about your product or service to others. If you have not taken the effort to find out enough about your client and to ensure that the information which you are giving them is of genuine value to their particular needs, you will not build that trust.

The second and subsequent years do not need the intensity of contact. If you have carried out this part of the strategy sufficiently, you will have created a position of trust. Newsletters – brief, easy reading, and of value, can be used say 3 times per annum, with a personal telephone call or letter providing a 4th "human" contact.

Can you imagine how you yourself would be reacting about a company who had followed you up in this manner after say a 2 year period? Say you had bought a house from a real estate agent who had followed you up like this. You are sitting down one night with a group of friends or family – and someone mentions they are thinking of selling their house. What is your likely reaction to be – even though you have not once responded to any of the contacts from your agent?

You are likely to suggest that they contact your firm. Why? Because it makes us feel good to assist our friends/family by telling them about a positive experience which we have received in a similar situation, and by giving them the opportunity to achieve the same. Provided we have built up that trust element, we will want to share our positive experience with others to help them.

The next step is how to implement this process. Tell me, do you simply map it all out and leave the responsibility to your salespeople? No way!!! Because salespeople's motivation is on the next sale! They simply will not maintain this – except for the exceptional few. Technology plays a critical role here – the entire process needs to be easy, and it needs to use the information and systems you already have.



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