

CHRIS'LL DEAL WITH IT

episode notes



EP 6 - Will I See Growth Or Come To Loathe A CRM?



www.ChrisKreuter.com/CDWI

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I run a small B2B marketing firm and I keep hearing about CRMs and how they can drive growth. But they look expensive, a pain to setup, and regular effort to maintain. Can you help me explore CRMs, and how to understand if the benefits end up being worth it?

Breakdown

1. **What's a CRM?**
2. **CRM's Potential Impacts**
3. **Establishing CRM Benchmarks**
4. **Integrating Your CRM**

Definitions

- B2B: Business To Business
- B2G: Business To Government
- B2C: Business To Consumer
- CRM = Customer Relationship Management

- *A technology that manages your company's relationships and interactions with existing & potential customers. Its goal is to improve those relationships for business growth.*

1. What is a CRM?

- CRM is a modern term, typically associated with desktop & cloud-based software
 - Better to view it as a system or method.
 - While CRMs are often software-based, there were CRMs well before the term was ever coined: The Rolodex
 - A well-defined CRM system can have a massive affect on your business, but it works best when paired with routines & habits for using its insights to keep in touch
 - IMPROTANT: Lots of popular CRMs have free, entry-level plans. But you can build your own CRM in a notebook or spreadsheet without any tech skills or spending a single dime! Its features would be limited, but managing your customer base can *totally* be boot-strapped for \$0!
- There are many CRM software tools out there. Some I have deep experience with:
 - SalesForce
 - Grand-daddy of CRMs: Enterprise-level software that drives many large-scale businesses.
 - Powerful with a complex feature set.
 - Great for large organizations who might contact customers on many levels from disconnected departments/divisions
 - They do have solutions for small business
 - Inightly
 - Great for B2B / B2G companies with a complex, long-term sales pipelines
 - Customizable pipeline management tools allow CRM functions for project-based sales cycles
 - Recommended if you have a specific, detailed sales pipeline that needs to be navigated, or are a project-based organization.

- Airtable
 - Customizable online spreadsheet/database tool - If you know Excel, Airtable will feel very natural
 - Very flexible & user friendly - features templates & examples to help get you started
 - Great for digitizing & automating other business processes as well.
 - Its automation tools & extensions to other services means you can setup with little coding experience
- Other popular CRM tools:
 - Zoho
 - monday.com
 - Hubspot
 - Apptivo
 - Keap
 - Pipedrive
 - SAP
- E-mail marketing campaign services
 - Examples:
 - MailChimp
 - Constant Contact
 - ConvertKit
 - For B2C (and some B2B depending on your industry & customer base), you could also consider these as CRM tools
 - They monitor & track engagement & sales conversations at the individual customer level
 - Many also have integrations with popular CRM tools, working in tandem with little daily effort.

- For example: When a mailing list customer orders a product, it can create or update that customer record in your CRM.

2. CRM's Potential Impacts

- B2G: The CRM can highlight the unique elements/factors for each entity you sell to.
 - You're often dealing with public procurement processes, documentation, and verification.
 - Purchasing requirements often vary between municipalities: Cities, states, and/or the federal government.
 - CRM should be flexible & customizable.
- B2B: The CRM should track not just the corporate accounts themselves, but the individuals within them.
 - Management & staff can turn over frequently
 - People do business with people - regardless of who signs their paychecks.
 - CRM needs to strategize at both the account level and the personal level:
 - Engage & influence those making decisions within an organization***
- B2C: The CRM often must integrate with & be an extension of your marketing strategy
 - You might have traditional advertising campaigns, social media engagement like hashtags, e-mail marketing
 - Likely a variety of sales channels you use to promote & sell your product: Storefronts, trade shows, eCommerce, and social media
 - CRM should help identify of key customers such as early adopters/evangelists, while quantifying audience as much as possible → Gaining insights into trends that will help grow your business
- CRMs are often established in organizations featuring multiple sales reps and/or independent sales agents.
 - You'll want your CRM to strike a careful balance between feelings of ownership and responsibility towards their sales accounts.

- Sales agents may need to rely on various resources within your organization at varying levels of the sales pipeline.
 - Example: Calling upon a technician to help develop the solution during the proposal phase.
- A CRM aids in identifying/crediting which sales rep converted a lead.
 - This can be used for tracking bonuses or commissions tied to performance.
 - This data can also be used to fuel competition,
 - **Caution: Make sure this is your aim before throwing up salesperson performance KPI!**
 - In most cases, you'll want to encourage sharing of techniques between sales reps, not create competitive silos.
- Should our asker have multiple staff members responsible for specific customer accounts, this data can be extremely helpful in a few areas:
 - Balancing workloads
 - Ensure employees that are best suited for various types of customer management are playing to their strengths
 - Example: Pitching, onboarding, project management
 - Identify accounts that might be lagging so more support can be provided.
 - Track effectiveness of both their own marketing/sales techniques - and the performance of their marketing efforts for their clients

3. Establishing CRM Benchmarks

- Before implementing a CRM: Clearly define your benchmarks.
 - **Benchmarks: Quantifiable data points that are relevant to your business**
 - Clearly defined data input into CRMs should be:
 - Understandable
 - As detailed as possible
 - Easily to input

- Of obvious benefit across your team
- This will ensure they adopt the CRM, and not see it as another system adding work to their busy lives.
 - *A CRM is a tool to help grow your business, not bludgeon or micromanage your sales team.*
- The better your benchmarks, the better you can:
 - Quantify the value your CRM brings
 - Leverage the data it generates for better insights
 - Improve the ROI (return on investment) for your CRM

Categories of benchmarks

- Growth
- Strategic
- Sales Pipeline
- Project & Contract
- Vendors

Growth Benchmarks

- Quantity of customers: With the ability to slice across product lines / demographics / criticality / etc...
- Revenue per customer
- If you have multiple products: Isolate customers that are likely to appreciate your other offerings, or will only benefit from a single one.
 - *These opportunities are referred to as Upselling or Cross-Selling*
- For B2C companies, especially those with physical locations:
 - How often are customers buying?
 - How many loyal/regular customers haven't stopped by in a while?

- Who should you target (and with what products) for upcoming sales/promotions?
- Profitability of customers - *Often overlooked!*
 - Revenue versus the labor & resources that have gone into the account
- Growth by region or by sales agent
 - **Again: Be careful with how you use this data! For team growth or for cut-throat competitiveness**
- Measuring customer interactions:
 - How often are you connecting with customers?
 - Automate formulas to generate alerts when contact has grown stale
 - Are customer interactions getting a good return on the effort spent (time, travel, samples, etc...)
 - How many follow up actions remain open from those interactions? How long have they been left open?

IMPORTANT: The more granular you get with interactions/action items, the more effort will be needed to maintain your CRM. This is why it's important to clearly define the benchmarks that are most relevant to your company beforehand. It'll also help you identify the right CRM product/system suited to your company.

Strategic Benchmarks

- How do you classify your accounts?
 - Examples for our Asker:
 - Does their customer sell products or services?
 - Their industry
 - Position in the marketplace (new, established, leader)

- How deeply do you know your customers?
 - Do you have sufficient contacts across the key decision markers in the organization?
 - Awareness of their procurement plans & current budget?
 - What is their current perspective of you? (Don't know you, awareness, considering proposal, buying, pleased with results, unhappy, no longer doing business with you?)
- How will you define account-level & personnel-level strategies?
 - How often will you update them?
- Our asker likely has customers in drastically different markets - they may need to tailor their CRM to capture unique elements specific to those different areas
- Can you track performance against industry standards and/or trends?
 - Example for our asker: Open rate on e-mails for various clients?
 - Targets will vary by industry, but one general average I found for email open rates is around 15-25%
 - The average click-through rate is 2.5%
 - The average click-to-open rate hovers at around 20-30%.
- Advertisement & social platform engagement
 - How is your business converting these engagements into leads & subsequently turning those leads into prospects & sales?
 - Are you getting adequate ROI on the time & money spent on the various platforms?
 - Be sure to track returns from each individual channel of you can!
- Trade Shows: Often expensive undertakings with 'long tails' on turning them into customers.

Sales Pipeline Benchmarks

- Clearly define your sales pipeline

- Multiple models - Most common is the The funnel
- How many steps along the funnel do you want/need to define?
 - My general rule here: Simpler is better.
 - Your funnel should match the complexity of your customer's journey from awareness to action
- Note: You may have different pipeline definitions for different types of customers.
 - For our asker: They may want to consider tailoring specific pipelines for product launches on consumer products versus long-term contracts for getting media engagement on behalf of professional services organizations
- Track which customers are at the various stages of this pipeline
 - Hypothetical example for our asker: Their CRM might show that they have 50 early-stage leads who have at least heard of their firm. But they only have 2 prospects who have called to schedule meetings to discuss specific proposals. Our asker might use this hard data to assess their marketing efforts. Perhaps their sales team and marketing material are focused on late-stage decision making. If they're hungry for more business, perhaps a slimmed down mission statement, a refined introductory video on their website, or a discount offer to try them could bring more prospects deeper into the funnel.
- If you can, measure the number & rate of conversions through each stage of the pipeline: This can result in VERY granular data
- Workload Tracking: Measure the ebb & flow of proposal creation, contract execution, marketing pushes, trade shows, or many other elements related to both the sales & execution cycles

Project & Contract Benchmarks

- Identify accounts & proposals with specific requirements/needs
 - Especially important if you deal with unique service offerings and/or highly customizable products.
- If you work with multiple-bidder situations, track Win/Loss %

- Contract Tracking: Be sure to highlight when contracts are due for renewal or re-bid. Outreach can create awareness of their future plans, get feedback on any pain points with the products or services you're providing, and potentially influence the terms for the upcoming procurement. Thereby improving your chances of winning
- For larger organizations where multiple employees from various departments contact customers: Your account-level overviews should list all potential & current contracts/projects. Anyone working with that customer can then have more awareness of the customer's criticality, regardless of their reason for interacting.

Vendor Benchmarks

- Never neglect your vendors - they're vital to your business!
- Set aside a separate area of your CRM to focus on vendor & partner relationships
 - VRM = Vendor Relationship Management
- Are you up to date with their line card and/or service offerings?
- Do they have new products or features that can improve your own offerings?
- Do you have any strategic initiatives with them?
- How much are you purchasing from them? Highlight opportunities to negotiate better costs or improve your purchasing terms
- Are they properly aligned with the proposals you're generating or contracts currently in process?
- Does your company get any rebate or incentive programs?
 - Your goal here is to ensure your team is working with your preferred vendors / partners when building proposals or purchasing items.
- If your company doesn't have an intranet, wiki, or other online platform, consider setting up a space in the CRM to act as a knowledge library.
 - This can contain info on your products, service demo tools, presentation decks, line cards, etc...
 - Also be sure to add contacts if your team is widely distributed or uses a lot of outside contractors.

4. Integrating Your CRM

- You'll likely face some organizational resistance.
 - Get around this with storytelling: What's the vision of the upsides the company gains as a result of the additional process & work it'll take to setup & maintain?
 - *Don't hesitate to share this podcast with the doubters: Let Me Deal With It!*

- Reach out to key customers, get their perspective on what was relevant or what resonated with them that led them to choose your company's products and/or services.
- Your staff will likely have varying levels of technology skills
 - Try to 'meet them halfway' when it comes to the complexity of the CRM
 - If your CRM is customizable, consider a staged roll-out:
 - Start with a basic customer list with a few columns of key data
 - Slowly add in additional data, and/or formulas/automations that leverage the data
 - If you can, find ways of generating low-key KPI (Key Performance Indicators) - that focus on *team* success rather than individual success or failure.
 - For example: Dashboards for specific projects, sales review meetings & stand-up team meetings
 - As they gain comfort, you can get more sophisticated, and start leveraging CRM insights or tools for other business processes.
 - **The downside to a staged roll-out: Having to backtrack and add new data points to existing records**
- Also: You don't have to have a team to build & maintain a CRM. If you're a single-person company, a CRM can play a vital role in reinforcing good information hygiene & connection habits.
 - You can use a CRM system for your personal life as well!
- Don't just use the CRM to store lots of information - what's vital is how you USE it

- Don't be afraid to adapt your CRM based on feedback and/or changing business needs.
- As you & your team get more comfortable with it, you'll start to naturally see areas that add or subtract value. Allow it to evolve!
- Make sure to include data fields that can be used as 'hooks' into other elements of your business:
 - Include a field with each customer's account code from your accounting/billing/invoicing software
 - Address fields should be formatted so they can be easily converted to address & package labels if you use physical mailing services
 - If you do business internationally: Note any tariffs, cultural differences, time zones, etc...
 - Most CRM tools have the ability to "link" various record types across areas of the CRM. Do this whenever possible!
 - For example: Connect individual contacts with specific accounts/vendors. Connect them to any sales interactions, proposals, contracts, etc...
 - This allows you 'roll-up' everything into a cohesive customer summary or overview. It can be helpful to your sales team to reference sales history & click links to proposal documents
 - If you have any informational databases, try to include data fields that can be used as a cross-reference between customer information.
 - A short hypothetical list for our asker:
 - Customer location: City/State/ZIP → Link this with census data for demographics in that area. Helpful to determine target audience.
 - Keywords for media lists: A marketer likely maintains media lists that identify the topics of articles/interviews they specialize in. Match these to a field in your CRM so you could build out targeted media lists on demand.
 - If they also maintain a database of customers' social media influencers, they can track influencer follower statistics, trending lists, etc...

- They likely maintain a share drive with all marketing materials created for each customer. Put a link directly to that drive folder in the CRM. One click and you can go from a CRM page to the relevant files. Nice time savings over navigating through your share drive!

Some Additional Notes On Data Analytics

- Specific to CRMs: Make sure you understand what data matters, and how valuable it can be to your efforts to grow or maintain your business.
- Mine measurable benchmarks, especially over time
- Merging CRM data with other databases & systems can yield powerful insights and/or redefine some of your company procedures
 - If our asker is attending a trade show or conference: They could compare their CRM account list to a list of show attendees
 - How many current customers are there?
 - How many prospects?
 - This information can help focus a strategy for the event: Are they there to highlight a new product or service? Should they have a booth or just walk the show floor? Should the booth be focused on building awareness, or reinforcing existing customer's confidence in your company?
 - This data could help our asker go into the event with a better defined strategy, lists of targets, and reap the most ROI on the investment in time & capital.
- There are many publicly available or pay-to-play datasets available:
 - Check government records for regions/demographics relevant to your business (Example: [US Census Data](#))
 - Trade organization data
 - Open source projects (for example [ArcGIS](#) data) . Focus on projects and their aspects that help you better identify/qualify leads
 - [FOIA requests](#) (Freedom Of Information Act)
 - Marketing lists (Lists of e-mail addresses, social media accounts, etc...) - Personally I'm wary of these since many are likely faked to pad numbers, but

they're out there...

Episode 5 Quotes:

This summary of the **5 parts of every business** comes from John Kaufman in his book *The Personal MBA - It's a great reminder about what's essential in our businesses:*

1. *Value creation: Makes something of value for other people*
2. *Marketing: Attracting attention & getting people interested in what you have to offer*
3. *Sales: The process of how you take someone who is interested (prospect) & getting them to give you \$ for your thing*
4. *Value Delivery: Process by which you actually give customer what they paid for*
5. *Finance: Process looking at inflows & outflows of \$ and asking 2 important questions:*
 - A) *Is more money flowing in or out (otherwise you have a problem)*
 - &
 - B) *Is it enough to compensate you for the time, attention & energy you're investing into the business. (otherwise you have a sustainability problem)*