CRM Guide to Eliminating Guesswork: Get Control of Your Business

Elevating Your Credibility: 5 Steps for Proving, and Improving, Revenue

Marketing Effectiveness White Paper

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Elevating Your Credibility: 5 Steps for Proving, and Improving, Revenue

Show Me the Money

It's your turn to present at the executive staff meeting. Everyone wants to know what marketing is doing to guarantee that the company will hit the number. No one cares how many leads you've generated. They want proof that the money you've spent is turning into cold, hard cash. Not only must you increase return on investment (ROI), you must prove revenue results with campaign-to-cash visibility, fast. Your CRM system can help.

First, we'll focus on optimizing campaign performance to maximize revenue.

Optimizing Campaign Performance

Step 1: Monitor Performance by Source

Maximizing revenue results means targeting budget and resources on campaigns that are moving the needle, and more importantly, sources that are delivering results. Your CRM system must be capable of tracking leads generated – by phone, email, Web, direct mail advertising – and opportunities converted, by individual source, not just campaign. If your CRM system is architected correctly, your sales team won't be forced to manually intervene to update campaign source fields in leads or opportunities.

Obviously, sales team participation is necessary to close the loop. This heady topic, however, is reserved for volume four of our series, "Crossing the Great Divide: 5 Steps for Aligning Sales and Marketing." Here, we're focusing specifically on the steps marketing can take to impact campaign performance and revenue results.

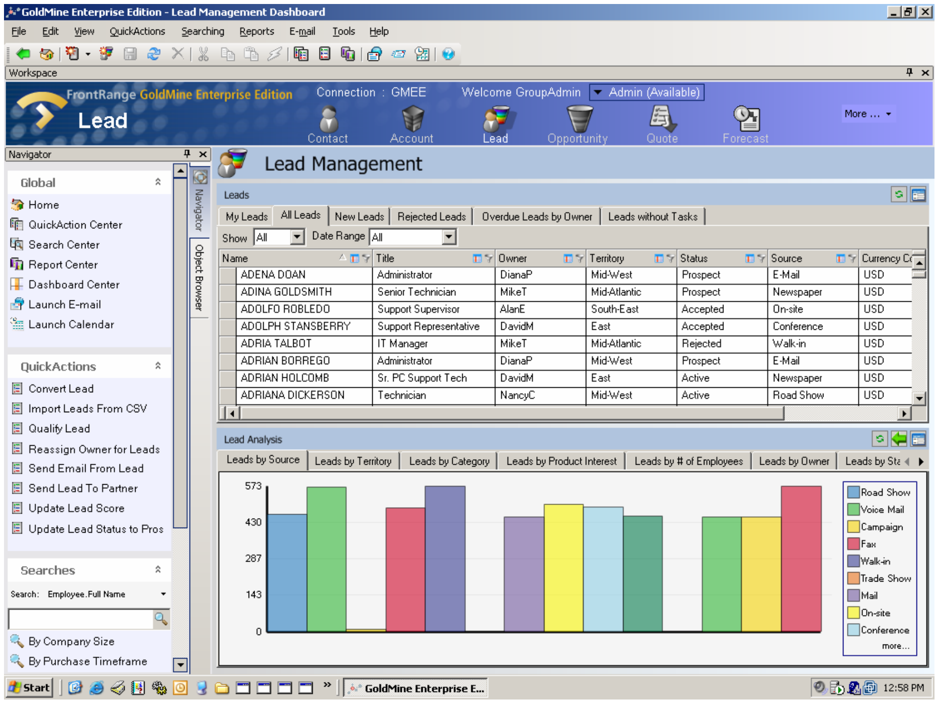

Figure 1: Leads by Source, Dashboard View

Adjust Midcourse

Lead scoring metrics are vital for every marketer, especially those with long, complex sales cycles. If your CRM system doesn't support lead scoring, your campaign could be compromised. You don't have the luxury of waiting until enough leads are converted to customers to glean statistically relevant data to tune campaigns. Adjusting midcourse could mean the difference between mediocre or meteoric results. If your CRM system offers lead scoring capabilities, you can select a campaign checkpoint, analyze the quality and quantity of scored responses against projections, and tune accordingly.

Ideally, your CRM solution includes an interface allowing you to define business rules that leverage lead scoring criteria for ranking and routing. If your system provides a point-and-click wizard to guide you through the editing or creation of business rules, you can tune ranking and routing processes quickly and affordably as campaign responses dictate. You may, for example, want to create a business rule that routes certain leads to channel partners, rather than to direct reps, based on budget, timeframe, and geography. If you find your direct reps swamped with too many leads, you may need to tighten your ranking criteria and refine your routing. The need to rely on a programmer to code customized business rules could make you miss your window for optimization.

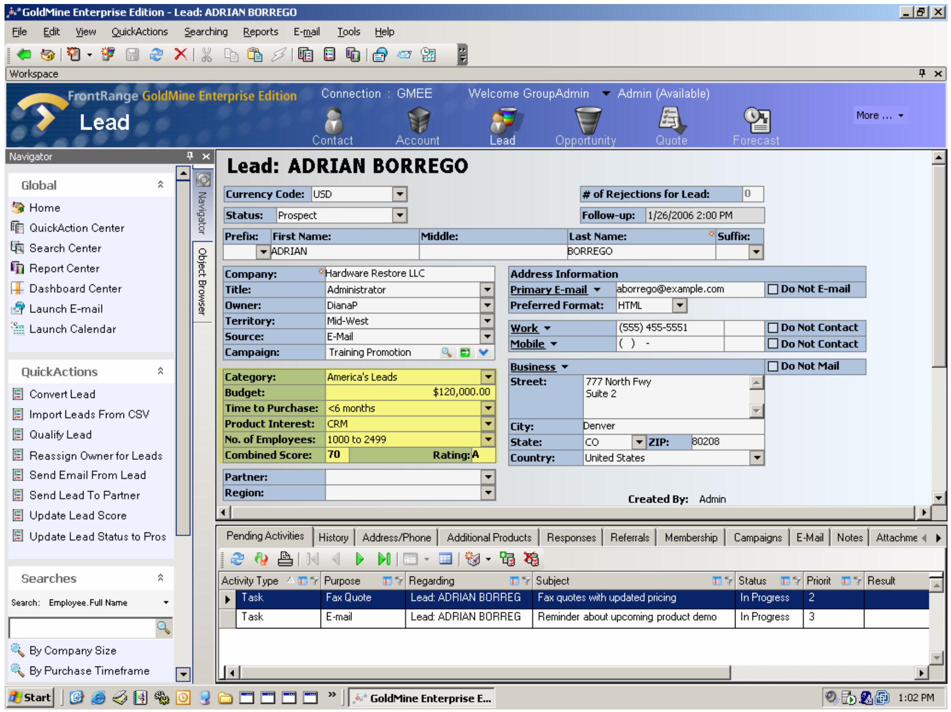

Figure 2: Lead Scoring, Sales User View

An intelligent CRM system dynamically displays leads generated by score, allowing you to pinpoint where source, segmentation, or messaging adjustments may create response uplifts.

Step 2: Refine Segmentation

At this checkpoint, you must refine segmentation, leveraging the preliminary metrics generated by the CRM system to boost response. Response rates for lead generation programs have decreased steadily over the last few years. Conventional wisdom suggests the primary culprit is list fatigue: too many marketers sending too many messages to the same, too few prospects.

Without sound segmentation, you risk sending irrelevant messages to the vast majority of recipients, reducing the performance of your campaign and alienating prospective customers. Analyzing response rate by score reveals where segmentation fine-tuning may yield higher quality leads. Yes, your volume may be less, but your response and conversion rates will compensate.

Step 3: Tune Messaging

After refining segmentation, test and tune messaging for optimal response. This needn't be arduous if your CRM system offers A/B testing. Your system should enable you to quickly establish A/B criteria, launch the test, and compile the results.

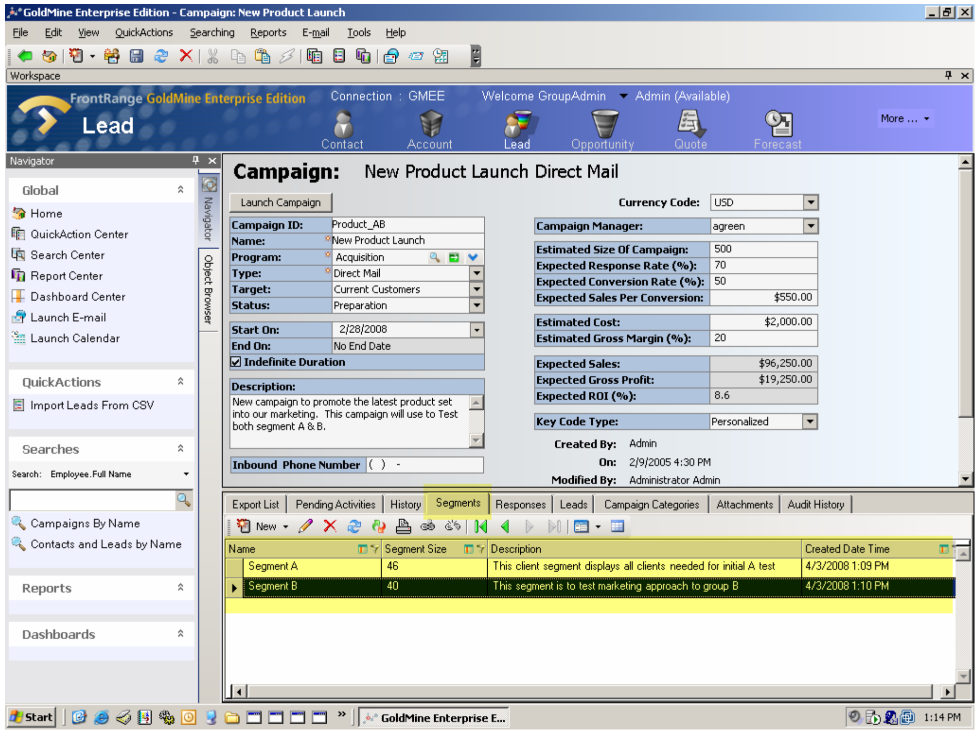

Figure 3: A/B Testing Results

Identify Emotive Nuances

Logically, superior segmentation increases the likelihood of message relevance, an important part of the testing equation. You also want to surface the concealed emotional drivers behind buying behavior: as every savvy marketer knows, emotion trumps logic in purchasing decisions. The key is conducting an A/B test with this in mind. Testing should divulge how subjective “goal attainment” or “pain avoidance” message nuances impact response, enabling you to build a psychographic profile of your ideal prospective customer.

Keep track of subjective response criteria by segment in your CRM system. Monitor message relevance over time to determine whether external influences – the local economy, political events, natural disasters – impact emotional drivers and response rates. If your CRM system is agile, you can immediately adjust messaging to mirror changing market conditions, maximizing every campaign dollar invested.

Now, we’ll turn our attention to closing the loop.

Closing the Loop

Step 4: Codify Feedback

Automation is a must to close the loop. As discussed earlier, leads should be automatically associated with campaigns and campaign sources and the relationship maintained across the entire sales process.

Your CRM system should also furnish menu options or radio buttons, rather than text fields, to capture feedback. This feature reduces the administrative burden on sales, encouraging them to supply prompt feedback, and enables marketing to speedily analyze trends using codified data. Remember, meaningful feedback metrics must be granular enough for you to take action, but broad enough to surface trends.

Similar feedback methodology should be applied to opportunity win-loss criteria. While the macro-level information enables you to close the loop by campaign and source, the true value is in unearthing emotive decision criteria, allowing you to refine segmentation and messaging, thus generating higher quality leads.

Step 5: Focus on Metrics that Matter

With comprehensive automated processes and codified feedback, your CRM system will supply the campaign-to-cash visibility required to determine ROI based on revenue results, rather than leads generated. Now your marketing managers have the actionable information they need to determine where to invest, or divest, budget. But closing the loop is not enough. Elevating your credibility requires using data and metrics that are relevant to the CEO.

Trends versus Details

While some CEOs may jump directly into the minutiae, most prefer a high-level view. The dashboards in your CRM system should accommodate both, with charts and graphs available to depict trends, and the details a click away.

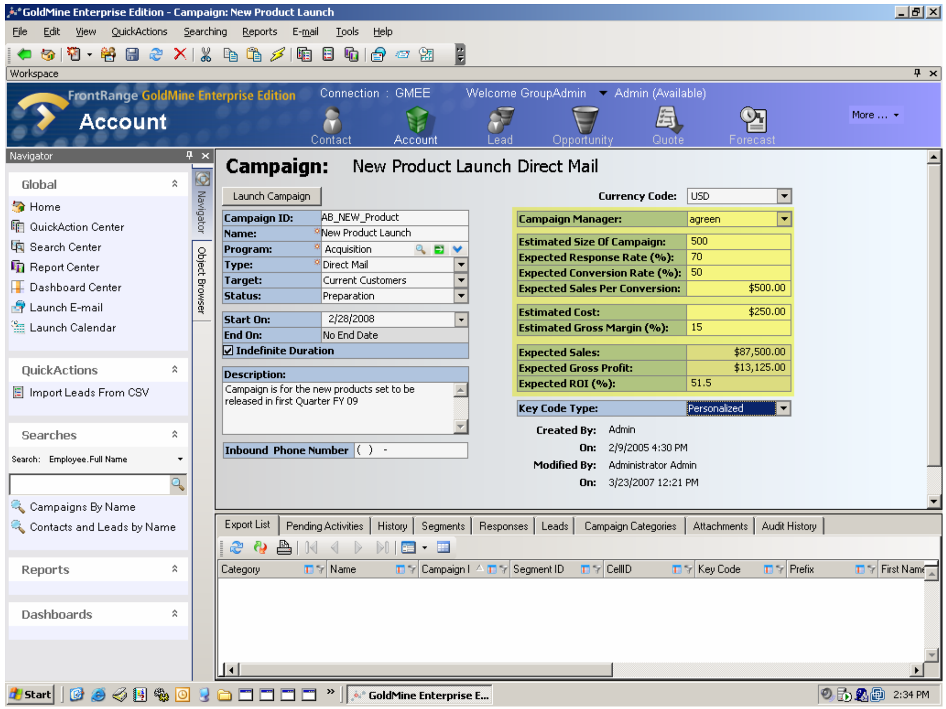

Figure 4: Campaign Manager View

If you are fortunate, your system will rollup campaign performance and calculate ROI by marketing category, such as advertising, email, direct marketing, events, and webinars. The system should identify the budget spent in each category, the quantity and conversion rates of associated leads and opportunities, and ultimately, the amount of revenue generated. If you can discuss how campaign investments impact revenue by product line, geography, and vertical industry, even better.

Conclusion

With these five steps, you can speak the language your CEO understands, the language of revenue and return. You can stop relying on anecdotes and start using real-world data from your CRM system to prove your value to the company. The next time you present at the executive staff meeting, you'll be viewed as a trusted advisor, one who can articulate where a dollar spent today creates corporate revenue in the future.

Next, Volume III: "The CRM Guide to Eliminating Guesswork: Stimulating Loyalty, And Revenue: 5 Steps for Delivering Superior Service."

Commoditization is sweeping many industries, and your company is not immune. Considerable time and money has been invested to win your customers. You can't afford to lose them, not one. You need to deliver customer service that is a competitive differentiator, a loyalty builder, and an aftermarket revenue generator, fast. Your CRM system can help.

If you found this information helpful, you may want to access the previous volume of the "The CRM Guide to Eliminating Guesswork" series, "Volume I: Don't Get Caught Flatfooted: 5 Steps for Improving Predictability."

About FrontRange Solutions

FrontRange Solutions USA Inc. provides CRM solutions used by more than 130,000 companies and over 1.7 million users to automate and manage customer-facing initiatives. GoldMine is designed for businesses that want a complete and customizable solution that manages every aspect of the customer lifecycle with a quick time to benefit and low total cost of ownership.

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