



Build a Centralized Sales and Marketing Database and Build Your Business

**A FrontRange Solutions
Sales and Marketing Database Primer**



Strategies For Success

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Executive Summary

Building Your Business: A Small and Mid-sized Business Perspective

Let's get beyond one obstacle right from the start. This paper is not an endorsement or an attempt to squeeze an enterprise-sized software solution into small to mid-sized businesses. In fact, it is just the opposite. This is a real-world look into the unique and specific needs of businesses like yours and the need to manage your customers, and thus your revenue stream.

Small to mid-sized businesses or SMB, as they are traditionally referred to, account for the largest segment of business in the modern economy*. Clearly, it is in our best interest to reveal solutions geared to your business dilemmas and keep you competitive in a volatile, global economy.

Now let's talk about your business. Your company's ability to consistently drive effective business interactions; from prospecting to service and retention of loyal customers, will determine the strength of your customer relations and the success of your business. *Such a goal can only be achieved if every phase of customer contact is handled with the customer experience in mind.*

SMB customer management seeks to dissolve the illusion of customer satisfaction and make it a reality by addressing the four key business elements of customer contact. Therefore, it must meet the specific operational needs of marketing, sales and customer service and support, as well as the broader objectives of management. While all strive for the common goal of customer satisfaction and loyalty, each group has a separate role to play and unique requirements for customer information, thus creating possibilities for customer dissatisfaction.

The average business will lose 50% of its customers every 5 years*

It's simple. If a relationship is good, customers will likely return to buy additional goods and services from your company. And since it is harder to distinguish offerings purely on the basis of quality or price, customers will usually return to businesses that listen to their needs, respond quickly with the right information, and provide excellent service and support. **You want to be that business.** Maximizing lifetime value of each customer relationship is the purpose of customer management.

And did you know the cost to gain new customers is 7-10 times greater than the cost of retaining existing customers? When you stop to consider that the average business will lose nearly half its customers within a five-year period, the need to leverage existing relationships to gain new customers becomes a matter of survival.

This primer will help you design a centralized sales and marketing database to build your business. It will demonstrate how to integrate sales and marketing activities that meet sales goals through targeted marketing initiatives. The process is relatively straightforward, but requires that all knowledge of your prospects and customers is consolidated in a single repository. Tactically, it involves:

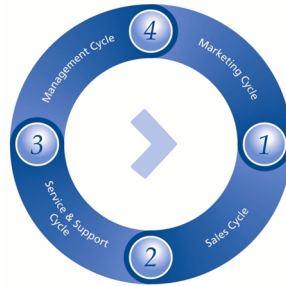
- A. Compiling all sources of prospect and customer knowledge
- B. Positively identifying all-important accounts
- C. Developing an ideal customer profile by applying firmographic attributes
- D. Building a universe of all other companies similar to those where you do well
- E. Acquiring the names of key players in the companies of your universe
- F. Generating responses (well qualified leads) from key players at companies in your universe

Using this method, all of your new leads are from companies that your sales force regards as important. And, all of those companies are "pre-qualified" as those that look like your best customers.

Fundamental Business Building Processes

Any customer relationship begins with a cycle of contacts. It starts with initial awareness and interest in a company's products or services, progresses through a personalized sales process, and continues after the sale into an extended period of customer service and support.

Organizationally, this contact cycle starts with marketing, shifts to sales, and ends with customer service and support. While these points of interaction can represent different organizations within the company, to the customer there is little or no distinction. All contacts, from the initial requests for information to the latest customer service inquiry, blend together in the customer's mind to create a single impression of the company. Let's look at each of the cycles:



The Business Building Marketing Cycle

Creating Awareness and Generating Demand — There are essentially 3 levels in which marketing operates inside a business:

1. Reach potential customers and make them aware of the company's products and services, follow up with requested information, and turn over qualified leads to the sales organization.
2. Discover and report subtle shifts in customer requirements, define new products and services to meet the need, and position them to beat the competition.
3. Capture leads easily and consistently from any source, whether it's the call center, a Web site, e-mail, trade shows, or a referral.

Now that we understand the function of the marketing element, we need an effective software solution that automates this process:

- A. **Tracking Campaigns** — Analyze customer segments, design and execute marketing campaigns, measure their effectiveness and maintain visibility of leads.
- B. **Creating a Unified and Rich Customer Contact Record** — More than a simple electronic lead slip, the contact record must include a history of all the customer's prior contacts — regardless of channel — as well as past purchases and current account balances, and a wide variety of other information useful for market segmentation, campaign development, and opportunity management. Ideally, it should also include service and support history as well, and notes from any source that could point to new market requirements.
- C. **Maintaining Best Practices** — This is especially important when key marketing personnel leave the organization. Support auto-dialing and order entry, schedule callbacks and other follow-up activities, and assure timely completion. Next, provide scripts that guide telemarketing reps through the lead qualifying process, sales configuration tools and workflow tools to track progress from "prospect" to fully qualified lead.
- D. **Fulfill Literature Requests** — To maximize productivity, the system must fully automate the distribution of customer information requests.

The Business Building Sales Cycle

Converting Qualified Leads Into Revenue — Selling successfully depends on detailed account management data captured in the system.

- What is the contact's role in the buying decision?
- What has he or she bought before, and what is the current account status?
- Are there any pending or recently closed service or support issues with the customer?

By capturing all of this information along with prior communication, correspondence and proposals — the contact database becomes a vital selling tool. Now, let's automate the sales process:

- A. **Forecasting Sales Pipeline** — In addition, sales management requires a wealth of analysis and management tools, including opportunity funnel analysis, forecasts and territory realignment. Automatically rolling up individual opportunity estimates into sales forecasts, quota comparisons and incentive compensation reports will deliver critical information to sales management while saving the sales representative valuable time.
- B. **Time Spent Closing vs. Prospecting** — The scarcest resource in a sales organization is time. Process automation takes care of routine activities such as call scheduling or information fulfillment, and lets staff focus on selling — making it a core customer management capability.
- C. **Coordination of Schedules** — Meeting customer commitments in the selling process means managing and monitoring schedules across the entire sales organization, in the home office, and in the field. Everyone working on a key opportunity wants to be alerted instantly to new developments.
- D. **Maintaining Best Practices** — Effective selling methodologies rely on structured processes with multiple steps and milestones. To meet the needs of the sales department, customer management software must provide an opportunity management system (OMS), capable of organizing and tracking the selling process. A good OMS should be able to handle even complex sales opportunities involving many different points of contact including marketing and customer service — and relate all those contacts into a single coherent picture.

The Business Building Management Cycle

Visibility Gives You the Big Picture:

- How effective is a new marketing campaign?
- Which products and services are resulting in excessive support expense?
- How satisfied are our customers?

Executives and management need meaningful data to differentiate those products and services that are working and those that need immediate attention. Customer management software must translate marketing, sales and customer service information into workable business transactions.

Additionally, management is concerned with the speed and ease-of-deployment of the system and the cost of training associated with it. You cannot afford lengthy implementation cycles. Instead, they need software that is easy to set up and roll out, and readily customized to meet business needs.

Fundamental Business Building Database Tactics

If your current customers are happy with your products and services, they represent a key into the markets that will support building your business. The following database tactics outline a step-by-step method for using a centralized sales and marketing database to create market visibility, sales productivity and business momentum. Here's how to get started:

1. **Compile all sources of prospect and customer data into a single repository.** Minimally, this should include marketing leads and response records, sales person's contact files and order/invoicing information from your accounting or billing system.

These records must contain the company name and complete address, as they are the fields that will allow you to positively identify accounts. For contacts, you also should have a full first and last name and title along with the company name and address.

At first, your single repository will have many duplicate accounts and contacts. That is to be expected. We will walk through processes that will allow you to clean up this data and end up with a single reference to each important account and to each contact within those accounts.

2. **Positively identify important accounts within your single centralized repository.** Company names are notorious for having multiple versions and abbreviations. To assure that all record of your relationship with an account is kept in one place, a single unique identifier should be attached to each account and all references to that account should use that ID.

Dun and Bradstreet** offers an effective method to identify accounts called Account Identification Service (AIS). This process accepts as input the company name and address and returns a unique number, called a DUNS number. The D&B AIS process is successful at matching records, even if the company name is abbreviated or represented as an acronym.

Account records that return from the D&B AIS process with the same DUNS number are duplicates and should be merged into a single account. Contacts also can be associated with accounts using this method.

3. **Develop an ideal customer profile by applying firmographic attributes to your important accounts.**

Another handy data service available from Dun and Bradstreet is their Enhanced Telemarketing Record (ETR). The ETR contains the complete legal name of the company and division, the size of the company represented in terms of employees or revenue and the line of business or industry represented as a Standard Industry Classification (SIC) code. Collectively, the industry, number of employees and annual revenue are referred to as firmographic attributes (a play on the word, demographic).

Given the DUNS number described above, Dun and Bradstreet can supply the ETR to allow you to build a profile for the kind of accounts that are most valuable to your business.

To build a profile, simply apply the above firmographic attributes to each account and cross-tabulate them with revenue, order size, length of contract and the like.

*****Dun and Bradstreet (NYSE: DNB) provides the information, tools and expertise to help customers decide with confidence. D&B enables customers' quick access to objective, global information whenever and wherever they need it. Customers use D&B Sales & Marketing Solutions to find profitable customers. For more information, please visit www.dnb.com.***

4. Build a universe of accounts, similar to your important accounts, and obtain sales buy-in to these identified targets. Once you have a firm description of the type of accounts in which your company thrives, the challenge is to find more of them. This can be accomplished in a number of ways:

- Ask your sales force to “nominate” attractive accounts within each of their territories, whether they have any traction with the account or not;
- Seek third party sources of accounts and contact names such as professional association lists, trade show or conference attendee lists, or compiled databases; a professional list broker can help you with this and generally charges only the list owner a commission.

Note that some of the accounts identified in these ways already will be in your new centralized database. Therefore, it is necessary to positively identify your new account targets by applying a DUNS number.

Another alternative for building a target universe is to go back to Dun and Bradstreet and request that they supply you with every account that has the characteristics of your ideal profile. This is a convenient approach if your segments are identified in terms of industry and revenue size because the account list will come with the DUNS numbers already applied.

Your ideal account may have characteristics that are more detailed than just industry and size, such as installed equipment (for example, PC versus Macintosh) or established business practices (for example, in-house manufacturing versus outsourced). In a case like that it may require that you search through a number of suspect sites to locate the ones that are best suited to your needs. Our next step can accomplish that.

The last step in establishing a target universe is to review it with your sales force.

5. Identify key players in each important account. Once you identified your best customers and prospects it is important to ask “Who do I know there?” and “Who should I know there?”

If your current contacts at the account are not the best to work through or you have no contacts at all at an account, it is time to *populate* your sales and marketing database. Use the following process:

- Identify what functions and organization levels are important—“VP of Marketing” or “Chief Financial Officer” or “Director of Human Resources”; note that your prospect’s buying process will generally involve a number of people so you will have many key players; also note that the highest ranking individual is not likely to be the most responsive, so go for your “champion” or “coach” within the organization first;
- Isolate those accounts within your database for which you do not have your key players identified;
- Gather the contacts you need by calling the main switchboard of the account and asking for the department in which your key player works; explain to the receptionist or administrative assistant that you want to get to know that person and that you have an offer to make them; the very existence of a specialized department within the account will tell you something about the company you are targeting;
- If you get transferred to the key player on the spot, take the opportunity to introduce yourself and to further qualify the account.

As you work through this process, make sure that all the contacts you collect are attached to the appropriate accounts in your centralized sales and marketing database.

If your sales team is too busy to gather contacts, a professional telemarketing firm may be an attractive option.

6. **Generate responses from identified contacts.** Now that you have the best contacts at each of the accounts in your target universe, run your demand creation programs (direct mail, email, etc.) against those contacts. In this way, any response you receive is pre-qualified by definition.

Using a centralized sales and marketing database and implementing business building database tactics will result in:

- All marketing and sales efforts are integrated and focused on pre-determined accounts, and all leads sent to Sales are contacts that the sales rep cares about.
- Sales agrees to the importance of the leads they'll receive in advance. Within one database source, they will have complete information on each prospect and/or customer opportunity, including a history of all interactions and commitments.
- Your company now owns all relationships with prospects and customers—it's no longer left to chance or to individual relationships across the company.

GoldMine® Sales & Marketing™ Software

GoldMine® Sales & Marketing™ software can supply the best database tool you'll need to make your database consolidation, lead generation and contact management activity successful.

- **Enhanced Campaign Management, Lead Generation and Qualification** provides tools to develop marketing campaigns, capture and qualify the leads developed and continuously monitor campaign effectiveness. Marketing can quickly design and measure campaigns, get statistics on the percentage of leads closed for each source, the cost per lead, sales per lead and even profit per lead.
- **Literature Fulfillment** — Call up the latest version of data sheets, white papers, pricing sheets, success stories or other marketing resources to send to prospects via mail, fax or e-mail. Any literature sent to the prospect is automatically logged in the contact record. Additionally, the Literature Fulfillment Center provides mailroom and support staff with a powerful tool to set up batch printing, including labels and envelopes and to centrally manage the mailing process.
- **Web and E-mail Support** — Prospects can also request information directly, using HTML forms posted on the company's Web site. Set up Web pages to automatically collect contact information and provide literature fulfillment. Send personalized e-mail and marketing messages to customers and prospects within the **E-mail Center**.
- **Scripted Telemarketing** — Telemarketing reps use logical-branching call scripts to qualify leads. These scripts log customer responses and update fields in the contact record automatically, generating statistics needed for campaign and call center management while saving the representative valuable time. Representatives can see the prospect's entire history on both the sales and support sides. This access enhances the ability to cross-sell or up-sell on the phone, while reinforcing the sense of a personal relationship.
- **Streamlined Lead Qualification** — Follow-up contacts are a key part of the lead qualification process. A scheduled call will show up in both the prospect's contact record and on the telemarketing representative's calendar. The calendar provides the representative with an alarm reminder of the scheduled call, and can even autodial it and log it in the contact record automatically.

Creating Customers For Life™

Cost cutting won't be enough to assure success in today's business. Global competition and the Internet will continue to widen buyer choices. The only reliable way for businesses to thrive will be through attentiveness to each customer — in the marketing phase, the sales cycle and in post-sales customer care. Customers will return to suppliers who listen, who support them effectively, and meet commitments. Managing the customer relationship is now a survival skill.

GoldMine® gives companies the opportunity to compete and win in the new economy by offering a flexible, low-risk approach to customer management. It allows companies to start small and grow with the confidence that their customer information can continue to scale along with the company's business. It provides templates, tools and wizards that enable quick deployment and rapid return on investment. Most importantly, it provides an extensible common foundation for both sales and customer service, allowing them to support each other in building customer loyalty and repeat business.

The real reward from integrating your entire business to serve the customer is enhanced top-line growth. This comes from increased customer retention, cross-selling and up-selling, and developing new products and services in tune with the ever-changing and subtle shifts in the marketplace. Beating the competition in customer retention means growing market share, and that in itself attracts new customers.

Finally, no matter what size your organization may be, customer management demands a new approach to customer information. It must support a lifelong relationship that spans marketing, sales and service and support in a repeating cycle. GoldMine embraces that concept and makes it accessible to small and mid-sized businesses, just like yours.

Learn more about how our products can elevate your business relationships to a world-class level on the Web: www.frontrange.com or contact us directly at **1.888.276.0620**.