

The value of customer information



Consolidating all records relating to sales into one system can be a serious advantage for your business. Thomas R. Cutler takes a look at growth and importance of industrial Customer Relationship Management

Manufacturers all face a similar challenge: a complex sale that often requires a team selling approach. In every industrial organisation one finds internal representatives, outside representatives, managers, technical specialist, distributors, and customer service professionals. Often this team manages several product lines with thousands of specific items and interacts with numerous influencers who affect the sale. During the lengthy sales process the team does their best to manage this complex environment, producing notes, sales call reports, quote logs, memos, faxes, emails, and customer service reports, however the information is almost always fragmented. There is rarely one central database of customer information that can be accessed and shared among the people who need it to efficiently do their jobs. As a result, acting less like a team, these people act independently when conducting business and are far less effective.

According to Larry Caretsky, President of industrial Customer Relationship Management (CRM) firm Commence, "CEOs of these companies often share how their new enterprise resource planning (ERP) system provides them all the information they need, but fail to recognise that ERP systems provide information after the sale, not before or during the sales process. ERP systems provide no value for improving the efficiency of how to sell and service customers. This is one reason that forecast reports are always inaccurate."

Industrial senior executives avoid addressing a customer-centric approach including the misconception that an accounting

system provides the information needed; they provide only post sale information. The pre-sales process and information drives the sale.

Manufacturers do not resist funding back-end ERP systems; however the front-end CRM solutions often make a substantial impact on reducing new customer acquisition cost and improving sales efficiency by first addressing data capture, data consolidation, and data sharing.

Access to customer information

Access to customer information is critical when industrial companies sell and service customers. An industrial CRM system must capture data via the telephone, fax, email, or the web and stored it in a unified database where it is immediately available to the people and departments that need the information. Customer information must be displayed on a single screen, providing the end-user with a 360 degree view of all pertinent information. Having immediate access to customer information significantly improves the sales process and customer satisfaction.

Sales process management

The foundation of any quality sales organisation starts with the implementation and management of a sales process. These are the steps required by the sales representative to move the prospect from the initial introduction stage to the closing stage. Few industrial CRM systems provide manufacturers with a structured proven sales process or methodology for evaluating and managing each stage of the sales cycle. A pro-active approach to managing the sales process allows the sales manager to monitor and provide guidance during the cycle, as well as help sales representatives focus on the best opportunities.

Lead management

Between print advertising, trade show exhibiting, and other marketing outreach efforts, manufacturers spend hundreds of thousands of dollars generating leads, yet often wonder what

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happened to those costly leads. Caretsky suggests, "Tracking leads must be addressed via a lead automation system that automatically distributes new leads based on specific criteria such as city, state, postcode or country. A web portal capability will enable external sales people or distributors to update the status of these leads so that a manufacturer can assist during the sales process."

Reporting: And the best customer is...

Accurate and timely reporting is a key component to measuring sales performance and assisting in making informed decisions. Industrial CRM technology systems must provide analytical reports and graphs that illustrate several components including 30, 60, 90 day forecasts, won/lost reports, top ten opportunities, sales volume reports, and margin reports.

Where to focus

As the lean initiatives trickle down to the sales and marketing arenas there will be more focus on efficient sales and marketing efforts - leveraging a consistent selling effort across the organisation. Better knowledge capture and retention becomes essential and achievable through immediate access to vital customer information. Industry will tune the sales approach to the specific opportunity thus assuring time is spent on deals that are winnable and profitable.

Improved customer retention and acquisition will translate better, serving the right customers at the right time with the right offer. A direct result will be a significant increase in internal communication because all members of the sales team, internal, external, distributors, product specialists and management will be in sync with the selling process and requirements for winning the sale.

INDUSTRIAL CRM PRODUCT AND VENDOR CHECKLIST

- Must address the need for data capture, data management, and data sharing.
- Must provide a structured process for effectively managing the sales cycle.
- Must enable sales people to focus on more and better opportunities.
- Must remove the pain of sales reporting.
- Must make sale management easier and more predictable.
- Must improve customer satisfaction and customer loyalty.
- Must understand the complexity of selling in the manufacturing environment.
- Must enable pro-activity at the beginning of the sales cycle.
- Must enhance internal and external communication; allowing focus on customer opportunities and customer relationships.
- Must have proven delivery of bottom-line results.

CRM technology for industry issues

While it seems axiomatic, an industrial CRM system must be easy to use and focused on alleviating the time consuming day to day minutiae and administrative distractions that rob sales people of precious selling time. Eliminating waste is a core lean principle that technology solutions must provide.

A comprehensive industrial CRM solution must offer enterprise functionality for lead capture and distribution, opportunity management, pipeline management, quoting, call reporting, forecasting, marketing automation, and customer support.

It is often advantageous if the industrial CRM solution is modular in nature, allowing an organisation to select only that functionality required for your business. ■