

7 Penny Pinching Ways To Make Money From Your CRM System

Can a CRM (Customer Relationship Management) system really create profits for a company? A lot of people don't think so - over the years the media has reported quite a few companies (both big and small) that have tossed a significant amount of dollars down the drain on these kind of systems. But there have been plenty of successes too. In fact, during the 12 years we've been selling and implementing CRM products like GoldMine and Microsoft CRM we've seen some penny pinching business owners really get a lot of bang for their bucks. Here's how.

1. The Lonely Old Quote

Tyler, who runs a parts distribution company had a big problem: one of out of every ten quotes his salesmen sent were never followed up! Sure, some of these opportunities may have been lost to others, but Tyler wondered just how many of these quotes could've turned into a sale if someone would've just called the customer. The problem? He had no system to track his quotes! Tyler made changes – he purchased a simple CRM system and made sure that each quote was tagged with a follow-up call and alerts to the sales staff when they were due. He also built in an alarm for his sales manager in case a salesperson was ignoring his follow up calls. Within a few weeks Tyler could see the difference. Every quote was now pursued with either a phone call or email. Opportunities that could've slipped through the cracks were now addressed. Sales increased.

2. The Bright Side Of A Lost Sale

Don, a penny pinching manager at a consulting firm, actually thinks there's a bright side to a lost sale. "Because of our CRM system," he says. "We can track every time a sale does not go our way." Sometimes a competing product beat them. Other times a customer decides not to do anything at all. Whatever the reason, Don's company tracks the history and every three months runs a Lost Sales Report and does a post mortem. It's never pretty. It's oftentimes frustrating. "But it's ALWAYS educational," Don continues. "Armed with where we screwing up, we can adjust and win back more dollars going forward." And he wouldn't be able to do it without his CRM system.

3. Too Few Sales Calls, Too Many Donuts

Jim, another penny pinching manager who works at a large cable company was often confronted by sales guys asking for more money. Jim always turns to his CRM system and says "well, let's take a look at the old batting average". Here, Jim can see how many quotes a salesperson put out vs. what he closed. "Now, now," Jim chuckles. "What can we do to increase this percentage so YOU get more money." Jim tracks his sales people's calls and appointments and looks at their productivity. "Now why did you spend so much time with this little prospect, when you could've been spending more time

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with that bigger fish?” A good CRM system helps the penny pincher squeeze the most efficiency from his sales team.

4. Don't You Hate Looking Like A Dope?

The other day Harry, a sales rep for a software company, called one of his customers to tell them all about the great features coming in the software's up and coming new release. He wasn't prepared for the response he got. "New release?" his customer yelled. "How about getting the OLD release working first!" Because Harry's company didn't have a CRM system he had no idea that his service group was working on a problem with this customer. His call did nothing more than enflame emotions, rather than creating good will. More dopey moments like that and Harry could watch his sales disappear. A good CRM system ensures that everyone in the company knows everything that's going on with your customers. And your prospects, vendors and other parties too. This way no one looks like a dope when representing your business.

5. Too Few Service Calls, Too Many Donuts

It's not just penny pinchers who recognize the value of time as well as money. But good penny pinchers do something about it. Do you have a system that tracks how employees spend their time on issues, problems, breaks and other customer complaints? Is service time being wasted? Are there service issues that aren't being addressed? How come this one part has so many problems? Should we keep doing business with that customer who calls us so much? Can you get an alert when certain issues are breached? Using CRM software to track how productive your service group is will save a lot of pennies in the long run.

6. Fun And Games With Duplicate Data

For goodness sake, just how many places do I need to keep the same information? Sandy kept asking herself this question. A typical penny pincher, she hated the fact that customer information was entered in her website, in her accounting system, in her email system, in spreadsheets and other databases. "Enough!" she yelled. She got a CRM system. She designed one web form to capture the customer data and the CRM system took care of that. The same data was sent automatically to other systems. Accounting and inventory information stayed in her financial system, but her CRM system was able to be configured to view that data. Enter it once, make it available elsewhere. Buying a good CRM system? A few thousand bucks. Using it to eliminate wasted time and incorrect data entry? Priceless!

7. Getting the word out – mass communications

Alexis knew that the more customers she could reach, the more opportunities she could create and even more pennies would drop into her bank account. So she configured her

CRM system to send out automatic emails to customers who hadn't ordered in a while and to customers who ordered a product in the past who may be interested in an accessory or similar product. She produced with her system direct mail pieces each day announcing specials. She created a newsletter to keep her customers informed about new developments. Her CRM software sent out faxes to groups of customers who gave her permission to alert them to new incentives. She scheduled groups of telemarketing calls to be made by high school kids in the evening. Alexis is no mass marketer but she's certainly a great penny pincher. And her bottom line shows the results!

Source:

Like this list? There's 500 more just like it in the Streetwise Small Business Book of Lists (Adams Media, 2006 – www.smallbizlists.net).

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