# MASTERING
# CRM

A Quick-Start Guide to
Customer Relationship
Management

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## Introduction

Before cell phones, social media or the Internet, we relied on brainpower, the postal service and good old fashioned address books to wish our friends and family members "Happy Birthday." You mailed a card, called them on the phone, and maybe even attended a party. If you were really with it, you knew Aunt Sue obsessed over all things pink and your cousin Leonard was an avid collector of James Bond memorabilia. As you can imagine, these fun factoids make purchasing a gift for their special day a little more personal.

Now, imagine you know the birthday of every single one of your customers. Even as a small business owner who may know the birthday of a customer or even a few, can you imagine if that number doubled? Tripled? Quadrupled!? How would you ensure each customer received a personalized birthday wish, in the right format, on the most effective channel and at the right time?

Let's take that a step further. What if for every birthday, you failed to contact the customer, and subsequently lost their business as a result? This is one example where customer relationship management (CRM) comes in handy.

Whether you're looking to cross-sell, reinforce your brand or solicit feedback from your target audience, CRM enables large

and small business alike to manage customer interactions across channels to drive growth. Whether you're looking to cross-sell, reinforce your brand or solicit feedback from your target audience, CRM enables large and small business alike to manage customer interactions across channels to drive growth.

**According to Hubspot, engaging customers through a CRM system increases the odds they'll spend more in their next transaction by 20-40%. And because CRM systems improve the buying experience, customers are more likely to recommend the purchased product or service to friends and colleagues.**

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# Why Your Small Business Needs CRM

Historically, CRM was perceived as a technique that only large businesses could benefit from. In fact, for years, CRM often came in the form of overpriced, on-premise (meaning not cloud-based) software solutions that quickly digressed into a glorified database of customer information. Over time, this database collected dust and became obsolete. Might as well have had a rolodex of wrinkled, old business cards!

The good news is, that's not how it was intended to work, and we're here to keep you from sliding back into the black hole of CRM despair.

**Other reasons to use CRM for your small business include:**

- Higher return on investment for sales and marketing activities as the result of personalized customer engagement
- Increased visibility into the customer lifecycle enabled by multi-channel workflows
- Greater accountability and productivity across all areas of your business to provide seamless customer experience

**In its simplest form, CRM refers to a set of workflows that drive customer experiences. When these workflows are built into your process, CRM effectively drives growth from within the business. Translation? Cash money in your pocket.**
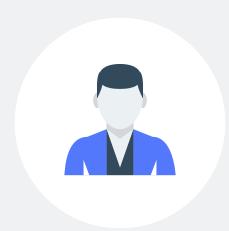
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# Challenges and Opportunities for Implementing a CRM

Before we get into the nitty gritty goodness of how to set up your CRM, let's get a basic understanding of the challenges involved and how they can be overcome. Understanding these things from a strategic perspective will help you focus your efforts on the parts of your business that need your attention the most.

**When outlining a CRM strategy for your local business, focus on three things:**

**1.** People
**2.** Process
**3.** Technology

# People

**Challenge:** Collecting and maintaining a current database of customers.

**Opportunity:** It's never too late to ask your customers to update their information.

It's all about the people, people. If you don't have an up-to-date list of your customers, it's time for some Spring cleaning! Every single interaction with a customer is an opportunity to strengthen a relationship. Think about how you're collecting information about your customers and ways you could improve. Do you have a mechanism for customers to "opt in" or "subscribe" to communications from your business? If not, now is the time. According to MailChimp, customers open email messages from small businesses at a typical 21% rate. Once you have some basic information about your subscribers, you can send targeted messages about specific offerings. (More on this later.)

**Our point:** because each customer account includes key customer information like purchase history, past interactions, order information, preferences, personal data and more, you need to make it easy for anyone in your business to answer customer questions and resolve issues. Doing so saves time and improves customer experiences across the board!

Don't have a current list of customers? Fortunately, we've come a long way since the days of expensive software and outdated address books. You can learn more about how to start building and organizing a customer list as you go here.
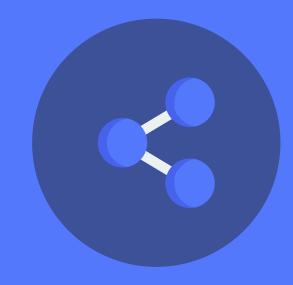
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# Process

**Challenge:** Quantifying (and acting on) customer data.

**Opportunity:** Outline your workflows, set goals and measure results.

How do you transition your leads from a prospective buyer to a customer? You might start by listing the most common transactions, where they occur (in-store, online, etc.) and who is buying from you. Think like a buyer. Where are they going instead? What is your competition doing to capture that market? Do you need a new avenue to reach this audience?

Additionally, do you have a process for nurturing leads? By building this, you can see what's working and what's not. Let's go back to our birthday scenario. Let's say you offer your customers a freebie on their special day, but you've noticed they're not redeeming it. In this case, it could be that the offer is compelling but the instructions are unclear. Or, maybe the process for redeeming the offer is awkward or confusing. If you're seeing a high rate of cart abandonment on your website when you're offering goods for FREE...Houston, we have a problem. The good news is, because you've outlined your workflow for birthday campaigns, you should have more visibility into where the breakdown is occurring.

Once you're comfortable with some common workflows, it's time to train your staff. This is especially important for small businesses since resources are limited. Start by identifying your primary functions of your business, and talk about how you would approach each workflow. Whether customers are dealing with you or someone on your staff, they expect a seamless experience. So it's important to get your folks up to speed on the tools your business is using and how to leverage them for success.

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# Process (Continued)

Let's take it back to the birthday scenario once again. (We'll have you craving cake by the end of this guide.) It's been almost a year since you gave cousin Leonard another prized James Bond collectible. His birthday is around the corner, and you find yourself wondering if he's found a new hobby. If you go with what you knew a year ago, you risk gifting him a trinket he's no longer interested in. Luckily, you've maintained a great relationship with cousin Leonard, exchanging phone calls and emails, so you know better than to do that! Since his last birthday, Leonard has become increasingly fond of building his record collection. So, you give him the gift of vinyl and he's not only one happy camper, but you just solidified how well you know your favorite cousin! Now that was seamless.

By engaging with your customers, you can keep up with their interests, buying patterns and so much more. So, when customers visit your website, ask them for some basic information. Provide an outlet for feedback. Pay attention to what's trending. Personalize your communication.

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# Technology

**Challenge:** Choosing the right platform to manage your customer base and beefing up your online presence.

**Opportunity:** Increase sales with current customers, and execute more effective marketing campaigns.

**It's not just about the CRM system you choose. It's equally as important to beef up your online presence to support the CRM and enable the campaigns you'll create from it. Here's a quick list of the technology you need to be thinking about when implementing a CRM:**

• **CRM Tools** – There are plenty of CRM tools in the marketplace, all ranging in price and complexity. Small businesses should focus on a tool that makes doing business easier, not more expensive.



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## Technology (Continued)

- **Website** – These days, potential customers are looking for you online. Do you have a responsive website? Maybe the answer is "no." Now is the time, my friend. Investing in a responsive website allows customers to self-serve by easily accessing information about products and services, locations, and more—all from their mobile device. Approximately 1/3 of online retail transactions involve two or more devices from the first website visit to the point of purchase. Of these transactions, 35% began on a desktop computer but were completed on a smartphone, according to Criteo, a global leader in digital performance advertising.

- **Social Media** – Sales prospecting has moved into social media, and your CRM solution should too. According to a June 2015 Capterra poll of CRM users in the United States, social media tools were the most in-demand CRM software features among small business owners.

The key takeaway here is to optimize the user experience at every stage in the customer lifecycle. Whether your customers are browsing your website or interacting with you on social media, the digital experience has a direct impact on your bottom line.

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## Getting Started

Up to this point, we've looked at what CRM solutions can do for small businesses and how it's transforming the customer experience. It's time to get moving!

The first thing most small business owners want to know about implementing a new system is, "What's this thing going to cost me?" The good news is there are lots of solutions out there that will be easy on your budget and, in some cases, may even be free.

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# Put Together Your Use Case

Consider making a list of the things you want your CRM to do before searching for the right tool. It'll save you time in the way of sales consultations and demos.

**Questions to ask yourself (and potential CRM service providers) when setting up a use case:**

- **How much are you willing to spend?** No one likes to talk money. But it's important to get the budget item out of the way. Once you know what you're working with, you can make more informed decisions about what kind of functionality you really need, not just the "nice-to-haves."

- **How many employees need access to the system?** Some systems require additional licenses per user, so keep in mind the number of staff you want to access the CRM. Other systems will simply bill you for your annual subscription or maintenance and operation fees without asking you for fees per user.

- **How easy is it to use?** Make sure you understand the amount of time and money needed for training and ongoing support. If you have little customization and plan to use the tool straight out of the box, you probably won't need to allocate as much time for training and implementation. In the event you want something more custom, it's a good idea to ask the CRM service providers you're interviewing what kind of training and support they offer with the system. Don't be shy!

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- **Is customer support included?** As a small business owner, you know time is money. So the less time you have to spend fiddling with your CRM, the better. That being said, you'll want to ensure your CRM provider has some form of 24/7 support to help you through technical issues when they arise. You shouldn't have to waste your time on hold or spend additional dough to get your CRM running like it was meant to. Making sure you have a clear understanding of how the vendor handles support inquiries will put your mind at ease when it comes time to sign on the dotted line.

- **What kind of reports and analytics does it have?** Odds are if you're considering implementing a CRM system, you know there's more to your data than what you might currently understand. One of the many benefits of a CRM solution is the ability to tie multiple sets of data together. From your website to email to online purchases, CRM systems paint a more comprehensive picture of the customer journey. What kind of out-of-the-box reports and analytics does the CRM include? Are there additional reports you'd like to see? Jot those down and underline the most important ones.

- **Does it include any third-party integrations?** If you're looking to integrate data from existing systems into your CRM, it's important to determine whether or not the vendor offers this integration up front. Building custom integrations can cost a lot of money, so you'll want to be clear why you need it, and how it'll remain valuable long term. Keep in mind some CRM systems might have functionality you already get from another system. Consider the pros and cons of running this aspect of your business in a separate platform. If you're looking for that comprehensive picture of the customer journey like we mentioned earlier, it's worth considering the age-old adage "out with the old, in with the new!"

- **What kind of automation are you looking for?** Depending on how you setup your workflows, good CRM solutions can trigger automated emails and text messages based on customer behavior. Whether you're looking for feedback from a recent purchase or reminding a client about their upcoming appointment, make sure your CRM solution does the heavy lifting for you (unless you run a fitness business – then keep on lifting, Mr. Schwarzenegger). Automating these repetitive tasks will reinforce your brand and keep customers coming back for more. But it all starts with you. If you don't tell the system how to interact with your customers, it won't do you any good.

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# Choose the Right CRM

Here are some of our top picks for small businesses to consider when selecting a CRM system.

- **Salesforce.com:** You've probably heard of these guys. They're the "100-pound gorilla" in this space, and they've been in the biz a while now. They're best known for their cloud CRM solution. The Salesforce platform is based on increasing leads, closing more deals (faster) and driving customer loyalty and satisfaction. According to the company, customers see a 37% increase in sales revenue and a 45% increase in customer retention with Salesforce as their CRM platform.

- **Insightly:** You're probably less familiar with this one, but they're another popular choice. Not only does Insightly's CRM solution integrate with G suite, MailChimp, Office 365 and more, they offer a free trial. Their plans range from $12 to $99 per month, so Insightly promises a tad more "bang for your buck" when it comes to CRM.

- **DexHub:** If you're reading this, you probably realize we know our stuff regarding CRM solutions as well. Actually, over 350,000 local businesses like yours rely on us to connect with their customers on a deeper level. DexHub, our all-in-one business management tool includes a really comprehensive, easy-to-use CRM, along with a host of other solutions for your business.

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## Put Your CRM to Work

So you've pulled the trigger on a CRM solution. Now that it's on the payroll, let's get it working for you.

Here are some of the most effective ways other local businesses use CRM tools to manage customer information and turn it into actionable marketing tactics:

- **Set Up a Lead Nurturing Campaign:** Lead nurturing comes down to relating with consumers at every stage in the buyer's journey. According to The Annuitas Group, nurtured leads make 47% larger purchases than non-nurtured leads. To set up a campaign:

  1. Dive into your CRM, and group customers into various segments, based on their buying habits and preferences.

  2. Draft content (in the form of brand messaging, promotions or general information about your business) that meets the needs of each type of customer segment.

  3. Build emails for each target segment...and hit send!

- **Utilize Online Appointment Scheduling and Reminders:** Encouraging customers to sign up for services online will not only save you time and effort, but it'll also capture loads of data on the front end to feed your database. Customers can also opt in to receive appointment reminders and regular emails from your business about special promotions. We talk about this more later, but you can even trigger automated post-appointment emails and texts for customers to rate their experience and provide you additional feedback.

- **Notify Customers of Special Promotions:** You can use your CRM to see who's buying what. If you have a group of online buyers who consistently purchase the same products from you, send them a personalized campaign with a discount coupon. Or, you can let prospective buyers know you're "listening" by sending them automated emails when something they've previously viewed goes on sale. There are tons of ways to interact with your customers; just be sure to monitor clicks and conversions before you launch too many emails and risk slipping into their Junk folder—or worse—getting unsubscribed (whomp, whomp).

- **Ask for Customer Feedback:** These days, what your small business has to offer is only as good as your customer reviews. In fact, eConsultancy reports that 61% of customers will read a review or testimonial online before purchasing. So, if you want to know what your customers think about their recent purchase—ask! Because CRM tools are built to track customer behavior, you can decide when to push emails or notifications requesting them to rate their experience. Use this information to pin down inefficiencies in products or services, while also keeping in mind how it can be marketed on your website to draw in more business. That sort of feedback loop has the power to make you a customer service super hero. Time to buy a cape.

# LOOKING FORWARD

In this guide, we outlined the role of CRM, the process for selecting and implementing the right tool, and how to leverage insights from your CRM to grow your local business.

You might be surprised what else a CRM could do for your local business.

**Surprise Me**

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