

Keeping Track of Your Customers

SMB Quick Reference Series

A key to small and medium business profitability.

In the rush for revenue, businesses often forget the customer. The focus is on the invoice or transaction and the time it takes, instead of the relationship and 'lifetime' opportunity of a particular customer. Such behavior can lead to poor business predictability, lowered customer loyalty and satisfaction, and (ultimately) lowered profitability.

Businesses of all sizes, especially SMBs, can benefit from keeping track of their customers. Doing so leads to greater profits for the business. Traditionally there are three ways that this is done, each fraught with its own perils: 1. Salespeople keeping track in their heads or on spreadsheets; 2. Accounting keeping track by invoice; or, 3. Internal 'contact management' software serving as the central clearing house for prospect/customer contact information.

A fourth way to keep track of your customers, for profit, is through the adoption of customer relationship management solutions and procedures. Below are eleven ways CRM will benefit your business - bringing additional profit opportunity to your business:

1. **Faster, Fact-based Decision Making:** Because you will have your customer financial data at your fingertips, you can quickly adjust your offer(s), pricing, terms, and quickly assess any impacts. You will be more responsive to market conditions.
2. **Knowing Where to Invest:** By understanding your customer's purchases and your costs, you can automatically identify the profitable customers for further investment. At the same time, you can identify customers that actually cost you money, taking appropriate actions to mitigate loss.
3. **Predicting Business:** By understanding customer purchasing habits and any associated cyclicity, you will be able to anticipate demand more accurately - allowing you to manage down your business costs.
4. **Driving Up Marketing Impact:** Through deep insight into the characteristics of the most profitable customers, you can identify new prospects that share the same characteristics - increasing the probability of sales success while lowering your cost of sales.
5. **Regular, Consistent Communication:** Your relationship with your 'certified proven spenders' will be improved through automated use of mailing and emailing lists to constantly keep in contact with your customers. This can lead to deeper and more solid relationships and the closure of incremental business.
6. **Automated Invoicing/Billing:** With the ability of your CRM system to integrate to your accounting systems, accurate, timely, and automated billing will drive down your cost of business and drive up collections.
7. **Tighter Marketing and Sales Integration:** CRM systems contain capabilities that allow you to track specific marketing/campaign investments to leads, opportunities, and closed deals - allowing you to know what works and doesn't work - lowering your cost of marketing while increasing revenues.
8. **More "Home Runs":** Through integration of your customer into your product/service planning and/or decision process, you can increase the successful introduction and adoption of new products or services you bring to market - lowering your chance of failure and poor investment.
9. **Higher Customer Loyalty/Satisfaction:** Because you will see every customer, their needs, and any unresolved items, you can instantly improve your businesses response rate to your customer - thereby increasing loyalty and satisfaction - leading to new up sell or cross sell opportunities without an expensive sales process.
10. **Improved Sales Effectiveness:** Let's face it. Salespeople are asked to manage more relationships than they have time for. CRM helps them work more effectively by managing priorities, follow up responses, opportunities, communication, and territory management. The direct result is a lowered cost of sales with a greater return on sales investment.
11. **Your 'Institutional Memory' Continues to Grow** - pointing the way to new opportunity. You don't lose critical customer information when sales or service people turn over, allowing you to speed productivity of new sales or service people without having your customer's experience skip a beat.

Lastly, businesses that subscribe to an outsourced CRM profit even more! In addition to the advantages described above, CRM subscribers don't have to make any added technology investments in hardware or software, nor do they have to manage the system through additional IT resources. Subscribers to an outsourced CRM have the best of both worlds - all the benefits without the capital outlay.

Learn how you can immediately benefit from the easiest, fastest, and most fully featured small and medium business CRM solution available - the NextCorp's SMB CRM. Built upon Microsoft technologies you are assured the greatest integration, best support, and highest productivity possible. The SMB CRM solution offers industry leading implementation and migration services to get you to benefit fast, and low monthly subscription pricing so you don't have any large capital outlays.

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