

## Executive Summary

Hard times may be challenging for all businesses, but they give you an opportunity to focus more clearly on what you do best. With so little margin for error, scattergun marketing will not improve how your business is performing. Good targeting and management are essential. Customer relationship management (CRM) means identifying and focusing on the good customers you already have, while also seeking out new business opportunities cost effectively.

Sage has experience supporting millions of businesses with software and advice. ACT! by Sage is the world's most popular customer relationship management (CRM) program, helping users to increase their revenue through better understanding of their customers, and better targeting of marketing communications.

This Sage paper sets out sales analysis and reporting techniques that have worked for other companies and are backed with features built directly into ACT! by Sage to make your marketing efforts more effective.

## Sales pipeline - tactical targeting

Your sales people not only make the biggest contribution to your revenues, they are the ones who are most intimately involved with your customer base. The underlying philosophy of CRM is to capture their knowledge in a way that benefits the whole organisation, by providing a rounded view of your clients' most recent activities and concerns.

By storing details, notes and history on one place, CRM software such as ACT! by Sage makes the data accessible throughout the organisation, giving sales people and managers the ability to analyse the information to prioritise contacts and prospects for their attention. Good customer profile data helps them avoid tyre-kickers to spend more time and effort on valuable accounts.

CRM tools let you track each interaction with each contact and evaluate opportunities from first contact through to close. You can assess where you are in the sales cycle and more accurately predict close dates based on previous activity to create sales pipeline reports. As well as giving you a wider picture of how sales are performing, good pipeline data helps you identify opportunities based on their size, imminence and probability to maximise your performance over the short term.

For the individual sales person, activities can be set for customers and prospects as they proceed through the sales cycle. Automated calendars and To Do lists ensure that opportunities are followed up at the right time so that valuable leads do not drop through any organisational cracks.

## More strategic focus for sales and marketing efforts

At senior management level, collecting and analysing good quality customer data makes it easier to spot emerging trends and anomalies that could mean new business opportunities or problems that require corrective action.

Standard sales summaries and reports provide objective benchmarks against which you can measure the performance of your sales function and the effectiveness of your marketing efforts, for example by identifying the source of your referrals and leads and comparing them against the cost of individual campaigns to reach those audiences.

As well as helping to focus on closing the potential deals within your reach, or perhaps working harder to source new prospects, pipeline reports let you forecast more accurately the size and scope of your likely orders, allowing you plan activity levels in other parts of the organisation such as stock, production and logistics.

### Target customers and prospects more effectively

The historical information showing what interested customers in your business in the first place and the frequency with which they come back for more is invaluable for tailoring new products or services to suit their needs and for devising marketing and sales campaigns that will attract their attention.

Large retailers have got this art down to a tee, frequently putting personalised offers in front of internet shoppers based on their previous buying patterns and products. With good data and the right analytic techniques, you can do the same.

The power of CRM lies in using the information you collect to understand your customers' needs - and then making these insights count whenever they contact someone in your organisation. The interaction can be as simple as offering a compatible product or service to one they've already bought, or can extend to grouping customers into identifiable groups or segments that you target with tailored marketing messages.

By identifying similar groups of customers and prospects according to their sales profiles, histories and behaviours you can see which ones generate the most turnover and profit and deserve more of your attention. You probably rank customers already on basic revenue figures, demographics or geographical data, but the data going into your CRM system and coming out in customer reports can identify many other graduations and interests that could provide the basis for a bespoke offer or targeted mailing.

### Reach customers more quickly and efficiently

For the marketing team, CRM is a great tool for structuring work processes for maximum efficiency. Customer-focused organisations understand that their customers are driven by particular cycles and patterns of businesses. For example, you wouldn't plan a new business campaign among farmers during the harvest season.

CRM applications such as ACT! by Sage make it easy to ensure your customers and prospects receive relevant offers and communications at the right time. Having identified a target group from an analysis of the marketing data, the software can let you compile a mailing list and carry out a mail merge (for post or email) in a fraction of the time it used to take.

You can then track when a communication went out, and the responses it generated. Keeping tabs on your interactions with customers at this level of detail is increasingly important as marketing becomes more personalised. The speed and convenience of the communication tools at your disposal creates new possibilities for over-exposure, particularly among the most highly valued customer groups. Putting some limits on your "push" marketing and monitoring the feedback through your CRM software can ensure that your organisation maintains a sensitive, light touch where appropriate.

### The strategic view - customer insight and value management

The marketing dilemma described above - how often to communicate with which customers - lies at the heart of the customer insight philosophy. The other key element is understanding a customer's long-term value to your organisation. One company or individual could do a lot of business with you, but will demand a lot of sales and service effort compared to another that generates less revenue, but at a lower overall cost. Which customer is more valuable to your business?

Good CRM tools make it possible for you to take a more strategic view and to assess your customers' value according to the data you collect and the measures you apply to them, which can include revenues and costs, risk factors and relationship lifecycle patterns. The benefit of CRM software is that while it helps you to appreciate the value of customer groups and categories to your business for tactical and long-term purposes, it can also guide your day-to-day dealings with them to strengthen individual relationships.

### Why ACT! by Sage 2009?

Coming from a supplier of business software to more than 5.8 million customers across the globe, ACT! by Sage is globally recognised as the market leader for small business CRM. ACT! by Sage 2009 centralises contact data and underpins all of your sales and marketing needs.

ACT! by Sage 2009 can help you identify the people at customer organisations who make buying decisions and manage your communications with them in a structured manner. Analytic tools and reports organise customers and prospects into definable groups according to help you target new business initiatives better and construct accurate sales pipelines and forecasts.

The program is backed by experienced developers and a customer service team that can help with well founded CRM advice and product support. A global network of more than 30,000 Sage-certified business partners is available to ensure you get the maximum return from your CRM investment.

If you want any further information about the different versions of ACT available or wish to discuss your business issues please give us a call on 08700 856610 or view our website at [www.crm-online.co.uk](http://www.crm-online.co.uk)