

7 Deadly CRM Sins – The SME B2B Tech Business Guide

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Executive Summary

The key points, on one page, in 120 seconds.

Tech businesses live in an unforgiving world of high-speed evolution. Buyers have changed. Empowered by the internet and the wide availability of information they are now largely uninterested in engaging with salespeople.

Sales had to evolve. Salespeople had to become experts – professors of pain – knowing more about customers' business challenges than the customers themselves. Marketing had to evolve, taking centre stage. These two interdependent disciplines had to become more cooperative.

Costs are astronomical in B2B customer acquisition – meaning that it can take a very long time for new customer relationships to become profitable. **This makes customer lifetime value (CLV) the single most important marketing metric.** This means we must start with a very clear idea of what makes a great long-term customer – or we risk acquiring the poor-fit customers at great expense.

Focusing on customer retention makes sound business sense. Increasing customer retention rates by even 5% can increase profits by 25-95%, according to a famous study by Bain & Company and HBS. Time invested selling to existing customers will likely get a 2-8 times better ROI than selling to new customers.

CRM is a philosophy and unfortunately, CRM software does not come with a free sales and marketing strategy – but it should be a tool for embedding the best practices you already have. Sales playbooks are essential for optimising sales and marketing performance.

According to one 2020 survey, 52% of businesses say their CRM system isn't functioning well enough and is losing their organisation revenue. They established that many businesses still cannot get a 360-degree view of the customer across multiple applications and data silos and, as a result, are unable to predict in time which customers are about to leave.

As a result, CRM software has evolved to encompass a much broader spectrum of applications. No longer just a contact database, it now encompasses your website, sales and quotations, email, marketing, automation, surveys, event management and helpdesk systems.

Gartner says **as much as 80% of your future profits could come from 20% of your current customer base.** A CRM system should deliver a methodology for identifying these potential stars. We explain a methodology for visualising your customer base to establish where the potential star customers might be. There's a system: ICP (Ideal Customer Profile) Score x Spend Potential x Relationship.

A CRM system typically has many stakeholders and education is key to a successful implementation.

We identify seven mistakes that businesses make when implementing CRM systems. We call them the Seven Deadly Sins and we hope you'll be able to avoid these potholes on the road to a great CRM system:

- Sin 1 – Under-investing in managing customer relationships.
- Sin 2 – Poorly defined sales processes.
- Sin 3 – Seeing CRM as software.
- Sin 4 – Failing to wire in the web.
- Sin 5 – Weak or poorly defined CRM goals.
- Sin 6 – No implementation roadmap or plan.
- Sin 7 – Under-investing in user education.

Why Are B2B Tech Businesses Different?

In the tech world, rapid change is the norm. Ideas are communicated at light speed and business' teams have to be able to react fast.

Constant communication is key or you risk falling behind in a world where innovation and disruption can happen fast – and their impact can be brutal.

Digital communications play a huge part in educating ever more well-informed prospects on their buying journey. Increasingly, millennials are making and influencing the decisions now. Born digital, the way they do that is very different.

More of the buyer's journey takes place online. Hyper-informed buyers retreat behind closed doors – shielding themselves from unwanted sales attention – to conduct their own research.

They easily dismiss the carbon-copy approach of the lazy or inexperienced salesperson. They shun the clumsy and transparent tactics of the selfishly motivated on social platforms such as LinkedIn. It's not easy today to genuinely connect with and influence the people who matter.

Increasingly, sales professionals are either a valuable asset or useless in the eyes of their customers.

The sales professionals who are effective today are 'professors of customer pain' – experts in diagnosing problems and prescribing solutions. They are rarely called 'sales executives' because they long ago realised that the sales profession now carries a stigma.

These guys not only have expertise but also an online reputation and followers. This presence increasingly results in customers approaching them for advice or recommendations.

With buyers retreating into their burrows to research online, marketing and sales have to be on the same page (or indeed on the same team) if they are to ever tempt them out, blinking into the sunlight, for a good, old-fashioned conversation.

It's never been more vital that marketing and sales folks collaborate for mutual benefit. Those in sales (with intimate knowledge of customers and their pains) must educate those in marketing to create new content that demonstrates real insight – unique content that de-positions current thinking and undermines the status quo.

B2B tech teams have a unique situation to manage:

- complicated customer problems
- sophisticated solutions
- longer decision-making processes
- increasingly well-informed and sophisticated buyers
- complex decision-making units with multiple stakeholders and hidden influencers.

The entire team needs real-time access to customer information, issues, agreements and challenges. Increasingly, your teams are working from home so digital collaboration has never been more important.

If you can get a sale over the line, if you can create that most valuable of assets – a happy, great-fit customer – the delivery and customer service teams must all be on the same page as the sales team.

If there is a gap between the expectation you set in sales and the delivery of the customer experiences, don't expect that to stay a secret for long. In this ultra-connected world reviews are everywhere, and feedback will be very public and therefore potentially deadly.

It's vital the customer experience is managed, every touchpoint crafted and delivered consistently and excellently to keep the relationship harmonious.

It has never been more important to ask yourself whether your customer management is good enough. **And by good enough, what we mean is excellent.**

Do your teams have the right tools and processes in place to succeed?

What Is CRM?

CRM – or Customer Relationship Management – has changed. It is no longer a term used to describe a contact management system – an electronic record card system used by salespeople to record details of their customer’s likes and dislikes or to schedule calls and meetings. It’s now about every customer touchpoint.

According to Wikipedia, it’s expanded to become “the process by which a business (or other organisation) administers its interactions with customers”.

This means it has to compile information from a range of sources including:

- telephone calls
- meetings
- email
- website/blog activity
- messaging systems
- social media

It now encompasses users in sales, marketing, management, project management, service delivery, customer service and finance. CRM is a tool for an entire business geared to finding and delighting the next customer in a landscape that is evolving ever more quickly.

CRM is a philosophy coupled with a system – usually software – to build and maintain better customer relationships.

We believe that Customer Lifetime Value (CLV) is the single most important financial metric in business and that everything we do should be about improving that.

Happily, the recipe for enhancing CLV is simple:

- find the right customer
- solve their problems
- exceed their expectations
- make them feel valued

CRM is about developing processes to delight customers.

CRM software should streamline and automate processes across every customer touchpoint to increase sales and marketing productivity. Its goal will be to improve customer service, delight customers, generate more sales and ultimately increase profitability.

No software ever came with a free strategy, however. That’s why software on its own is useless.

For our small business heroes – the B2B tech teams – there will be a number of challenges ahead in order to realise the vision of a more streamlined sales and marketing operation with more productive salespeople, happier customers and more profits.

1. **The customer relationship management problem** – are we managing relationships effectively now and if not, how will a new software system help? Is it possible we could improve our customer relationship thinking before we implement new software?

2. **The CRM software problem** – 52% of businesses want more than their system gives them. Why? There are four common reasons:

- it was implemented without clear goals, expectations or a clear definition of what success looks like
- it's simply become an outdated legacy system, no longer relevant in an online world
- its users don't like it, don't understand it or don't want it and have taken to doing the absolute bare minimum – rendering the software near worthless
- the business has outgrown it.

3. **The pitfalls of the implementation journey** – you'll do it better the second or third time around than you do the first time, but you may not have that luxury. What can you learn now that means this time around will be a great experience?

The Customer Relationship Management Problem

This has never been more important because acquiring new customers remains a very expensive process. **Increasing customer retention rates by even 5% can increase profits by 25-95%**, according to a famous study by Bain & Company and HBS.

Frederick F. Reichheld (author of *The Ultimate Question*) and Phil Schefter of the Harvard Business School cited a study (conducted by Bain & Company, in coordination with Earl Sasser of HBS), analysing the costs and revenue that came from serving customers over their whole purchasing life cycle.

They said: “We showed that in industry after industry, the high cost of acquiring customers renders many customer relationships unprofitable during their early years. Only in later years, when the cost of serving loyal customers falls and the volume of their purchases rises, do relationships generate big returns. The bottom line: increasing customer retention rates by 5% increases profits by 25% to 95%.

More powerful yet, more data by Bain & Company indicates that **a 10% rise in customer retention yields a 30% increase in the value of the company.**

The truth is that repeat customers spend 33% more than new ones, due in the main to their increased buying confidence.

We also find that the probability of closing a deal with an existing customer is typically 60-80% as opposed to 10-30% for new ones, meaning our return for the same pre-sales work is *somewhere between two and eight times higher*.

So, should we aim to retain all our customers at all costs? Probably not. In any customer base there is a huge difference between an ideal client profile and the profile of a client that makes business extremely painful for little reward. If you have been in business for several years, you may have legacy customer relationships that are far from profitable.

Consider this: according to the Gartner Group, 80% of your future profits will come from just 20% of your existing customers. It is to these customers we must apply our retention resources. These are the customers we need to understand, model and replicate.

These customers have the spending potential to transform your business and are a great fit for you. The trick is to understand *why* this 20% will account for 80% of your future profits.

Strategy is about planning to maximise the impact of our limited resources. Customer acquisition is an expensive game to play. Recruiting and retaining the right customers, for the right reasons, is where long-term profits lie.

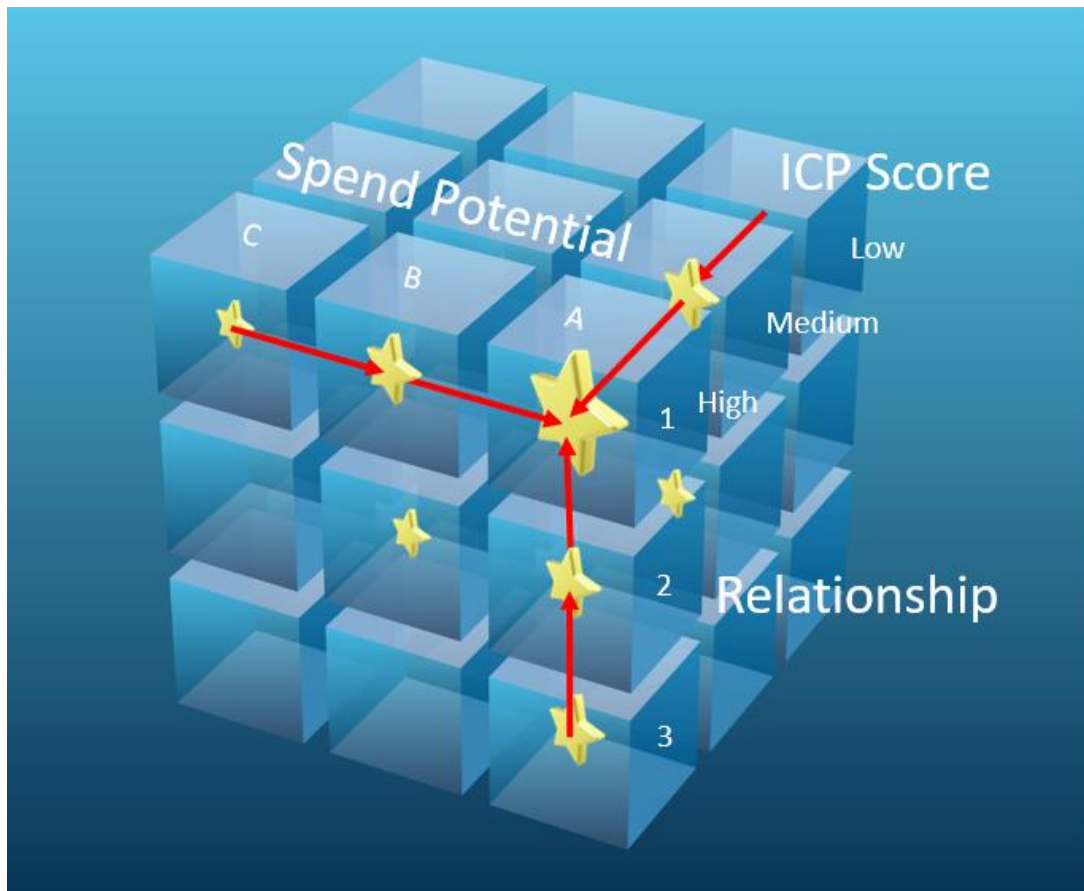
Once we accept that all customers are important but not equal and that our resources are finite, then we have to decide how to identify the most important.

Allocating your precious (and finite) resources proportionately to the lifetime value of the customer is just common sense.

There are three pillars to understanding the value of your client base:

1. Ideal Client Profile(s).
2. Spend potential.
3. Relationship.

You may service several types of customers. Some businesses sell to OEMs, distributors or end users, for example. Each customer segment may need its own definitions of these pillars.



Each of your customers within your database exists in one of these points within the cube. The ability to visualise your client base is key to effective management. Where will your growth come from? Where is the top 20%?

Ideal Client Profile

This starts with having a very clear picture of the businesses you want to recruit as customers. Getting this right is critical to long-term profitability (a client base of right-fit clients is a joy for customer and supplier, after all). Right-fit clients typically:

- are happier
- stay longer
- spend more
- help spread the word to other potential right-fit clients.

The opposite is true of customers we recruit hurriedly – perhaps in the short-term interests of hitting our sales targets, knowing they are a poor fit from the outset. They can:

- be difficult to keep happy
- require disproportionate effort to maintain

- be less loyal
- damage our reputation if unhappy.

Retaining your best-fit clients will make your business a happier and more profitable place to be.

Your ICP should include factors such as industry, size, influence, situation, ambition, culture, values and attitudes. You should have a scoring system for ICP which is published and understood by all customer-facing team members. (More on this later...)

Spend Potential

A customer with low spend potential may take every bit as much effort to recruit and maintain as a customer with high spend potential. Understanding how to evaluate this potential is key to recruiting the right customers and to allocating the right resources to manage those customers.

By deciding what a low, medium and high spend for a customer looks like, a customer's potential to spend can be categorised and regularly reviewed, based on insights from those closest to the customer.

Spend potential may change radically from year-to-year. Rapid growth, new initiatives and acquisitions can positively impact the outlook, for example, whereas poor financial results, a change of leadership or simply an exhausted spend (you've sold them everything they could possibly buy), may mean that, while the relationship remains excellent, the spend potential has reduced.

Relationship Factor

In managing and maintaining customer relationships, there has to be some scoring system applied to the relationship in order to understand how potential spend might translate into actual spend.

People change, relationships change, mistakes happen and competitors come and go. This is why understanding and evaluating our relationship from our customers' perspective is critical.

The Net Promoter Score (NPS) survey is one such vehicle for identifying customer satisfaction. In his book *The Ultimate Question*, Fred Reichheld argues that the business with the happiest customers grows fastest in each sector – outperforming its nearest competitor by a factor of 2.3 times.

By asking our customers how likely they would be to recommend us as a supplier to a friend or colleague (on a score of 0-10), we identify a score which provides important quantitative insights about how our customers are feeling.

By adding a simple second question, "Why did you give us that score?" we gain additional, qualitative, actionable insight into the reasons why our customers are feeling happy or unhappy – telling us who needs extra attention (and why), as well as providing us with some excellent sales messages we can use to recruit new customers.

[Download a white paper to understand more about the NPS system.](#)

In managing and maintaining a customer base, these insights are invaluable. The scores are fluid and subject to change over time. Customer surveys – whether they are NPS or otherwise – are an important measurement tool. Some system must exist to measure customer satisfaction regularly if

a business is serious about growth.

CRM Strategy

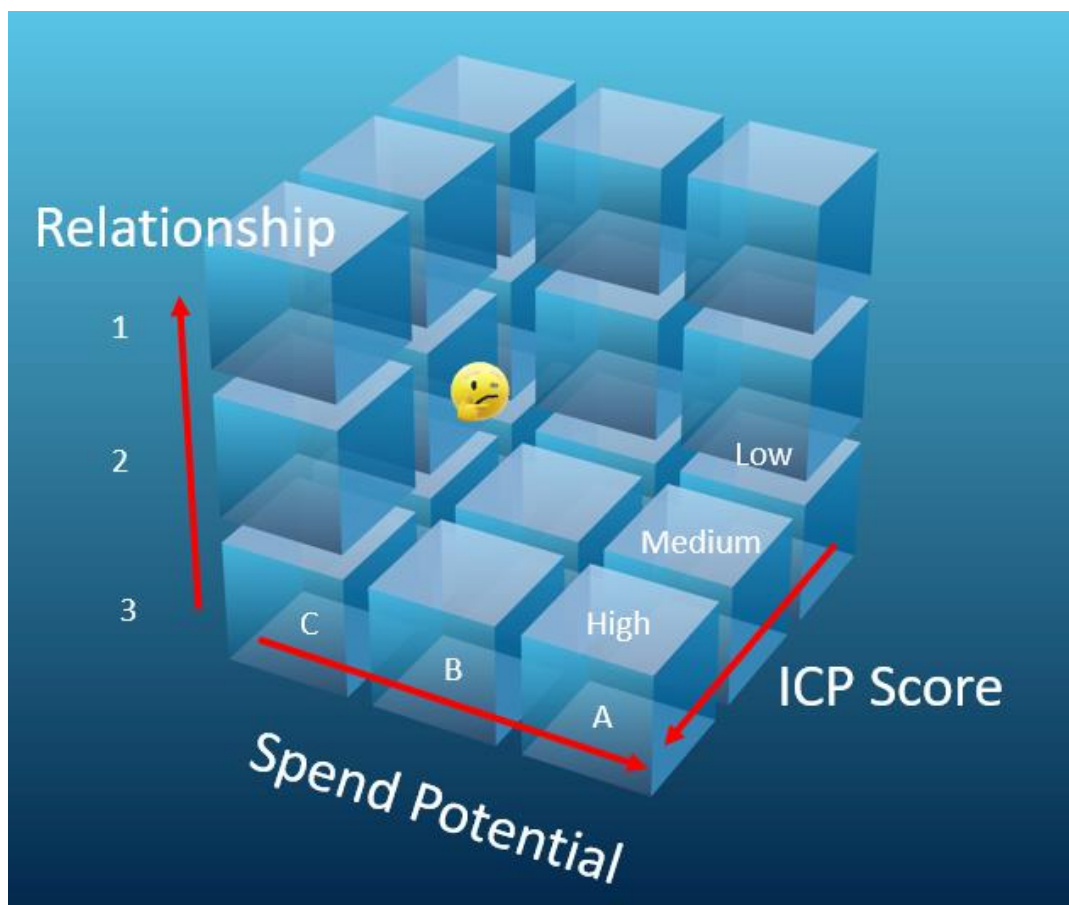
By understanding where a customer sits in your customer matrix, you can identify where to exert effort and invest budget to achieve better results.

All scores can change quickly. An account manager can control only one of them (relationship). Each factor has to be reviewed regularly for scoring to be considered accurate.

How many of your clients occupy a place in Cell A1 High – the right customer, with great potential to spend this year, delighted with the service they have received and would happily recommend you to your next customer?

Where are the rest? What will you do about that? Great-fit customers who are happy (and require little support) can be highly profitable – even with modest spends.

With trust established, they accept quotations readily. They also bring joy to your business and the people that serve them.



One potential nightmare is the opposite of Cell A1 High. Cell C3 Low; the wrong (poor-fit) customer, spending very little who is unhappy with your relationship. Again, what will you do about that?

Will you devise a strategy to elegantly part company with poor-fit, unhappy customers? How much time, effort and energy might that save? What might that feel like?

A huge red flag would be perfect-fit customers with high spend potential who feel unhappy. These require urgent attention.

With understanding comes choices.

The CRM Software Problem

[According to Grand View Research](#), the CRM problem is that while 90% of businesses employing 10 people or more use CRM only 64% of companies say CRM tools are impactful or very impactful – meaning that roughly a third believe that they do CRM very well, roughly a third think their CRM is OK and more than a third remain dissatisfied by their CRM implementations.

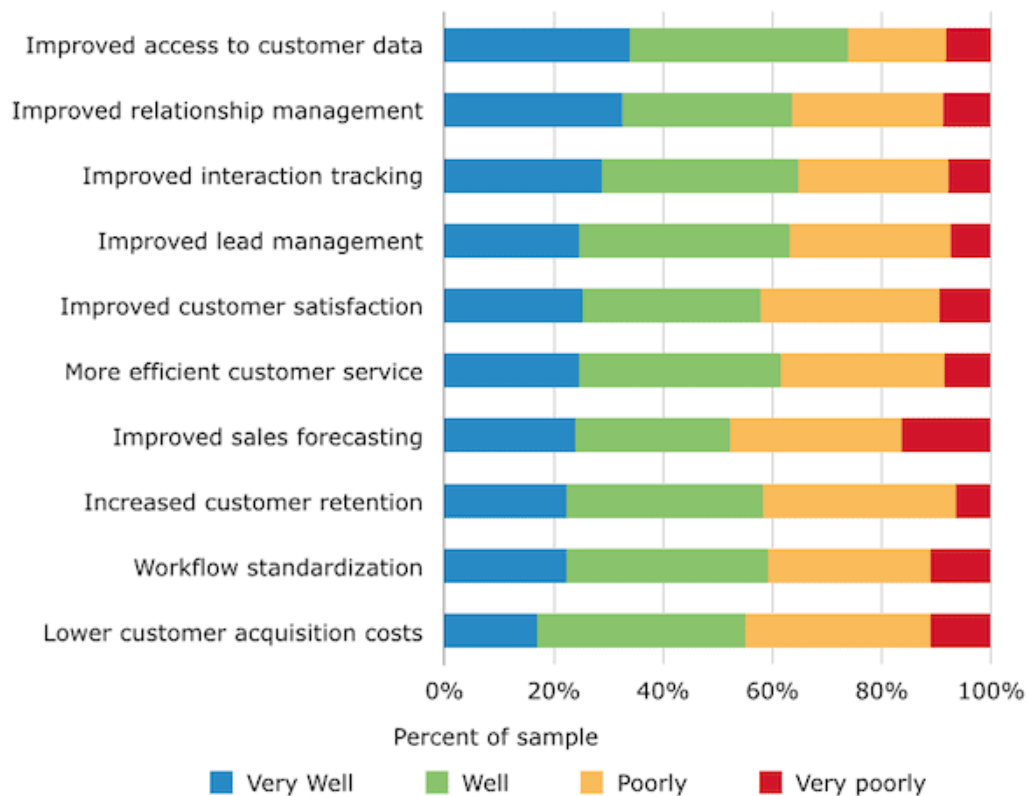
CRM software can be a huge asset to any business but it's not software that businesses need, it's the benefits that software can bring.

Top Requested Features

Key CRM Benefits

Contact Management (94%)	Improved access to customer data
Tracking Interactions (88%)	Improved relationship management
Scheduling/Reminders (85%)	Improved interaction management
Pipeline/Funnel Monitoring (26%)	Improved lead management
Sales Automation (26%)	Improved customer satisfaction
Central Database (20%)	More efficient customer service
Email Marketing (20%)	Improved sales forecasting
Customisation (18%)	Increased customer retention/lifetime value
Reporting/Analytics (17%)	Workflow standardisation
Integrations (16%)	Lower customer acquisition costs
Lead generation (9%)	

How Well CRM System Delivers on Key Benefits



“According to one 2020 survey, 52% of businesses say their CRM system isn’t functioning well enough and is losing their organisation revenue.”

The biggest complaint was that they couldn’t access aggregated data across multiple platforms, meaning they **were not able to identify and predict which customers were likely to churn. Had they access to that information, they could have avoided losing those customers.**

In our haste to adopt best-of-breed software as we grow, many of us in the tech sector have created a poorly functioning software eco-system where the legend of the 360-degree customer view remains a lofty goal with no practical reality in sight.

Companies implementing a CRM were looking for key features and wanted to see specific key benefits of a CRM – in the main these benefits are under-achieved.

The question is “Why?”

With the experience of 250 CRM implementations (and 700+ website builds) behind us, the team at Intergage Marketing Systems is well placed to provide the answers.

We believe it boils down to seven deadly sins of CRM.

7 Deadly CRM Sins

- Sin 1 – Under-investing in managing customer relationships
- Sin 2 – Poorly defined sales processes
- Sin 3 – Seeing CRM as software
- Sin 4 – Failing to wire in the web
- Sin 5 – Weak or poorly defined CRM system implementation goals
- Sin 6 – No implementation roadmap or plan
- Sin 7 – Under-investing in user education

We'll explore each further in the following pages...

Deadly Sin 1 - Under-Investing In Managing Customer Relationships

Customer acquisition is very costly.

When you consider sales and marketing salaries, recruitment, training, management time, the sales support time invested by your technical experts, advertising and marketing costs, software, travel expenses and other overheads, how much are you spending a year to acquire new customers? How many great customers did you actually acquire last year? Care to divide one number by the other? The results won't be pretty.

In B2B marketing – particularly in the tech sector – it can cost hundreds of pounds just to generate a lead and many thousands of pounds to generate a well-qualified opportunity. The right customers can cost tens of thousands to acquire.

Given these costs, it can take years for a customer relationship to become truly profitable and this makes life far more difficult for start-up businesses.

It's important to have an effective, consistent process for winning new business but it is arguably more important to have a system for managing your existing customers more effectively.

Your existing customers

- spend more

- make decisions faster
- say yes more often
- negotiate less.

We've already established that you get 2-8 times better return on sales time invested with customers than with prospects. This business is usually conducted without eye-watering discounts, extended payment terms or guarantees that make the transaction painful.

As Gartner says, as much as 80% of your future profits could come from 20% of your current customer base. We've looked at a methodology for visualising your customer base to establish where the potential star customers might be.

Customers are also your best source of new business. In sales we know that referrals from happy customers create sales opportunities that we:

- often have all to ourselves
- win more often – even if there is competition
- close faster.

Testimonials and references from existing customers are often key to winning new business too – and can often give you the edge in a close race with a competitor.

CRM systems now encompass helpdesk and support applications. This is key to managing online relationships in a B2B tech world.

If a customer has an outstanding support issue, it's probably not the time to be trying to upsell or cross-sell; this can make you appear insensitive and even incompetent. On the other hand, if your support team has done another great job of helping a customer resolve an issue – and proved its worth yet again – then that represents an excellent opportunity to engage a customer in a new discussion or to harvest a testimonial.

The right CRM system would alert you to these potential pitfalls and opportunities.

With a joined-up system, you can pause marketing campaigns while serious support issues are outstanding and alert account managers automatically if an issue is escalated.

Marketing automation is most often used for nurturing leads over time and will result in winning more new customers. But it can also be used to enhance customer satisfaction and provide educational information – such as video content or white papers – that means customers get better value from the product they have bought or the service they receive.

If you had time, is there advice and information you would provide to every customer at every stage of their journey? Automate that process, deliver your content at just the right moment and you can delight every customer, every time, post-sale.

Satisfaction surveys can be issued automatically, feedback harvested, and actions scheduled without human intervention. If a top customer provided poor feedback about your service, or visited the webpage about cancelling their contract, making a complaint or returning a product, who should know about that? What should happen next? Safety nets can be set up to detect unhappy customers long before they defect.

Have you ever had a customer tell you that they bought a product or service you could have provided them, from somebody else? You tell them you could help, but it's too late, they've already

engaged with a rival supplier. You may have consoled yourself by thinking, “I can’t sell everything to every customer, every time, there aren’t enough hours in the day...” but actually, with an automation system you can do just that. Never miss an opportunity again and mitigate the risk of losing a customer to a rival.

Happy customers are receptive to new purchases so by understanding what a happy customer has (and hasn’t) bought we can create campaigns that kick off automatically to cross-sell and upsell to customers who are happy to buy from us again.

Once created, these campaigns run 24/7, 365 ensuring that happy customers are fully informed about the breadth of help you can provide.

Some 47% of users in one poll by Capterra said that customer satisfaction improved significantly, along with customer retention, when they were using a CRM system.

The same survey revealed that CRM users also saw a 45% increase in sales revenue, and a 39% improvement in cross-selling and upselling success.

What would these kind of figures be worth to your business?

Deadly Sin 2 - Poorly Defined Sales Processes

[Harvard Business Review](#) stated that companies with effective pipeline management saw a 15% increase in growth over those that didn't – and that companies that mastered three specific pipeline practices saw 28% higher growth.

- 1. Clearly define the sales process.**
- 2. Spend at least three hours a month on pipeline management** (managing each rep's pipeline by helping to develop a game plan to get deals over the line).
- 3. Train managers on pipeline management.**

At Intergage we've engaged with thousands of small businesses over our 20+ years in business and recruited many hundreds of customers. The percentage of those that had truly well-documented sales processes – sales teams that documented what they did, and did what they documented – has been less than 5%. Spoiler alert: they were always the best performing organisations.

Sales and marketing teams that share, document and constantly refine best practice develop a sales playbook. They have a serious advantage because they:

- can train new salespeople more easily
- make salespeople more productive, faster
- can easily apply technology to help them streamline and improve
- can help marketing experts to help them better (it's easy to see how to improve a system that actually exists or create content that is helpful when you understand what needs to be achieved)
- deliver more consistent, predictable results.

In a world where the average tenure of a salesperson is less than two years, this really matters.

The most vulnerable and highly-stressed businesses always suffer from over-reliance on one or more talented but maverick salespeople – those guys who refuse to use a CRM system (or use it properly), don't share best practice (or "their secret sauce") and who often make sales promises that the delivery team finds difficult to deliver in a way that delights the customer and is also profitable.

Businesses who don't have documented sales and marketing processes invariably exhibit frustration with their salespeople because:

- they don't know what they do
- they can't measure what they do
- they can't predict and forecast results
- they are unable to improve results significantly.

For these businesses, sales is still a dark art and salespeople are magicians they don't quite trust.

It doesn't help that sales and marketing is the one area of business that has evolved and changed more than any other over the last 20 years with the advent of the internet...and the pandemic, which changed the rules of engagement overnight.

Potential customers now easily hyper-inform themselves at the point of purchase – they have access to as much information as they can digest – and as a result, their desire to engage with salespeople has evaporated.

Rapid technology evolution makes it difficult to stay on top of changing trends. Sales and marketing teams struggle to understand the complex components of B2B sales and marketing such as:

- how search engines work and how to achieve the valuable and elusive Page 1 positions
- which B2B advertising channels work best
- how to get the most from social channels – especially LinkedIn
- what content they should invest in creating, for whom and why
- how to differentiate in a world where technology advantages are fleeting, and evolution happens with devastating speed (and often has brutal consequences).

Sales now relies on marketing. In many instances, if marketing doesn't provide the content customers want to consume, in a way they can easily find and digest, then sales has no chance.

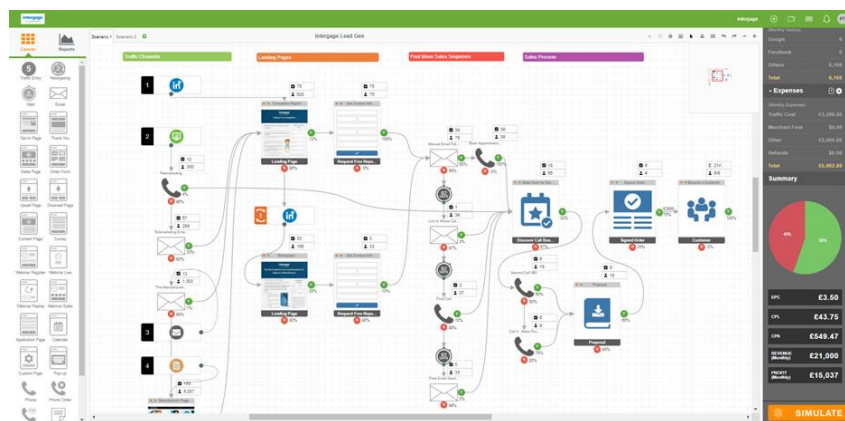
On joining a business, the modern sales professional expects to plug into an established system, to have content tools available for every step of the customer journey.

This is when a sales playbook becomes key.

Sales playbooks serve eight main functions:

1. To capture and share established best practice.
2. To explain the ideal customer (company) profile (ICP) and the typical decision-making unit.
3. To analyse the roles of and personas of the people we typically engage with, and understand their pain points.
4. To highlight common objections and how to handle them.
5. To signpost ideas, tools (calculators, pricing tools etc), content (videos, white papers and blog posts) that work best for each type of company/contact at each stage of their buying journey.
6. To share competitive intelligence (how to deposition rivals' offerings).
7. To explain exactly how to use the CRM system in any given common situation – how to complete company/contact records properly, how to log calls (and inbound enquiries by telephone), how to log and track sales opportunities correctly.
8. To set expectations about activity levels, targets, meetings and agendas and the rules of engagement.

Mapping our processes using workflow tools is good. Using spreadsheets to work out conversion rates is one way to go. Using a tool that combines both is a great way to visualise a marketing and sales process and understand where improvements can have the most impact.



Sales and Marketing processes are easily mapped out using specialist workflow tools such as [Geru](#).

Defining A Sales Process – Key Concepts

A clearly defined, documented sales process is a joy. Creating a system gives us key metrics we can measure. In doing so we need clarity on:

- our sales methodology
- our ideal customer profile
- the decision-making unit and personas we will encounter
- our customer journey.

Sales Methodology

Many businesses subscribe to a sales methodology. Rather than re-invent the wheel, they adopt a methodology such as:

- SPIN (based on [Neil Rackham's classic book](#))
- Challenger (based on the [Challenger Sale](#) and [Challenger Customer](#) books by Brent Adamson and Matthew Dixon et al.)
- SNAP (based on Jill Konrath's book [SNAP Selling](#) – selling to the frazzled customer)
- [Sandler](#) – a seven-step, consultative selling approach made famous by David Sandler in 1967
- Solution Selling – originally made famous by Michael Bosworth in [his 1994 book](#) and sub-titled, Creating Buyers in Difficult Selling Markets
- GAP selling – [Keenan's book](#) builds on Challenger and focuses on problem-centric selling.

They adapt the methodology to their own business and the CRM system has to adapt as well. It's key that the CRM reflects the terminology and can be tailored to the process.

Focus on Ideal Customer Profile (ICP)

At a headline level, defining our ideal customer profile should help us to increase our average customer lifetime value – the single most important marketing metric in our business.

By reviewing your best customers (those with the best potential lifetime value or spend) and building a deep understanding of why they are your best customers, you can create detailed profiles of similar businesses that you can pursue.

The advantages this new focus brings are myriad:

- targeting becomes simpler
- common pain points/challenges emerge
- messaging improves
- content production becomes easier
- conversion rates improve
- lead quality improves.
- Case studies become more relevant
- Sales and marketing teams are more aligned

Which means that you can also reduce your cost of customer acquisition significantly.

While not an exhaustive list, these are common ICP scoring factors:

		Notes
Market	Market/market sector/niche	Is the market stable, growing or in decline?
	Position in supply chain	Manufacturer/OEM/distributor/VAR/user?
	Industry position (market share)	Leader/challenger/disruptor/niche player
	Profile of customer base	Who and how many? B2C/B2G/B2E
Leadership	Strong	Decisive leadership, clear strategy and objectives
	Ambitious	Very clear and challenging growth goals
	New	New leadership, new attitude/opportunity?
	Generational factors	Can signal huge differences between attitudes
	Exit strategy	What's driving this leadership team?
	Strong culture and values	Do we align?
	Attitude to risk/technology adoption	See Crossing The Chasm by Geoffrey Moore
Firmographics	Location (number of locations)	May impact cost of acquisition/servicing
	Number of employees	May be broken down by type
	Number of years established	Most start-ups fail within five years (57.5% according to the UK ONS)
	Ownership status	Independent vs public ownership vs group ownership
Financials	Revenues	
	Profitability	
	Well-funded	Makes loss-making or start-up businesses attractive
	X-year historical trajectory	Growth/plateau/decline (profits or revenue)
	Budgets established	
Situational	Customer journey stage	See The Customer Journey
	Existing technology/solution	
	Pain points/challenges	
	Membership of trade bodies and communities	
	PESTEL factors	Political, economic, social, technology, environmental and legal

Personas

Expert sales and marketing businesses have gone a step further than just identifying the decision-making unit (DMU) and the roles of those making and influencing the decision.

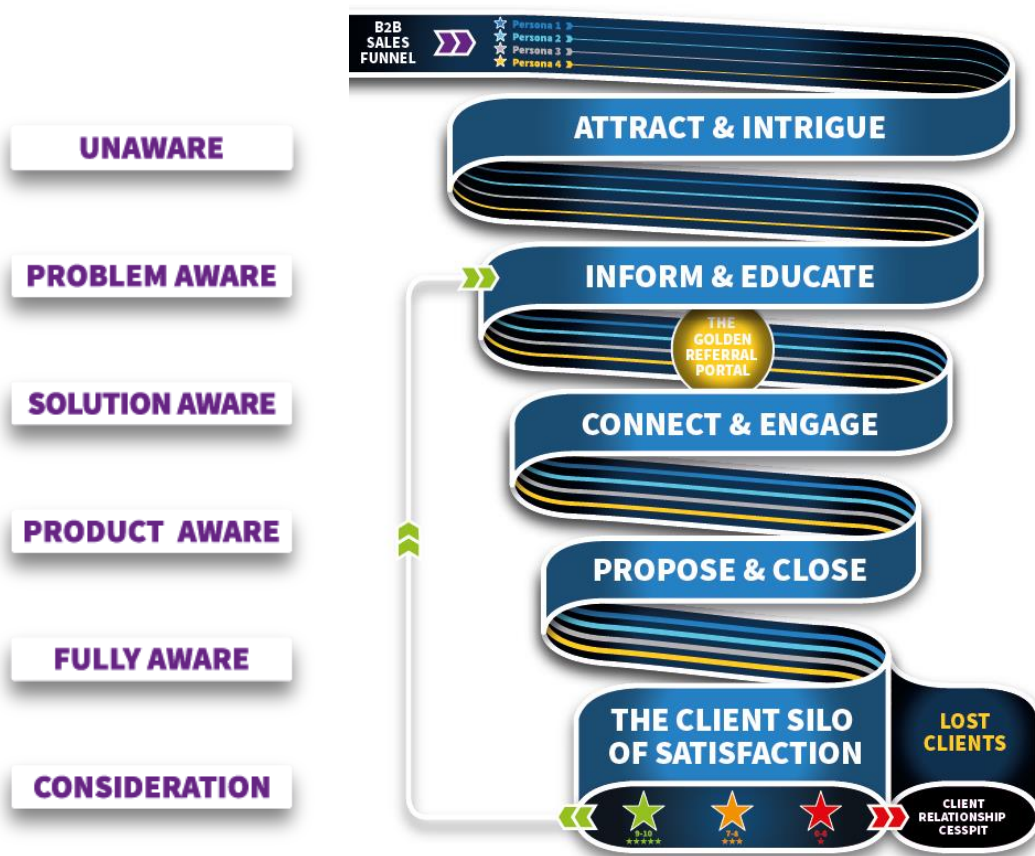
They do this by developing detailed personas (often generation-specific, semi-fictional representations of customers). They name them – “Dave the Gen X Sales Director”, for example – and create detailed profiles that describe their aspirations, goals, challenges, pains and issues – bringing them to life in order to understand them better.

The next step is to think about the content we could create to help them solve their problems and achieve their goals. How do they identify problems and research solutions? What content do they engage with best during that process?

We then need to identify where these guys hang out online and offline.

Creating these personas and bringing them to life is both fun and incredibly useful – particularly for building sales and marketing alignment. It should be a collaboration between everybody involved in servicing customers. The sooner everybody is on the same page, the sooner we can create content that truly resonates with our customers and future customers.

The Customer Journey



Unaware

In B2B tech sales, every new customer goes on this journey. At the top of this journey a customer doesn't even know they have a problem. Our job is to undermine and dislodge the status quo – to make the pain of same bigger than the pain of change – and that can be a significant undertaking.

It requires a skilful approach. This is marketing artistry. Custom-built, counter-intuitive, thought-provoking and awesome content is required to engage at this level.

Problem Aware

Many businesses engage with potential customers at the next level down – when the customer knows they have a problem.

Educational, authentic, helpful tools that explore the problem, its cause, its likely impact and consequences help engage a prospect at this stage. Help the customer make the right decision for the right reasons.

Solution Aware

By the time a customer is looking for a solution they are beginning to research heavily (usually online). And if you don't show up on the digital radar (or come recommended by a trusted third party), you won't even get to play.

At this stage our goal is to connect and engage in personal conversations to deeply understand what is driving their decision and make highly relevant and personalised content available.

Product Aware

It is now possible that the first call you have from a customer is when they have already shortlisted your company based on the content they have digested. And they want to discuss pricing or terms.

Demonstrations, tasters, trials, tests, testimonials and tools help a buyer mitigate risks and build confidence in your solution.

Fully Aware

As the potential customer approaches decision-making time, it's our job to have fully understood the people, their agendas, their choices and their decision-making process. They should have received a highly personalised proposal focused on resolving their problem and moving them forward.

Ideally you will have built champions within the business with enough influence and credibility to get you over the line. Now you need to make sure they have the tools they need to advocate powerfully on your behalf.

Consideration

At this stage your champions should be tooled up for the fight! Have you worked with them to understand the competing agendas and views? Have you provided the educational material, case studies and testimonials they need to win the day? Are we keeping everybody focused on the pain, its implications and potential consequences – the cost and pain of doing the same? Do we have a clear vision for a better future and why the pain of change is less than the pain of same?

Delight

Customer satisfaction is an outdated concept. Our goal in a hyper-connected world is customer delight. A satisfied customer provides a three-star review. A delighted customer gives five stars. We all know how these reviews impact future buying decisions both for the customer and for the future potential customers we may win or lose tomorrow based on the reviews written today.

Deadly Sin 3 – Seeing CRM As Software

CRM isn't software – it's a philosophy enabled by software. It's an ever-improving customer journey from lead to advocate, done with style.

Is there anything more important than improving your customers' experience?

Let's start with the customer and how we will improve their experience. Customers should find every touch is enhanced from initial approach to having any issues or support calls resolved more quickly.

- Communications are as frequent as they desire – personalised, timely and relevant.
- Interactions are consistently efficient, professional and friendly.
- People call them back when they say they will.
- Customers deal with informed people who know them and their company.
- Their preferences are understood and adhered to.
- They don't have to repeat themselves (or enter the same information into forms on multiple occasions).
- They trust that issues will be resolved quickly.
- They feel that they are important and the business cares about them.

Our goal has to be creating an experience customers want to repeat, because happy customers bring specific benefits to the business:

- lower churn
- higher lifetime values
- an easier life
- more profit
- faster growth.

CRM must work for the business and the customer but also for the individual internal stakeholders – those great people in your business who make it work.

CRM is the win/win between customer and business.

It is driven by a belief that making customers happier improves bottom line profits. Which it does.

In the end, as Stephen Covey says, the only sustainable relationship in life is a win/win.

There is also software involved.

Deadly Sin 4 – Failing To Wire In The Web

Key Point 1 – Understanding Online Behaviour

- If your best customer visits your How To Cancel Your Contract page on your website, should you know about it?
- If a warm prospect downloads your white paper, would that interest you?
- If your hot prospect is looking at your Terms and Conditions page, do you think it would be a good time for a call?

If your CRM system is divorced from your website, then you may be missing out on these vital signs and opportunities are silently slipping through your hands like sand. If your website is your digital shopfront, surely selling to those already on the shop floor is your priority?

Your salespeople could be cold calling while warm leads are delving deeper and deeper into your website. That makes no sense.

In our connected world, CRM now includes your website because it's key that you know which contact is consuming what information if you are to provide timely and relevant interactions. If your software cannot deliver this, you are at a serious disadvantage. When a CRM system and a website share a database, wonderful things can happen.

Forms completed online should update your contact database automatically and customers should be able to view and update their own contact information directly. Inbound email enquiries should alert the right people and should be qualified as a priority. Every second counts when responding to hard-earned, inbound enquiries.

Millennials are the new decision makers and influencers now. Born digital, they find and consume information online like they breathe. It's routine, fast and efficient. A long-term memory is fast becoming an obsolete asset as the latest information changes so quickly and is so readily available.

Individual web pages can be scored in terms of user intent – a home page visit scores five points whereas a visit to the pricing page scores 10, for example. Website visitor engagement can be measured by the pages the customer visits and the information they consume.

Visiting your home page may demonstrate very little intent to purchase (although it's a start) but by the time the customer has delved deeper, investigated your offering in detail, watched videos and read several blog posts they found interesting, they have left digital footprints that tell us a story about their mindset and how far through their journey to the next purchase they are.

Without this visibility, your salespeople and account managers may be blind to the opportunities that already exist, while they work feverishly (and often fruitlessly) to create new ones.

Understanding website visitors and their behaviour also provides the opportunity to initiate campaigns automatically. Picture the scene... Your website visitor downloads a white paper. A video link is embedded in that white paper. By clicking that link they demonstrate that they are engaged – they are actually reading it. And by the time they have finished watching that video:

- the next white paper in the series is in their inbox with your compliments
- a call has been scheduled for your sales team
- the prospect has been tagged in your database as “warm”.

CRM systems that cannot understand website behaviour and email interactions (and score that engagement) are now obsolete.

Key Point 2 – Personalisation

Every piece of marketing collateral works better when its personalised.

Smart Websites

Website content should be personalised to a visitor both before and after they have stepped over the anonymity threshold.

An intelligent website understands segmentation. If a visitor chooses to visit a page you designed for their industry, profession or role, a smart website will now curate the website content it shows that visitor. By displaying content, blog posts, news stories and case studies which are relevant to the visitor, your chances of engaging them will be enhanced significantly.

When your visitor next loads your home page it may be a different experience altogether – the content is magically updated to reflect exactly how you can help that type of person or business type.

Smart CRM

If a person exists on our CRM database and we invite them to visit our website with an email link, we can provide them with a personalised experience – right down to merging their details in the web page copy if required.

If your website is an online brochure for your business, you can make it a bespoke, personalised brochure.

The goal is always to provide as helpful an experience as possible.

Smart Movies

It is now possible to create movies that feature customer names, logos and images in minutes. These smart movies can be hosted on unique web pages and links sent to customers to invite them to view their own, personalised movie online.

Naturally, when they watch the movie, the system can alert a salesperson to follow up and strike while the iron is hot.

Deadly Sin 5 - Weak Or Poorly Defined CRM Goals

Why do you want a new CRM system? Ultimately, success for most SME tech businesses is generating more happy customers while lowering customer acquisition and support costs but this can be broken down into specific goals and objectives.

Most CRM implementations still fail because the goals were badly defined. Low-resolution goals are no good to anybody. We need high-definition, crystal-clear, well-documented goals.

Specifically, your business goals should be measurable. For example:

1. Find 20% more leads in the next 12 months without increasing headcount or marketing budget.
2. Improve lead-to-opportunity conversion by 10% without increasing headcount or marketing budget.
3. Improve opportunity to customer acquisition by 10%.
4. **Improve customer lifetime value by 20%.**

The compounding effect of achieving these goals would have a serious impact on the profitability of any business. ***It might surprise you how great that impact would be.***

- Let's imagine that your marketing manager generates 200 leads a year at a cost of £75,000 (her salary and marketing budget). Each lead costs £375.
- Let's imagine that your inside salesperson converts this to 60 opportunities a year at a cost of £30,000 per year. Each opportunity costs £1,750.
- Your sales executive converts 30% of your opportunities every year (18 new customers) at a cost of £75,000 (including salary, car, commissions, expenses and bonuses). Each conversion costs £10,000.
- A customer has an average lifetime (gross profit) value of £50,000 over five years.

After achieving our goals, sales results would go from this:

Sales Process Stage	Cost	No.	Conversion Rate	Unit Cost
Lead Generation	£75,000	200		£375
Opportunity Generation	£30,000	60	30%	£1,750
Sales Conversion	£75,000	18	30%	£10,000
	£180,000			
	Years	GP/Year	GP Year 1	GP 5 Years
Average Customer Lifetime Value	5	£10,000	£0	£40,000
Projected GP Over 5 Years	£720,000			

To this:

Sales Process Stage	Cost	No.	Conversion Rate	Unit Cost
Lead Generation	£75,000	240		£313
Opportunity Generation	£30,000	79	33%	£1,329
Sales Conversion	£75,000	26	33%	£6,923
	£180,000			
	Years	GP/Year	GP Year 1	GP 5 Years
Average Customer Lifetime Value	5	£12,000	£5,077	£53,077
Projected GP Over 5 Years	£1,380,002			

Projected profit over five years is almost doubled. **In fact, GP increases by 91%.**

Now we have to turn business goals played out in a hypothetical spreadsheet into CRM goals.

As an example, let's take one of our four business goals and expand that...

Goal 4. Improve Customer Lifetime Value (LTV) By 20% Within Three Years

The key word to keep asking yourself is "How?" If your goal is to increase lifetime value, you might decide to break that down into four methods, for example:

Ways to increase average lifetime value (objectives):

- recruit better-fit customers
- **increase customer satisfaction**
- cross-sell and upsell more effectively to happier customers.

Keep asking, "How?" and keep drilling down. Let's look at objective 2, 'Increase customer satisfaction'. First, let's make it more specific and measurable.

Increase customer business owner satisfaction (NPS) score from 41 to 60+ with 12 months

- Give more value
 - Run free quarterly webinars to help customers achieve their goals.
 - Run a monthly onboarding webinar for new users at existing accounts.
 - Start a YouTube channel for hints and tips on how to extract maximum value from our offering.
- Provide a more efficient customer service
 - A clearly defined, documented and communicated onboarding process.
 - Better access to (better) customer information for customer-facing teams.
 - Better self-help through access to an online knowledge base for customers.
 - Faster resolution of issues through better management systems.
 - Improved training for customer service representatives.
- Workflow standardisation
 - Better post-sale communications (automated delivery of helpful content).
 - Processes defined, embedded and automated through software.
 - Auto-escalation of urgent and important issues.
 - Customer feedback system initiated.
- Improved post-sale interaction management
 - Monitor and share metrics and customer feedback.
 - Specific KPIs established and monitored.
 - Specific performance targets met (list).
 - Performance improved 20% in 12 months.

Keep drilling down into goals and objectives. Document your work. Invite stakeholder participation. Ask for feedback. If you agree that you need better access to better customer information for example, work with colleagues to be specific about what information you need.

How will a CRM system help you achieve your goals? At this stage you understand your goals and objectives but as far as CRM software is concerned, you don't know what you don't know.

If you can find a potential supplier who is genuinely interested in helping you to achieve your goals (rather than just making a sale), they may well be able to work with you as part of the stakeholder participation process. You might consider paying a consultant with experience in CRM systems to help you in that regard.

Now you have some goals and objectives documented, you can evaluate how a CRM system will help you to achieve your goals.

It is useful to provide your document to a potential supplier ahead of any demonstrations. The better they understand what you are trying to achieve, the earlier they can rule themselves in or out. When they do demonstrate, they will make better use of your time and theirs.

Your goals and objectives document may also be adapted to be used as a scoring system when comparing software tools.

During demonstrations salespeople will often demonstrate 'cool' or 'flashy' features that look attractive, but which their customers rarely use in practice. When you examine the features of a CRM software product ask yourself, does this feature help me with my goals and objectives? If so, which one(s)? If that feature doesn't, it is irrelevant – no matter how impressive it might be.

Back To Basics

If you don't know or understand your customer acquisition numbers, your first CRM goal is to install a process (and a system to support that process) so that you do.

The basic checklist for this system goes like this:

- Create contact/company records – ideally the system will not allow duplicate records
- Log and date-stamp leads and anticipated revenue/profit on each and every deal against company/contact(s).
- Attribute leads to a source or campaign (where possible).
- Understand the steps of the sale and where each lead is in that (inbound or outbound) process.
- Log a probability and likely close date against each lead/opportunity.
- Have a system for ensuring no lead can slip through the cracks.
- Measure conversation rates at each stage (ideally date stamping any change of status).
- You require an analysis of which leads are open, closed lost and closed won (and ideally why).
- Ability to update customer record cards to log when status changes (from customer to lapsed customer, for instance).

Even the simplest of CRM systems is typically capable of these things.

If you have this basic data, you will understand:

- your conversion rates
- the value of your business pipeline
- your best source of new business leads
- the typical length of your sales cycle
- the average lifetime value of a customer.

You'll also be able to sleep at night knowing those expensive leads and opportunities cannot slip through the cracks.

Deadly Sin 6 – No Implementation Roadmap Or Plan

Understanding Success And Failure – What Success Looks Like

As Stephen Covey said, in his classic book *The 7 Habits of highly Effective People*, “Begin with the end in mind”. Imagine a successful CRM implementation. What does it look like? In his book, Covey asks us to imagine our funeral and what you would like people to say about the life you lived. Happily, we don't need to go that far in this instance, but let's visualise our successful CRM implementation, three years from now:

- How will you know if your CRM system has been a success (see previous chapter)?
- What would that success look like?
- What will people say?
- How will they feel?
- What return might that generate?
- What do we have to do to get there?

If our CRM project succeeds and we achieve our goals and objectives what does that achievement mean for the individual stakeholders?

- hero status
- job security
- promotion
- more money. (Are bonus structures clear?)

As with any project, you need a plan. The tasks, dependencies and the critical path to project success.

Before starting the project, interview all the stakeholders and establish their start point. There is invariably some experience of CRM implementations within your organisation – harness that experience – positive or negative. Demonstrate that you listened to that advice.

Be a pessimist rather than an optimist where planning and timescales are concerned. It is rare that that these projects come in ahead of schedule.

Communicate the plan to include all the stakeholders and update them regularly. Err on the side of over-communication.

Try and organise the project into milestones that each deliver a tangible benefit. As you achieve each milestone, promote the benefit you have earned.

Keep communications positive throughout the project, it can be very hard to turnaround a negative perception.

Understanding Success And Failure – What Failure Looks Like

A useful approach to planning a great project is to imagine catastrophic failure and what caused it. The military call this Red Teaming.

Use a Red Team to critique your plan and thinking – consider including third parties to challenge your thinking and add ideas. The Red Team examines a plan for weaknesses. By exploring and finding the points of failure in advance and planning around them, you get insights into what could go wrong – and avoid the pitfalls.

Deadly Sin 7 – Under-Investing in CRM Education

Telling people what to do is one thing. Explaining **why** we should do it is another. As far as CRM implementation goes, it's very much a case of starting with "Why?"

Bright people will appreciate being given the "Why?" before being told how.

When your team understands and buys into the "Why?" then explaining the how is just a formality. Asking people to change their habits is hard so be prepared to remind people about the "Why?" repeatedly.

The Politics Of CRM

You need champions for a CRM project to succeed. If there is internal resistance – especially if that resistance comes from your top salespeople – the project can be doomed before it starts.

It's a great idea to share your goals and objectives document and illustrate exactly how implementing CRM benefits the business. It's an even better idea to involve your top salespeople in creating it in the first place, so that they feel ownership.

It's also really important to have clearly defined benefits for each stakeholder group. For example...

For your sales, marketing and customer service staff, CRM done well might mean:

- better tools
- increased productivity
- better teamwork
- fewer customer issues
- A more enjoyable and satisfying job
- more commission.

It's useful at this stage to identify and state what takes time away from selling activity at each stage of the process:

- time consumed finding information
- producing quotations
- scheduling and rescheduling meetings and creating reports.

And to identify what tools might exist to save people time and make salespeople more productive.

For the managers in your business CRM might mean:

- defining and refining processes
- embedding best practice
- automating processes
- clear dashboards with live performance data
- better forecasting and planning
- a chance to identify individual development needs
- the opportunity to constantly measure and improve performance.

We cannot manage what we cannot measure. Without managing the process, we cannot identify challenges, adapt and improve.

Sales reports can be time-consuming to create. This is dead time as far as salespeople are concerned. It would be helpful if you had live reports and dashboards at the touch of a button.

Having clear goals, live dashboards and leader boards can also be highly motivating for individuals.

It also helps to make sure all your team are on the same page on key concepts of

- CLV – Why customer lifetime value is the most important business metric
- the customer journey – how we help and educate at every stage, and how the system will make them look great in the eyes of the customer
- content marketing and engagement scoring – why understanding online behaviour is key and why the new system will surface new opportunities they were unaware of before
- sales and marketing alignment – why great customer records make for better marketing and how marketing is now in the business of putting micro-campaigns into the hands of salespeople.

Summary

We live in a fast-changing B2B world where even our buyers are beginning to change – the millennials are coming. Millennials are increasingly the decision makers and senior influencers in B2B decision making, and they are very different in terms of how they see the world, how they make decisions and what they value.

Their world is the online world. They were born digital, and they don't value the same interactions as previous generations. They actively avoid face-to-face meetings and even phone calls. They particularly dislike salespeople and the process of being sold to.

The pandemic accelerated the trend of making buyers hard to reach. Many are now working from home most of the time.

To engage with them is to become more digital and businesses who rely on old-fashioned sales processes and legacy CRM systems -those that do not embrace the online world - are at a serious disadvantage.

If you understand the millennial buyer and how they buy, you can create the digital content they want. If you make that content easy for them to find when they need it and keep it relevant and fresh, they will consume it.

When they consume it, their online engagement tells you they are interested in solving a problem. Only now do you have an opportunity to engage.

When the window of opportunity opens, you must be ready to react fast and deliver high quality digital content with surgical precision.

Lead generation and sales are changed for ever. CRM is changing too – embracing websites, blogs, surveys, sales tracking, quotations, helpdesk systems, email, automation, events, telephone, project management and social media tools.

For many businesses it is time to re-assess. The systems that brought us here will not take us into the future.

The era of data silos is over. Integration is painful, unreliable and costly. It's also a recipe for being passed from pillar to post by suppliers who refuse to accept liability and prefer to blame each other instead.

It's time for fewer databases, fewer suppliers, more automation, more joined-up, cloud-based customer-centric systems and to finally realise the promise of the 360-degree customer vision.

It's time to spend more time aiming before firing to acquire the right customers and when we get them, we have to be a whole lot better at delighting and retaining them.

It's time for smarter CRM.