

# Back to Basics



by Andrew J. Birol

**Y**OUR MARKETING and sales team says the best way to increase sales is to buy new database marketing software, launch new distribution strategies, have sales people make more cold calls, or add telemarketing. What's the right answer?

Your customers feel neglected or don't do as much business with you. Your service manager recommends a retention program. What should the program include? What channels should you use?

If you're in senior management, chances are these scenarios are painfully familiar.

All marketing, sales, and customer service efforts come down to three basic goals—finding customers, keeping customers, and growing customers.

## Basic Questions

Can you answer these questions: 1) What is your company's best and highest use in the marketplace? 2) Are your products or services optimally bundled into a compelling offer? 3) Who are your very best customers? 4) Can you quickly identify the real pain that you resolve for customers and explain how your product or service alleviates that pain?

Targeted marketing requires a deep understanding of customers and their needs. Ask your best customers three questions: Why do they like you? Why do they buy from you? and Will they refer you? Referrals are the only true measure of customer satisfaction.

If you can answer these questions, you can identify the crucial intersection that should drive all your sales and marketing efforts. This is the point where your firm's best offer is of most value to a narrow slice of the market because it resolves the greatest pain. The more precisely you can define this intersection, the better you can pinpoint prospects. This should be the rallying point for all your company's marketing, sales, and customer service activities.

## Using Funnels to Guide Efforts

Defining your target prospect is the first step. Using a series of scoring tools that strictly adhere to your target prospect profile, you can create three sales funnels:

- **Finding customers.** The acquisition funnel systematizes the activities needed to turn suspects into prospects, prospects into qualified prospects, and qualified prospects into customers. Your goal of finding customers becomes the end and your marketing the means to that end.

- **Keeping customers.** The retention sales funnel fulfills your goal of keeping customers, by progressively moving one-time buyers or ex-customers to the desired status of customers who make multiple or sustained purchases. These are the customers with the highest long-term value.

- **Growing customers.** The development funnel is used to grow cus-

tomers by moving stable customers through activities that convert them into cross-sold customers, then to the status of advocate or champion. The results are more customers with the highest value to your company.

This system simplifies all your marketing, sales, and customer service activities. By returning to the basics—offer, need, and target market—you define your best prospects. This drives the creation, execution and measurement of all sales and marketing activities through the acquisition, retention and development funnels.

Managing your business through this process requires discipline and passion. But when you have simple goals and clear ways to get there, the results are worth it. SME

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**ACTION:** What are you doing to prospect for future clients?

## SERVICE / STRATEGY

# Adapting to Change



by Patti Hathaway

**O**RGANIZATIONS today are undergoing massive changes—reorganizations, re-engineering, downsizing, mergers, acquisitions, software and hardware changes, and new management. This rapidly changing workplace demands adaptability. If your business is standing still, you will be overcome by your competition.

With change, often comes chaos and resistance. As a result, the customer may experience confusion and disruption in service and product delivery. The customer's focus is on "How will this change affect me? Will this simplify or complicate my life?" They will make decisions based on your answers to these questions.

## Four Service Strategies

Four service strategies will keep your customers coming back.

**1. Help your customers understand the "why" behind the changes.** Be clear as to "What's in it for me?" for the customer. Share the benefits to the

customer when you make changes.

**2. Coordinate and collaborate with other departments in your company.** Be wary of overlaps and competition that may develop between departments. When two or more departments call the customer, the customer quickly concludes that you don't know what you are doing.

**3. Obtain customer feedback on the change(s).** Conduct focus groups or surveys of customers to gain their input on potential changes. Invite your key customers to be part of the change process. Ask your customers, "How can we better serve your needs?" If you ask for feedback, listen and consider the customer's input.

**4. Be proactive in your communication.** Recognize that many customers don't read your marketing literature. So, increase the types of external communications you develop. Use newsletters, advertisements, and your website to inform of change.

Customers don't want to switch to another service or product provider unless they must. Make it easy for your customers to do business with you. Be clear as to how your changes benefit them, and you will capture their loyalty. SME

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**ACTION:** Help you clients feel comfortable during periods of change. Identify and apply three ideas to make doing business with you easier.