

Strategic Selling and CRM

Welcome!

**SCS0087 - 012
Wednesdays 6:00PM - 9:00PM**

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Course Description

- **This course casts Customer Relationships Management (CRM) in a database systems context to enable you to achieve a customer informed focus.**

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Learner Outcomes

- **Understand**
 - why databases fail
 - basic concept of lifetime value and ROI
 - personalization in marketing programs
- **Learn**
 - how to do a CRM Readiness Assessment
 - combine databases with the Web
 - create profitable and powerful customer communications;
 - underlying database strategies and techniques
 - create, build and measure customer loyalty
 - translate sales and marketing process requirements into CRM design
- **Learn B to B database marketing**

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Course Overview

- **Presentations**
- **Hands-On Exercises**
- **Group Work & Presentation**
- **Guest Leaders**
- **Course Web Resources**

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Course Ownership

- **Your experience is relevant**
- **Interaction is important**
- **Discussion is good**

- **This is your class!!!**

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Key Contact Information

- **Robert K. Gillelan**
 - Director Consulting The G2 Group.
- **Office Hours:**
 - 9:00 - 5:30, Monday to Friday
- **Direct Line:**
 - 416-569-9688
- **E-Mail:**
 - Robert.gillelan@gmail.com
- **Instant Messaging**
 - robertgillelan@hotmail.com

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

The Concept

**CRM is a Customer Strategy
First, Supported by Technology**

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Business Strategies

**What strategic decisions does
your business and your
customers make?**

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Executive Business Strategies

- **Growth**
- **Integration Strategy**
- **Diversification Strategy**
- **Retrenchment Strategy**
- **Stability Strategy**

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Do you need a Solution Selling Strategy in today's market?

Think about this "There is no security on this earth, there is only opportunity."

Douglas MacArthur

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Strategic Solutions

	 STRATEGIC VISION	
E X E C U T I O N	Uncertain Strategic Vision Challenger Competent Execution	Explicit Strategic Vision Frontrunner Competent Execution
	Uncertain Strategic Vision Niche Player Incompetent Execution	Explicit Strategic Vision Visionary Incompetent Execution

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

What is the most profitable customer strategy, acquisition or retention?

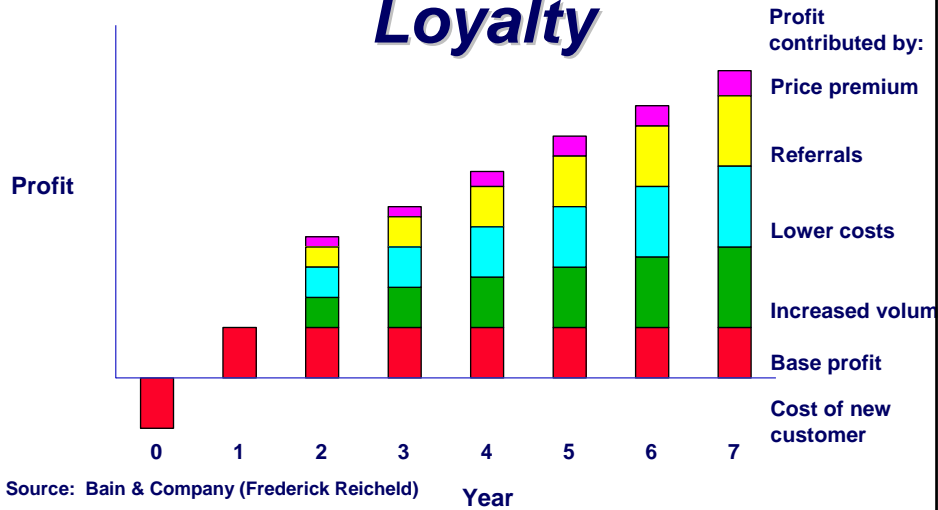
Hunter or Farmer?

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Value of Customer Loyalty



Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

CRM is Relationship Building

- When you factor in advertising and other expenses, **it is six times less expensive to make a sale to an existing customer** than to make a sale to a new customer.
- This is the classic Farmer

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

CRM is Finding New Relationships

- **New customers, are long term relationships waiting to happen. CRM allows businesses to collect the right information needed to nurture new relationships through every sales process stage.**
- **This is the classic Hunter**

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Value Innovation

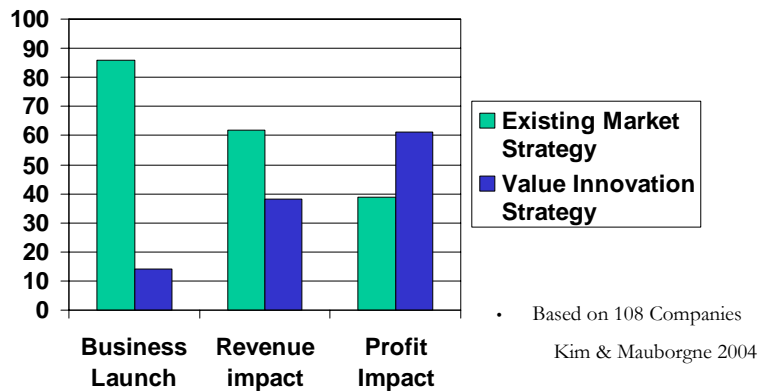
The Strategy of Making Competitors Irrelevant

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Profit and Growth Consequences

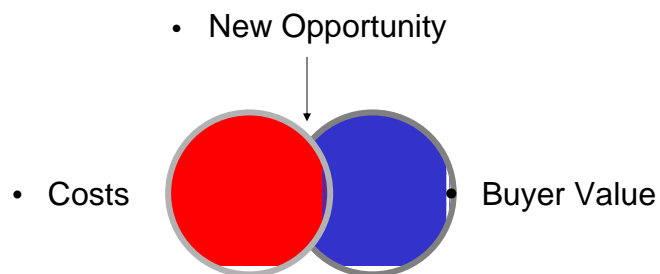


Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Value Innovation



Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Variations in Strategy

Existing Market	Value Innovation
Compete in existing market space	Create uncontested market space
Beat the completion	Make the competition irrelevant
Exploit existing demand	Create and capture new Demand
Make the value-cost trade-off	Break the value-cost trade-off
Align the whole system of a firms activities with its strategic choice of differentiation or low cost	Align the whole system of a firms activities in pursuit of differentiation and lower costs

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Strategic Selling and the Business Case for CRM

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Strategic Selling

- **Serve your customer's customer**
- **It's not just products & services, sell to their strategy**
- **Make each relationship as different as each customer**

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Strategic Selling Solutions are...

- **Written documents defining a goal, its metrics of success and implementation plan to get there.**

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Why plan?

- **Improves decisions**
- **Effectively allocates resources**
- **Focuses on what is important**
- **Develops commitment**
- **Important to a Strong Business Case**

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Implementing CRM?

- **Why you'll need a business plan...**

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Business Case Components

- **Part 1: Status Quo**
- **Part 2: Infrastructure Alternatives**
- **Part 3: Evaluation Analysis**
- **Part 4: Business Strategy**
- **Part 5: Additional Technologies**

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Getting Started

- **Analyze on your customers**
- **What do and don't they know?**
- **Determine how to bridge those gaps**
- **Ask customers what they want from your company's products and services**
- **Map out how you can be more effective at what you do today**

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Key Questions

- What your customer base is seeking?
- How do you develop loyal customers?
- Can you personalize interactions based on behavior? Not just demographics
- Can you utilize for customer-centric (not product) cross-selling to increase lifetime customer value?

Action Plan

1. How does your company help solve your clients business problems?
2. What products will they require?
3. How can you blend product and service margins to make more \$\$\$!

What is CRM?

**Internet enabled Customer
Relationship Management**

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

What is CRM?

- **CRM is a customer centric organizational design with the strategy of adding relationship value across all channels of marketing, communications and sales**

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

CRM Technology

- CRM technology is the combination of applications that automate the account development, marketing, and customer service processes of an organization.

The Goal of CRM

- Understand customers' specific needs
- Sell customers products and services to meet those needs
- Client interaction life cycle
- Learn and improve

Objectives of CRM

- **Learn about customers**
- **Track customer interactions**
- **Communicate effectively across channels**
- **Acquire new clients**
- **Service to fulfill client wants**

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Reasons for Implementing CRM

- **Organizational transformation**
- **Increasing bundling services**
- **Transforming services**
- **Integrating services**
- **Improving efficiencies**
- **Increasing customer knowledge**
- **Cross channel communications**

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Types of CRM

- **Sales Force Automation**
- **Marketing Automation**
- **Client Contact Center**
- **Business Intelligence**

Benefits of CRM

- **Value Benefits**
 - Lower service provision and overall costs
 - Lower administrative transaction costs
- **Performance Benefits**
 - More cohesive and responsive service
 - Less paperwork
 - Benefits of improved access to information
 - Integrated government services
 - a better perception of government and companies as more cohesive, accessible and responsive
 - breaking down the barriers of geography, demographics, individual skills and knowledge

Elements of Successful CRM

- **People**
- **Processes**
- **Products**
- **Technology**
- **Integration**
- **Evaluation**

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Difficulties Related to CRM

- Lack of a Change Management Plan
- Resistance and Rejection by the CRM System's Intended Users
- Lack of Corporate Commitment
- Intra-Organizational Politics
- Lack of Proper Training
- Lack of CRM Experience and Expertise
- Lack of a Sales and Marketing Strategy

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

CRM Business Functions

- Contact Management
- Account Management
- Sales Management
- Time Management
- Customer Interaction (Call) Center
- Customer Service
- Marketing Automation
- Lead Tracking
- Knowledge Management
- Business Intelligence
- User Friendliness
- Customer Support

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

CRM Modules

- Sales
- Sales Representative Tools
- Sales Management Metrics
- Telemarketing
- Call Center/Customer Interaction Center
- e-Marketing
- Lead Generation
- Business Intelligence
- Field Service Support
- e-Commerce/E-Business Transactions
- Multi Communication Channel Access
- Connectivity Tools and Application Programming Interfaces
- Sales and Marketing Library
- Scheduling

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Database Marketing

A component of CRM

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Deliver What Customers Want...

- **Association via Branding**
- **Recognition**
- **Convenience**
- **Customer Service and Support**
- **Information (Pricing)**
- **Assistance**

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

How can we deliver this via the web?

- Track customer visits
- Offer online purchasing history
- Offer customer service online
- Feed targeted information
- Offer a sense of community via online communities
- Provide survey results

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Marketing Database Components

- **Customer Retention**
 - **Customer Database**
 - Identify segments
 - Strategize marketing programs
 - Prioritize tactics
- **Customer Acquisition**
 - **Prospect Database**
 - Identify segments
 - Strategize marketing programs
 - Prioritize tactics

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

How to measure ROI?

- Referrals
- Retention Rates
- Increased Volumes
- Response Rates to Marketing
- Deltas of sales cycle time
- Reduced cost of delivering marketing programs
- Reduces waste of marketing materials

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Summary

- **Strategy**
 - The general who loses a battle makes but few calculations beforehand. Thus do many calculations lead to victory, and few calculations to defeat. It is by attention to this point that I can foresee who is likely to win or lose.
– Sun Tzu
- **Evaluation**
 - True genius resides in the capacity for evaluation of uncertain, hazardous, and conflicting information.
– Winston Churchill

Session 1

Strategic Selling and CRM

© 1998 - 2007, Robert Gillelan

Next Week

- **Session 2: Defining Your Market**
 - **Customer Research**
 - **Customer Segmentation**