



3151 Airway Ave., Building I-3
Costa Mesa, CA 92626-4624
Phone (714) 755-2810
FAX (714) 755-3795

Seven Vital Steps for a Mid-size Firm During a Slow Economy

**By Rich Hall
Vice President of Sales & Marketing
Touchtone Corporation
(714) 755-2810**

Seven Vital Steps for a Mid-size Firm During a Slow Economy

In tough economic times, management always hunkers down! It is their job to find ways to cut unnecessary costs, keep expenses down, and to keep the sales department bringing in as much revenue in as possible.

A down economy should also be a time to analyze what the company can do better. The questions you should be asking include:

- Who are my best customers?
- What is my retention rate?
- Where do I have the opportunity to cross-sell or upsell my other products?
- Which of my salespeople is the most active and does this activity level equate results?

The list could go on and on.

Here are seven vital steps to improve your organization's current and future success:

1. **Know who your best customers are!** If you don't have a way to determine who your best customers are, get one! Your current customers are your greatest assets. You have heard this many, many times, yet it would surprise you how few senior executives know what their customer satisfaction rating is among this valuable set of customers (if they can even report who they are).

You must be able to print out a report that shows which customers are spending the most money with you and which ones are most profitable. After all, the most revenue doesn't guarantee that the sales department isn't selling under your actual cost to service the account. Check it out. Find out which customers are buying the most in every product line or category. Make sure your inside and outside sales reps know the importance of these accounts.

2. **Promote your other products to your current customer base through cross selling and up selling.** This can usually be done with your Customer Relationship Management (CRM) system very economically through email or fax blasts to promote related products or those that are a level up the quality or functionality chain. And, if you don't promote your other products, your customers will go searching for what they need from other vendors!

It is sometimes difficult for your sales people to communicate the message on other product lines, for fear of cannibalizing existing sales, but you must show that your company is progressive, and developing other solutions to meet your customer's changing needs.

3. **Market to the industry segment where you have the most experience and the best reputation.** In tough times, prospects will be hesitant to try a new vendor who doesn't have extensive experience with their market segment. So, stick to what you know best. This doesn't mean you stop selling; just sell more effectively to your best prospects.

Run a report to determine how many customers you have in your best market segment that you aren't selling to. Your CRM or data mining software will help with this. Give this list to your sales, telemarketing, or marketing department to work as efficiently as possible.

- 4. Figure out who your best sales and customer service people are and make changes where necessary.** If some people are in the wrong roles, help them find jobs inside or outside the company if they aren't effective for you. You can't afford to have your second- or third-string team servicing your best customers.

Find out what level of activity your sales and customer service people are accomplishing. Do a quick analysis to determine if there is a correlation with their success in landing orders or doing the greatest volume. Your sales reporting, CRM or ERP system should enable you to determine these figures. You should be able to run a report that shows sales activity numbers.

If you have to manually ask around, you may not have a good system for collecting this data. And, as much as you want to rely on the sales manager's diagnosis of "who's pulling in the dollars," their conclusions are often tainted by politics. Politics doesn't sell products. So, if your best salesperson is a geek and a doesn't like to attend the company Christmas party, tell him that you hate them too and give him a night out on the town with his/her mate.

- 5. Spend money where it makes sense to improve internal processes.** Being inefficient and ineffective in tough business climates is only the fool's way. It is sometimes forgivable in great times, but not bad times. If your people are wasting time and money because they don't have the tools they need, you're destined for failure. Just remember that "manual" and "inefficient" always mean that the customer is suffering!

You must know if you are taking too long and costing too much to be considered a best in breed vendor by your customer. If your processes are inefficient, justifying some software or equipment to speed things up should be simple. If people are waiting too long at the fax machine or they can't look up the customers with good credit or those who are due for a follow-up call, your company is in trouble!

For a one- to four-month payback, it is well worth the expenditure to get your company on the right track. These tools will also give you better insight into what goes on in the company, as most new software will provide activity tracking and reporting statistics. Issues as simple as answering the phone on the second ring or being able to look up the account status while the customer is on the line are key to long-term relationships that you must maintain.

- 6. Do extensive data mining, analysis and training.** This is the time to figure out things such as:
 - Which are our most profitable products?
 - Which products or services cause the greatest headaches or returns and what can be done about it?

Other ideas for exploring ways to become more profitable include:

- Survey sales reps and find out what customers are asking for that you don't have. Partner with a company to acquire the needed capability or acquire the needed products or skills if possible.
 - Review your poorly paying accounts and raise prices or charge late fees for unprofitable customers. If necessary, choose to not sell to accounts that will not be profitable due to payment practices or the time your employees spend dealing with them.
 - Have the top performers train the rest of the organization. You need to have your staff be the best they can at what they do. You should be able to use your reporting tools in your CRM or ERP software or a separate data-mining tool for this research work.
7. **Strengthen relationships with your resellers and channel partners.** The more "feet you have on the street," (through organizations and individuals) who are looking for business opportunities for you, the better. Let's face it, sales and marketing is expensive! It is still a numbers game, and relationships, whether your own, or channel partners, count for a lot. Get the word out about your product, help your resellers and channel partners solve the problems of their customers, and everyone wins.

Take good care of your channel partners, by supporting their efforts, returning calls and emails promptly and winning their confidence. Make sure you have a channel manager in place that has their interest and success in mind. Build relationships with good channel partners and keep them. You also may need to weed the less cooperative and less successful ones out from time to time.

In conclusion

Your company's success in tough economic times depends on your ability to change and improve the way you and your employees do things to better meet your customers' needs. To change for the better, you must know where the problems are. To find out where the problems are, you must have the right tools to see how your business is running.

In the old days, management-heavy organizations used command and control to know what was happening. Today, you must rely on software tools that can give you the information you need, at the click of an icon or the printing of a report. Data must be integrated across the organization, and all customer-servicing employees must be empowered to solve customer problems, provide information, and generate revenue by solving customer problems.

The best way to meet customer needs is through a program that helps you manage the relationship with the customer. This is usually CRM software on the sales and marketing front, and ERP software on the back end, or financial/operations side of the business. With an integrated solution of your operations software (whatever you currently have) with a good Customer Relationship Management tool, you should be equipped to grow! Without the right tools for the worker bees and the ability for management to know what's really going on...good luck!

If your company's operating system is the IBM iSeries – AS/400, then we encourage you to consider the Wintouch eCRM solution from Touchtone Corporation. Wintouch has all of the

features you need to capitalize on your investment in CRM, as well as to service customers better. Wintouch can also quickly connect you to your existing green screen applications with a simple click of an icon.

[Wintouch eCRM](#) is robust, economical, and specifically designed for the AS/400. Visit [TouchtoneCorp.com](#) today or call (714) 755-2810 8:00 a.m. to 5:00 p.m. PST.

About the author...

Rich Hall is the Vice President of Sales and Marketing for Touchtone Corporation. Rich has over 18 years of experience in sales and marketing and has done extensive research on CRM as well as product development and marketing of CRM products. Rich has an MBA from the University of Southern California and has worked for firms such as TRW, Experian, Parker Hannifin, Pitney Bowes, HNC Software and Cooper Industries.