

Illawarra Small Business Assistance

HELPFUL HINT – MANAGING CUSTOMER RELATIONSHIPS

What's the primary function of Client Relationship Management (CRM)?

Answer: Collecting and using information about customers and prospects.
(Caution: there are customer privacy and data security considerations)

Why?

Develop and cultivate the customer relationship with two goals in-mind:

- 1 Deliver value to the customer, and
- 2 create profit for the business

How?

- Capture)) there are many practical ways of capturing information through
- Storage)) adoption of Customer Management Systems (CMS)
- Analysis
- Application

Making use of the Information

Analyse the business; number and type of customers, sales segments, customer behaviour, purchasing preferences, market category, market share, revenue and profitability by customer and category.

Application of the Analytical Data

Enhance focus on customers' needs and expectations
Improve the quality of customer service & customer retention
Streamline product offerings and aid new product/service pricing decisions
Design specific customer campaigns and targeted marketing campaigns including email and web-based strategies.
Assist financial forecasting and "what if" scenarios
Help to predict the probability of customer defection.

Delivering Value to the Customer

It's critical to emphasise that whilst CMS is fact and database driven, the nature and the quality of the interaction with the customer is as important as the information obtained and the outcomes achieved.

Remember, cultivating the relationship is a primary purpose. If the relationship management strategy does not assist to personalise communication and does not deliver value to the customer it will not assist the business with its goal of maximising profitability.

The design and delivery of targeted information and marketing campaigns will provide expanded choices and positive options for customers.

The sharing and integration of customer information collected within various departments can result in improved outcomes and quality of service delivered to customers.

Contact history including transactions, complaints, interviews, survey responses etc means that customers can deal with different personnel over time without having to relate details of their particular interactions with the business.

Capture & Storage - Deciding on Systems

It's important to assess what you want to achieve and your requirements in terms of outputs. What are your expectations? A realistic appreciation of needs in terms of demand specification will assist selection of an appropriate system.

Systems vary in size, complexity and scope. For example, managing relationships can be as simple as maintaining a database of addresses linked with a contact system within a manual diary and a mail-merge communication strategy. In today's era of modern technology most businesses are using the internet to automate the process of dealing with customers. This can assist to free-up valuable management time and provide electronically generated reports, customer lists, contact history, follow-up reminders and action trails as well facilitate email newsletters and website user pathways. Internet based options include off-the-shelf packages as well as customised options developed by a website designer.

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