

People not paper

Customer relationship management can help companies chase orders rather than their own tails, argues Julian Warr

Modern technology and marketing machinery give building products manufacturers more information and access to more people than ever before. The last time I checked, however, there were still only 24 hours in a day.

Simply swapping paper for data is not the solution and, whilst the data economy is positively booming, the information economy is in deep recession. Intent and armed with the technology to push out more and more information to more and more people, companies who then fail to manage what comes back in to them as a result of that activity may actually be doing their business more harm than good.

In order to make new technology work, companies need to work smarter to ensure that the way (and more importantly, with whom) they spend precious time delivers the best possible return on their investment.

Whilst the majority of manufacturers have replaced kilogrammes of paper with gigabytes of data, business development teams are rapidly being buried by 'leads'. And whilst leads are the lifeblood of any manufacturer, if they are unable to distinguish between an enthusiastic DIYer and a prolific architect, they are in serious danger of drowning.

At the same time, bigger is not always better. If a company receives two leads, one from a London-based architect on a high profile project and the other from a consultant working on a small project in

Devon, at face value it's a complete no-brainer.

However, if the company knows that the consultant linked to the smaller project has been associated with a number of these projects over the last 12 months which in total far exceed the value of the big project lead, it's a whole different story.

Call me a cynic but the reality is that companies chasing big projects and big companies in isolation and supplying drawings and quotes on demand often find themselves providing a free drawing service and/or ammunition for contractors to use in getting their competitors' products more cheaply.

Not only is the project lead or quote value in isolation irrelevant, it can also be downright dangerous, causing companies to lose sight of people who are actually specifying large volumes of opportunities at the expense of a big name architect or contractor whose track record might clearly indicate may never use their product in a given situation.

The smarter approach is to identify the people whose track record would indicate that there is a strong likelihood that they will specify or purchase that company's product in a given situation. In order to do this, companies need to understand which companies and which individuals within those companies are typically associated with the type of building work that is most profitable for them. They also need to understand what loyalty, if any, a company or individual has to their product and service and use this knowledge to determine the

most effective use of their time.

People come first and in order to influence them in a positive way, companies need to spend time with them as part of a long-term strategy, and not just when they have a valuable lead. This is true customer relationship management (CRM).

It is up to 10 times more expensive to win new customers than to simply retain existing ones. With this in mind, the most successful manufacturers are building more fulfilling and trusting relationships with their customer base.

This requires a shift away from the purely transactional approach to sales and this shift requires the entire business function to re-think how each of its units interacts with its customers. Effective CRM establishes systems to ensure that quality information is recorded centrally at every point of contact with the customer.

With properly designed technology, building products manufacturers can create a centralised knowledge base designed to record exact information. This is a massively powerful tool which adds value not only to their own business, but to their existing and prospective customers. By bringing the right buyers and sellers together at the right time, CRM underpins relationships which are meaningful and, ultimately, more profitable for both parties in the long term.

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