4 Strategies Businesses can use to Segment Customers and Achieve More Sales

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MAXIMIZER CRM

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Introduction

Forbes Insight study—"The Power of Enablement: Bridging the Sales Productivity Gap" showed best-in-class companies taking the lead in adopting new technology, including CRM, to align departments, boost customer engagement and exceed sales targets.

But companies may find it hard to adjust to the customer-centric business model needed to succeed in a global market.

CRM can be of enormous help, but even after you deploy a CRM solution and train everyone, you will need to adapt best CRM practices to successfully manage your complex network of customers, partners and distributors. The learning curve can look steep from the bottom—*but here are four strategies that will accelerate your progress to the top.*

> Companies that outperform in sales are twice as likely as their underperforming counterparts to possess a CRM adoption rate above **90 percent**. — Miller Heiman Group

This guide discusses:

- How CRM helps you decide what prospects and customers are worth your investment
- Using CRM to gain insight into leads, conversions rates and ROI
- Using CRM for your sales pipeline, opportunities and conversions
- Why you need to regularly review your sales engagement process

1 Using CRM to Determine which Customers to Invest in

Customers whose cost to maintain is greater than the revenue they generate aren't worth your investment. As result, the first part of your customer segmentation and analysis should involve figuring out who you should engage.

You'll likely encounter customers who aren't a good fit any longer—those who expect legacy pricing to be continually available to them, or who consistently pay invoices 90 days late—requiring multiple follow up calls and disrupting cash flow. Others might constantly complain about trivial issues, wasting valuable customer service rep time.

Prioritize your customers based on their expected ROI and then apply the "80/20 rule": focus on the group (i.e. 20 percent) who yield profitable relationships.Detailed up-to-date customer interaction records stored in your CRM are critical to sorting out valuable customers from detractors, and making decisions about where to focus.

Consider this as you ponder which bucket to put customers in:

- **Look at quantity of purchases:** Use the sales data and dashboards & reports in Maximizer CRM to evaluate each customer's value to your organization in terms of purchase frequency and lifetime value. Analyze buying habits to identify those who make identical or similar purchases on a regular basis. Find those showing declining or cessation of sales.

- **Evaluate quality of feedback and interactions:** Next pair quantitative findings with qualitative analysis, putting specific cases under the microscope. Make use of the detailed, annotated records of customer correspondence in your CRM. Service and sales rep notes will allow you to pinpoint common areas of dissatisfaction leading to lost sales and opportunities.

- **Know your strengths:** Satisfied customers who purchase often and pay on time are also the least likely to need help, complain or show up as service cases in your CRM. So you'll want to reach out to these customers on a regular basis. Figuring out what you're doing right will tell you what customers value most and also help you convert detractors—before they exhaust your resources and patience and get crossed off your list entirely.

2 How CRM Marketing Tools help you Gain Insight into Leads, Conversions Rates and ROI

The data stored within your CRM helps shape your customer engagement strategy and sort valuable leads from distractions. You can think of your engagement process as a pyramid or funnel, broken into three categories based on the level of prospect's interest in making a purchase:

- **Top of Funnel (TOFU)** – Overseen by your marketing team, TOFU comprises the largest section of prospects who aren't quite sure they need your specific product, but have shown preliminary interest through actions like visiting your website.
- **Middle of Funnel (MOFU)** – Monitored by marketing and sales, middle of funnel prospects have done some research on your organization and its products and services, but may be undecided that you're the best fit for their needs.
- **Bottom of Funnel (BOFU)** – Managed by sales, these are prospects who you've contacted and qualified, and are nearing or at the critical stage of opening their wallet.

3 Use CRM to Monitor your Sales Pipeline, Opportunities and Conversions

A sales pipeline visualizes your prospects and where they stand in the purchasing process – and allows sales reps and teams to forecast revenues and see how close they are to making quota. The pipeline usually begins mid-funnel, where a customer is first qualified, and continues through different stages until a deal is closed.

Basic Sales Pipeline

Prospecting/Lead Generation:	Customers who show low-level interest—such as visit your website, and so on.
Qualified:	Customers you've researched and vetted. These are people who would seriously consider buying from you.
Quote:	Quote: Customers who've engaged with your sales team and are rapidly approaching the next critical stage.
Closure:	When the sale is won or lost.
Win/Loss:	Even when you lose, it's not the end of the story. Your team should build long term relationships that allow them to expand the value (more details).

Maximizer provides a wealth of intelligence tools and sales automation functionality that allows you to define and implement each stage of your engagement process, including your pipeline.

Top of the funnel, you get analytics and dashboard tools to get insights into the status of your leads. A built-in return on investment (ROI) calculator helps you sift wheat from chaff, and determine what customers and prospects deserve your valuable time.

You can then use Maximizer to schedule and implement automated multi-phase campaigns for middle and bottom of funnel—assigning cases to reps according to criteria like territory, team and role. Events like site downloads, purchase and service incidents can trigger specific automated staff alerts for appropriate and timely responses. Your sales reps can review outstanding pipeline tasks at a glance and receive automated prompts to perform follow-up calls—*so no opportunity slips through the cracks of a busy day.*

4 Regularly Evaluate your Sales Pipeline Process

Sales Managers need continual visibility into their sales pipeline to ensure it contains enough opportunities to meet targets and isn't cluttered with invalid deals. Daily, weekly and monthly pipeline reviews will help you successfully optimize your process and eliminate weak opportunities.

According to Sales Hacker VP Matt Smith, metrics to keep a close eye on include:

1. New leads created per month
2. Conversion rate of leads to opportunities
3. Average won deal size
4. Average sales cycle length
5. Win rate
6. Total # of opportunities

5 Insight for all Levels of the Business

Once you've adopted best CRM practices, you'll achieve the three following advantages:

- **Sales predictability:** You'll improve control and visibility in sales, leading to enhanced cashflow predictability and better closure rates, on top of new capacity to plan resources ahead of time.
- **Customer satisfaction insight:** You'll leverage accurate, up-to-date information on outstanding queries and volume of queries to achieve clarity into your customer service performance.
- **Full campaign management:** Finally, having centralized your sales and marketing processes onto a single platform, you'll also quickly generate broad new insights into your customers across their entire engagement process—from lead to sales closure—helping you reposition for success.

Final takeaway

Ultimately, you won't benefit from CRM unless your sales, marketing and customer service teams fill it with accurate, detailed data points. Indeed, a CRM is more than software—it's process, people and technology working together. Your results will only be as good as your strategy and the effort your team put into implementing it.

Maximizer CRM provides an all-inclusive solution with flexible configuration, plus full service and continual live support—to help you perfect each of the above areas of your engagement process

Contact one of our advisors for a free 30-minute consultation on how we can help you.

About Maximizer

Maximizer CRM is fueling the growth of businesses around the world.

Our CRM solutions come fully loaded with the core Sales, Marketing and Service functionality companies need to optimize sales productivity, accelerate marketing and improve customer service. With flexible on-premise, our cloud and your cloud deployment options, tailored-to-fit flexibility, state-of-the art security infrastructure, industry-specific editions and anywhere/anytime mobile access, Maximizer is the affordable CRM solution of choice.

From offices in North America, Europe, Middle East, Africa and AsiaPac, and a worldwide network of certified business partners, Maximizer has shipped over one million licenses to more than 120,000 customers worldwide.

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