



The Most Common Customer Management Mistakes

You're probably making them now

How we manage our customers is critical to the on-going success of our business. After all, without customers we have no revenue, and without revenue we have no business. Yet many companies and sales people don't pay enough attention to their existing customers to build loyalty so they'll remain as clients who continue purchasing from us. The focus of many companies seems to be biased toward acquiring new customers at the expense of their existing ones. Since it costs so much more to sell to new customers (up to seven to 10 times more) due to added marketing and sales activities, it just makes plain sense to focus more efforts on retaining our bread and butter customers.

Here are seven common mistakes that companies and sales people make when managing their customer relationships.

1. Not following Up. The surest way to destroy customer retention is to not follow up with your customers. Many companies and sales people find it increasingly difficult to keep up with their customer's requests, not to mention staying in touch with important information, updated material and new happenings with their own company and products. One key ingredient to making this more feasible is to use CRM technology to keep track of your commitments and to automate many of the "touches" you should be making with your customers; including periodic emails, phone calls, newsletters, and even occasional meetings. However, no technology in the world will help you do these things if you don't consider this to be a critical requirement for retaining customers. You have to WANT to follow up. You have to make an effort to stay in touch with your customers over time to maintain your relationships. And you have to always follow up when your customer wants you to do something or needs something from you, as long as it's reasonable.

2. Losing Track of Activities. This mistake is a follow on of the previous one. In today's hectic business world, it's near impossible to manage your schedules. Meetings, phone calls, correspondence, and other important activities become overwhelming and confusing. Frequently, there's no way to track what's been done and measure what has worked and what has not, let alone produce accurate results, reports, forecasts, etc. As a result, this affects your ability to successfully manage your customer relationships (See item #1 above). When you drop the ball, the customer suffers, as well as your relationship with him. Clearly, getting organized is part of the solution and using technology is the ingredient that can help keep you on track.

3. Lacking Customer Knowledge. Successful selling requires getting as much knowledge about your customer as possible, retaining that information in a single

information repository, and sharing it with everyone in your organization who has contact with that customer. To successfully manage your customer, you need to understand him, his markets, his business and his industry, in order to support him and address his needs. Yet, many businesses obtain only small bits of information that are not shared and have limited value. Collecting relevant information about your customer; such as buying habits, purchasing history, demographics, interests (personal and professional), and more, will help you address his needs while building your relationship. You need to commit efforts and resources to gather such information and store it in your CRM system. You can simply ask your customer for much of this information. Monitor how, what and when he buys. Research information about his company and market. There is a variety of methods for collecting this data. Just do it, store it, share it, and use it to communicate with and educate your clients.

4. Motivated by Commission. One sure way to mismanage your customers is to focus more on your commission than on what's right for your customer. If you focus on his needs and address them with the right solutions, then the money will follow. However, if you're thinking about how much more money you're going to make off this client, he will see right through you and your relationship will be in jeopardy. Become a trusted partner by being truly interested in your customer's needs and try helping him instead of counting dollars. Once you solve his problems or make his life simpler, he will buy from you. Then you can count your commission.

5. Going Solo. Customers like to deal with a company, instead of just an individual, so they have more than one person who can resolve specific issues. If it is a sale or pricing issue, he can deal with his sales rep. If it's a support issue, he can deal with the service manager. If it's a technical issue, he can deal with the systems engineer. If it's a billing issue, he can deal with accounting. This is advantageous to both the customer and the sales person. The customer benefits because he has multiple resources he can deal with. The sales person benefits because he, in essence, has delegated certain issues to the subject matter experts instead of having to deal with everything himself. So don't go solo, or let your sales people go solo. Engage a team selling approach so your customers have multiple team members to work with. Additionally, when a sales person leaves a company and takes his clients with him, it's usually because the clients only had a relationship with the sales person and not with your company. If your customer is being taken care of by a team of experts, he will be less inclined to leave you to follow one sales person to your competition.

6. Selling the Wrong Product. This one can come back to bite you later. If you didn't properly ask the right questions in the sales process to find out precisely what problems the customer was having and, as a result, sold him the wrong product (i.e., it didn't address all his needs because you didn't understand them, or it won't address his future needs because you failed to ask what they were), eventually it will be very clear that your customer wasted his money. Aside from other negative ramifications, you will at a minimum lose this client forever, as well as everyone else he tells. By making sure you asked the right questions and listened well during the sales process (see next mistake) you will be able to present the right solution for the customer, thus enabling him to be successful well into the future, along with your relationship.

7. Not Using a Sales Process. A sales process defines the steps needed to move a customer through the sales cycle while helping the sales person perform the right selling activities at the right times. A good sales process, however, doesn't stop when the sale is made. It continues on forever in order to keep your customers so they don't go to your competitors when it's time to purchase more products, buy service agreements, upgrade, or spend their money on the other products/services you offer. An on-going customer retention program is an integral part of your sales process. Define this and use it and you will improve your customer management results.

Good luck and good selling!

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