

*Make Your
ACT! Database
a Marketing
Machine*

**How to Sell More
to Customers You
Already Have
Using Database
Marketing**

By Susan Clark



Make Your ACT! Database a Marketing Machine

For the past nineteen years, I've had many inquiries from people who say they just want to learn how to use ACT!. But that's not what they really want. They want to learn to be more effective, close more sales, and make more money.

After having worked with thousands of end users, I've come to the conclusion that most people are approaching this situation wrong. Software is simply a tool to help you become more successful. It can only do what you tell it to do. No matter what software you use, nothing happens if you don't have a plan that the software can help you with.

Imagine arriving at the office and having your day, your business, and your life under control...

- Your computer displays a list of your meetings, calls, and to-dos scheduled for the day.
- With a simple mouse click, you instantly see detailed information and notes about your first planned phone call and then...the computer dials the number for you!
- While you're on the phone, you make notes about your conversation and delegate a follow-up "To-do" for your assistant. You're confident it will be done (and you have a way to verify that it has been).
- Your customer is amazed at how much you remembered about her (and her problem) from the last call, not to mention how impressed she is by how quickly you have followed up with her request.
- Next you click on a single icon to create a pre-written confirmation email to the customer you just spoke with. You add a personal note to the email and with only one more click, you've emailed the confirmation directly from Outlook. (By the way, a history is automatically inserted in the client's record confirming that you sent the confirmation email.)
- Next you send a personalized mail-merged letters to 15 new prospects and a separate V.I.P. presale announcement to your top 10 customers.

Your first call has been made, you've scheduled your next action, sent out a confirmation email and mailed "personal" letters to 15 prospects—and your first cup of coffee isn't even cold yet. Now, that's profiting from your database!

- At 9:25, an alarm pops up on your screen to remind you about a scheduled phone call for 9:30. The call-back was scheduled for you by a co-worker who took the call while you were out. With one click she pulled up the quote you sent to this client last week and answered some basic questions. Then she scheduled a follow-up call for you for this morning to negotiate the price changes they were looking for.
- With another click, you print out driving directions to your client's office for this afternoon's meeting.
- It's the end of the month, so you quickly print preview a report that shows exactly how you spent your time this month. You also take a quick look at the dollar amount and status of all the opportunities in your sales pipeline. After making a few updates, you know you are ready. (These standard reports are run and emailed to the president of the company every Monday morning at 8am.)

You can make your database hum along at a similar pace, but it takes a little planning to set up your system so that ACT can help bring out the productive genius within. Here are my 10 steps to get you started.

1. Put everything in one database

You need to have a company-wide database that includes customers, prospects, vendors, friends and family. Make it easy to find who you need when you need them. Did you know that according to productivity experts, your IQ drops 10 points with multi-tasking! Worse, executives waste six weeks per year searching for lost documents.

With only one database, you instantly simplify your life because no matter what you want to find out, you've only got one place to look. No more searching in Outlook folders, desktop piles, digging through your purse or briefcase or reading Post-It Notes plastered all over your monitor in order to find relevant customer data that all staff members need access to. Now, with everyone in the company putting everything in a single database, you'll be able to transfer up-to-date database info daily to your handheld device, like a Palm, Pocket PC, or Blackberry.

Finding information you need, when you need it, is just one of the signs of a successful sales organization.

2. Clean it up!

You've imported "your world" from all your "list sources," such as your website inquiries, Outlook address book, accounting records, Excel spreadsheets, and your PDAs. You can even use a business card scanner to process all the loose business cards you've been collecting. Now that everything's in there, you're bound to have some clean-up to do. You'll need to eliminate or combine duplicates, add missing addresses and/or update movers through the USPS' National Change of Address Service (NCOA). Train your users the correct way to enter new contacts (lookup to see if the name is there first, enter a complete address, fill in critical fields, and by all means enter the email address.) It's unconscionable in this day and age to have less than 100% of your customers' email addresses! If you're guilty as charged, hire some part-time telemarketers (or a summer college student) to make phone calls and get them. Offer customers an incentive if necessary, but your new database marketing plan requires that you have customer email addresses!

Then assign a database data manager... someone who will check on all the data entered for the past month to verify that your users are working toward maintaining a healthy database.

3. Intentionally segment your database

Maintaining relationships with clients and prospects is one of the most important marketing concepts to understand and follow. Technology can help you to make those connections with less effort and (perhaps) with more effectiveness. But this type of marketing with technology requires that you create ways to intentionally segment your database. You already have some fields in the ACT! database by default that can help you do this... like Referred By (to identify how the contact got into your database) or ID/Status (to categorize contacts into marketing groups of Customer, Prospects).

You will surely want to create more fields to help you separate your contacts into smaller groups that allow you to communicate with them as if you were talking to them one at a time. Perhaps you will want to create fields so you can segment by Industry, by Sales Rep, by Customer Revenue, by Key Decision Maker, by User type, by Product Purchase, or by any other category that suits your business.

You should definitely create a field in ACT called “Email Permission” that allows you to keep track of who has given you permission to regularly email your marketing materials (your most important segmentation).

4. Identify your top 20% based on customer revenue

Got customers? Then you’re perfectly positioned to grow your business with one of the easiest, low-cost, no-risk marketing strategies available—leveraging your customer database. Think about it:

- Your customers listen to you, don’t they? Prospects *start out* skeptical.
- Customers regard you as an authority; prospects think you’re “just a salesperson trying to sell something.”
- Customers return your phone calls; prospects...well you get the picture.

You’ve heard the truism that it’s 10 times easier to sell an existing customer than to find a new one. And you know the Pareto Principle that says 20% of your clients are responsible for 80% of your sales. Then doesn’t it make sense to do everything in your power to sell even more of your products and services to customers who already trust you, and then leverage their happiness into word-of-mouth referral business *that doesn’t cost a dime?*

Besides increasing sales, selling more to customers you already have has other payoffs as well, such as

- The opportunity to decrease overhead expenses by eliminating a low-performing sales rep or postponing or eliminating a new sales hire (while still keeping sales up)
- Increasing job satisfaction of your current sales force because you’re giving them an easy way to build stronger relationships with their customers with no extra effort on their part.
- Reducing the cost of unprofitable advertising expense.

So, let’s identify your top 20%. Have your accounting program print out a list of customers arranged by cumulative revenue for the past 24 months and subtotaled by year.

Company Name	2005	2006	Cumulative Total
ABC Company	10,000	12,000	22,000
XYZ Stars	15,000	6,000	21,000
DEF Gems	8,000	12,000	20,000

Select the top 20% from this list and code these customers as “A” accounts in your ID/Status database field (or other field that you create). I know this will take a while, but you only have to do it once a year. This is the first step in segmenting your database to make more money.

Also take note of clients where the cumulative total is great, but the trend is moving downward (as in the XYZ Stars example above). Mark these clients as Trending Inactive or Inactive if they were originally great customers who are no longer doing business with you.

If you use the Opportunities feature in ACT!, you have another way to track clients by purchases. You can use the Opportunity List View to display ...

- “Closed-Won” Opportunities, sorted by Close Date to determine most recent purchases—Those most likely to spend more money in the short term.

- “Closed-Won” Opportunities, sorted by Company to see who the most frequent purchasers have been.
- “Closed-Lost” Opportunities, sorted by Company to see who you might work on winning back.

5. Determine to understand those top 20% “A” customers

It can be quite illuminating to understand what your customers have in common? What triggers occur that put them in the market to buy your services now? If you’ve ever said, “I wish I had 100 more customers just like X,” then you intuitively understand the principle of **database marketing**.

If you sell to businesses, consider researching and tracking the “demographics” of your A clients, such as industry, number of employees, titles of decision makers, size of company, or years in business. If you sell to consumers, look at marital status, home value, type of vehicles owned, job classification. Yes, it’s probably true that you can sell your product to everyone, but what trends do you see among your top clients?

Next find the reasons your best customers are buying from you (you may be surprised at the answers). Ask them questions designed to elicit testimonials. Survey your customers... whether in person or by electronic means. If electronically, use a third-party provider like Swiftpage, which integrates directly with your marketing database and can tally your survey answers electronically, presenting them in easy to understand pie charts and spreadsheets.

6. Create a brag book of testimonials.

Post them to your website; add them to your company bio/brochure. Hold a staff meeting to congratulate yourselves on how beloved you are by your customers and to brainstorm about your customers’ suggestions and ways to improve or create new products.

7. Find targeted prospects by “cloning” your top customers.

I hope by now you are seeing a trend in the demographics of your most faithful customers and why they do business with you. Consider buying a targeted prospect mailing list of 12,000 and send out 1,000 personalized letters each month that include your testimonials. This will keep your pipeline filled as a secondary strategy. **Note how much more you must invest (list, direct mail, telemarketing) when prospecting than when marketing to customers you already have!**

8. Assign a Database Marketing Administrator.

Remember, 70% of all sales cycles take 6 months or longer, so you must build a long-term follow-up marketing program. Many buyers will say “no” a half dozen times before agreeing to buy. That’s fine! They’re going to hear from you at least 12 times this year, so you’ll have plenty of time to warm them up! Each message must contain valuable information and reward future buyers with knowledge and/or an incentive for taking the time to read your messages. Messages should be targeted to segmented markets as much as possible. Use the results of your surveys with your top clients to promote the things that they think are important.

As you can probably tell, effective drip marketing programs take a serious commitment in time and talent. They also require ongoing continuity to work. Starting and stopping kills the cumulative benefits you're building. So to be successful, you must appoint a highly motivated "Head Drip" (also known as a **Database Marketing Administrator**) to champion the cause. While top management should oversee this important communication effort, the actual searching for, re-writing, and new creation of usable marketing pieces can be delegated to an enthusiastic staff member. Your Champion will start by compiling existing resources – letters that have worked for you in the past – ads, newsletters, proposals, and then begin "re-purposing" them for a variety of creative messaging.

9. Put your "A" accounts on a monthly drip-marketing plan

The goal is to attract your customers to buy from you automatically...when they're ready...even though you may not be "there" to call on them. Many of your customers may have a very narrow view of the services that you offer. Determine that you will design a drip-marketing campaign (a few drips of nourishing information on a consistent, pre-planned basis...not a flood) to let them know about all of your services or products.

10. Put your referrals on a drip-marketing plan.

A longer-term indicator of sales accomplishment is the ability to build personal relationships with your customers so you can leverage referrals. Actively seek those referrals from your existing customers. Once the sales reps have collected their referrals, add them to your database, and assign them to a follow-up Activity Series. You can just "set it and forget it" because the reps don't need to be involved again until the last step! Trust in the system. Let your messages compel your referrals to call you back to find out more. Here's a simple drip-marketing series:

1 st Touch	Email an introduction
2 nd Touch	Mail capabilities letter
3 rd Touch	Email link to sign-up form for free "Tips Sheet"
4 th Touch	Email 1 st Tip
5 th Touch	Email 2 nd Tip
6 th Touch	Mail postcard offering a free whitepaper, downloadable from your website
7 th Touch	Call to request a meeting, ask for a referral

Seven touches and only one of them is a phone call requiring a salesperson to follow-up!

Congratulations! You've got 2 campaigns underway, both targeting "niche markets" with strong propensities to purchase: Customers you already have and referrals, given to you by those same customers.

A powerful marketing database is a foundation for a follow-up system that turns your contacts into relationships and relationships into sales results. You'll find it easy to stay on the buyer's mind, without getting on his nerves in the process--and your one-on-one presence is not even mandatory. Not only is it a proven way to make a million with your mailing list, it's quicker and more profitable to do this with your customer list than with prospects who don't even know you yet!

Database Marketing Resources Referenced in this Article

ACT! Software

www.act.com

CAN-SPAM Email Regulation

www.ftc.gov/bcp/online/pubs/buspubs/canspam

Business Card Scanner

www.cardscan.com

Follow-Up System Live Workshop

www.MarketingWithACT.com

Email Marketing and Survey Tool

www.swiftpage.com

ACT Style Guide

www.cornerstonesolutions.com/actstyleguide.html

The Author



Susan Clark literally *wrote the book* on ACT! Software: She's the nationally known and respected author of *The Official ACT! Quick Study Guide* (now in its 5th edition) which sells on ACT!'s home page. She is currently providing workshops in several major US cities on how to implement follow-up marketing programs with ACT!

Her company, Cornerstone Solutions in Houston, TX, has one of the largest teams of ACT! Certified Consultants in the world, is one of the top ACT! resellers in the nation, and Susan founded the Houston Area ACT! Users Group.

Susan's been recognized for just about every honor an ACT! expert can receive. She is a Sage Authorized Premiere Trainer and her courseware is used by many consultants in their training classes nationwide. Susan is actually considered an ACT! Consultant's "ACT! Consultant" because Sage (ACT!'s corporate parent) hires her when they need to train and certify new ACT! consultants. She was voted onto ACT!'s Advisory Board (1 of only 9 in the world) by 400 of her peers in the ACT! community. (The Board meets with ACT!'s US president and top software developers to help guide the future of this #1 selling product.) She also facilitates the Houston Area ACT! Users Group. You can reach Susan at 713-661-5095 or clark@cornerstonesolutions.com
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