Reference Point

a newsletter for customer reference professionals

September 2004

in this issue

Here's the September issue. In case you experience formatting issues with the email version, or problems with links, here's a link and URL to the newsletter, click here: http://www.lee-communications.com/ci.doc Best regards, Bill.

Reference Point is a Lee Communications newsletter about customer reference (CR) programs and how to improve them. To subscribe, please contact me (contact information is below or just respond to this email). To unsubscribe at any time, just reply to this email with "unsubscribe" in the subject line. This email list and your name will never be made available to anyone else, not even to others on the list, unless by mutual request and agreement.

Tips on Getting Sales People to Support Your Customer Reference Program

This month, we interview Barbara Khait, Director of the Client Reference Program at Lucent. We continue the discussion she began in her well-received Web briefing hosted by ITSMA last month on Building an Effective Client Reference Program. Barbara's presentation sparked a great deal of interest - clearly customer reference professionals want to communicate with each other! Here we focus on one topic that seemed to generate a particularly large amount of interest: how to get sales people participating enthusiastically in your CR program.

BILL LEE: Barbara, you provide substantial training on Lucent's Customer Reference (CR) program to sales and other customer-facing people at Lucent. Can you tell me about that? How do you develop material, how do you communicate it and what are you trying to achieve with it? And what is your advice to other CR managers?

BARBARA KHAIT: Training is imperative to our program. It's important to roll out a well-considered program. Anticipate and keep track of client objections and put those into training materials for your sales and delivery people. Give them an initial pitch for persuading a customer to join the program, then give them a fallback.

You as the manager of a CR program have the benefit of a collective set of learnings. You know what works and what doesn't. Feedback on processes is very important. Whoever is your client interface -- whether a sales person, delivery manager or senior executive - you want to learn from them what did or didn't work in bringing that client into the program.

You have to arm them, down to a tactical level: "In such and such a situation, do this."

Develop a standard set of materials. We typically communicate on a general level through Web casts and audio casts. We also communicate at a micro level, especially after a CR program has been launched to a new group. Divide your program into logical groups to dispense specific tactical advice - in whatever way makes sense. For example, customers in a particular vertical may be amenable to a certain kind of persuasion. For us, it makes sense to divide up into regions. Give sales people the tactics they need to bring customers in. You have to keep hitting them with information they can use.

For new sales people, create a standardized set of materials. Show them how to create a customer reference, starting early in the relationship. Show them how to use a customer reference later when they're selling to someone else. Emphasize that bringing a customer into your CR program is not merely a post-sales activity. A good time to begin is when a prospect first asks for a reference, which you provide. Ask the prospect, "Did you find that helpful? Would you consider acting as a reference yourself if our firms agree to work together and we provide outstanding solutions?"

Also emphasize that a customer reference is not a static tool, not just a written document you leave behind that might never get read. A customer reference can also be dynamic. It might take the form of a discussion, at an appropriate point, of the problems faced by the prospect you're talking to and how you solved similar problems for a similar customer. Later it might take the form of a personal phone call to the customer reference, or perhaps a site visit, or a personal introduction at a conference or other event.

BILL: How do you get sales people *involved*? How do you get them helping you to bring in new references?

BARBARA: You have to sell the program to sales people, just as they sell to external customers. Sell the program to sales people by emphasizing benefits.

Developing a reference means deepening your relationship with that customer and that opens the door for many things. It opens "up scoping" opportunities, for example. You learn more about what they liked about your solution and how you might build on that with additional solutions.

The goal of top sales people is customer loyalty. How do you get that? Developing a customer into a reference is a superb way to further the loyalty process. If they agree to present at a conference your company is hosting, or to take phone calls for 12 months, it gives you a chance to develop the relationship more. It's another chance to ask, "How's it going?" Good sales people understand how that can lead to greater wallet share.

It can also increase a sales person's value to the customer. Customers get exposure when they act as references.

BILL: You also get sales people at Lucent talking to each other. How do you do that, and why?

BARBARA: We like to point out, "Your peers are doing it (i.e., helping to bring in references), why aren't you?"

We issue a regular report to our senior leadership on how the CR program is going. It includes such information as what clients have signed on and our current "hot list" of the new references we're pursuing. We also include a list of "Reference Program Heroes," who are generally sales people. It's a way for them to get very visible recognition at headquarters. This is particularly effective for getting regional sales people involved - it gives them a chance to gain recognition at HQ!

Our goal is to get sales people talking to sales people about the program. That gives it credibility.

If one sales person is particularly effective at getting customers into the reference program, we'll publicize their experience and even use him or her directly to talk to other sales people and help with training. One sales person in Australia, for example, is doing a super job. Other regions are now tapping his expertise to motivate and teach their sales people. Plus, he's getting great recognition at HQ.

Our training events and materials are built around such "best practices." They have great credibility with other sales people.

BILL: Give us a few thoughts on handling sales people who resist the program.

BARBARA: One thing I do is hold strategy meetings in groups that include several players in the account - sales people, delivery managers, professional services people. The group energy helps to overcome resistance from individuals who may otherwise resist the program or resist approaching the customer.

If I'm facing serious resistance from a sales person, I might go to someone else through a back channel, or I might escalate if necessary. Sometimes the problem is an individual in the customer's organization. Sometimes the solution may include getting one of our executives involved.

The goal is never to run over anyone, but to enlighten people about our program. I've found that professional services people get it. Very often, they've been out there as consultants - they've been out there with nothing to support them. They know how important references are.

On the other hand, product sales people don't always get it. They're used to selling product features and haven't really needed -- or at least perceived a need -- for references. But increasingly even product buyers demand more than features. They want clear business benefits and proof that you've delivered those to other customers.

Everyone brings his or her own experiences and biases to the program. That's why it's important to celebrate the heroes.

Ideas and Tools You Can Use from Previous Issues

Just click the specific issue that interests you:

March Issue
Success Stories: The Top Five Mistakes (and How to Avoid Them)
Based on our research into success stories at 25 top technology and tech-related companies (no names mentioned:)

April Issue

Anticipating - and Improving - ROI from Customer Reference Collateral

Also, click here for to download an Excel-based ROI calculator based on the article.

May Issue
Everything Success Story Writers Should Know About Sales
Up to 90 percent of marketing collateral is never used by sales. Based on our own research, that may well include success stories. Article gives your marcom writers the information they need to write stories that sales will use and benefit from.

June Issue
Tips on Getting Customers to Disclose ROI
Article urges you to challenge the notion that customer references won't disclose this information -- after all, they're going public with the fact that they use your solution, and how they're using it. This article provides several tips, based on my own experience, in getting customers to "give it up."
Bonus: A Platform for Getting Customers to Take Reference Calls 24x7 -- and Like It

July Issue
The One Number That Drives Growth -- Customer References
July's featured article turns from tactical issues to broader strategy. What are new ways in which Customer Reference programs can add value to their companies? We look at one new way in which Customer Reference programs can do so and this one is potentially a biggie. Plus it is based on relatively recent research you should know about, on the (often untapped) importance of customer references to a firm.

August Issue
Persuading Customers to Become References
August's featured article examines the best ways to persuade a customer to become a reference. You start, of course, by providing great products, services and solutions. That said, even happy customers may require a touch of the persuasive arts to sign up for your program. People persuasion is actually a subject of serious scientific study-the most famous expert in the field is behavioral psychologist Robert Cialdini. August's featured article presents six tips from Cialdini's extensive research that will help improve your odds the next time you pop the big question to a customer: "Will you be my reference?" Indeed, if you have an extensive pipeline of potential customer references, it's a very good bet that these techniques will measurably improve you "close rates."

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