7 Priorities for Building a Customer Reference Program Foundation

point of reference®

Building a customer reference program (CRP) can seem overwhelming. There are many considerations, yet not every element deserves the same amount of attention. Getting your priorities right will not only help you keep your sanity, but also create a program with real potential for success. The foundation of a CRP, which deserves top consideration, is your database of reference accounts and contacts. Everything builds off of that treasure trove of happy customers.

The members of your CRP are customers brimming with customer satisfaction and brand loyalty and can tell the stories your sales team needs today. How do you find the right ones, engage them, and leverage them? Follow these seven steps.

1. Get intimately familiar with your company's growth goals
2. Inventory current customer reference information
3. Decide on a strategy for building your database to meet demand
4. Establish your program advisory board
5. Institute reference request processes and SLAs
6. Establish the channel and process for identifying new customer advocates
7. Develop your plan for keeping customer reference information up-to-date

GET INTIMATELY FAMILIAR WITH YOUR COMPANY'S GROWTH GOALS

Your CRP is going to support company goals, and related sales and marketing goals. So, it's time to get down and dirty with the short- and long-term goals of your company, specifically those concerning revenue growth.

- Has your company introduced new products, discontinued others, or acquired some in a merger? Is the company expanding into or targeting a particular industry or geography? Will a new sales channel be established involving partners? The answers to these types of questions dictate the kind of reference activity your program must support.

If you don't know the answers, don't be shy about asking for this information. You can't do your job without it. Just like an architect, you can build a thing of beauty, but if you construct a beach house instead of an office building, it wouldn't be much use to the client who needs an office building. You have to design your CRP based on the requirements of the business.

1

While you should have your eye on the future, don't forget to analyze the existing pipeline to see if the customers in your reference database can help close near-term opportunities.

If your company uses a CRM system such as Salesforce®, you can run an opportunities report to get up-to-date information. What you are looking for is a breakdown of opportunities by segment (e.g., product, industry, use case, etc.) so you can identify the areas of greatest demand.

INVENTORY THE DATA YOU HAVE—AND DON'T HAVE

Given what you've discovered about current and future needs, compare your findings with the customer reference data you have in spreadsheets or in your CRM system. Identify the gaps in coverage, then run reports using the same priority criteria (product, use case, industry, etc.) against the full list of customers. Take note of the scenarios where you have few customers but a high volume of prospects and vice versa. Employ the 80/20 rule and start by focusing on meeting the reference needs in the segments where the majority of your business is derived.

The type and number of contacts you need for various scenarios will depend on the kind of references your company requires. For example, if you sell enterprise software, you may need two references from each company: an IT person to talk about the technical aspects of implementation and integration, and a line of business contact to discuss how the product helps the organization drive sales or increase productivity. These are two important, but very different perspectives and both may be needed to close a deal. It's also a good idea to survey the sales team to find out how many reference requests they field on average each month, and how many accounts are requested each time. The volume they need informs the number of CRP participants you need to avoid overuse. **We have a survey you can use to uncover this and other valuable insights.**

2

DECIDE ON A STRATEGY FOR BUILDING OUT YOUR DATABASE

3

You have two options for identifying and engaging CRP candidates: Work through your colleagues who own customer relationships (e.g., sales, customer success, and account management), and direct outreach to customers. Relationship owners appreciate being made aware of your interactions with their customers regardless of your tack. So, be respectful and build their trust in your ability to add relationship value and not in some way damage it.

To incentivize or not to incentivize? Most of our clients concede that they get qualified program candidates much faster by using contests or spiffs, thereby making the process rewarding and fun. **Some people feel that incentivizing salespeople, is just wrong.** “Why pay them to do their jobs they’re already getting paid to do?” It’s a legitimate point. Perhaps a principled position, but ultimately you and your executives have to decide whether to stand on principle or accept human nature and speed up the process.

ESTABLISH YOUR PROGRAM ADVISORY BOARD

Don’t think of a CRP advisory board as a “nice-to-have when I have time.” It is how you stay in tune with your stakeholders.

Programs built in a vacuum serve no one’s best interests. To shape and produce an effective program, you need the input and support of the people who will benefit most from the program.

The exact makeup of your board is specific to your program. The largest stakeholder group is typically Sales, so you definitely need ample Sales representation.

4

Marketing participation is obvious because the marketing department usually owns the CRP function and is involved in creating case studies and other customer content as well as PR and lining up conference speakers.

You may require different types of salespeople to represent product lines, channels, or geographies. Depending on the program's scope, we also recommend you include representatives from Customer Success/ Account Management, and even Product Marketing.

4

Select your board members carefully. The ideal candidates are opinionated, vocal, and understand that what's good for the organization is good for them. You want people who are willing to put in the effort to make a CRP work for all parties by providing useful insights and honest feedback. They will also serve as ambassadors for the program, within their department or team, out in the field.

INSTITUTE REFERENCE REQUEST PROCESSES AND SLAS

5

A vital component of CRP governance is instituting processes and protocols for requesting and securing approvals for the use of a customer reference.

Some programs are run concierge-style, with all requests funneling through a CRP manager, while others are more self-service. In either case, reference activities need to be recorded and used to track the impact on revenue or marketing activities such as lead generation campaigns. Keeping track of activities provides a means for preventing overuse, a common problem.

You'll need to define and communicate the program's scope. For example, does your program just supply reference contacts for sales calls, or does it also furnish references to support press releases, analyst interviews, webinars and event speaker needs? Does your program span all segments of your company or do you only support certain lines of business, geographies, or industry sectors?

5

Service Level Agreements (SLA) are part of establishing credibility for the CRP. After all, one of the reasons to create a CRP is to improve the quality of the references and the efficiency of getting a customer advocate connected with a buyer.

SLA considerations include how quickly requests of different types will be handled and what expectations your internal stakeholders should have regarding who does what. Make these aspects perfectly clear and manage expectations right from the start. If you don't, it will be difficult to establish trust and gain significant participation.

ESTABLISH A CHANNEL AND PROCESSES FOR IDENTIFYING NEW REFERENCES

6

Your aspirational goal is to have a sufficient quantity and quality of customer advocates for every product in every segment to positively influence win rates.

You get there in steps. Initially, you want to start with a set of quality reference accounts in the highest demand areas. Then you address the less common or lower volume scenarios. You will undoubtedly get urgent requests for a specific reference type or use case that you hadn't anticipated. While unavoidable, this should be an outlier occurrence because you are aligned with top company goals, and will be meeting with stakeholders proactively in order to anticipate needs before they arise. Even if there isn't an urgent need in a specific segment, you will always have gaps to fill and the on-going need for new customer advocates. Churn alone will account for some of the gaps. So how do you go about recruiting and what types of customers do you look for?

Make it easy for the people closest to customers to nominate their accounts as references. Online nomination forms, incentives, recognition for both customers and nominators, and automated prompts of salespeople and customer success managers are all ways to encourage participation.

Once customer contacts are identified, it is up to the CRP manager to develop the relationships and determine precisely what reference uses each account (e.g., logo use) or contact (e.g., reference call) is amenable to. Ideally, CRP managers should develop direct relationships with their customer advocates.

6

The CRP manager is, after all, the best person to explain how the program works and the benefits to the customer—and there need to be benefits—for participation. Those benefits should be designed to cultivate greater loyalty to and investment in the brand. A savvy CRP manager will even act as an internal advocate for a reference customer if they need help reaching the right person or assistance getting an issue resolved. It's in everyone's best interest to keep these customers happy.

When starting to recruit customer references, we recommend working through those closest to the customer relationships unless that proves to be a roadblock to achieving the goal of building a shared company resource. If that happens, then by all means, leverage marketing automation applications such as Marketo®, Pardot, and Eloqua to survey customers about their referenceability. There are two simple questions: Would you be willing to act as a reference, and in which of the following ways (e.g., reference calls, guest blogging, site visits, advisory boards, and so on) would you be willing to participate? It's helpful to add a CRP section on your website where you can direct customers interested in joining your program. **This page should answer the all-important question: What's in it for me, the customer?**

6

PERSONALITIES TO TARGET

A customer advocate's interaction with a buyer can make or break a deal. When identifying precisely who should be recruited, think about these key attributes.

- Effusive: Buyers are trying to gather as much information as they can before making a decision. **The best customer references are the ones that take the time to listen, then provide detailed answers and share stories that include examples.** Look for people who are genuinely enthusiastic supporters.

- Articulate: **It's one thing to have a story and another to tell it in a compelling way.** Your reference contact should be able to clearly describe how they use your product and how the solution is contributing to their company's success.

- Helpers: Some people just really enjoy helping other people. This attitude comes through in their genuine willingness to take the necessary time to ensure the prospects they talk to get their most important questions answered. **This form of generosity should be a characteristic of your references.**

- Ideal Customers: **This probably isn't obvious, but you want your champions to be people who are using your solution to the fullest.** They are getting maximum value and eager to take advantage of new capabilities. These references model the kind of customer you want future customers to emulate.

6

DEVELOP YOUR PLAN FOR KEEPING CUSTOMER REFERENCE INFORMATION UP-TO-DATE

7

When it comes to storing your customer reference data, a purpose-built application that dovetails with your company's CRM is the best choice, but some organizations just aren't there yet. Many customer reference programs start with a spreadsheet, or worse, undocumented tribal knowledge. While a lack of an application should not stop you from starting a program, this method isn't the easiest way to grow and sustain your program. Your program will benefit from having your data housed in a searchable database application of some kind that will enable you (and the users of the CRP) to quickly identify relevant customer reference matches based on various attributes. **There is no way to scale a program that is managed from a spreadsheet or with essential knowledge tucked inside someone's head.**

KEEP IT CLEAN

Anyone who deals with data knows that clean, accurate data is crucial to success. Don't build your CRP on inaccurate or incomplete information. Your CRP may be the right motivation for your business to initiate a data cleanup of your customer records. Don't wait until everything is perfect either because perfect doesn't happen.

Exactly how often to verify and update your customer reference records depends, at least in part, on your business. In a perfect world, you would have continuous and instantaneous updates.

7

A realistic option is to contact a portion of your program participates every quarter so that you have a manageable quantity to deal with yet still check in with all your contacts at least once a year.

Of course, you can—and should—engage salespeople, and your colleagues in customer success to keep you appraised of any changes. A change in a customer's *health* should trigger a corresponding change in their reference status or at least generates an alert for you. **The point here is that you cannot keep tabs on every reference customer all the time. Knowing which customers are currently referenceable is a team effort.**

ONE FINAL NOTE OF ENCOURAGEMENT

Often CRPs are born out of frustration and a pent-up need to "get a handle on customer references," and there isn't the luxury of getting everything perfect before diving in.

That's okay. You won't get everything perfect on day one. It's an iterative process. Focus on data quality and satisfying the needs of the 80% of activity that drives the bulk of your company's sales or revenue. **You can grow and refine both the program and your database of customer champions over time.** Getting relevant customer references into the maximum number of opportunities is the whole point.

ADDITIONAL RESOURCES

Advisory Boards for Customer Reference Programs

Building Your Customer Advocate Army

Tips for Launching your Customer Reference Program

Customer Reference Program Maturity Model

Customer Reference Baseline Survey

ReferenceEdge Solutions Overview

About Point-of-Reference

Since 2003, Point of Reference has been powering B2B customer reference programs that fuel business growth and fortify brands. We believe advocates tell their customer experience stories better than anyone and increase our clients' odds of winning opportunities in the process. By combining decades of domain expertise with our purpose-built customer reference management technology, native to Salesforce CRM, Point of Reference allows companies to inject relevant customer references and related content at critical points in a sales cycle, attribute reference activities to revenue, and orchestrate coordinated reference activities that boost productivity. For more information, visit **www.point-of-reference.com**.

www.point-of-reference.com | **info@point-of-reference.com**