

## Managing a successful customer reference program

*Techniques for leveraging satisfied customers to shorten the sales cycle in complex selling environments*

### Executive summary

Using testimonials from existing customers is an established technique for eliminating sales prospects' uncertainty. As such, a library of referenceable clients is one of the most valuable corporate assets available to sales and marketing professionals. Many companies, however, do not have the effective process or the appropriate tools in place to manage these assets for their maximum benefit. Boulder Logic offers the Boulder Logic Reference Manager™, a specialized system designed to tackle the common challenges associated with creating an effective reference program. This white paper presents an overview of customer reference management practices and key process steps based on hands-on experience and research into the best practices by leading companies.

## Introduction

### The case for formalizing customer reference management

A referenceable customer is one of a company's most valuable assets. There is no better way to support your sales and marketing efforts than to have a satisfied customer to speak on your behalf. Doing so validates your marketing messages and eliminates uncertainty for the listener. Yet too often, these assets are poorly managed and under utilized.

- *Do you take advantage of every opportunity where you could use a customer reference?*
- *How efficiently can you satisfy an urgent request for a customer reference?*
- *Are you certain that you always match the right reference to the right request?*
- *Do references become unwilling to keep participating because you use them too often?*
- *Do you have difficulty getting customer-facing staff to nominate their clients as references?*
- *Do you have quality customer references that are unknown to those who need them inside your company?*

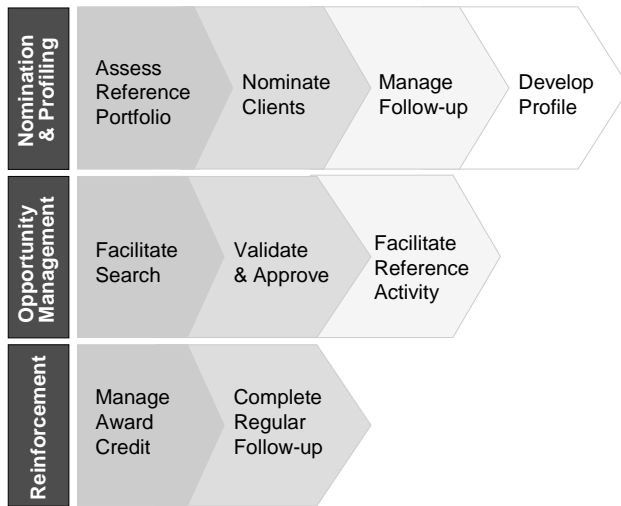
The answers to these questions are usually not encouraging. The impact is felt by sales representatives when they can't offer evidence of their successful deployments -- by marketing and public relations staff when potential media and promotional opportunities are lost -- and by senior executives when they miss the chance to illustrate success to investors and stakeholders. The result is the wasted effort of a fire drill approach and the loss of potential market impact and sales revenue to the organization.

### Introducing Reference Manager

Boulder Logic has developed the Boulder Logic Reference Manager™, the first commercial application built specifically for customer reference program management. Designed by sales and marketing professionals and in use by companies including Microsoft, NetApp and Citrix, Boulder Logic Reference Manager is 100% web-based software that simplifies the management of an effective reference program process.

# A Customer Reference Management Process

There are three main process categories that make up the customer reference process: 1) nomination & profiling, 2) opportunity management, and 3) reinforcement. Each of these categories consists of a sub-process area and a number of steps, the scope of which is illustrated below.



## I. Nomination & profiling

The nomination and profiling category is concerned with building a diverse portfolio of customer references. It involves four main steps.

### Step 1. Assess Reference Portfolio

This step involves understanding the current situation. It takes place at the start of the program, and on an ongoing basis. All available referenceable customers are reviewed to identify immediate or anticipated gaps in the portfolio. References are sorted based on customer characteristics including industry, size, geography, and products in use and other qualitative characteristics such as a problem type. Doing this makes it easier for you to see where new references are needed

most and to create a target list to guide generation efforts. The objective is to secure those references before an urgent request is received.

### Step 2. Nominate Clients

There are two primary methods for building a nomination list for potential referenceable customers: a) internal staff may nominate customers; b) customers may nominate themselves. In either case it is important to record the source and give positive recognition to those that are helping to build the program.

Whether completed by internal staff or the customer, the starting point can be a nomination form. This form should be kept readily available in areas frequented by the respective audiences – typically an Intranet portal or Website.

When trying to identify new potential references, in some cases it can be appropriate to request a customer's participation at the initial sale. Some companies even choose to include verbiage in the sales contracts, yet often it is more appropriate to let an account achieve certain implementation results or milestones before you seek their participation. Keeping track of the status of an account status over time and setting reminders allows the account to age, while ensuring that follow up occurs at the right time.

**Using Internal References**  
*Even references that can't be shared externally add value to selling efforts. By capturing the story behind "big wins," organizations help to share sales success while at the same time creating a potential target list of stories that may be turned into external references in the future.*

### Step 3. Manage Follow-up

To set the customer's expectations appropriately, it is important to clearly explain the types of interactions and

processes that the customer will experience. It is helpful to provide a menu of the typical customer reference activities, and to provide a legal consent form that should be signed by all relevant parties (legal, corporate communications, etc.) at the customer site.

The process for securing this consent and identifying the details of how the customer will participate may take several calls or emails. Since this process may be happening with many customers at the same time, it is important to maintain a good record of each interaction with the customer.

#### **Step 4. Develop Profile**

Once the customer has made the commitment to participate as a reference, it is important to capture a more detailed profile, including their problem, your solution, and all of the benefits achieved. When complete, the profile becomes the primary record and all related data and associated materials should be associated or linked to this source.

While you will likely be working with one primary contact at the reference customer's organization, it is recommended that you try to identify other potential participants that may provide different perspectives. Consider seeking additional reference contacts with: the problem owner, the executive sponsor, the typical user, and the technical lead.

Again, the reference profile document should be the central record and can be used to keep track of all the associated participants, which may include: multiple departments, multiple contacts, multiple products and multiple partners. All this information must be organized for easy access.

Depending on the culture of your organizations, access to some information may need to be controlled. Typically, the program manager is responsible for

identifying when who has access to what reference data. The first consideration is whether the reference account has been approved for use. The second is whether it is in a state to be used. This state should consider a condition like it is already "in use" in another reference activity, or "experiencing a support problem" and not willing to participate until a resolution is reached.

Another access issue relates to controlling what information should be made broadly available internally in your organization. While it is probably desirable to give all sales and marketing teams easy access to see the generic account information and perhaps even the account name, many organizations choose to use a reference program manager as the facilitator of all customer interactions and the gatekeeper of contact information. This limits decentralized contacts to the customer that may lead to their frustration.

## II. Opportunity management

The opportunity management category is concerned with helping the organization to leverage the right customer references at the right time. It involves three main steps.

#### **Step 1. Facilitate Search**

Regardless of how the data is maintained, it must be possible to easily find references that match the particular need at hand. Search criteria must be comprehensive enough to be context appropriate and/or be unstructured to allow complete flexibility.

#### **Step 2. Validate & Approve**

When a gatekeeper is used to control how customer references are used, it is necessary to make it easy to manage the queue of usage requests. Typically, the approval of a request involves re-confirming that the

account is not experiencing problems, either by checking with other groups, such as the owner of the sales relationship, or in other systems, such as a support incident tracking system.

### **Step 3. Facilitate Customer Reference Activity**

Customer reference activities include everything from facilitated interactions between prospects and reference customers to creating case studies and organizing speaking events. Effective facilitation involves managing multiple tasks, creating reminders and recording progress.

It is important to record each time a customer reference is used. The quantity and frequency can then be evaluated against thresholds set for the account or dictated by the customer. This helps ensure that being contacted too frequently does not frustrate the customer. Interestingly, under utilization is also reported as a source of frustration with reference programs, and is detrimental to both the organization that is not leveraging potential opportunity and to the customer who wanted to be involved in the program.

## III. Reinforcement

The reinforcement category is concerned with increasing and extending the lifetime value of each reference.

### **Step 1. Manage Award Credit**

Many organizations benefit from establishing a value for each type of reference activity, and then offering credits to customers based on their participation. This can either be the foundation of a full customer loyalty program, or simply be used as an internal tracking mechanism to help assign a value to the customer.

As a tracking mechanism, assigning different point values for completed activities provide visibility to the most valuable customers in the program. In a customer loyalty program, the account balance is credited when an activity is completed and the balance is debited when a benefit is provided.

### **Step 2. Complete Regular Follow-up**

Whether or not you use an award program, it is critical to keep in touch with program participants on a regular basis. While there are different reasons why customers elect to participate in a reference program, it is generally because they feel an affinity to your product or company. You have the opportunity to leverage these loyal customers into a community that can support your business in many ways. It is critical to keep them feeling engaged. Set reminders for yourself to follow up with customer to let them know that you appreciate their involvement. Make sure to log all of your calls to ensure you are keeping in touch on a regular basis. Keep these customers happy and continue to reap the benefits in your sales and marketing efforts over time.

## Automation Tools for Customer Reference Management

Up until recently, tools to help manage a customer reference program simply did not exist. Organizations were left using spreadsheets or building their own internal databases lacking many of the capabilities needed to establish an effective and efficient program. That is why Boulder Logic has created the Boulder Logic Reference Manager, a software application built specifically to address this challenge. Boulder Logic Reference Manager provides capabilities in each of the process areas described above.

In addition, Boulder Logic Reference Manager addresses the following key requirements for an effective solution.

**Ease of Access** - Users must be able to access the system from anywhere. That means a pure web interface and appropriate role-based security to provide users with only the functionality and data they need.

**Ease of Use** - An intuitive user interface, automated workflow, comprehensive functionality, and user-configurable reporting are all vital aspects of a system that people will want to use on a regular basis.

**Ease of Support** -The system must be available on the technical platform of choice, simple to administer, and easy to modify and reconfigure without involvement of technical resources.

**Ease of Integration** –Often relevant data is held in HR, CRM, SFA and other internal systems. Boulder Logic Reference Manager can be integrated with these systems, in real-time or batch mode, via an XML interface.

## Conclusion

Companies with complex products and sales cycles face a challenge maximizing the leverage that can be obtained from their successful implementations. The current approaches to reference management rely heavily on ad hoc procedures and limited IT tools, making it difficult to ensure that customer references are available when they are needed most. Boulder Logic offers a new solution for customer reference program management. This highly targeted offering provides sales and marketing organizations an opportunity to increase credibility, shorten sales cycles, and overcome common selling obstacles.

## About Boulder Logic

Boulder Logic specializes in sales and marketing productivity tools and methodology for companies with complex products and selling cycles. Headquartered in Boulder, Colorado, Boulder Logic has built an executive team with substantial experience in technology marketing for companies like: Borland, Macromedia, Lotus and Quark. For more information on Boulder Logic Reference Manager or the company, please visit <http://www.boulderlogic.com> or call us at (800) 715-1910.