

AUTUMN 2008

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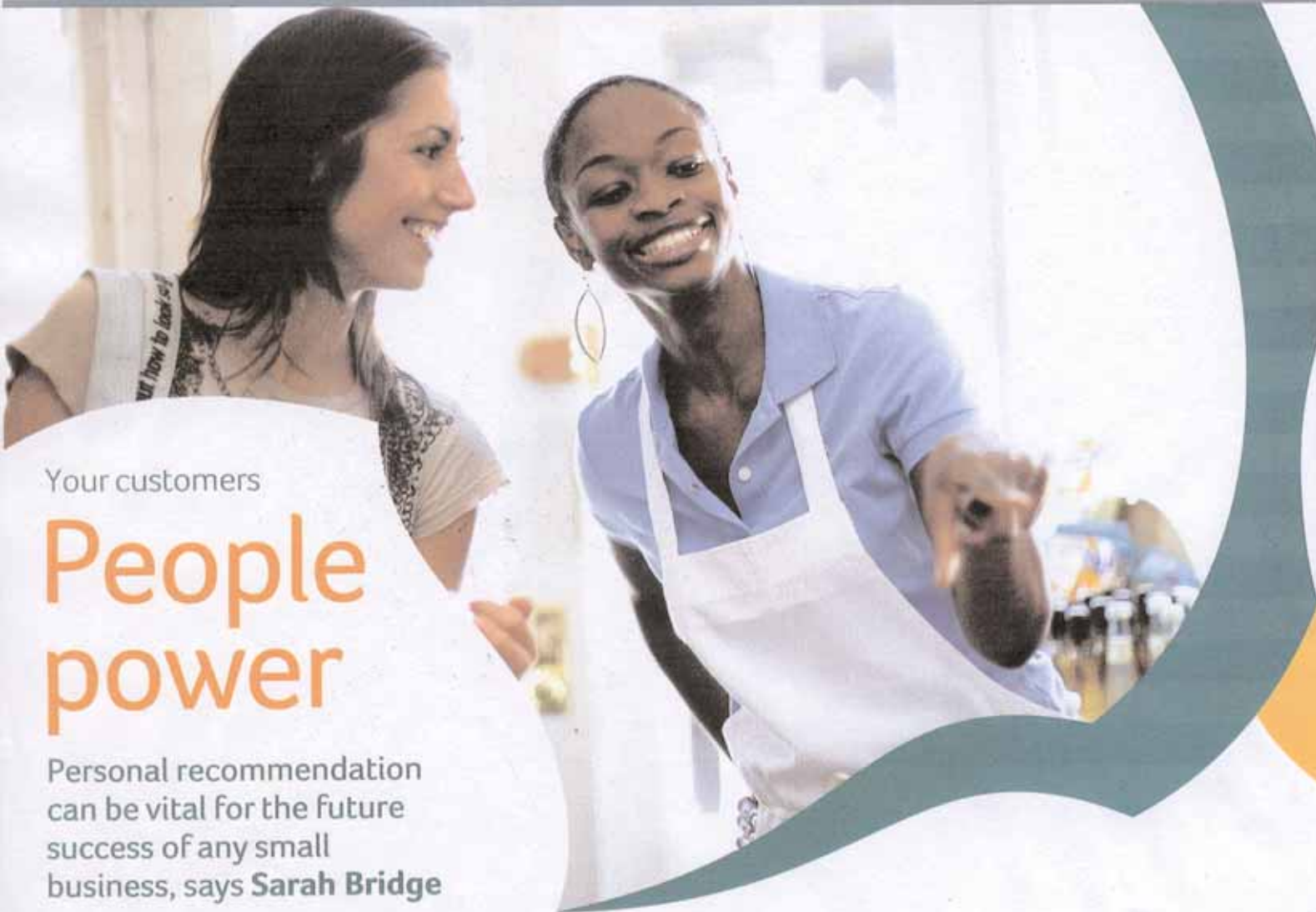
Take care

How to keep your people protected at work

Weather the storm

Keeping cool when times are tough

sage



Your customers

People power

Personal recommendation can be vital for the future success of any small business, says **Sarah Bridge**

When it comes to setting up your own business, generating a positive word of mouth can be crucial.

Personal recommendations are far more likely to be trusted and acted upon – indeed, research shows that 70 per cent of people choose a product or service because friends and family have recommended it.

It can also be easier on the budget at a time when you're really trying to stretch your money as far as it will go, since building good customer relationships is far less expensive than costly advertising campaigns.

Jim Pople runs his own design and construction business, Pople Design Construction, and relies entirely on customers' recommendations. It seems

to be working – his company is booked up until the end of the year – and Jim says that the secret is putting the customer first.

"People can be quite nervous about the construction industry so we make sure we give great customer service," he says. "We really go out of our way to make sure that the customer is happy and that way, they're glad to recommend us."

Simon Briault of the Federation of Small Businesses agrees. "The way to get a customer to recommend you is to provide a good service at a good price and to encourage people to tell their friends," he says. "Once word gets around, it grows exponentially – one person tells two people, they each tell two people – and then you've got really high visibility as a company."

Tell your friends

Five years ago, Claire Brynteson set up her company buy:time which provides PA-style

help to time-stressed executives. Not having money to spend on advertising, Claire built her business up entirely through word of mouth, telling friends, former work colleagues and everyone she knew about her company.

"I relied entirely on personal recommendations, which really worked because by the time people got in touch, they already knew all about me and were more likely to use the service," she says.

buy:time now has 500 clients and is approaching half a million pounds in annual turnover. Claire makes sure she keeps track of customers by logging every single purchase and query onto a database so she can follow up on how things went and what other services might be needed further down the line.

Building customer relationships is one area where SMEs can do better than larger corporations.

"Small and medium-sized enterprises are

Case study

Name: David McPherson **Company:** Aegis IT **Role:** Founder

"ACT! has fundamentally changed the way we operate as a business," says David McPherson, founder of leading technology infrastructure experts Aegis IT. "We can do things with client information that wouldn't have been possible before we got the software."

Although they'd been "playing around with it for a while", the business finally invested in ACT! last February. "We soon found that it had loads of capability that we hadn't exploited," he says. "As a small business, it's allowed us to empower people from within the company. The software gives us visibility, allowing us to store important data in one place, so there's no reason for people to check up on client information all the time. We can communicate using the technology." Perfect for a team that spends vast amounts of time out of the office and away from the meeting room. "As founder, I also tend to be engrossed in one or two of our bigger accounts, but ACT! lets me see what's going on in all areas of the business."

The software has also put paid to the team's "preconceived idea of CRM". "I didn't realise it could help with things like forecasting," he continues, "or that it was so sales-driven. It's allowed us to focus much more on core business... and we just wouldn't have been able to do that before."

at a real advantage when it comes to building personal relationships with their customers," says Briault. "The owner is more likely to be in touch with the customers themselves due to the size of the business, and then they're more able to keep track of them, ask them how previous purchases went, and build up a relationship with them."

But with the widening reach of the Internet, SME owners shouldn't feel limited to building word of mouth just around their local neighbourhood. Positive reviews on websites and forums also count as glowing recommendations. Even if the reviews are from strangers, online endorsement can really help to build a positive buzz around your product or service.

"I've always concentrated on getting referrals from within the local region I work in," says Pople. "But now I realise that you can actually build up word of mouth from much further afield, thanks to the Internet." ☺

Talk the talk

Other ways to build word of mouth

- 1 Create a buzz on the Internet. Join forums and networking groups where your customers might be and tell them about your company. Have a feedback form on your website where people can leave comments, and set up a mailing list so people can sign up for alerts about new products and special offers.
- 2 Get your name out there in the 'real' world by sponsoring local sports teams, getting a stall at the village fair, letting your local newspaper know about forthcoming events, etc.
- 3 Keep track of every customer purchase and query, and ask whether they might be interested in buying from you at a future date, such as if they're moving house or getting married. Don't harangue people – just use the information to build up a personal relationship so you can suggest useful products when they next get in touch.

New ACT! by Sage 2009

Generate more leads, make more sales, retain more customers

"ACT! has revolutionised the way small businesses build and maintain relationships," says ACT! marketing manager, Brian Macgregor. How could 2.8 million users be wrong?

With ACT! by Sage 2009 we're going back to basics to help you work more effectively, increase productivity and better serve your customers. Alongside a host of new features, we've made significant enhancements to those areas you use the most.

It's now quicker and easier than ever for you to input, find, share and analyse customer information. We've increased integration with everyday tools like MS Outlook, Excel and Word to help you stay on top of your admin. And we've upped performance, so you can find, open and synchronise data quicker than before.

To find out more, **call 0800 33 66 33** or **visit www.sage.co.uk/act**. Available from 26 August 2008.