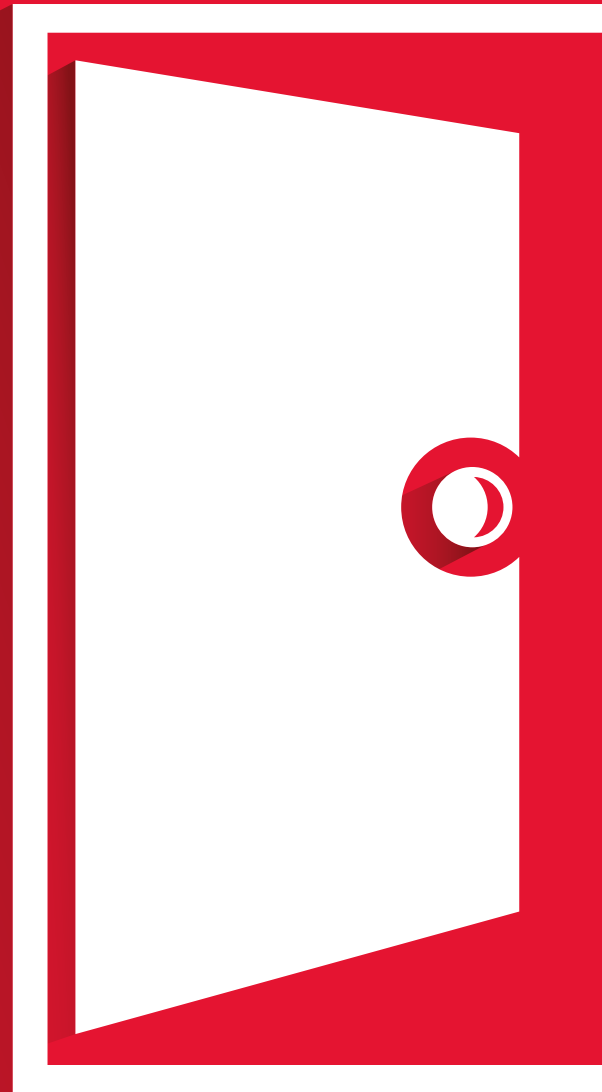


# The Ultimate Guide to: Up-selling and Cross- selling

Drive cross-selling and up-selling with CRM, by thinking people - not software.



# The Ultimate Guide to: Up-selling and Cross-selling



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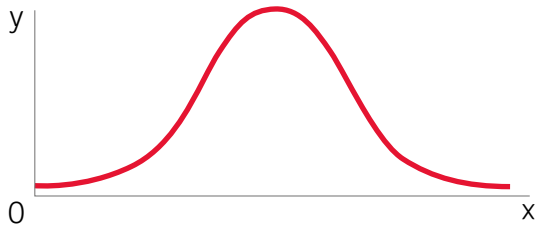
It's six times easier to win business from an existing client than win a new one.

While CRM is a great toolbox for the complete sales cycle - cold prospect to red-hot lead - Customer Relationship Management needs to be looked at from another perspective: **cross-selling** and **up-selling**. In today's market, concentrating on the customers who know you best can increase **turnover** and **margins** faster than any headline-grabbing push into new sales territories.

You should still be chasing fresh custom of course, but retaining the customers you already have is just as important.

A panoramic view across your existing customer data can uncover opportunities for cross-selling and up-selling that deliver **greater value to your customers**, as well as your bottom line. Communicating those insights to the sales and marketing teams is important if they are to make appropriate use of them. These practices and processes can be embedded into a self-sustaining cycle of continuous improvement.

## Successful CRM: far from the Normal

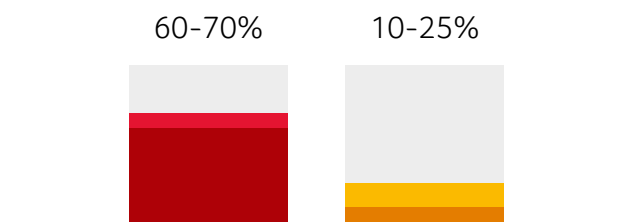


This chart is a Normal Distribution. (The famous "Bell Curve".) A Normal Distribution compares and contrasts the average to the not-so-average. This includes [the success of CRM implementations](#).

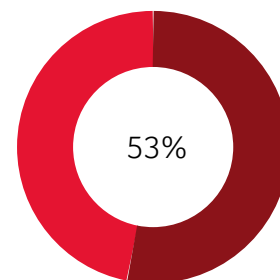
A successful CRM implementation will benefit your business in a variety of ways, so we've created a guide that will show you how to do it.

### CRM is not the product, it's the people

It doesn't matter how innovative the application or how elegant its code, **CRM isn't about software**. It's about the people who use it. Understanding their needs, answering their motivations, encouraging their hopes and dreams.



Between 60-70% of CRM implementations fail to meet expectations. A further 10-25% of CRM projects just about meet expectations, but don't deliver the terrific upswings in sales and conversions customers expect. The rest deliver great ROI, strong user adoption and a more complete view of customer relationships.



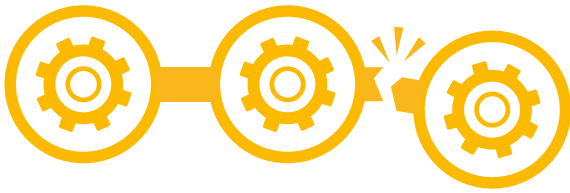
More than half of CRM projects fail due to lack of customer insight (53%).

Every organisation adopting Customer Relationship Management that understands this stands a great chance of escaping that mediocre 95%, and getting into that 5% for whom CRM is delivering payback.

# Cross-selling is turnover, up-selling is margin

But we believe you can go beyond even that. These three steps - each with three actions - suggest how.

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Over a third of CRM implementations fail because IT didn't see them as a priority.

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First, let's remind ourselves about cross-selling and up-selling.

Cross-selling is the art of selling your customers different but related products and services. If you sell cars, sell servicing plans. In financial terms, cross-selling is about increasing **turnover**: your topline sales.

However much it adds to turnover, if those extras carry low margins, cross-selling doesn't do much for your profit. That's the job of **up-selling**. Persuading customers to buy bigger and better. The 3.2L V6 instead of the 1.6. The free-range organic egg instead of the battery barn one. Up-selling increases **margin**: your bottom line profit.

So together, cross-selling and up-selling boost two important metrics: sales and margins. Let's explore both - starting with the people.



## Step 01:

Identify opportunities by looking for patterns

Ask your people for war stories... and list them

Segment to unite, not to divide

Imagine your ideal database



## Step 02:

Communicate methods, by sharing models

Motivate your sales guys, by showing them what's worked

Show how value is added if everyone's on board

Demonstrate what it does to their commission



## Step 03:

Execute with an eye on continuous improvement

Automate your best practices

Give them lists that match criteria

Spread the word across social media

# Step 01 | Identify opportunities by looking for patterns

The standard dashboard of any CRM application creates charts and graphs across your entire database. But an average is just that: average. What do averages do? They hide [all the interesting traits and factors that show up when you slice your total dataset into smaller parts](#).

## Ask your people for war stories... and list them

*Averages aren't people-shaped. So that's the first step to exciting your staff towards using CRM effectively: [show them the potential among your existing customers](#).*

Get your team together, even if you have to take an awayday. Ask them to describe **what tips and tricks they find most useful before approaching a customer**.

Do they have a sense that repeat orders happen best in the first week of the quarter?

Do up-selling orders rise in sales territories where the local team's just won a big sports event? Such anecdotes and tacit knowledge are a lot more than lore: they're secret weapons. Human cognitive biases are fairly standard across populations. Many of these tips and tricks can be hardened into reusable cross-selling and up-selling techniques.

Imagine how great your people would feel if they knew their little insights could benefit themselves, their colleagues and most importantly, their customers.

## Segment to unite, not to divide

Out of the box, a CRM application will segment your database by standard factors: sector, company size, turnover. To make your people fanatical about CRM marketing, [segment differently](#). These different approaches can include ways in which your staff are united by their own tacit knowledge about customers.

**The trick is to test their hunches!** If they believe there are always easier conversions in the first week of the quarter, test that assumption

against actual data. If it checks out, you've got a smarter sales plan and resource allocation plan in the making. More importantly, you've turned salespeople on to the concept that CRM is the path to personal success.

*Customers don't divide themselves into sectors and sizes: databases do. Start looking at your data in terms of human factors and you'll be on your way to success.*

## Imagine your ideal database

When you've found hunches that check out - actions that result in the shortest sales cycles, the smoothest nurturing pathways, the highest sales volumes - imagine what you'd need to duplicate that performance across your roster.

Are those great customers all under 100 employees but growing? All just received a round of funding? All in the same region? Instead of gathering leads semi-randomly, you can actively develop prospects who **share the factors you've identified as common to your best customers.**

If you're already known in a developing industrial cluster, the whole of that cluster can be yours.

Imagine what the sales funnel could look like if you woke up all the cold leads in your database who happen to share those non-standard characteristics. Share that revised funnel with your sales team and calculate how much those opportunities are worth. **Fish where the big fish are.** This fires up your sales people and makes them feel the CRM system is on their side.



# Step 02

 | Communicate methods, by sharing models

Once you've turned a few anecdotes into evidence-based customer journeys, **share your findings**. You don't need many to start - this is about getting your team on board with the concept of CRM, not rolling out a new strategy.



Over a third of CRM vendors provide poor user training.

## Motivate your sales guys, by showing them what's worked

Especially if they're the ones who came up with the idea!

12%



Share the story of how Mike in London's idea led to a 12% uplift in the annual fee from Customer X.

# £500,000

Or how Sharon in Newcastle's anecdote about one customer turned into a £500,000 up-sell opportunity for her team.

For a newly-minted sales person whose normal career progression would be one-dimensional (making his targets), CRM can help him become a respected mentor within the company, adding to his job satisfaction and value.

## Show how value is added if everyone's on board

This is the right point in the adoption process to demonstrate these benefits come when everyone uses CRM - no exceptions. Ideas gain value when they're tested against data - all data, not a subset.

If people aren't putting their numbers into CRM, those findings get distorted and everyone's opportunity is smaller. When people's ideas can be verified and given weight by CRM, there's a huge incentive for sales people to use it.

## Demonstrate what it does to their commission

Lastly, think about making such findings from CRM part of your incentive programme. With concrete commissions attached, their ideas are proven and lead to success in other regions. You've then

conquered the common problem of salespeople keeping their best information to themselves - because they can profit from helping colleagues outside their own sales territory.





# Step 03

 | Execute with an eye on continuous improvement

Of course, best practice means little without repeat execution. So your third task is to embed the business processes that consistently deliver these opportunities and information to everyone involved. And that's where CRM really shines.

## Automate your best practices

What worked in one sector can work in another.

So if a sales person's anecdote turned into a productive contact strategy, roll out that CS to all customers united by the same criteria.

CRM applications let you set trigger events, channel choices, tickle dates.

Imagine the power of a memo stating

“20% of Tier-3 customers become Tier-2 within 90 days if these offers are made to them on this schedule. There are 200 Tier-3 customers in your territory”.

## Give them lists that match criteria

There's nothing a sales executive loves more than an annotated list of contacts ready to add to their monthly purchase volume today. A well-set-up CRM system can not only build those lists, but deliver them - complete with tested sales scripts and preferred contact channels.

Of course, you get even greater internal buy-in if those call lists include the size of each opportunity and its probability of closing. Just make sure every projection is based on actual data, because if it's accurate, it'll be trusted. Keeping your sales team on-side.

## Spread the word across social media

A last word. It's not strictly cross-selling or up-selling. It's even better - **cross-marketing** and **up-marketing**. The best CRM applications work with more than a single database: [they see connections outside that database](#). They can look

at news feeds and flag when a name appears. They can track social media and alert you when a follower in your database 'likes' you. All are signs that prospect is moving down the sales funnel.

Cross-selling and up-selling opportunities aren't limited to your existing roster.

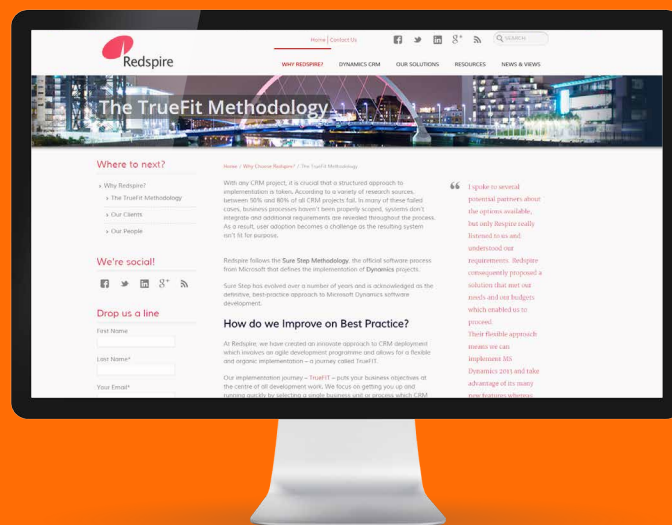
Maybe your key accountant's at his budget limit for this annual... but his key account isn't. His customers are also in the market for your products

and services. The right CRM system can **flag up such opportunities when they happen**. You'll know your CRM rollout has succeeded when your sales team start crediting it for their successes... and start encouraging everybody new to use it, without pressure from the Sales Director.

That's the crux of Redspire's mission:

"To transform how companies interact with their prospects and customers, ensuring they deliver **true business value**. Through partnership with Redspire, our customers will lead their markets by being **smarter, sharper, and better** than the competition. And achieve return through growth, retention and customer satisfaction, every time."





CRM isn't software; it's what great salespeople do. Discover a new methodology with the TrueFIT experience.

Learn more