

It's Your 'Reputation' Stupid

The Real 'R' in CRM

BY MIKE MUHNEY



As the co-inventor of ACT! contact management software, the product credited as the catalyst for the Customer Relationship Management industry, I'm surprisingly not a champion of the concept of "managing relationships" at all. I don't think entering data, scheduling activities or even communicating with someone amounts to "management" in any meaningful way.

Even if the concept of managing customer relationships was the premise for the industry, the actual result is little more than a tool for management to oversee an employee's activity, communication and progress with their customers and prospects. CRM systems that are often positioned as an employee's tool for building or maintaining meaningful relationships are little more than a method of "keeping tabs" on salespeople.

Networking Alone Isn't the Answer

It's never just what you know, but whom you know that matters. But anyone can purchase a list of names. No matter what industry you're in, the quality of your connections trumps the sheer quantity of names in your database. Attending events, shaking hands, collecting business cards – nothing wrong with that, per se, but the person with the most business cards doesn't necessarily win. The same can be said of social networking: sending dozens of connection requests doesn't equate to building relationships.

Reporting Activity Isn't the Answer

Submitting a report that you called, met or emailed a contact shows activity, yes, but it doesn't necessarily demonstrate the true value of that connection. Numbers on a spreadsheet or notes on a communication log can't represent the intrinsic aspects of our human relationships. Building and maintaining relationships requires time, intensity, trust and reciprocity, none of which are accurately reflected by a status report.

CRM Isn't the Answer

According to a study by Gartner, the leading information technology research firm, only 50 percent of Fortune-1000 companies using CRM systems reap a significant return on their investment. Hence, it's time for a new perspective! I wholeheartedly believe that meaningful relationships lead to success in business – in our personal lives, too. Without meaningful relationships, our chance of success wanes, perhaps to the point of nonexistence.

Manage Your Reputation Instead

If you can't manage others to achieve success, how do you get there? Success comes from managing your own actions and positively influencing their perception of you. In other words, managing your reputation! This new perspective requires a very slight shift, from Customer Relationship Management to Customer Reputation Management. You can manage the ways in which you build and maintain the perception of your reputation with customers and prospects. When you demonstrate professionalism, concern and

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commitment to helping others succeed, trust is the result. Trust that the other person is important enough to you to record the details you learn about them. Trust that you will do what you say that you will do. Trust that may even earn you that all-coveted referral.

The Deciding Factor

You may not be able to manage another person simply by entering information in an application. However, if you use those tools to remember the details others forget, you'll stand apart from your competitors who may or may not offer a better product or service. With each interaction, you can prove that all things being equal, your reputation is the deciding factor.

Reputation Management 101

Maintaining your reputation requires discernment, diligence and discipline in each of the relationships you've built. Strong relationships don't happen by accident. As your relationships grow stronger, so will your reputation. The foundation of authenticity and trust, once established must be furthered. Every entrepreneur is a business, a personal brand. There's an adage that business is like an automobile. It won't run by itself except downhill.

The quality of your reputation, whether good or bad, will be reflected by your overall success. Looking at it from that perspective intensifies the reasons to use relationship management and organizational tools. After all, who doesn't want to put their best foot forward? Especially when it impacts your bottom line! Customer Relationship Management systems can only help you to manage contacts, calendars and communications, but when you do so with diligence and professionalism, the natural result is a good reputation.

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