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### It's Time to Sell: Do You Know Where Your References Are? (Part 2 of 2)

by David Sroka and Jim Forrester

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**Part 1** of this article discussed the strategic value of a reference management system (RMS) and the shortfalls in functionality within existing CRM infrastructures. The second part takes a look at the characteristics of a practical and effective RMS and implementation choices that are available.

A customer reference program can have a significant impact on all customer-related functions in an enterprise. To maximize and demonstrate the strategic business benefits of a program, an effective RMS needs—at a minimum—the following capabilities:

- **Search**—Flexible enough to support all types of users without being overly complex
- **Content management**—For storage and maintenance of reference content (e.g., case studies, press releases, testimonials, reference interviews)
- **Request management**—For submission, fulfillment, and tracking of reference requests
- **Activity tracking**—For tracking customer referenceability and the number and type of reference activities in which customers are willing to participate
- **Reporting**—For tracking the program's impact on revenue, effectiveness, and the activity level of customer advocates

An RMS needs to accommodate all users in order to provide the greatest benefit to the organization:

- Requestors such as sales staff, PR, and analyst relations managers need a user-friendly interface to make the process of obtaining references as trouble-free as possible.
- Management needs a "quick look" view of program results as well as the ability to drill down into detail if desired.
- Reference managers need an easy-to-use interface to address requests as quickly and completely as possible, manage all program components, and readily provide reports and metrics.

The variety of needs that must be met for each of these roles requires a well-planned scalable solution that easily integrates with existing systems. There are three options for procurement of an RMS with the capabilities to meet these requirements:

1. **In-house custom programming**, which requires internal IT resources for development and ongoing maintenance, but which may be hard to come by given the

demands on typical IT teams

2. **Third-party custom programming** by a provider with RMS experience that can provide specialized consulting experience during initial development and future enhancement phases, and so is often able to deliver a more timely and effective solution than over-burdened in-house resources
3. **A hosted solution**, which provides a configurable feature set that can be fully functional very quickly and which minimizes the need for active in-house IT involvement

The RMS option that is right for your company's reference management program depends several factors:

1. Management/IT culture

- o Willingness/experience partnering with third parties
- o Technical requirements that prescribe exclusive use of specific software/hardware
- o Willingness to host customer data externally

2. Management/IT experience

- o Experience managing similar IT projects to a successful conclusion
- o Both business user and IT team need experience

3. Executive sponsorship

- o An executive who champions and sponsors the project, removing any obstacles along the way

4. Resource availability

- o For the initial development effort and ongoing support/enhancement
- o Sufficient bandwidth to accommodate the required development effort

5. Customization requirements

- o How extensive and unique to the organization
- o Best determined by creating lists of "must have" and "nice to have" specifications as defined by stakeholders

6. Budget

- o Including design, development, hardware and software licenses, system support, user support, ongoing maintenance, and continuous enhancement

7. Timeline

- o "Time to market" requirement

With these factors in mind, the three available RMS options stack up like this:

1. In-house development is a good choice when

- The business or technical requirements are such that custom development is needed to produce an effective solution.
- IT resources are available, able to create the solution, and have experience *building* a customer application (not just *supporting* a third-party CRM system).
- There is strong executive sponsorship.
- The timeline is long enough to accommodate in-house custom programming, which may compete with other priorities.

2. Third-party custom programming is effective when

- The business or technical requirements are such that custom development is needed to produce an effective solution, as with in-house development.
- The company will benefit from the RMS expertise that a third-party provider can offer as a result of lessons learned from working with numerous clients across multiple industries.
- Sponsorship and/or project experience are not quite there.
- The company is willing to work in partnership with outside providers.
- The budget is sufficient to obtain a custom solution and the timeline is sufficient to accommodate the project.

3. A hosted solution is the right approach when

- Managing an RMS development effort isn't feasible.
- The business or technical requirements are limited in scope or are standard to the reference management function.
- IT resources for RMS-related work are limited or unavailable, or the goal is to minimize IT involvement.
- Time to market is a priority.
- "Democratized innovation" (i.e., system updates are provided based on input from the entire user base) is attractive.

To summarize, in companies where the kindness of customer advocates is critical to revenue growth, an effective RMS will greatly enhance the business-customer link by

- Preventing customer burnout
- Quantifying how customer references impact sales
- Increasing sales productivity
- Improving quality control of relationships with customer advocates

Customer reference management can be a paradox in many companies. While the benefits of an RMS permeate the firm and affect every core business function, from product development to sales to customer support, reference managers must compete for resources and budget dollars

For most IT departments, the needs of a reference manager are not a high priority when compared with the rest of the requests being lodged across the enterprise. In this case, help from a strong management sponsor and implementation of a solution that does not need extensive IT resources will get an RMS in place quickly and make a big difference to the bottom line.

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**David Sroka and Jim Forrester:** David is cofounder of Point of Reference, a firm that offers hosted RMS services. Jim is cofounder and Chief Technical Officer of Cogenix.

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