

Customer Reference Program Benchmarking Study 2007 Edition

Connecting with Sales:
Creating Real Customer Reference Value

E X C E R P T

Key Findings

How much does a typical company spend acquiring new customers? Almost 70% of its budget. But how much goes toward documenting and publicizing customer successes—one of the most powerful tools in the sales arsenal? Just 0.1%.

Ask an executive why the company's customer reference program (CRP) exists, and the answer will undoubtedly contain a version of "to help us sell." Asked that same question, a reference program manager will give a similar answer. But dig down to the day-to-day reality of most customer reference programs and you'll find a morass of conflicting priorities and alignments. The good news, however, is that the key to fixing this dangerous mismatch is close at hand.

Pervasive Misalignment with Sales

The Phelon Group's 2007 Customer Reference Benchmarking Study, our fifth annual survey of leaders and practitioners in customer reference programs in a range of companies, is a snapshot of how customer reference programs operate, what problems they face, and what successes they strive for. In this year's study, across 40 responding companies in a range of industries, one key finding stands out: customer reference programs are out of step with the sales forces they aim to serve.

That can change – and indeed, if customer reference programs are to deliver against their promise, it must change. With flat or declining budgets and limited resources in the face of ever-escalating demand for services and deliverables, demonstrating value is the key to recognition, program expansion and career growth. Here's our insight into the current situation and our advice about how to change your relationship with sales and move your program forward in the process.

Contradictions and Conflict

In topic after topic, survey responses indicate contradictions and conflicting priorities for customer reference programs. For example, who calls the shots for customer reference program priorities?

- In response to a question about which groups have the most influence over customer reference programs, sales and corporate communications are tied. Apparently, then, CRPs balance their two traditional allegiances.
- But responses to a question about who influences CRP spending reveal that, for 87% of companies, marketing has greater influence than does sales. Clearly the holders of the purse strings have a great deal of power; so how balanced are those allegiances after all?