upland **RO Innovation**

eBook

A blueprint for success

Creating and Optimizing Your Customer Reference Program

Contents

Introduction

Customer references shorten sales cycles, increase deal sizes, build trust and value with prospective customers and lead to higher revenue margins for your company.

In the new B2B buying environment when buyers control the purchasing cycle more than ever, customer references are becoming an integral part of the B2B marketing toolset.

Today's B2B buyer no longer sees talking to a vendor as the first stop on their road to making a purchase. Instead, buyers talk with their peers in their personal networks, do their own research via web searches and social media and have already done a good deal of vetting before they even raise their hand to talk to your salesperson.

Multiple SiriusDecisions' buyer surveys show that C-level executives make their purchase decisions initially based on their previous company experiences, followed by the influence of customer references, the relationship with the salesperson, the perception of the brand, and then what peers say.

What is a customer reference?

Simply put, a customer reference is the positive story your customer tells about what it's like to work with your company, products or services. A reference customer typically shares this positive testimony in response to a request made of them like taking a call or writing a case study.

So if customer references are a fast track to trust and value, why do so many B2B companies lack a good system to consistently leverage these customer references with buyers?

This eBook is chalk-full of best practices and tips from your peers designed to help B2B sales, marketing and customer reference management professionals work together to create a thriving customer reference program that results in happy, engaged customer references and a surge in revenue influenced by your company's biggest fans.

Did You Know?

The **most trusted** source of information for B2B buyers is their **peers.**

- SiriusDecisions

50% of salespeople feel their company's existing customer reference program needs improvement.

- CSO Insights

75% of companies are concerned with the overuse of a small group of customer references.

- Corporate Ink

Over **90%** of organizations have some sort of Customer Marketing efforts or function, and **53%** of them report getting moderate to significant revenue as a result.

- Demand Metric

Getting Started

Many customer reference programs at B2B companies today don't amount to much more than a shared Excel spreadsheet with a list of customer names, and last minute "Hail Mary" emails blasted to the team asking for help fulfilling a request.

You wouldn't approach lead generation or new hire onboarding that way, so why take such a passive stance on customer references?

If you have the sudden urge to email every last one of your account managers to nominate a happy customer or ping all your customers to ask them to take a reference call… take a few deep breaths and hold on.

That's not the way to go about it.

Your customers are used to you helping them, not the other way around. Asking them to be a customer reference is a big request. Likewise, sales and marketing are used to doing things their own way, so implementing formal customer reference workflows will take a bit of strategy if adoption is going to happen at all.

You'll have to do a bit of preparation to build toward a program like this.

Did You Know?

33% Only 33% of buyers trust what a seller tells them[1]...
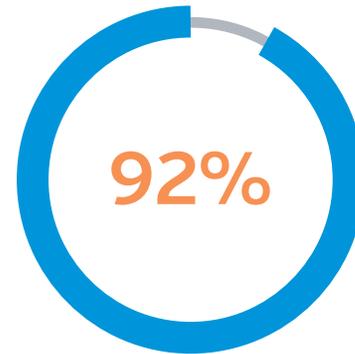
92% ...But 92% trust what another buyer tells them.[2]

54% of customer marketers are responsible for customer reference program activities.[3]

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Building a Strong Foundation

As in any construction project built from the ground up, if there isn't a good foundation from the outset, the building is doomed to collapse.

Some foundational elements are more important than others (like a level base), but when you have prepped all the necessities and gathered all the tools, you are ready to start building.

The same goes for building a successful customer reference program.

Tools Needed for a Strong Foundation

1 Executive Sponsor

2 Key Stakeholder Buy-In

3 Customer-First Culture

4 Internal Champion

5 Program Definition

In the Toolbox:

Executive Sponsor

Unfortunately, simply saying that a customer reference program is a good idea and that someone should make it happen isn't enough to bring it to life.

Effectiveness necessitates the support and mandate of senior executive management behind your program initiative.

Successful customer reference programs are multi-departmental, meaning they require insight and direct input from several stakeholder groups. Usually sales and marketing are the two main groups that leverage the benefits of a customer reference program the most, but these departments are often infamous for conflicting attitudes. Getting them to work together can be difficult and sometimes is a major roadblock to getting your program off the ground.

The Executive Sponsor should help you do things like:

+ Ensure the program's goals are aligned with the company's overall strategy.

+ Break down departmental obstacles between groups and help create a shared vision of success.

+ Engage departments on an executive level to ensure program goals are understood, respected and can be met.

+ Gather inter-departmental feedback and help you counter any 'push back' received.

+ Help you secure funding and resources for the program.

Having a senior executive who has political influence and authority to straddle these divisions, and who is willing to elevate the program to a corporate initiative is critical. While this sponsor is not someone who oversees the program on a daily basis, or required to be the one ponying up the budget, they do take responsibility and ownership of the program initiative.

Who Should It Be?

It is recommended that this Executive Sponsor be C-level and live in the sales department to encourage program usage and revenue contribution through the selling process, but it can also come from marketing. If possible, going even higher and getting support of the customer reference program directly from the CEO can create a trickle-down effect that has proven very successful for companies launching new programs, or for those just looking for a little extra firepower on an existing program.

In the Toolbox
Stakeholder Buy-In

When starting a reference program from scratch, it is important to work very closely with the key stakeholder departments (sales, marketing, customer success, legal, etc.) and get their buy-in from day one. Think of this as the cement that solidifies the foundation.

In order to get buy-in you must do your homework in each stakeholder department:

+ Understand how references are currently utilized

+ Discover what the current state of the reference program is

+ Clearly define and articulate what the end goal is

How Do I Get Sales to Want to Participate?

All organizations have referenceable customers. However, when a formal reference program doesn't exist, it's very common that referenceable customers are maintained and nurtured by the salesperson that "owns" the relationship with that customer. As such, the tendency is for salespeople to keep these customers for themselves and to monopolize them when closing new deals – putting customers at risk for "reference burnout." Getting salespeople

## Key Customer Reference Program Stakeholders:

+ Sales

+ Sales Operations

+ Marketing

+ Customer Success

+ IT

+ Customer Support

+ Account Management

+ Finance

+ Legal

+ Partner/Channel

to release control of those customer relationships is a big hurdle that all new programs struggle with. Past efforts to share their references may have put a bad taste in their mouth (or their customers'), and a formal process may be viewed in their eyes as complicated or "just another thing they have to do."

However, by providing a clear picture of what the reference program objectives are, how the salesperson benefits, and how the customer will be managed and utilized, you build confidence that the customer relationship will not be torn away from the salesperson but instead will be utilized for the greater good.

Another strategy for obtaining sales buy-in is to show how customer references, when used at the right times and with the right buyers in their sales cycles, can actually help do things that benefit the salesperson, like: shortening their sales cycles, helping them better differentiate/position against the competition, building trust with the buyer, and increasing the likelihood the buyer will pay a higher price point because they will truly understand the value they are getting. All because their peer echoed the salesperson's message and in their own, unscripted words told them you were the right choice.

Did You Know?
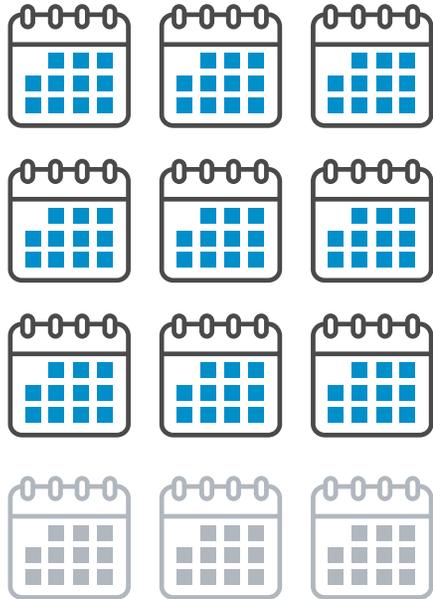
The average B2B sales cycle can take up to **nine (9)** months.

- CSO Insights

19%

Executive buyers consider only 19% of the meetings they have with salespeople to be valuable.

- Forrester

70%

of the B2B buyer's decision has already been madeby the time they contact a vendor.

- SiriusDecisions

In the Toolbox:
Customer-First Culture

Whether your company is large or small, its culture will have a hand in the success of your customer reference program.

It is imperative to have a broader understanding across the entire organization that customers are not "owned" by any one department or person. This sets a foundation of success because it inherently discourages hoarding of customers and encourages the use of customer relationships for the greater good of the whole organization; not just for sales, marketing or the like.

A customer-first culture will also help with plans and strategies for building your reference pool and cultivating customer relationships. As such, when you approach stakeholder groups for names of referenceable customers, or nominations as your program grows, they will be more likely to be onboard in helping you with this critical step in building out your program Evolving to a customer-centric culture may take some time, especially if organizational silos are accustomed to keeping their best customer contacts in their back pockets.

Executive sponsorship, early proof of success and careful reference cultivation will go a long way to support both your advocacy program and a healthy, all-inclusive company focus on the customer in the future. Some early adoption and incentive techniques will be discussed in later areas of this eBook that will support this strategy.

In the Toolbox:

Internal Champion

The role of an internal champion is not to be confused with that of an executive sponsor (although sometimes, they end up being the same person).

While the executive sponsor is responsible for helping you with strategic oversight and some tactical execution, think of an internal champion as more of an advocate or cheerleader for your program who:

+ Advocates your program through various departments

+ Helps you educate others using their personal testimony

+ Gets people excited to use a formal program

Often times, internal champions are the first users of the program and provide proof-points and success stories to their peers, validating the usefulness and need for the reference program. In developing their internal champions, many successful programs have recruited a sales leader to be a part of their planning process. In this way, they not only directly answer any concerns that the sales field has from the get-go, but also build a cheerleader and early adopter into their process.

In the Toolbox:
Program Definition

Like any construction project, you cannot start building until you've seen the plan.

Are you going to use nails or screws? What length are the right cuts? Do you use white or blue paint?

The same can be said when it comes to building the vision of your reference program as well. You need to spend some time defining the vision, benefits and plan for your program. This prep work will ensure you know and can effectively communicate the important high-level details of your program to not only get an executive sponsor on board, but also to answer questions as they arise from stakeholders, customers and more.

Suggested areas to have definition around include:

Elevator Pitch

When someone asks you what a formal customer reference program is and what it consists of – what would you say? This can include some of your vision for the overall program, but is more about its purpose and should be explained in a way that is quickly and easily understood.

Program Goals & Success

How you will determine and measure a successful program? This is often one that people think they can put off until the program gets launched, but you must know it before you begin. If you don't have a way of determining business impact in terms of cost savings to the company and the incremental revenue that formal customer reference management will drive, how will you track progress and prove value?

Value Propositions

What's in it for the customer? What's in it for sales? What's in it for marketing? You must develop and be able to articulate a value proposition to the important groups involved. Your executive sponsor can help you tailor and communicate these.

Customer Reference Definition and Utilization

How do you anticipate managing access to referenceable customers? What types of customers will be included in your program? How will your reference database be populated? These consideration points are decision drivers for resources, budget, workflows and more.

Example Customer Value Proposition:

Our customer reference program offers the opportunity to showcase your unique story, highlighting your accomplishments as a model for industry excellence.

Through telling your story, we can illustrate how your organization values communication and why it is important. As a result, you can also leverage a competitive edge and continue to attract high caliber employees while bolstering internal communications.

+ Benefits of Participation

+ Promote your brand and increase visibility

+ Enjoy a closer relationship with us

+ Demonstrate thought leadership in your industry

+ Gain professional recognition for your achievements

+ Network with others in your industry

Framing Out the Program

Once a strong foundation is set in place, the next step is to frame out the walls, roof and layout according to the design and plans in the master blueprint.

Now that the foundational elements of a customer reference program have been laid out, it's time to start framing out the strategic elements that will become the skeleton of a live program.

Materials Needed for a Strong Foundation

1   Blueprint Plan

2   Current Tools & Processes

3   Reference Database

4   Key Success Metrics

Key Building Material:
Blueprint Plan

Planning is one of the most important functions of customer reference management. Without it, activities involved in your program will become meaningless.

While there is no crystal ball to look into as you go about designing your customer reference program, planning can help you steer adoption of your program in complex organizations and can help mitigate risk of program failure in constantly changing business environments.

Example elements that should be included in your customer reference management plan include:

Resources that will ensure program success
+ Value propositions & program mission statement
+ Personnel/staffing
+ Budget
+ Database tools
+ Stakeholder participation

User adoption plan
+ Promotions
+ User and non-user feedback

Customer reference management workflows
+ Request framework
+ Nomination & recruitment
+ Understanding of how stakeholders touch and leverage references
+ Customer reference activities

Alignment with Sales and Marketing messaging and goals

New programs should develop a roadmap, or playbook for their program. While you are not expected to implement all components of the program at once, you should be able to articulate your plan to users and stakeholders. Keep in mind at this point in the process, your planning will probably still be more strategic than tactical, since you are still putting the pieces together to launch a formal reference program.

As you identify your initial strategy and roadmap plan, make sure it supports your expectations for supporting your plan today (both internally and externally) and that it entails a high-level plan for adjusting those expectations as your program grows.

Key Building Material:
Familiarity of Tools & Processes

As with any project where you have to build something out of practically nothing, you can't start or make any updates to the existing structure until you know what you have to work with.

Thus you need a thorough understanding of the current tools, workflows, processes and people that have been involved in reference activities and reference customer relationships up to now.

Technologies
In order to identify where internal and external customer marketing assets and customer contact records are being stored, you need to understand the technology tools and applications currently being used by key stakeholder groups, such as sales and marketing. That includes determining

which of those tools give you access to customer profiles. Consider compiling a list of platforms currently being used, including:

+ Intranets
+ Sales portals
+ Central drives
+ Sales force automation/CRM platforms
+ Marketing automation tools
+ Customer advisory boards
+ Online customer community groups
+ Beta groups
+ Customer support ticketing systems
+ Financial/Purchasing systems
+ Contract software

Stakeholder Department Processes and Priorities

Schedule meetings (and sit as a fly on the wall if necessary) in every stakeholder department you've identified as key to your program to get a better sense of how the program would impact their department and how it could aid them in being more successful in their daily jobs. Get familiar with the challenges, priorities, strategies, future initiatives, day-to-day workings in each group so you can tailor the program to fit their needs. This also gives you an opportunity to evaluate the way each department would utilize references and the appropriate workflows to support requests from each department.

Current Customer Reference Relationships

Spend some time discovering what fragmented reference program parts already exist within the organization. Is there an existing silo, spreadsheet or database of referenceable customers somewhere, even if it's just a partial one? How does the company currently get leads for reference customers, and where else could you pull them from? Is there a current request process and fulfillment workflow? Knowing what's currently available will help you form your game plan for formalizing any future requirements.

Key Building Material:
Existing Database Audit

Successful customer reference programs live and die by their ability to maintain a broad range of customer types for utilization in reference activities.

That means having a variety of customers willing to do different activities – from taking a call to speaking at your next company event. It also means having a mix of customer characteristics to pick from to ensure the most relevant reference matches possible, such as:

+ Industry vertical

+ Geographic location

+ Company size

+ Product/service purchased

+ Business challenge solved

+ Attributes specifically important to your organization

+ And more

Identifying the Gaps

Mapping desired attributes to existing referenceable customers will help you determine where gaps exist – especially as you align current "reference stock" against what will be needed to achieve any immediate company goals.

Get Direction for Future Recruiting Plans

While you may have the urge to run out and start asking for customers to help fill your reference program gaps, hold on and pause for a second. Don't jump the gun. Remember at this point your formal program has not been completely defined or launched yet, and you haven't even developed a recruiting script yet. Auditing simply gives you a framework for defining your reference recruitment plans and strategy.

Did you know?

Organizations that track revenue influenced by customer references as a key success metric tend to also see higher ROI from their other customer marketing activities as well.

- Demand Metric

Key Building Material:
Metrics

As the saying goes, "measure twice, cut once."

Before you even begin slicing and dicing a formal reference program, you must define the metrics, reports and measurements that will be important for determining program success, value and growth over time.

Why now?

Because you'll need that knowledge for not only securing executive sponsors and stakeholder buy-in, but it will also help you assess if you have the existing resources and tools to capture that data now and in the future as your program grows.

At the beginning of your program, these metrics start with having the right processes in place and gathering a base of customer reference assets to draw on. But as your program evolves, it is essential to measure other areas to ensure proof-points and build a use case to increase your available budget and maintain executive buy-in.

Some important questions to ask as you're looking at metrics:

1 How will you tie customer reference contribution to revenue goals?

2 How will you justify ROI of a formal program?

3 What elements can you track to determine cost savings of a formal reference program?

4 How will you determine and track stakeholder awareness and program adoption over time?

5 What metrics do you need to track to show improvement and program growth?

6 What metrics do you need to track to showcase our own program goals?

Getting it Built

The foundation is set, the framework is up, now is when the real magic can begin.

Here is where the sweat, tears and hard work really get focused. Before you know it, a formal customer reference program takes shape and everything you've worked for pays off.

Materials Needed for a Strong Foundation

1   30-60-90 Day Execution Plan

2   Leveraging a Team to Get it Done

Execute Your Blueprint:
30-60-90 day checklist

The first few months of trying to get a formal customer reference program tenured can be a trying time for both the manager owning the initiative and the stakeholders involved.

One method that can help smooth out the transition period is taking the strategic blueprint and translating it into the development of a tactical 30-60-90 day business plan.

With a 30-60-90 day plan, customer reference managers can determine the steps and level of detail, time and resources needing to be involved in program kickoff, while the other groups involved (like customers and internal departments) can show their understanding of the program's value. Every organization is different and may need to adjust their plan as they go, but best practices outline:

30 Days
The 30-day portion of the plan comprises completion of introductory tasks. This includes becoming familiar with internal operating policies and procedures within different departments, familiarizing yourself with typical asks, challenges and strategic roadmaps of stakeholder groups, and exploring the existing reference processes and databases. This is also the stage where an executive stakeholder and overall vision of the reference program should be established.

60 Days
While the first 30 days of the plan involve general information gathering, the next 30 days are all about deep-dive discovery activities. The 60-day section includes activities like creating internal advisory councils for the program, defining benefits for stakeholder groups, and discovering the reports and program metrics that are most important to executives. It also includes tactical tasks like securing budget for your program, starting to map out and build the initial reference database and evaluating the need for customer reference management technology tools and services.

90 Days

The 90-day section of the plan is highly active. This section is where initiatives like creating launch and marketing plans for your program, demoing reference technology tools, and building a script for formal customer reference recruitment take place.

Beyond 90 Days

While the real exciting things [like actually launching your program to customers and your company] come after the 90 day point, it is crucial to not rush ahead on any previous steps and to actually spend ample time on the planning, strategy and tactical details. It will set you up for success.

Bring it to Life:
Leverage a Team

Rome wasn't built in a day...and it wasn't built by an army of one, either!

To bring your customer reference program to fruition, you're going to need the participation and expertise of your internal team to make it happen – from executive leadership to customer advocates to IT to sales and marketing individuals – the list goes on and on. Don't feel as if you need to take this all on your shoulders by yourself!

You may be the foreman, so to speak, for overseeing the construction of the formal reference program, but don't forget about other resources chalk-full of experience and expertise that reside outside your organization:

+ Your peer network

+ LinkedIn groups

+ Industry events

+ Webinars & articles

+ Consultants

+ Technology & professional service vendors

These invaluable resources will help you breathe life into your program, validate your ideas, share their success stories, direct you to landmines to avoid, point you to best practices, build content for your program, help you troubleshoot problems and more.

Get Ready for the Ribbon Cutting Ceremony

Like any other critical business process, building a world-class customer reference program requires careful thought, planning and organization. But that doesn't mean it's impossible to do or that it takes years to implement.

It took 410 days, 7 million man hours and more than $40 million (equivalent to over $635 million today) to build the Empire State Building in New York City, but it is now known as one of the most iconic skyscrapers around the world.

Your customer reference program can be a similar landmark in your own organization if you put in the work to get it there.

Take this blueprint and the ideas presented here to get started today. Make it a priority to cultivate more relationships and testimony from your existing customers – they are more trusted and valued to your future customer base than any other sales or marketing message you'll promote to them.

As a result, your prospects will choose you over the competition and your business will thrive with continual revenue growth.

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About Upland Software.

Upland Software (Nasdaq: UPLD) is a leading provider of cloud-based Enterprise Work Management software. Our family of applications enables users to manage their projects, professional workforce, and IT investments; automate document-intensive business processes; and effectively engage with their customers, prospects, and community via the web and mobile technologies. With more than 4,000 customers and over 450,000 users around the world, Upland Software solutions help customers run their operations smoothly, adapt to change quickly, and achieve better results every day.

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