CUSTOMER ACQUISITION AND RETENTION
Sales and Marketing Guide
The Customer Acquisition and Retention Campaign Sales and Marketing Guide is one in a series of four, all part of the Microsoft® Small and Mid-Sized Business (SMB) Customer Campaigns, created to help you provide the right technology solution for your customers’ needs. This guide includes a market analysis, customer profile, product information, messaging, and a partner opportunity plan—all designed to help you identify and capitalize on opportunities with your customers.

The three other Microsoft SMB Customer Campaigns are:

- Security and Reliability
- Business Productivity
- Business Solutions
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Microsoft products and technologies continue to revolutionize the way people do business. As a result, there’s a significant opportunity for Microsoft partners—including value-added resellers (VARs), system integrators (SIs), service providers, independent software vendors (ISVs), and Small Business Specialists—to deliver customer relationship management (CRM) solutions incorporating Microsoft products and technologies that help maximize the productivity and competitive advantage of their clients.

The Microsoft SMB Customer Campaigns offer a complete set of software solutions that support a broad range of industries and vertical markets, including financial, telecommunications, manufacturing, hospitality, and professional services such as legal, engineering, and accounting. This guide was developed to provide you with supporting information and clear answers to show you how the Customer Acquisition and Retention Campaign can help you enhance your service portfolio, achieve your sales goals, and positively impact your bottom line.

**Partner Business Opportunities**

Microsoft partners can bring innovative, cost-effective solutions to SMB customers. Key business opportunities include helping to:

- Increase revenue from service offerings (design, deployment, and support services for business management infrastructure)
- Sell more desktop software with ongoing maintenance
- Sell more server software and pave the way for maintenance, managed services, and value-added services
- Host applications and Web services
- Deliver IT training
- Create custom applications

**Why CRM Solutions are Vital for SMBs**

Organizations need an easy and effective way to manage customers from the initial contact through the purchase stage, and thereafter provide post-sale support. The CRM solutions highlighted in the Customer Acquisition and Retention Campaign can help your SMB clients thrive by helping them to:

- Find new customers (and be found by them)
- Manage their sales pipeline better
- Manage customer relationships more effectively and efficiently

Based on familiar and easy-to-use products like the 2007 Microsoft Office system, Microsoft Dynamics™, and Windows Mobile® 6, you can provide your clients with CRM solutions that help deliver great return on investment (ROI), lower training and deployment costs, and improve productivity and mobility.
THE SMB MARKET SEGMENT

As today’s small and mid-sized businesses grow in size and complexity, simple desktop applications no longer provide robust enough tools for effective business management, collaboration, and decision making. SMB customers are not typically moved by lofty, strategic benefits of IT solutions, and they do not have money to waste. They want tangible benefits that will help them increase revenue, reduce costs, and get more work done. Successful technology solutions must deliver all of this value, without adding to the burden that already prevents SMB decision makers from fulfilling their strategic roles.

For smaller and mid-sized organizations, the decision to step up to more robust technology solutions for business raises several key questions:

- Can the solution be quickly and cost-effectively tailored to the needs of my industry and business?
- How much will the solution cost to develop, deploy, and maintain?
- Does my organization need more IT resources to support the business solution?
- Will employees be able to learn and use the solution quickly?
- Who stands behind the solution technology to protect our investment and ensure we are not stuck with an obsolete product in a few years?
- Can the solution easily grow to meet the changing requirements of my business as it expands?

As a Microsoft partner, you have a great opportunity to expand your business by helping your SMB customers grow to meet their changing needs with ongoing solutions and support.

SMB Market Size

Microsoft believes the SMB market is growing rapidly. Many of these organizations have multiple PCs, but less have a LAN and even fewer have a server. This means many of your customers are not using appropriate technology for their size.

<table>
<thead>
<tr>
<th># of PCs</th>
<th># of employees</th>
<th>Average software spend</th>
<th># worldwide entities</th>
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<td>5-25</td>
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<td>50-250</td>
<td>100-500</td>
<td>US$5,986</td>
<td>12 M</td>
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</tbody>
</table>

FIGURE 1: WORLDWIDE SMB REVENUE OPPORTUNITY
For small businesses, moving to a client/server infrastructure with Microsoft server products can help dramatically boost collaboration and productivity. For mid-sized businesses, integrating the network’s servers can help increase speed, connectivity, and reliability. SMBs are investing in consulting services, design and deployment, maintenance and management, security assessments, and software.

Some of the best ways to monetize this market are:

- Consulting services
- Deployment and implementation
- License revenue
- Hosted and managed services
- Ongoing maintenance
- Value-added services

SMB IT Spending and Revenue Opportunities

IT spending has increased in the SMB market as new, cost-effective technologies have become available. Growth has been measured in services, software, and hardware. In order to tap into this huge market, you need to bring forward solutions with unmistakable value to the customer.

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**FIGURE 2: PROJECTED REVENUE GROWTH IN SERVICES, SOFTWARE, AND HARDWARE**

- **Services**: 4.9% Growth
- **Software**: 8.7% Growth
- **Hardware**: 7.3% Growth
Partner Business Opportunities

As a Microsoft partner, you can bring innovative, cost-effective solutions to your small and mid-sized business customers. These business opportunities will help you:

- Increase revenue from service offerings (design, deployment, and support services for business management infrastructure)
- Sell more desktop software with ongoing maintenance
- Sell more server software and pave the way for maintenance, managed services, and value-added services
- Host applications and Web services
- Deliver IT training
- Create custom applications

The SMB Customer Profile

The SMB market is growing faster than the overall market. However, this market is complex because it addresses three very different segments:

- Core Small Business (CSB): 5-25 PCs
- Lower Midmarket (LMM): 25-50 PCs
- Core Midmarket (CMM): 50-250 PCs

SMB customers face a wide array of IT challenges and want to invest in software, hardware, hosted services, and solid IT advice in areas such as:

- Maintaining security
- Keeping staff productive
- Attracting and retaining customers
- Investing in reliable line of business solutions
- Dealing with lack of vendor support
- Getting the most return on their IT purchases
Buying Audience: IT Generalists and Business Decision Makers

Generally speaking, SMBs may have a part-time IT person or one or more generalists who have to handle all aspects of IT—they often have broad familiarity with technologies but may have less specialization. In small companies that lack dedicated IT resources, the business owner assumes the buying responsibility.

Business Decision Makers (BDMs) also play a role in the purchase of software. Typically the BDM is either the business owner or one of the functional heads of a department. BDMs are extremely busy and under pressure to accomplish a lot, typically with fewer bodies to help get everything done. Each day they have to make tradeoffs as to what can be completed, and they look to technology for help.

**DAY IN THE LIFE OF AN SMB DECISION MAKER**

**IT Generalist**
He is a very busy multitasker, setting up new employees, managing server backups, and troubleshooting issues for employees and management. He also manages system upgrades and needs to spend hours in vendor presentations. Between meetings he needs to check e-mail messages to make sure he’s getting to urgent issues on time. His to-do list still includes online research into network security, but he has a hard time getting everything done.

**BDM: Sales Manager**
She lives to close big deals every quarter, and she and her team usually just make it. She worked at one company that spent millions of dollars on a sales force automation system that nobody used, so she is skeptical of technology solutions, but increasingly open to solutions that will help her team be more effective. She is under pressure to hit forecasted numbers, and if she doesn’t, she will be accountable at the monthly board meeting.
Competitive Landscape

The market for software, servers, and IT services among small and mid-sized organizations is diverse. Microsoft server and desktop solutions are widely adopted, while Linux and Apple are used by many. The Microsoft Office system competes with OpenOffice and other free applications, and Microsoft Exchange Server™ competes with free HTTP-based e-mail services. The following chart provides an overview of the major competitors to solutions in the SMB Customer Campaigns, and highlights opportunities to capture market share.

A number of third-party companies offer their own software for various business solutions. To help you compete against them, it's important to understand the key differentiators of Microsoft solutions.

Core solutions based on Microsoft products and technologies offer strong competitive advantages in the following areas:

- **Ease of Use**: SMB employees are already familiar with many Microsoft products, thus helping to reduce training time and see a better return on investment
- **Fit**: Microsoft offers solutions tailored precisely to the needs of SMBs
- **Interoperability**: More third-party solutions are available on the Microsoft platform than on any other, and Microsoft solutions fit easily into existing systems
Advanced solutions based on Microsoft products and technologies can help greatly improve the following capabilities of your customers:

- **Productivity**: Microsoft solutions help businesses evolve with their changing technology needs and enable their employees, vendors, and customers to exchange information and share business insights.
- **Scalability**: Microsoft solutions are scalable, supporting a single desktop or a global organization.
- **Reliability**: Microsoft solutions are time tested and well supported.
- **Compatibility**: Microsoft solutions are designed to work together, enabling a seamless user experience.

How SMB Customer Campaigns Can Help to Positively Impact Your Business

Combined with an efficient sales and delivery process, increased volume from SMB Customer Campaigns can help your business reach or exceed revenue goals. By providing a Microsoft solution that is easy to deploy and manage, you can offer your customers solid, proven technology that delivers measurable results.

Each of the SMB Customer Campaigns highlights specific business scenarios that can help you target your sales efforts to best align with your SMB customers’ IT spending patterns and changing business needs. Each scenario addresses a common customer challenge, outlines a solution that resolves the need, and highlights the ensuing customer benefits. The scenarios will also offer solutions that can scale from addressing small business needs to meeting the increasing demands of growing companies. Use these scenarios as you develop your sales presentations to help bring your customers high value and help increase revenue opportunities.
**MICROSOFT VISION**

**Strategic Direction**

The Microsoft SMB Customer Campaigns strategy is focused on reaching the small and mid-sized business audiences and speaking to their specific technology needs. Employees and owners of SMBs tend to be less specialized than personnel in enterprise organizations. Their attention is divided among many tasks, they may have few or no dedicated IT personnel, and they often have fewer resources to invest in IT.

In order to effectively reach these businesses, the SMB Customer Campaigns focus on four areas of proven concern for SMBs: Security and Reliability, Business Productivity, Customer Acquisition and Retention, and Business Solutions. Each campaign connects specific technology solutions to tangible business challenges, giving you the information you need to help your customers make the right technology investments. The campaigns also contain various solutions that will apply to different customer sizes and sophistication, helping you to customize the IT solution to the needs of the audience.

**Alignment with People_Ready Business Strategy**

The SMB Customer Campaigns work in tandem with the overall Microsoft People_Ready marketing strategy. Microsoft promotes the idea that people, supported by technology, drive business success. Technology succeeds only to the degree that it enhances the creativity, productivity, and connectedness of people. And no businesses are more people-driven than SMBs. Without the budgets to spend on processes and the latest technology, they rely on the creativity and initiative of their people to succeed. Microsoft is committed to designing products and providing solutions for this historically underserved market, not only for the business opportunity this represents for Microsoft and its partners, but also because we believe that SMBs are some of the most exciting and vital businesses in the world.

**Demonstrate the Real Value of the SMB Customer Campaigns**

As part of the focused strategy of the SMB Customer Campaigns, there are general guidelines for approaching each small and mid-sized business customer. Crucial to the approach is to avoid speaking in generalities, instead working to address the customer’s real situation in the here and now.

1) **Qualify prospects carefully to understand key challenges.** When first approaching a prospect, listen carefully and get to know the business environment and market situation before promoting a particular solution. It’s a tenet of good salesmanship, but it’s even more important with customers who have limited time, budget, and attention to give IT. Microsoft has real-world assessment tools at http://www.assessmentframework.com/What-Is-IAF/Pages/Default.aspx available for your
use; these can be a big help in assessing the target environment and getting to the core of customers’ business needs.

**Demonstrate real value.** Do the numbers. Show customers not just how much the solution will cost, but the dollar value they will gain from it. Point them to the Demo Showcase (https://partner.microsoft.com/40029037) for more information.

**Emphasize ease of use and management.** Use demonstrations and labs to show customers how the solution will fit into their employees’ workflow. Create detailed implementation plans that help them understand what the real experience of implementing the solution will be like, and explain that you will guide them through it.

**Sell right-sized solutions that can grow with the customer.** Think about relationships, not just sales. Securing the platform for Microsoft solutions today will help lead to growth opportunities tomorrow.

**Use campaign assets to promote specific business lines.** The Partner Marketing Center (https://partner.microsoft.com/global/40019331) provides extensive resources for you to use in promoting each SMB business line and the associated solutions. Make use of these resources to find and qualify prospects and get them excited about the possibility of Microsoft solutions. These resources are here to help you succeed.

“One of the major reasons I stayed with this career and with Microsoft products is because of the support and resources we receive. Training seminars, Webinars, hands-on labs—we live off the Microsoft knowledge base.”

– Jerry Weller, Owner, AHA Computer Solutions
CAMPAIGN OVERVIEW

Campaign Messaging

The Customer Acquisition and Retention Campaign is designed to help you market and sell new CRM and Web offerings. With widely familiar and easy-to-use products like Microsoft Office Outlook® 2007 with Business Contact Manager and Microsoft Dynamics CRM, Microsoft and its partners are uniquely equipped to help SMBs improve their efficiency and productivity in the areas of sales, marketing, and customer service.

Customer Challenges

As SMBs grow their businesses—adding employees, increasing customers, and expanding their products and services—they need to take a more systematic approach to decision making and operations. The old ways of doing business may need to be bolstered. This is particularly true when it comes to dealing with customers both existing and prospective. Thus, SMBs can turn to CRM solutions to more effectively manage customer interactions, track sales activities, evaluate the performance of sales staff, and perform more targeted advertising and lead generation.

Your customers face various challenges as they select, implement, and deploy the right CRM solutions to fit their needs. Considerations may include the following:

- “The solution needs to fit our business, not the other way around.”
- “New software must not require a lot of time or money for training.”
- “The solution must integrate with and maximize the value of our existing business applications and processes.”
- “New solutions must seamlessly scale to meet our future business needs as the company expands.”
- Funding options can impact the whole business; spending operational budget on a hosted solution may make more sense than realizing a capital expense for on-premise deployment.
- The trade-off between implementation costs and speed of rollout needs to be balanced.
- Remote sales and marketing team members need to be able to connect to the information required to close more deals, whether by mobile devices or the Internet.

Your SMB customers may need to spend time thinking through these general aspects of CRM solutions as they assess their technology options. And, as a trusted advisor, you can help them to do so.

Customer Benefits

Your SMB customers need to improve their marketing and sales execution, make the most of their limited IT resources, and minimize risks and costs. Microsoft offers proven software solutions designed to help reduce management complexity, increase revenue potential, improve customer relationships, and simplify sales operations. With widely familiar and easy-to-use applications, your customers can confidently expand their businesses and reach more customers of their own.
By offering CRM solutions based on the Microsoft platform, you’ll offer your SMB customers valuable bottom-line benefits. You and your customers will also gain peace of mind knowing that Microsoft pledges strong ongoing support and is continually developing new products to help you succeed into the future.

Products and Solutions Involved

Depending on the size or IT sophistication of your customers, a different set of solution components may fit their needs. Customers who are expanding their businesses may also be good opportunities for up-selling to more advanced products and technologies, or for up-selling key infrastructure components, such as moving from Windows® Small Business Server (SBS) 2003 R2 to Windows Server® 2008.

The products in the core solution are ideal for companies with fewer than 50 employees, or those with less sophisticated IT needs. Office Outlook 2007 with Business Contact Manager provides an easy-to-use customer management solution in a familiar interface.

The products in the advanced solution are appropriate for both large and small organizations, particularly those with more sophisticated IT needs. Microsoft Dynamics CRM extends robust sales pipeline management, performance tracking, and customer relationship tools that scale with a growing organization. When used in conjunction with Windows SBS 2003 R2, the customer data becomes available to more employees, like a mobile sales force with handheld devices powered by Windows Mobile 6.

Also, for partners offering Web site design, you can use Microsoft Expression® design software and Microsoft Silverlight™ browser plug-ins to develop a rich Web experience for your SMB customers’ online presence. Offering hosted CRM solutions is another key way to help your customers move from smaller-scale solutions based on the Office system to a more comprehensive solution built on Microsoft Dynamics CRM.

Business Scenarios

Microsoft has identified three key scenarios that identify the goals and needs which motivate SMBs to consider CRM solutions. Below are the Microsoft products that deliver benefits for each scenario.

1) Find New Customers (and Help Them Find You)
   • Run targeted marketing campaigns quickly and easily. Filter customer and prospect data to compile targeted lists for electronic or direct mail, track responses to mailings, and automatically record all customer communications using Outlook 2007 with Business Contact Manager.

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• Drive traffic to your Web site with search engine marketing and e-mail campaigns. Create, manage, and optimize search marketing campaigns to targeted buyers on the MSN® and Windows Live™ networks using Microsoft adCenter and Outlook 2007 with Business Contact Manager.

2) Manage Your Sales Pipeline Better
• Quickly view customer status and interactions with a dashboard. Provide a clear view into the sales pipeline for executive management or sales representatives. Track new activities, increase forecast accuracy and visibility, and use this information to coach sales representatives for optimal performance.

• Use a single tool to keep track of your sales leads and opportunities as they mature into deals. Monitor opportunities from initial contact to closing the sale and view a summary of all opportunities by type, sales stage, and probability of closing using Outlook 2007 with Business Contact Manager.

• Connect sales professionals with timely information when they’re on the road. Keep mobile sales teams connected with direct push e-mail and over-the-air updates of calendars, contacts, and task lists using Windows Mobile 6 powered devices and Windows SBS 2003 R2 or Windows Server 2008.

3) Manage Customer Relationships More Efficiently and Effectively
• Organize customer information in one place. Outlook 2007 with Business Contact Manager helps you to centralize customer information, including e-mail, phone calls, appointments, notes, and documents. Easily share customer and prospect data across the company with secure multiuser access.

• Obtain strategic insights into your customer relationships. Flexible reporting in Microsoft Dynamics CRM helps enable managers to see how the business is doing, and easily transfer data into Microsoft Office Excel® for analysis. Plus, Microsoft Dynamics CRM enables fast data searches across large volumes of customer data that help users find the information they need.

• Drive customer satisfaction with fast, accurate information. Use the search and organize features in Windows Vista® to help find customer, product, and project data anywhere on the computer. Then share information and collaborate with colleagues using Outlook 2007 with Business Contact Manager. Use Windows SBS 2003 R2 or Windows Server 2008 to generate rapid responses to customer inquiries.

“...The setup and technology [of Microsoft adCenter] are fabulous. I especially liked the ability to manage ads on a geographical or time basis—those are good features.”

~ Abid Nasim, President, General Soft, Inc.
Competitive Product Positioning

Competition in the SMB market is high. There are a number of competitive products to the CRM solutions in the Customer Acquisition and Retention campaign as summarized in the table below.

<table>
<thead>
<tr>
<th>Competitor</th>
<th>Products</th>
<th>Microsoft Solution</th>
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<tbody>
<tr>
<td>Salesforce.com</td>
<td>Sales Force Automation</td>
<td>Microsoft Dynamics CRM</td>
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<td></td>
<td>Marketing Automation</td>
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<td>Goldmine Standard</td>
<td>Microsoft Office Outlook 2007 with Business Contact Manager</td>
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<td>Goldmine Corporate</td>
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<td>Goldmine Premium</td>
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<tr>
<td>Sage Software</td>
<td>ACT! by Sage</td>
<td>Microsoft Office Outlook 2007 with Business Contact Manager</td>
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<td>Sage CRM (formerly SalesLogix)</td>
<td>Microsoft Dynamics CRM</td>
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<td>Yahoo!</td>
<td>Yahoo! Small Business offerings</td>
<td>Microsoft Office Live</td>
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<tr>
<td>Adobe</td>
<td>Macromedia Flash</td>
<td>Microsoft Silverlight</td>
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<tr>
<td></td>
<td>Adobe design suite (Photoshop, Illustrator)</td>
<td>Microsoft Expression Studio</td>
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</table>

FIGURE 6: COMPETITORS AT A GLANCE
Basic contact management or CRM software competitors:

- **ACT!** by Sage Software has a large installed base in the small business segment.
- **Goldmine**, a part of FrontRange Solutions, has a midmarket installed base and niche, point CRM solution.
- **Sage CRM** (formerly, SalesLogix) has a midmarket installed base and integration with Sage accounting and other server applications.
- **Salesforce.com** is a leader in hosted CRM applications. The company’s basic dashboards and low initial purchase price—as little as US$65 a month for full-featured CRM—make it a popular choice for SMBs.

Online marketing and Web development competitors:

- **Macromedia Flash** by Adobe is an accepted standard for high-impact Web content, including design, animation, and application user interfaces that can be deployed across all browsers and platforms for a rich Web experience.
- **Google AdSense** matches ads to a company’s Web site content and offers revenue when visitors click on site ads. Google AdWords helps SMBs attract customers through site ads that allow visitors to make a purchase or learn more about the business. Google can also help SMBs create a free Web page.
- **Yahoo! Small Business** has a full suite of offerings to quickly and easily help businesses grow with online marketing tools, including Web hosting, search, e-commerce, domain hosting, business e-mail, marketing, and Web Advantage.

“Designed for non-profit organizations and built on top of Microsoft Dynamics CRM, our solution dramatically improves our customers’ ability to drive greater results out of their customers’ touch points.”

– Peter Natale, VP, Compass Technologies
THE SALES CYCLE

The sales cycle is a series of customer-focused steps that enables businesses to increase close rates, enhance customer retention, and increase revenue production. Each step consists of several key activities and has a predictable, measurable outcome.

Identifying the Market Opportunity

The CRM market is increasingly important to the SMB segment. To compete with larger enterprises, they are targeting their investments on enhancing relationships with their customers. Many SMBs in the U.S. think it is time to overhaul their simple contact management software or homegrown sales management tools (built, for example, using Office Excel spreadsheets or Microsoft Office Access™ database). SMBs are particularly interested in purchasing contact management, call center automation, e-mail management, sales force automation, and other specific solutions that will evolve to integrate with each other. At the same time on-demand or “Software as a Service” (SaaS)-driven CRM solutions also have the potential to help deliver significant returns. Easier and less-expensive high-speed Internet access, coupled with growing awareness and availability of products, will continue to fuel the growth of SaaS as it relates to CRM.

In addition to SaaS, Microsoft is developing a Software-Plus-Services model that blends locally installed, full-package software with Internet-delivered or hosted applications. This will allow organizations’ on-premise software investments to be augmented with compo-
nents, add-on technologies, and complete applications—hosted by you or Microsoft. As a result, you can help business customers enhance their user experience, add role-based functionality on demand, and cut software acquisition and support costs.

More customers moving to Windows SBS 2003 R2 means more opportunities for partners with infrastructure know-how to introduce Microsoft Dynamics CRM, which is made easier by the seamless integration between the two products.

Creating Awareness and Demand

The Customer Acquisition and Retention Campaign offers several opportunities for you to create SMB awareness of CRM solutions. Take advantage by:

- Listing your company in the Solution Finder (http://www.partner.microsoft.com/global/40020720) so that customer interest generated by the Microsoft Small Business Center (http://www.microsoft.com/smallbusiness) and Microsoft Midsize Business Center (http://www.microsoft.com/midsizebusiness) will translate into new leads for you
- Using marketing materials provided for partners to market and sell CRM solutions or services
- Training on Microsoft Dynamics CRM

Identifying Prospects

You can identify and segment prospects by industries, such as manufacturing, financial services, and public sector, or based on business size: Core Small Business, Lower Midmarket, or Core Midmarket. These three segments are very different in the way they use IT and what they expect from it.

Qualifying Prospects

As businesses expand, maintaining an increasing number of customers can become cumbersome. The right technology solution can help nearly any business more effectively and efficiently acquire new customers while keeping current customers happy.

Excellent prospects for this campaign’s core and advanced solutions include SMBs that:

- Need to track and easily retrieve data about customers
- Have multiple people or teams involved in sales, marketing, and customer service functions
- Want to automate sales, marketing, and customer service processes
- Need to track the results of marketing or sales efforts
- Want to lower training costs while increasing productivity and mobility

Questions to Ask Customers and Prospects

With such a large market opportunity, it’s important to ask and answer a few basic questions about a prospect before approaching a sale.

- Does your marketing team have the ability to adjust marketing campaigns to deliver better results based on analysis of real-time data?
- Are you able to quickly transfer new leads un-
covered by marketing campaigns into the sales pipeline for timely follow up?
- Can you predict the potential profitability of each prospect, so that your sales resources are directed accordingly?
- Can your sales professionals manage the sales pipeline and close profitable deals regardless of whether they are in the office or on the road?
- Can you collaborate in real time on the same sales opportunity across multiple teams, departments, or offices?
- Do your customer-facing individuals and teams have timely access to customer information so they can identify, collaborate, and resolve critical customer issues?
- Have you tried to leverage the Web more effectively with search engine marketing in order to make your business stand out?
- Is your Web site set up so that your customers can serve themselves 24/7?

Microsoft partners often utilize assessment tools to tailor their questions and understand the specific needs of their customers. The Web-based Microsoft Business and Technology Assessment Toolkit can be a valuable ally in helping you sell CRM solutions to your customers and prospects. This toolkit helps you discover the technology needs of SMB customers. It includes an extensive list of questions developed from real-world partner experience and a range of templates to jump-

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<tbody>
<tr>
<td><strong>What we know about them</strong></td>
<td><strong>Key Requirements</strong></td>
<td><strong>Knowledge Gaps</strong></td>
</tr>
<tr>
<td>5-25 PCs</td>
<td>25-50 PCs</td>
<td>50-250 PCs</td>
</tr>
<tr>
<td>Most utilize a DIY for IT needs</td>
<td>Cost-effective IT system crucial</td>
<td>IT is strategic part of business</td>
</tr>
<tr>
<td>Lack of formal decision making process or formal IT budget</td>
<td>IT Pro usually generalist</td>
<td>Ranges from small IT teams to larger IT departments</td>
</tr>
<tr>
<td>Decisions made by owner/manager acting as DIY IT Pro</td>
<td>Lack of formal IT budget</td>
<td>Rely heavily on partners</td>
</tr>
<tr>
<td>Limited Linux use</td>
<td>Rely heavily on partners</td>
<td>Pragmatic in their IT spend, motivated by practicality</td>
</tr>
<tr>
<td>Prefer to purchase through resellers</td>
<td>Pragmatic in their IT spend, motivated by practicality</td>
<td></td>
</tr>
<tr>
<td><strong>Decision Making</strong></td>
<td><strong>Knowledge Gaps</strong></td>
<td><strong>Core Midmarket 50-250 PCs</strong></td>
</tr>
<tr>
<td>As IT is not a core role, need solutions which require minimal customizations maintenance, and training</td>
<td>How different people influence technology decisions: BDM to IT Pro relationships</td>
<td></td>
</tr>
<tr>
<td>IT system and software that enables success</td>
<td>Managing today but thinking and planning for the future</td>
<td></td>
</tr>
<tr>
<td>Minimizing down-time</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A stable infrastructure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Varies: In some, IT Pro or team go to management with recommendations; in larger companies management tells IT what they want and task them with development of IT plan</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**FIGURE 8: SEGMENTING SMB PROSPECTS**
start the assessment process—or create your own. This essential tool will help you discover opportunities and prove business value, resulting in larger sales that close faster and provide increased customer satisfaction. Learn more at https://partner.microsoft.com/global/40029617

The Sales Conversation

When communicating with your SMB customers, address their needs in a no-nonsense manner while stressing the immediate benefits of implementing a CRM solution.

To get the most value from a sales discussion, follow these steps to maximize customer interest and identify cross-selling and up-selling opportunities:

• Emphasize the value of CRM. For example: “We can help you stay connected to customers and prospects, so you can see how well your sales and marketing teams are doing anywhere, anytime. Save time and money, and compete more effectively in the marketplace. Our CRM and Web solutions are easy to deploy and manage, so you can utilize data in the most effective ways possible.”

• Drill into one product area, depending on customer needs. Here are a few examples:
  - If a small company wants to more effectively manage customer interactions and the creation of marketing materials, discuss the benefits the Microsoft Office Professional Plus 2007, which includes Office Publisher and Office Outlook with Business Contact Manager.
  - For customers primarily interested in expanding their business, say, by adding regional sales and customer support personnel, emphasize the adaptability and scalability of Microsoft Dynamics CRM.
  - Use cross-sell lead-ins to continue conversations around other campaign solutions and products. Here are a few examples:
    - For customers interested in extending mobility solutions to their sales teams, discuss the benefits of using Exchange Server 2007 with Windows Mobile 6 powered devices.
    - For customers expressing a concern about security of data, discuss how Windows Vista Enterprise provides BitLocker™ Drive Encryption, which can help prevent data loss or theft for workers with business-critical data on portable devices.
  • Close the sale by providing a licensing solution that provides the best value for the money, including hosting and financing options.

For examples on how to discuss solutions and benefits, as well as how to handle customer objections, see the Customer Acquisition and Retention Telesales Script.
Creating the Offer

Use the campaign resources in the following table when creating offers to present to your customers. For more details on planning a successful campaign and building compelling offers, see the Campaigns and Offers page on the MSPP portal.

Sales Offers and Promotions

<table>
<thead>
<tr>
<th>Offer/Promotion</th>
<th>Description</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evaluate Windows SBS 2003 R2</td>
<td>Order the 180-day trial software and you'll automatically receive valuable resources delivered at strategic intervals throughout the software evaluation period.</td>
<td>Available now</td>
</tr>
<tr>
<td>Microsoft Office Small Business 2007 Trial</td>
<td>Download a complimentary 60-day trial Microsoft Office Small Business 2007 and try out Microsoft Office Outlook 2007 with Business Contact Manager.</td>
<td>60-day complimentary trial</td>
</tr>
<tr>
<td>Microsoft Financings SmartPay Program</td>
<td>Customers can get financing for the entire purchase (i.e., software, hardware &amp; services) and choose the monthly payment that fits their budget.</td>
<td>Offer ends June 30, 2008</td>
</tr>
<tr>
<td>Office Live Basic</td>
<td>Complimentary e-mail accounts and professional Web site</td>
<td>Available now</td>
</tr>
<tr>
<td>Help Drive Your Business with Microsoft adCenter</td>
<td>• Use adCenter to drive new customers for your business with a US$150 credit for free* clicks and free support to set up your first campaign (U.S., U.K., France, Canada only)</td>
<td>Available now</td>
</tr>
<tr>
<td></td>
<td>• Pilot offer for Microsoft partners: Offer your customers an adCenter trial with US$75 in free* clicks and get paid $100 per customer that spends $50 of their coupon within 90 days of creating a new account (U.S. only)</td>
<td></td>
</tr>
</tbody>
</table>

FIGURE 8: SALES OFFERS AND PROMOTIONS
Licensing and Financing

Microsoft offers a variety of attractive licensing and financing options to best meet the needs of your customers. Licensing, financing, and availability of Customer Acquisition and Retention components are as follows:

<table>
<thead>
<tr>
<th>Solution</th>
<th>Licensing</th>
<th>Availability</th>
<th>Microsoft Financing Options and Licensing Promotions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Solution</td>
<td>FPP</td>
<td>Office Professional Plus 2007 or Office Small Business 2007 from retailer, distributor, or VAR From Microsoft or partners</td>
<td>Microsoft Financing provides financing for software, services and hardware purchased by customer through partners. Also, SmartPay (for 1st 12 months, pay $50 to $1500 per month) is available.</td>
</tr>
<tr>
<td></td>
<td>OEM</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Open Value</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advanced Solution</td>
<td>Volume Licensing Programs:</td>
<td>Microsoft Dynamics CRM “On Premise”:</td>
<td>Microsoft Financing provides financing for software, services and hardware purchased by customer through partners. Also, SmartPay (for 1st 12 months, pay $50 to $1500 per month) is available.</td>
</tr>
<tr>
<td></td>
<td>• Open or Open Value</td>
<td>• Microsoft Dynamics CRM Workgroup Edition (10 users)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Select</td>
<td>• Microsoft Dynamics CRM Professional Edition (1 to 1)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Enterprise Agreement</td>
<td>• Microsoft Dynamics CRM Enterprise Edition (1 to many)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dynamic Price Lists (DPL)*:</td>
<td>Hosting Partner</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Business-ready Licensing</td>
<td>• Microsoft Dynamics CRM Service Provider Edition</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Modular-based Licensing</td>
<td>Microsoft Dynamics Live CRM:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ISV Royalty Service Provider Agreement (SPLA)</td>
<td>• Professional Edition</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Microsoft Dynamics CRM Pro only)</td>
<td>• Enterprise Edition</td>
<td></td>
</tr>
<tr>
<td></td>
<td>* Must already have or purchase Dynamics ERP product(s)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Learn more about how Microsoft Financing can provide your customers with help in financing their entire purchase of software, hardware, and services at https://www.microsoftfinancing.com.

Learn more about the beneficial licensing options for Microsoft Dynamics at http://www.microsoft.com/dynamics/amplitup.
CALL TO ACTION

Take advantage of the many opportunities and resources provided by the Customer Acquisition and Retention Campaign:

Increase your revenue

• List your company’s CRM solutions in the MSPP Solution Finder so that customer interest generated by the Microsoft Small Business Center and Microsoft Midsize Business Center will translate into new leads for you
• Use the 2007 Microsoft Licensing Reseller Handbook to understand the licensing options you can offer your customers to help drive revenue through licensing at https://partner.microsoft.com/global/40017359?PS=3
• VARs and SIs: Try Microsoft Dynamics CRM, to manage your customer service, sales, and marketing activities. Then, based on your own experience, you’ll be better able to promote it to your LMM and CMM customers.
• Microsoft Dynamics partners: leverage your existing footprint to add a CRM solution to your customer’s existing Microsoft Dynamics ERP solution. Get certified as a Dynamics partner and use the marketing resources at PartnerSource at http://www.microsoft.com/dynamics/partnersource.mspx
• Small Business Specialists: Try Outlook 2007 with Business Contact Manager, to manage your customer service, sales, and marketing activities. Then, based on your own experience, you’ll be better able to promote it to your CSB and LMM customers.
• Web designers and developers: Order your trial versions of the Expression Studio and the Microsoft Web Experience Stack at https://partner.microsoft.com/websolutions

Reach more customers

• Use the Microsoft Business and Technology Assessment Toolkit to assess the server, desktop, and security needs of your SMB customers and enable broader conversations around customer relationship management at https://partner.microsoft.com/global/40029617
• Use the Infrastructure Assessment Framework to help drive longer-term technology implementations for your customers at https://partner.microsoft.com/global/40029111
• Create a profile on the MSPP Solution Profiler to help increase the visibility of your solution to new customer segments at https://partner.microsoft.com/global/40020720
• Become a Small Business Specialist partner and gain access to specialized marketing resources at https://partner.microsoft.com/global/40018184
• Use the Customer Satisfaction Index (CSAT) to keep tabs on how satisfied your customers are at https://partner.microsoft.com/global/40017359
• Find out more about how Microsoft adCenter can help your customers find new customers and how you can drive incremental revenue for your business

Get more out of your relationship with Microsoft

• Use the MSPP Partner Channel Builder to extend your market reach to the worldwide Microsoft partner community. Then, create new partnerships, locate specific opportunities, and collaborate with others whose offerings complement your own.
• Obtain the Microsoft Certified Business Management Specialist or Microsoft Certified Business Management Professional certification.
• Get trained to sell Microsoft products to complement your software solutions and services at https://partner.microsoft.com/global/40015789?PS=95000014
RESOURCES

Many resources are available to help you best prepare to sell solutions to your customers. From training to product documentation, campaign preparation to customer success stories, these resources can help you build successful, long-term customer relationships.

Customer Acquisition and Retention Campaign

This campaign provides many resources to help you build and sell CRM solutions and services. Visit partner.microsoft.com or the sites below to learn how you can further leverage Microsoft resources for your solutions.

General

Campaigns Site: https://partner.microsoft.com/partnermarketingcenter
Microsoft Partner Business Performance Research (IPED and IDC Reports):
https://partner.microsoft.com/global/40042846

Technical

Microsoft Dynamics CRM Partner Site: http://www.microsoft.com/dynamics/ampitup
Microsoft Dynamics CRM Product Site: http://www.microsoft.com/dynamics/crm/
Microsoft Office for Small Business Product Site:
Microsoft Office Outlook 2007 with Business Contact Manager Product Site:
Microsoft Web Solutions Partner Site: https://partner.microsoft.com/websolutions
Microsoft Expression Product Site: http://www.microsoft.com/Expression
Microsoft Silverlight Product Site: http://www.silverlight.net
Microsoft Dynamics CRM 3.0 white papers: http://www.microsoft.com/dynamics/crm/using/whitepapers/
Sales articles: http://www.microsoft.com/dynamics/crm/using/sales/articles.mspx
Microsoft Business Solutions Competency: https://partner.microsoft.com/global/40011957
Information Worker Solutions Competency: https://partner.microsoft.com/global/40011956
Evidence

Case studies on Microsoft.com: http://www.microsoft.com/casestudies/

Stories about 18 diverse organizations using Microsoft Dynamics CRM 3.0: https://partner.microsoft.com/global/40026186

SMB Customer Campaigns

General

Get a head start on upcoming marketing strategies with the 2007-08 Partner Marketing Campaign Planner: https://partner.microsoft.com/global/salesmarketing/createdemand/40043626

Attract prospects, increase revenue potential, and align your marketing efforts by customizing the campaigns in the Partner Marketing Center. There, you’ll find more information on the SMB customer campaigns: https://partner.microsoft.com/global/40019331.

Technical

Windows Partner Site: https://partner.microsoft.com/global/40013190
Windows SBS 2003 R2 Partner Site: https://partner.microsoft.com/global/40016343
Windows Server Partner Site: https://partner.microsoft.com/global/40014815
Microsoft Office System Partner Site: https://partner.microsoft.com/global/productssolutions/officesystem
Information Worker Solutions Competency: https://partner.microsoft.com/global/40011956
Licensing Solutions Competency: https://partner.microsoft.com/global/40023305
Small Business Specialist: https://partner.microsoft.com/global/40018184
What are the SMB Customer Campaigns?

The SMB market segment comprises roughly 14 million potential business customers worldwide, ranging in size from 5 to 250 PCs, and typically supported through large unmanaged partners. In order to effectively and successfully address this market, four customer campaigns have been developed to focus on the needs of the SMB segment: 1) Security and Reliability, 2) Business Productivity, 3) Customer Acquisition and Retention, and 4) Business Solutions.

What’s the financial or business opportunity for me as a partner?

As new and cost-effective technologies become available, increased IT spending in the SMB sector has contributed to an expanding market. Small and mid-sized companies need long-term partners to help them grow and thrive in their industry. Opportunities for ongoing partnerships include design, deployment and support services, hosting, training, and custom application development.

What are the key benefits for customers?

As small and mid-sized businesses grow, they must adapt to expansion while staying competitive. Desktop productivity tools can help improve individual effectiveness and efficiency, and refined security tools and processes can help keep information protected. IT sales tools can aggregate data and help SMBs better manage sales pipelines and improve marketing campaigns.

Who are the target audiences for these campaigns?

The target audiences are small and mid-sized business IT generalists, business owners, and key decision makers:

- IT generalists are very busy multitaskers with a wide range of technical responsibilities. They care about technology specifics and whether the solution is of good value, is easy to implement, and will not take a lot of time to support.
- Business owners prioritize saving time and improving the security of their technology and information. They are budget-conscious and want to understand the value of each purchase, in addition to seeing a fast return on investment.
- Decision makers are focused on business needs rather than new technology. They want to know how the solutions can specifically help their employees and their departments to increase productivity and reduce costs.

What are the first steps to leveraging the SMB Customer Campaigns to drive sales?

To begin leveraging the SMB Customer Campaigns, you should first review this Sales and Marketing Guide and then learn about available offers to help drive customers through the purchase life cycle more quickly. You can also drive revenue through licensing. See the Licensing Reseller Handbook and the MSPP portal to understand the licensing options available to your customers.
CONCLUSION

There’s an enormous opportunity for partners to grow revenue while building long-term relationships with SMB customers. These small and mid-sized businesses are looking to make the most of their often limited IT resources to support and improve marketing, sales, and customer service activities without taking IT risks.

Solutions to Address Key Customer Needs

Small and mid-sized business customers are often challenged to stay productive, secure, efficient, and successful while adapting to new technologies and processes, keeping an eye on competitors, and making the best decisions for their organizations. Microsoft products and platforms provide you with opportunities to quickly build, deploy, maintain, and extend valuable solutions that help your customers maximize business opportunities.

Benefits to Your Customers:

• Achieve improved individual effectiveness and efficiency with desktop productivity tools.
• Gain simplified IT management and reduced infrastructure cost and complexity.
• Know that company information will be well protected by tools, processes, and technology.
• Promote their company more effectively to attract and be found by new customers by using IT solutions that leverage the power and reach of the Web.
• Track and manage their sales pipeline better with data on all opportunities aggregated into a single IT sales tool.

• Deliver outstanding service with IT solutions that empower employees to more effectively identify and resolve customer issues through timely access to customer information.
• Use Web sites more efficiently, so that customers can serve themselves 24/7, reducing costs for service requests.
• Improve business performance with tools that connect all of the teams in the organization.
• Find better business choice and value with a solution that meets their unique business needs, providing user-friendly business applications and ongoing support and training.
• Build (or buy) custom, connected, and adaptable systems solutions that create streamlined workflows and help save time and money.

Benefits to You:

• Help build long-term revenue streams by offering services such as design, deployment, and support for business management infrastructure.
• Help sell more desktop and server software with ongoing maintenance income.
• Increase opportunities for building and hosting custom applications and Web services.
• Participate in training to increase IT competencies.

Take advantage of this incredible opportunity to help reach a potentially lucrative market of small and mid-sized companies that need a long-term partner to help them grow and thrive in their businesses. Let Microsoft partner with you for success!