

State of the Profession 2006: A Report on Best Practices in Three Key Areas of Reference Management

Developed by the Small Group Sessions
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A Customer Reference Forum Report

Following are Best Practice recommendations developed in small group sessions by some 100 customer reference professionals. Participants represented many of the top reference programs in the world, such as Hewlett-Packard, SAP, Intel, Citrix Systems, EMC, Microsoft, Oracle, Network Appliance and dozens of other great firms.

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If you're struggling with any of the following issues, this report will provide valuable insights and suggestions from top reference pros:

- Measuring the value of a customer reference program
- Building executive support for a customer reference program
- Recruiting customers into customer reference programs

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Introduction

During the second day of the Spring 2006 Customer Reference Forum, some 100 reference professionals from many of the top programs in the world worked to develop best practices on three critical issues. A pre-event survey had identified these three topics as the most important concerns for reference programs today:

- Measuring the value of a customer reference program
- Building executive support for a customer reference program
- Recruiting customers into customer reference programs

The goal of the session was to identify best practices in each area. To discuss the issues, participants split into nine groups. Forum organizers had pre-assigned membership of these roundtables for a high level of diversity of companies and interests. Each group had a facilitator, who promoted lively discussion and ensured that relevant findings were recorded. The groups spent ninety minutes on the three issues, and then each of them delegated one or more presenters to report their findings to all participants. Agreement between the nine presenters was substantial.

This report summarizes the discussions and lists best practices presented to the meeting. Event sponsor [Washburn Communication](#) wrote it based on the notes of each roundtable group, transcripts, and individual notes from participants.



Conference participants brainstorm solutions to critical issues in reference management.

Measuring the Value of a Customer Reference Program

To receive sufficient budgets and resources, reference program managers must demonstrate that their programs contribute value to the business. Some program managers use sophisticated software tools to track how customers turn into references, how the references are used in the sales process, and what the results are. However, as several participants pointed out, even a program manager working with basic reporting tools will have the information and relationships that are critical in demonstrating the value of a reference program.

One thing that is critical in determining what you're going to measure is to determine the audience. Always select metrics that speak to the right audience.

**Steven Nicks,
Phelon Group**

Defining Value

“Value” may mean different things to different stakeholders. For most reference program managers, the most important internal audiences include executives, sales, marketing, and the teams within the sales and marketing departments. While sales and marketing are the most likely users of customer references, groups within those departments may have different reference needs and strong ideas on what they want customer references to accomplish and how they expect to use them.

In marketing, for example, such groups as channel marketing, product marketing, and corporate marketing can have distinct reference requirements, which will likely differ from the needs of sales and account managers. Several presenters and participants mentioned that they make it a point to consider their diverse stakeholder groups each time they plan any program activities.

Especially with newer reference programs, not every potential beneficiary may understand the value of the reference program. You may need to meet with stakeholders, discuss the opportunities of the reference program with them, and find ways to prove that the program delivers value. Reference managers should strive to create productive, value-focused relationships with stakeholders that come to the company from another organization that didn't have a reference program or in which the program did not meet stakeholders' needs.

Participants noted that companies using Net Promoter Score should establish a Net Promoter scoring system for the reference program. Using the Net Promoter Score in evaluating a customer reference

program enables reporting at a strategic level. Companies that have adopted Net Promoter Score also may find it easier to run a successful reference program because they are likely to already have a good understanding of who their most valuable customers are.

Conference participants identified two general approaches to demonstrating the value of a reference program: qualitative proof points and quantitative metrics.

A Qualitative Approach to Value

Several presenters pointed out that, in running and evaluating a customer reference program, program managers and their stakeholders may be inclined to adopt a strictly quantitative approach. However, a reference program can deliver value in ways that may be hard to measure quantitatively, but that may nonetheless be tangible proof points. For