

SPRING OPEN THE FILES

Information destruction firms can take several steps to market a separate records management business.

Many document destruction companies are expanding their operations to include records storage and information management. These companies are discovering the significant synergies between their current operations and the commercial records management business.

One of the most compelling reasons for a document destruction company to start a records management operation is the company's established customer base of ideal candidates for records storage. In reality, document shredding companies are already satisfying one important aspect of their clients' records management needs. If a destruction company has a content customer base, their customers will likely favorably consider the destruction company for additional records management needs. Likewise, document destruction companies are attracted to the very stable and ever-growing income streams created by records management.

This article discusses the key elements of developing and implementing a successful sales program for an information management business. Many of the concepts covered in this article are also applicable to marketing any service business, including destruction services.

As president of DHS Worldwide Software Co., I have been working with all types and sizes of commercial and corporate record centers for more than a decade. During this time, I have visited and consulted with hundreds of record center operators throughout the world.

As in any business, marketing is one of the most important aspects of building a successful records management enterprise.

In order to successfully promote a records management company, you must actively market the business. It is unlikely that you will quickly realize any significant growth waiting for potential clients to call you from an advertisement in the Yellow Pages section of a telephone directory.

This article will cover 10 important elements of a successful



sales campaign. Applying these principles may help you successfully grow your business at an accelerated rate.

MARKET KNOWLEDGE

You should know what the competition is offering and at what price. The best way to accomplish this goal is to survey the market in a professional manner. Consultants can help you with this and related tasks.

In my opinion, in order to maintain the best possible profit margins, you should try to differentiate yourself by offering services and programs not offered by the competition. You also need to understand the types of businesses that are prevalent in your market. In deciding what market segments to pursue, take practical considerations into account. For instance, media management is a very profitable market segment, but it requires a comprehensive understanding of computer backup procedures. Hospitals will likely want

ally operated organization that is based on high technology solutions capable of electronically tracking all aspects of the records management process. Imagine how this compares to a company that has stored hundreds or thousands of boxes of files in a self-storage facility or an unattended file room.

IDENTIFY PROSPECTS

We have previously discussed the need to understand the records management business and the importance of determining the services you will offer.

Now, you must identify your prospects and the type of businesses that are likely candidates for your services. You may wish to concentrate on particular vertical markets, such as attorneys, hospitals, mortgage companies, banks, etc. Once you have determined the types of business you wish to target, you should locate appropriate lists of prospects. For example, you can find business lists free on the Internet by SIC (standard indus-

directories may be a source of leads, in most cases, anyone who finds your company in a telephone book will contact other vendors listed in the directory.

I have been told by many commercial record center operators that signage on their vehicles is one of the best sources for leads. This is especially true in large metropolitan areas. Other companies choose not to put any signage on their vehicles, believing confidentiality is important. They use confidentiality as a selling tool.

Frankly, I would put signage on my vehicles. In most cases, the sales leads you generate from the signage are going to be significantly more important than any marketing benefit you may receive from selling the concept of confidentiality. One exception might be media management. Vault customers are more sensitive to confidentiality issues.

Signage should be concise, indicate the services you offer, and provide a telephone number and your Web site address. Depending on your location, signage on the facility can also be a source of leads, but, again, some operators argue that signage is inappropriate in light of confidentiality concerns.

Some record management companies have reported modest success with targeted direct mailing campaigns and print advertising.

Most experts will tell you that print advertising is generally used to build a company's market image. A localized commercial record center, however, likely will not have a large enough advertising budget to build significant name recognition in its metropolitan area.

But if you are going to advertise in periodicals, I recommend targeting the newsletters of local trade associations, such as ARMA (the association for professional records managers).

One commercial record center operator told me he had a moderate level of success advertising on AM radio, but I do not believe this is the best use of your marketing dollars.

TELEMARKET

One of the most important and effective methods of marketing records management is a well-designed and implemented telephone marketing campaign.

The first step in telemarketing is to identify a good list of candidates. It is very important to hire someone who will be good at tracking down the person responsible for records management. It is equally important that the telemarketer have a good understanding of the services offered by the records management company and generally how your company can benefit a pro-

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around-the-clock service. Legal regulations affect the records management processes of many industries. These types of practical considerations should always be part of your decision making process.

UNDERSTAND CONCEPTS

Before you start selling, you need to know what you are selling. It is important to understand and clearly define what services you are offering.

Once you comprehend the concepts of records management, you must determine the services you wish to offer. In order to successfully market records management and to command the best prices, it is imperative that you understand the needs of your prospective clients, even if they do not. Do not just sell the concept of records storage—sell the concept of information management.

Records should be organized, registered in a records management software program, bar coded for tracking and categorized for records retention. Once the records have been properly cataloged, the client will know what it has in inventory and will be able to easily locate documents as required. State-of-the-art offerings such as Internet access and digital imaging, including Scan on Demand™, can dramatically help sales.

When you market your services, it is very important to convey a profession-

trial classifications) code by city, state and/or ZIP code.

MARKET PROFESSIONALLY

If you expect your potential clients to perceive your company as a professional organization, you must have professional marketing materials. When you contact prospective customers, they will likely request that you send them information about your company and your offerings.

Frequently they will ask to be directed to your Web site. These materials will be one of the first impressions the client identifies with your organization. The information may be passed along to a supervisor and this will be the supervisor's first impression of your company. As we all know, first impressions are lasting and important.

Your marketing materials should be professionally designed and printed. They should clearly identify how your commercial records company can benefit the potential client. Additionally, if you plan on exhibiting at trade shows, you will need a professionally designed display.

ADVERTISE WISELY

Advertising can be an important source for leads, but I have seen many organizations rely too heavily on telephone book advertisements. While telephone

spective client.

Once the appropriate person in the organization is identified, the telemarketing professional explains the services offered by your company and attempts to schedule an appointment for the salesperson.

It is important to realize that not all sales people are good at telemarketing. Some sales people are good in person. Some sales people are good on the phone, and others are good at both. Also, some sales people are not good at all. Be sure to measure a salesperson's activity. I once hired an experienced salesperson that I thought would be great. His job was to telephone market a new product.

Using our lead tracking software I was able to tell he was making on average only about 10 calls a day. In most cases, he was leaving messages on answering machines. He only got slightly better after I coached him several times on his responsibilities. Within three weeks, he was no longer my employee. Without the software tracking and measurement tools, I likely would not have been able to properly access his effort for months.

The telemarketing does not necessarily have to be conducted by an employee. Many commercial record centers contract this function out to a firm that specializes in this area.

TAKE A MEETING

Once qualified appointments have been scheduled by the telemarketing process, a knowledgeable salesperson meets with the prospect and discusses the benefits of a professional records management program. It is important for the salesperson to acquire an understanding of the scope of work required



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— STEVEN J. HYMAN

to satisfy the client's needs and simultaneously gain the confidence of the prospective client. This is the time to demonstrate your knowledge of records management. You should be prepared to explain to clients how you will assist them in a very real and positive way. Likewise, you should show clients how you will save them money. Most prospective clients do not take the time to analyze how much money they spend on managing records. You should be prepared to complete this assessment for them.

After the meeting, the sales professional should submit a proposal that demonstrates his/her knowledge of the potential client's requirements and enumerates the benefits of the proposed solution. In almost all cases, the records management company can show both cost savings and improved services.

Develop a strong, well designed template that can be used as a starting point for your client proposals. This will ensure that a professional, comprehensive proposal may be rapidly submitted to any interested party. Of course, be sure to follow up consistently and frequently with all potential customers in a pleasant, professional manner.

NETWORK

Two potential sources for leads are local trade shows targeting businesses and/or governmental agencies and trade association organizations. Many record center operators have indicated very good success from displaying at local trade shows. They can also be a big waste of time and money. As I mentioned earlier, you should identify the types of businesses and organizations that you wish to target with your marketing activities. Research the applicable trade shows that are scheduled to be in your local area and determine the profile of the individuals that will be attending the show. This information is normally readily available from the trade show promoter upon request. Lastly, determine if the projected attendees match your profile for potential client candidates. If so, you can rent booth space to generate leads.

Additionally, you should consider joining any local chapter of any organization/association, which might be a good source for leads.

For example, most major metropolitan areas have a local chamber of commerce. Most organizations have monthly meetings where the membership gets together for lunch and/or similar events.

Use these events to bond with prospects and to educate them on professional records management. Once relationships are established, do not be hesitant to ask for business. Remember, the reason you joined the organization was to get and to close leads. You are not there to have a good time.

MAINTAIN RELATIONSHIPS

One of the best sources for new leads are referrals from existing clients. Do not overlook this great opportunity for new business. Make sure you spend time with existing clients building good relationships.

Existing clients are also a fertile source for additional business. If you have their destruction business, you should have their records management business.



Document destruction firms can find opportunities in information management.

You will also have opportunities to get involved in digital imaging, forms management, pick and pack operations, wine management, asset management and/or information management consulting and any other value-added services that could arise. It is always much easier to sell a happy existing customer than a new customer.

You should develop a routine of calling and/or visiting each significant existing client on a regular basis. Not only will this generate additional revenue, it will ensure client satisfaction.

If you follow this routine you will likely have incredible references and almost never lose an account to the competition. Many large commercial records centers use customer service representatives for this function, not their sales staff.

USE SALES SOFTWARE

It is important to realize that a successful sales program requires good organization. I strongly suggest using a high-quality lead-tracking software that is intuitive and easy to use.

After the meeting, the sales professional should submit a proposal that demonstrates her knowledge of the potential client's requirements and enumerates the benefits of the proposed solution. In almost all cases, the records management company can show cost savings and improved services.

We felt so strongly about sales management software that we developed a lead tracking system and now make it available to our records management software customers. Ease of use is very important because it is much more likely that the software will be used if it is not complicated and overstuffed with unnecessary features.

While this article covers the basic concepts of establishing a successful information management marketing program, many of these same concepts can be applied to the document destruction business. Using these concepts, you can strengthen your sales efforts.

It is hard to grow a business effectively without a solid marketing strat-

egy. A well-planned and professionally executed sales program can go a long way towards guaranteeing success.

The records management business is a very profitable, capital-intensive business, with significant economies of scale. Consequently, rapid growth is well worth the effort. ■

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