Customer Acquisition
Reaching and Retaining Your Customers

Offered by Strategic Consulting at Opportunity Finance Network

March 27, 2014

Growing Microfinance to Scale

Webinar Series

• Support the microfinance sector
• Provide webinars to CDFIs and CDFI partners interested in microfinance

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INVESTING for Good
Strategic Consulting at OFN

• Opportunity Finance Network’s Strategic Consulting Department advances our purpose to align capital with justice. We offer consulting for:
  – Industry Capacity Building
  – Investor Services
  – CDFI Services
• We provide services within OFN’s areas of expertise, and collaborate with others in their areas of expertise, to ensure the best outcome for our clients.

Today’s Expert Presenters

• Ginger McNally, Opportunity Finance Network

• Maria Semple, The Prospect Finder, LLC

With

• Dan Samartino, Entrepreneur Works
GoToWebinar

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CUSTOMER ACQUISITION AND RETENTION

Agenda

- Challenges to acquiring and retaining customers
- Effective tools for planning and implementation of a customer acquisition marketing strategy
- Marketing tactics that work
- Using LinkedIn to reach potential customers
- Example: Entrepreneur Works
Customer Acquisition Topics

• Framing customer acquisition and retention within a strategic context
• Understanding the customer landscape and stages of the customer experience
• Learning about marketing strategy and tactics
• Crafting an effective customer acquisition strategy

Poll Question

How would you describe your organization’s current customer acquisition and retention strategy?
The Challenge for Microfinance Organizations

• Poor awareness: lack of familiarity with the organization
• Poor understanding: potential clients may not fully understand what the organization does
• Low activation rates: customers may not have a need to borrow
• Low retention rates: may not have a good reason to continue with the organization once immediate need is filled.

From: Marketing for Microfinance – A Woman’s World Banking Publication

And More Challenges...

• A changing marketplace for microfinance organizations
  – Difficulty finding qualified borrowers
  – More competition
  – Demand for diversified products
Poll Question

Which of the following challenges facing your organization is the most critical?

Creating a Strategic Context

- Customer acquisition doesn’t happen in a vacuum
- To be effective, a customer acquisition and retention strategy reflects the organization’s strategic priorities and business model
The Business Model Canvas

- The Business Model Canvas can help you get started to identify and connect the dots between:
  - Your most important customers
  - Your value proposition in the marketplace
  - Your infrastructure
  - Your bottom line – financial and impact
Your Most Important Customers

- Identify your key customers
  - Who are you creating value for?
  - Who are your **most important** customers and why?
  - How does this influence your organizational priorities regarding daily work, allocation of resources, long-term vision?
Your Customer Relationships

• Clarify the key elements of your customer relationships
  - What kind of relationship is most important to your customers and how do you develop that?
  - Is this different for different segments of your customer base?
  - How do you know this is true?

Your Channels of Customer Contact

• Examine your channels of customer contact
  - How do your customers want to use your services?
  - How do your customers want you to reach them?
  - Are your customers’ expectations changing over time?
Poll Question

How clear is your organization on who are your most important customers and why?

Who/What/What Exercise

• Who are we trying to get the attention of?
  - Which customer segment?

• What do they think about us now?
  - Where are they on the stage of customer experience?

• What do we want them to think about us?
  - What do they need to know?

• What do we want them to do?
  - What are our business objectives?
Getting from Knowing Who Are Your Most Important Customers to a Marketing Strategy

• Like a roadmap – in reverse
• You start with your final destination in mind – your goals and objectives
• Work backward to develop a plan that will get you there

The Power of a Marketing Strategy

An effective marketing strategy can help strengthen the ties between the organization and the customer in these ways:
  – Finding the customer
  – Listening to the customer
  – Responding to the customer
  – Keeping the customer
Crafting a Marketing Strategy

1. Define Goals
2. Choose Target Audience
3. Call to Action
4. Tactics
5. Resources, Roles and Responsibilities
6. Project Plan
7. Evaluating and Measuring Outcomes

Marketing Tactics Template

- Tactics and strategy are different! The strategy is the plan; tactics are the tools used to carry out the plan.
- Determine which marketing tactics fit the specific target audience, budget, and desired outcome.
- Tactics can include social media, PR, e-newsletters, loan promotions, leg work in the community, or advertising, among many other tools.
QUESTIONS?

Maria Semple, The Prospect Finder LLC

MARKETING TACTICS: USING LINKEDIN TO REACH POTENTIAL CUSTOMERS
As of March 2014:
277 million+ users worldwide

Poll Question

Are you currently using the Advanced Search page to mine LinkedIn's database?
LinkedIn: The Big Picture

www.nonprofits.linkedin.com

How To Search For Prospects on LinkedIn:

• Using Advanced Search Feature

• Finding and Mining Groups
Click on "Advanced" for more robust search features and targeted searching!

Board Connect allows for greater searching capacity!
LinkedIn Board Connect

Talent Finder account ($1,000 value)
Amplify your ability to search and to reach.
FREE for one person at your nonprofit!

For more info, email: boardconnect@linkedin.com

Example: Searching for people in Restaurant industry within 100 mile radius of Atlanta, GA.
A search on Maria’s account yielded 44 Results.
YOURS will be different!

- You must be logged in to your LinkedIn account for the search results to be tailored to you.

- The more first degree connections you have, the more robust your search results will be.

Example: Search for people in “Food Production” within 100 miles of NYC
Notice the 644 results in this search for people in Food Production.

Reason: Maria Semple is based in New Jersey and has a greater concentration of contacts in this metro area.

Save Your Searches!
Puts LinkedIn prospecting on auto-pilot for you.
How To Search For Prospects on LinkedIn:

- Using Advanced Search Feature
- Searching within LinkedIn Groups

Notice what displays when you type in “Restaurant” into the general search box.

Groups are a great place to find many people within specific industries.
Notice this group has over 44,000 members in it! Consider joining groups in the industries that matter most to you for networking.

**Maria’s Top 5 Tips on Prospecting with LinkedIn**

- Make sure your own LinkedIn profile is 100% complete (or as close as possible with firm’s compliance). LinkedIn will provide you with tips on making it complete.
- Broaden your own network by inviting those people you already know to connect with you. Don’t forget to follow up with people after networking events by connecting on LinkedIn.
- Peruse the list of your First Degree Connections to determine who else THEY are directly connected to. Ask to be connected to people you identify as your ideal prospects.
- Join LinkedIn Groups! Find out where your target market has joined a Group on LinkedIn and join the group yourself. Share discussions and news articles that will help position you as an expert in your area and invite Group members to connect directly with you.
- Use the “Advanced People Search” tab to find anyone on LinkedIn who is in your target market. Use the “keywords” field and narrow your search results by geography, industry, degrees of separation, Groups, etc. You can even search by your alma mater, giving you an instant reason to connect with someone new. This technique alone will turn up a goldmine of new contacts. Last step: Extend invitations to connect.

Maria Semple, The Prospect Finder LLC  |  maria@theprospectfinder.com  |  www.linkedin.com/in/mariasemple
QUESTIONS?

Dan Samartino, Entrepreneur Works

MARKETING TACTICS: ENTREPRENEUR WORKS
About Entrepreneur Works

• Microloan fund based in Philadelphia, PA
• Services include, workshops & classes, group-based lending, and direct loans up to $25,000
• <50% Deployment
• Loan department: One full-time Loan Officer & one part-time Loan Administrator

Customer Acquisition Areas of Focus

• LinkedIn
  – Created a Company Page for Entrepreneur Works
  – Executive Director registered for Board Connect
• ReferenceUSA
  – Business lists based on Industry, Size, and Geography
• Meetup Groups
  – Search targeted industry networking meet-ups
• Foundation and Corporate Donor Prospecting
• Donor Capacity Research
The Bigger Picture

- 2010: Rebranding
  - Officially changed name from Philadelphia Development Partnership to Entrepreneur Works
  - Nebulous goal of becoming the “go-to source for Entrepreneur Services in greater Philadelphia”
- 2011-2012: Increased focus on stakeholder communications
  - Weekly “Business Tools Update” e-blasts also posted on social media
  - Quarterly “Insights” e-newsletter sent to non-client stakeholders
- 2012-2014: Complete overhaul of lending policies & procedures
  - Consultant brought in to suggest changes to loan program
  - Goal to process loans faster using more objective analysis
  - Board approval expected Spring 2014

What’s next?

- Continue developing LinkedIn Company Page
  - Add interactivity (i.e. Downloadable loan application, links for event registrations, etc.)
- Send mailers to ReferenceUSA lists and InMail through LinkedIn’s Board Connect
  - This will be started after new lending policies are approved
- Include Meetup events as part of an overarching business development strategy
QUESTIONS?

ADDITIONAL RESOURCES & CONTACT INFORMATION
Resources

• Readings:

• LinkedIn Resource:
  – Nonprofit Solutions provided by LinkedIn: www.nonprofits.linkedin.com

CDFI Fund’s Virtual Resource Bank

Scaling Up Microfinance: Resource Bank
The resources for this topic can be found below. To view all of our available Resource Banks, click here.

I. Training Curriculum
   • Innovative Business Models
   • New Products
   • Talent Management
   • Technology Solutions

II. Training Webinars
   • Innovative Business Models
   • Talent Management
   • New Products
   • Technology Solutions
   • Loan Repayment

III. Additional Resources
   • Measurement Landscape and Borrower Experience and Need
   • Innovative Business Models
   • New Products and Services
   • Technology Solutions
   • Talent Management
Upcoming Microfinance Webinars

- Upcoming webinar topics include:
  - Underwriting
  - Grant Messaging
  - Stages of the Lending Life Cycle

To register: ofn.org/growing-microfinance-scale

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