Guide: Client databases

Introduction

A robust and detailed client database is an important tool for any business.

There are many types of databases that a business may use depending on the type of business and the computer applications available.

Database Basics

Data

The data that is recorded and tracked can vary widely depending on the business area, geographic location and target market. The core areas that databases record generally cover:

- Contact details
- Customer preferences
- Communications history
- Sales history
- Actions
- Payments

Databases can also record additional details specific to the business, for example, a bike shop may record whether a customer enjoys mountain-biking, road cycling, competitive track cycling or triathlon.

A contracting business may record ongoing service contracts. Hair salons may record details of previous hairstyles.

Purpose

When you have a robust customer database you are able to:

- Provide after-sales and follow up service
- Track complaints, service issues and repairs
- Follow buying patterns and preferences
- Communicate and market to your clients
- Target your marketing
- Encourage loyalty and repeat business

Types of Database

General

There are myriad types of client database programmes available, and some businesses may choose software which is industry-specific. For example Hairware, Menumate and HirePOS.

There are some standard systems which can also be tailored to suit a business' requirements.

Manual system

This is the most basic and non-integrated system of database, generally consisting of an excel spreadsheet of customer details, a quote book and a returns/repairs book.

This may be fine for some businesses, but unless the spreadsheet is very complex it will not be useful for

much more than mass mail-outs.

Access database

Most businesses with Microsoft Office will already have Microsoft Access, which is a very good database program.

The program does come with some wizards to help you set up databases, however once they're set up they will need someone with good computer skills to customise and maintain them.

You can produce excellent reports and specific information, but again this will require someone with great technical skills and possibly a lot of time.

Basic contacts database

There are also specific contacts-database programmes available online which are out of the box solutions that can be easily customised to service such tasks as bulk mail-outs and email marketing initiatives.

Much of this software is free, however may not be as helpful as industry-specific or CRM software.

CRM system

A Customer Relationship Management (CRM) system is a purpose built database geared toward sales. This type of database records detailed information about clients including sales information and tracking.

A CRM system is the best available for a sales database, however it may be excessive for businesses whose main focus is not sales.

There are many CRM products available online or from software retailers. Systems can be in the cloud, server hosted, or simply on one computer. Pricing plans range from per user/per month basis, to boxed software that needs updating every couple of years.

Most CRM systems generally integrate with Microsoft Outlook for accessing email, calendars and contacts. Many CRM systems also have integrated email marketing ability.

Accounting software database

Many companies have accounting systems where all their clients' details are recorded for billing purposes. Most of these types of databases also have the ability to add unique fields and record additional information outside of the accounting data.

The benefit of using an accounting system is that you can tell when a client last made a purchase, however the drawback is that it may not be as sophisticated or customer-oriented as a full CRM system.

Accounting systems are available out of the box or as cloud solutions.

Computerised point of sale systems

POS systems are excellent for retail/wholesale businesses as they generally record comprehensive client details, sales histories and often make loyalty and reward systems easier.

POS systems are excellent for retail/wholesale and food service businesses. Again these are available out of the box or as cloud solutions.

Industry-specific systems

The world is full of software developers and there's a high possibility that someone out here has designed a customer database with your business in mind. The challenge is finding them.

Search the internet for "customer database software for [your business type]" and see what you get. There are plenty of software development companies in New Zealand doing some great things.

Custom built solutions

If your business is unique or you have special requirements you may wish to consider having a database built for you. This may be more effective than an out of the box solution, cheaper than an industry-specific

solution and less time-consuming than building your own Access database.

A custom solution may set you back anywhere between $1,000–$10,000 depending on how sophisticated it needs to be and how many users you have.

If you choose this path you will need to be very sure of what you need. Write a detailed plan and brief for a software developer to follow.

Using multiple systems

You may find that an accounting system is not flexible enough, or a CRM system is too sales-oriented, so you choose to run multiple systems.

There is nothing wrong with this, in fact it may give you the greatest range of options. However you will need to be careful about maintaining your databases and ensuring they all have the same details.

What to Record

General

Before you choose a system, it is a good idea to sit down and work out exactly what you need to record and how you want to use it.

For example:

- Do you just want address details for marketing?
- Do you want to start a rewards programme?
- Do you want to set up client appointments?
- Do you want to record purchases?

Standard details

- Name, address and phone details
- Company details
- Email and website
- Contact (e.g. emails, phone calls etc)

Personal information

- Birthday
- Age demographic
- Preferences

Business information

- Contacts
- Roles
- Business size

Sales information

- Purchases
- Orders
- Quotes
- Returns and repairs

- Enquiries

Service information

- Appointments
- Contracts
- Documentation

Maintenance

General

If you are going to lavish time, money and effort on setting up a client database, don't simply forget abut it once it's in place.

Nominate a champion

You will need to assign the database management to one person in your business and ensure that they maintain the database — or databases — in a systematic fashion.

Poor database management can have flow-on effects for marketing, loyalty programmes and communications, so regular maintenance is critical.

A well-maintained, easy to use client database is an asset to any business.

Maintain as you go

As well as having one person who looks after the customer database, all team members who have direct contact with clients should check details such as postal and physical addresses, email and website details and phone numbers whenever they speak to a client.

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