

Achieving World Class Customer Satisfaction

By Robin C. Johnston

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In many businesses, repeat buyers provide up to 95% of a company's revenues. The reason: Longtime clients know how to make hassle-free use of your services. They're familiar with your operation and knowledgeable about what you provide. For many clients, the value of an established relationship may even make them willing to pay higher prices.

Here's a seven-step action plan to help you target your best clients, build a standout service operation and, in turn, build a more profitable business.

Step One: Review your client base and rank your customers.

To find your best clients, determine how long each has been with you, how much they've spent during the year, how much handholding they've required in staff time and money, and what their potential revenues might be for the foreseeable future.

Don't assume that a large bill spells a great customer. A big spender who eats up staff hours may not be worth more than a smaller fry who efficiently places orders and never demands special favors. Customers who are perpetually dissatisfied, always terribly demanding, and abusive toward your staff and who don't generate significant revenue are simply not worth coddling.

Study one or two years of records - incoming orders and payments as well as outgoing bills and invoices. Keep tabs on your customer tenure and defection rates, because no matter how many new customers you recruit, the older ones really affect your business. Lowering your customer attrition rate by only 5% can yield significant benefits.

Step Two: Get rid of clients who don't fit your customer profile.

You may find the notion of dropping clients hard to swallow, since it sounds counterintuitive. After all, whoever heard of ditching paying customers?

Yet when a client's needs do not fall within your firm's so-called service window - that is, the area on which you concentrate your business - you may need to part ways. Just as people don't go to L.L. Bean for tuxedos, you're unlikely ever to win over a customer who wants something not offered in your product line. You also will never satisfy a client who expects you to re-engineer system, such as using low-quality materials to shave the price when you've staked out an upscale niche.

If you're uncertain about a customer's potential or unwilling to give up on him, try turning the relationship around. Set up a friendly meeting to review the relationship. Don't be afraid to discuss the volume, frequency, and price points that would make keeping his business worthwhile to you.

Then wait a few months to see the results. Eventually, if you do jettison the client, make sure it's a slow, steady and courteous dismissal. You don't want any bad word of mouth.

Step Three: Listen to your customers and provide what they want.

The first rule of a successful partnership may be old-hat but is nonetheless key: Regularly keep in touch, and always listen carefully. Unhappy clients rarely complain, at least to the source of their troubles. They simply vote with their wallets.

You should be as forthcoming as possible with your clients too. Hold an open house, take clients on a tour of your facilities, and allow them to tap into your computerized records of inventories or let them join your marketing meetings. Forming an advisory council composed of your valued customers may also work. You get a sounding board and they get a bird's-eye view of how you operate.

If you want to ante up for a more serious customer-satisfaction survey, make sure you do it right. That means hiring an independent party to conduct a phone poll, using a sample that is a reliable cross section of your type of clients.

Step Four: Put yourself in your customer's shoes.

The sure way to forge connections with customers is to understand their business so well that you can offer comprehensive solutions to their problems. The goal is to show you care enough to work overtime to make your client look terrific in front of his own customers. Whether it requires spending the day at a big customer's plant, meeting with the CFO or doing homework by reading his industry's trade magazines, you, ought to be able to understand his mind-set. It's the difference between saying, "Here's what I'm trying to sell you," and "Here's how much better your life will be when we're up and running."

Step Five: Decide whether to offer tiered services.

Excellent overall service for all customers must be your mission. But you can still segment your market and charge a premium for special or more costly requests. Although tiered-level service - with everyone clear on what's available and what they're getting for their money - may be new to your industry, the airlines, of course, have been at it for years. They provide first-class and coach service and charge accordingly, but the plane still takes off and lands at the same time for both customers.

Step Six: Mobilize your entire team to work for the customer.

A well-trained, consistent core staff offers the highest level of customer care. Make it clear to everyone at your company that the needs of the customer are always first and foremost. And don't skimp when giving your employees the knowledge and training to do what it takes to make customers happy.

Step Seven: Own your problems; own your customers.

There's nothing worse than losing your customer's confidence. Yet, as you well know, some missions really are impossible. And no one's perfect. So what do you do when you make a mistake? First, own up to it. Then, make up for it. Finally, draw lessons from the experience. The most useful and instructive learning grows from the recognition and analysis of failure. Unfortunately, most entrepreneurs prefer not to look back. If you move quickly and effectively to fix a customer problem, you may even turn the mistake into binding opportunities. Then, after the error, your reputation and profile might actually be enhanced in the customer's eyes.

Offer free consultations. Provide lightning-quick deliveries. Ratchet up your service strategy along those lines, and you'll be poised to boost your profits. The trick is to win your customer's loyalty by anticipating their needs and then delivering exactly what they want, perhaps before they ask. That

way, when they demand that your product walks, talks and sings, you'll know from experience that it also needs to dance.

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