

## Keep your customers from revolving door

### GUEST COLUMN



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Have you helplessly watched your hard-earned customers walk out the door before you've up-sold, cross-sold or renewed them for another year? Would you objectively describe your customer relationships in terms of churn and burn? If the answers are "yes," then you don't need me to tell you that you're working too hard to lose money and grow revenue. What you do need to do is make drastic changes in how you conduct business — and fast.

There are many reasons why companies experience high turnover in their customer base year after year, but there is one fundamental solution — turn your focus from inward to outward. Companies with high customer turnover rates are not focused on

servicing their customers in every aspect of their business. Your customers' needs must be paramount in how you sell, how your customers buy, how you deliver products or services, how you resolve problems and most importantly in how you determine and deliver value to your customers.

To achieve a "partner for life" status, start talking with your customers. Speak first with those customers you have lost and ask them what you could and should have done differently to earn their long-term business? Then talk to your current customers and ask them why they bought from you and what they will need from you in the future. Listen to them; take what you learn and make it the foundation for a true commitment and consistent focus on four aspects of your business: Effective sales professionals and systems; differentiated customer service; continuous business process improvement; and creating and preserving a culture that embraces change and exhibits flexibility

Excellence in each of these aspects is what drives sustainable profitable relationships. Can you build longer-term customer relationships without demonstrating superior performance in these areas? Yes, companies do it every day, but their number of long-term customers will be shorter and the profit margin on each will be lower. We're talking about creating the kind of relationships that keep competitors at bay and the margins per customer climbing year after year.

### Maximum sales effectiveness

Maximum effectiveness in sales requires the right people and the appropriate support systems. Your sales professionals must be customer-driven and service-oriented, and they must excel at consultative selling. They must be skilled at listening too, conducting good customer-needs analysis, and, above all, they must be skilled at problem solving. As "visionaries" they will be able to help their customers learn how to build their businesses while also recognizing the unique opportunities that come along for up selling and cross selling. They should be able to identify opportunities to build partnerships and alliances that will further the goals of both your customers and your company. In short they must be "trusted advisors" with a defined strategy for account management.

Sustaining highly profitable customers depends on an ability to add

significant value to your customers beyond those inherent abilities found in the product or service you are selling. Adding value dictates that your sales team is working at the highest levels within the organization. Through business analysis with senior management you will learn about their business goals and strategies. Adding value further means your sales professionals must be able to offer knowledge that will enable your clients to make better decisions that will enhance their business capabilities. Sales professionals, in short, must be life-long learners, gathering knowledge every day that is transferred to your customers.

### Differentiated customer service

Differentiated customer service is not necessarily the same as "great" service, or "superior" service. Instead, this is service that truly differentiates you from the competition. Your competitors, at least the good ones, are all working to deliver "great" service because the market expects it. But sustainable customer relationships are the result of a true "service culture" that is visible to your customers through your sales team and in the ease of doing business with you. Thus a differentiating service culture is built on customer-driven service standards throughout the company, not just for front-line staff. It is built on a commitment to service measurements and service-performance management processes. With formal systems and training in place, a truly customer-driven organization insures that differentiated service is delivered every day. The organization has a formal, structured service-recovery system that solves the problem, tracks the problem and institutionalizes the correction. Long-term customer relationships are next to impossible to build in a competitive market without consistent service that starts at superior and matures to differentiated service.

### Continuous process improvement

Don't panic. When we say "continuous process improvement." we're not talking about re-engineering the whole company or throwing out what works. But what is necessary is to examine the processes that directly affect your customers and determine where they can be streamlined, improved or perhaps even eliminated. The goal here is to make it easy for your customers to do business with you by developing a consistent, company-wide methodology for examining processes, and especially for communicating the improvement process and correction implementation. Remember, a process cannot be improved in isolation. You will rarely find a process that is singular to one department.

### Embracing change

Finally, your organization must exhibit a culture that can embrace and survive change. In the past change was linear. You could make plans to deal with changes one at a time, as they came. Employees and managers had at least some time to adjust to and adapt to change.

But in today's business environment change takes place across the organization simultaneously and is increasingly being driven by customers. And simply listening to your customers almost certainly will mean change within your organization once you have transitioned to an organization that is truly customer-driven.

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