

Are You In The Right Business?

We live in a world where customers are outraged, according to research in Australia and New Zealand. To make matters worse, most of us think our customers are happy. Eighty per cent of business leaders in an American study said their company was doing a great job of looking after their customers. Only 8% of their customers agreed! Could the problem be we do not understand the business we are *really* in?

If your staff were asked what business they were in, what would they say? The answer should be, "We are in the customer business." Now, I am not talking about customer service here. I am saying your business is to attract, make money from and retain customers. You are probably thinking, well, everyone is in the business of attracting, making money from and keeping customers and you would be right! The way we do it varies from business to business. You might manufacture things, my publishing company sells books, and the restaurant across the road sells food but it is only our means that differ. We are all in the same business, the *customer* business.

If this does not make any sense to you, think about this one undeniable fact: 100% of your profits come from your customers. In fact, unless you are losing money or borrowing to expand, 100% of your revenue comes from your customers. Do your staff understand the money to run your business, including paying their wages, comes from your customers? Would it change the way they treated their customers if they did?

The aim is to have profitable customers who stay with you for a long time.

For those of us in the customer business, our aim must be to have profitable customers who stay with us a long time. Here are five ways to reach that goal:

1. Have the right growth strategy.
2. Become customer *driven*.
3. Create superior customer value.
4. Sell the value you have created.
5. Create an inspirational customer experience.

The right growth strategy

The business process is to attract customers, make money from them and then try to keep them but your growth strategy should be the reverse. First you retain your existing customers, then you increase the business you do with them and finally you go hunting for new customers. You know all this, of course, but do you measure customer retention? Do your staff know the life time value of your customers? Do you measure the share of your customer's wallet you get? Do your staff know that word of mouth is the best way to get

new customers and that your reputation is almost totally dependent on what they do?

Become customer *driven*.

If 100% of our money comes from our customers, then thinking about customer service or customer satisfaction is not enough. Nor is it sufficient to be simply customer focused or customer centric. These are too passive. You need to be *driven* by the people who pay you.

There are five steps to becoming customer driven:

1. Understand customers *are* your business. Therefore having a customer is a privilege and your aim should be to make your customers successful.
2. Put your customers first. Review your policies and processes and you will find many of them put your company first and the customer second. This is one reason customers are outraged.
3. Put your customers in the centre of your world, learn as much about them as you possibly can and use this information to change the way you run your business. After 35 years of being in business, I've learned your customers will tell you everything you need to know to succeed. All we need to do is to listen, ask the right questions and keep listening.
4. Walk in your customers' shoes. As a former clinical psychologist I know we are not built to do this so your staff will need reminding to put themselves in the customer's position.
5. Get your staff to become advocates for the customer into the business instead of advocates for the business out to the customer. That way, you as the decision-maker will understand how your customers really view how your company operates.

By the way, all of this applies to internal customers too. If the person serving the paying customer does not get what they need from the employee serving them, the result will be one outraged paying customer!

To learn how to build a customer driven organisation, read my book: **10 Steps to Becoming Customer Driven.**

Create Superior Customer Value.

Business is the activity of creating value. Your customers do not want your products and services. They want what your products and services will do for them. Value is what people are prepared to pay for. Do you know what your customers are prepared to pay for your products and services? Do you know what else you could do for them and how much they would pay you if you did? Do your staff know how to create even more value for your customers than they are doing now?

To learn how to create customer value read my book: **Six Strategies for Creating Superior Customer Value.**

Sell the value you have created.

Once you have created the value, you need to sell it. You do have a choice. You can compete on value or you can compete on price. If you do not compete on value you will have to compete on price and this is the last thing you want to do if you want *profitable* customers. Your salespeople need to understand it is their job to convert the value you have created into cash not just to get sales. They also need to know how to do this.

To learn about the dangers of competing on price and how to sell the value you have created, read my book: **Persuade Your Customers to Pay More.**

Create an *inspirational* customer experience.

Your customers will assume the quality of your products and services is no better or worse than your competitors'. What will make the difference is the experience they have when they do business with you. How well they believe they have been treated and how easy your company is to do business with will determine whether they buy, come back again and recommend you to their friends.

Your staff need to understand their aim must be to create such a great experience for your customers they become raving fans because this is the way you will attract new customers. They must also realise how they behave will determine whether the customer has an excellent, average or poor experience.

For more information about creating an inspirational customer experience, download: 19 Steps to Creating an Inspirational Customer Experience from my web site: www.ianbrooks.com. It is free.

It is not rocket science.

I often hear, "This is common sense."

"No," I say. "It makes sense when you hear it but it is not common sense. If it was, we would not live in a world where customers are outraged."

I also hear, "This is not rocket science."

"No," I say, "but it is social engineering! Business is a social activity between human beings and you need to make sure your staff people treat your customer people the way they want to be treated."

A manager said to me the other day, "This is basic stuff that we shouldn't have to think about." I asked him what a footballer who is standing under the high ball is thinking about? He had better be thinking about the very basic thing of catching the ball. You need to get your staff to think about these very

basic things every time they write a policy, design a process, make a decision, take an action or open their mouths to speak to a customer.

Every minute of every day, each and every person in your business needs to treat your customers as if your future depends on it. Because it does!

If you would like more information about these ideas, or would like to buy any of the books I have mentioned, visit www.ianbrooks.com. If you would like some help getting your people to understand what they must do to help you build a successful business, email me at ian@ianbrooks.com.