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**A Special Report in the**  
**‘The Four Fundamentals to EXPLODING the**  
**Growth of Your Business’**

**Series**

**#2 Increasing the Number of Times They Deal With You**

## **#2 Increasing the Number of Times They Deal With You**

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## **Creating Communication Schedules to Keep Your Customers ‘on the Boil’**

This information is designed to give you a greater understanding of the huge effect staying in touch with customers and clients can have on sales.

The more contact you have with your customers, the better! ‘Communication schedules,’ you’ll soon learn, help you plan that contact and do it successfully.

You’ll discover different types of schedules and how this could apply to your business.

### **Increasing the ‘frequency of interaction’ increases sales**

The number of times you make contact with your customers—your ‘frequency of interaction’—directly affects the amount of repeat sales you make.

The greater the amount of interaction, the greater the sales. The greater the profits, too.

Because you paid to acquire a customer on the first sale, every other sale after that has no cost other than the cost of the goods itself or the labour to complete the service, both of which would be covered in the price. So the more sales you make to a past customer, the more profits you keep.

It’s like the icing on the cake. And it’s a huge opportunity for your business.

You see, studies show it costs 6 times more to win a new customer than it does to have an existing customer come back and purchase again. As such, if you can build repeat sales for your business, you’ll be even more profitable. Communication schedules are designed to keep them coming back!

So the more often you communicate with your customers, the more sales you’ll generate for your business. It’s a means of keeping them ‘warm’ to you or ‘on the boil,’ so to speak, ready to buy from you at any time. It can turn them into customers for life.

Communication schedules and the result—staying in touch regularly—offer a great opportunity to nurture your customers. It’s also a great tool for promoting new products or services. Or for cross-promotion of the other products or services that the customer hasn’t yet purchased from you.

For example, you might own a hardware store that sells timber, paint, AND general hardware items for the home or professional handyman. A certain number of your customers have only ever bought timber or paint or hardware. In this case, you'd promote the other product group to increase their awareness and to make them think of you the next time they buy.

*(Tracking your customers' buying patterns, customer databases, and cross-selling will be reviewed in more detail in our series of Special Reports.)*

For that reason, it's important to communicate frequently with your customers. 'Communication schedules' are a great tool to help you do just that. A schedule, including dates and times, outlines the written or verbal communication you will have with your customers over certain periods of time. There are 2 types of schedules: calendar communication schedules and rolling communication schedules.

### **Calendar communication schedule**

As you can probably guess by its name, this schedule revolves around the calendar and yearly events.

Events like Christmas, New Year's, end of the financial year, Easter, Mother's Day, Father's Day, the anniversary of your business, your national holiday. Things that you know happen year in and year out.

The communication schedule maps out the communication you're going to have with your customers at those special times throughout the year.

For example, sending Christmas cards would be part of your communication schedule. This activity would probably be scheduled for late November, ready for December.

Another example would be events that happen for your customers every year. Events like their own birthdays—you'd send every customer a birthday card every year, wishing them a happy day and so on. This strategy not only nurtures them, but the surprise of it 'wows' them as well. Customers would be asked the date of their birthday (rather than the year!), and it would be recorded on the customer database or records.

You can include regular promotional tools in the yearly calendar communication schedule, too. For example, if you know you're going to send a quarterly newsletter to your client base, you'd map it out here as well. The same would be true if you sent catalogues to your customers. You'll find an example at the end of this handout.

Your ‘promotions schedule’ is a consideration here, too. A promotions schedule maps out the specific promotions you’re going to complete during a year. These promotions also revolve around yearly events.

For example, you might hold a sale at Christmas or a celebration for the anniversary of your business, including special promotions, and you’d invite your customers.

Communication schedules should tie in relevant elements of your ‘promotions schedule’ as well.

### **Rolling communication schedule**

A ‘rolling communication schedule’ rolls with each customer’s activities, so to speak. That is, this schedule isn’t built around any fixed yearly date or event, but rather a specific event in the life of the customer, starting at ‘Ground Zero’ Or ‘Day 1’—the date of their first purchase.

For example, some time after Day 1, the customer might receive a thank you note, letting them know you understand they had a choice and you really do appreciate that they chose you.

Some weeks after the purchase, the customer might receive a follow-up phone call to confirm they’re happy with everything and to let them know you’re available to help out.

At another certain point after their initial purchase, they could receive a special promotion about a product or service they haven’t purchased from you.

Further on, they could receive a reminder letter, offering them a service on their car, lawn mower, television, and so on. For a service business, rather than a service per se, you could offer them a free ‘check,’ where they can visit your business to make sure they’re getting the most out of the service they’ve purchased. Alternatively, you could ask them to complete a feedback form every couple of months just to be sure they’re receiving ongoing value and support.

Another might be the anniversary of their purchase. For example, an estate agent might send out happy home anniversary cards, congratulating homeowners on their 1st, 2nd, 3rd, 4th, and 5th years in the home the agent sold them.

This kind of schedule would look more like the second example that follows.

What’s best for your business? Usually a combination of both kinds of schedules is the best.

Often the customer will first receive items from a rolling communication schedule, with the calendar communication following on. This way, your customers are made to feel special and are impressed by receiving personalised mail specific to their needs right from the start.

Then only after that do your customers start to receive other communications that are still useful to them but that may not specifically relate to their personal situation.

Communication schedules continue the great first impression you made at the time of purchase. It continues and builds on the relationship you've already created. It's an impression that shows you really are interested in the customer.

In fact, it removes a condition called 'perceived indifference,' where the customers feel you're indifferent toward them and so leave you to deal with a competitor. Never hearing from someone you bought from creates this impression of indifference. And means you lose a customer.

Communication schedules ensure that you keep the investment you've made in winning that customer—and increases sales AND profits from there.

## **Some examples for you**

### **Calendar communication schedule**

January	'Happy New Year!' letter, catalogue mail-out to customers, and mailbox drop
February	Valentine's Day voucher mail-out
March	Newsletter mail-out
April	Mother's Day catalogue mail-out and letterbox drop
May	National holiday promotion mail-out
June	Newsletter mail-out
July	Catalogue mail-out and letterbox drop
August	Once yearly overall service follow-up phone calls
September	Newsletter mail-out
October	Catalogue mail-out and letterbox drop
November	Christmas card mail-out
December	'Merry Christmas' phone calls

### **Rolling communication schedule**

Day 1	Customer makes initial purchase.
Day 3	Send thank you note.
Day 14	Make follow-up phone call.

Day 30	Send feedback form.
Day 60	Send referral letter and vouchers.
Day 90	Send special offer voucher on other product or service. Send first newsletter and calendar communication schedule item.
Day 120	Send reminder letter for service and special offer.
Day 125	Make service appointment phone call.
Days 130-145	Provide service appointment or send missed service letter and special offer.
Days 140-155	Send thank you for service note or make a follow-up phone call.
Day 175	Send special offer voucher or letter on other product or service.
Day 360	Send happy first anniversary card.

### **A follow-up letter**

Here's a follow-up letter that works, especially if you haven't stayed in touch regularly.

Hello Mr. Jones,

I've been sitting here for hours flipping through our customer records...

I LIKE to think I keep my finger on the pulse of our business and that I keep close to our customers—like you. For the last 20 minutes or so, though, something has been nagging at me.

You see, I noticed that you used to be a regular customer of ours. And now you're not.

Have we let you down somehow? Have we failed to deliver the standard of service you rightly expect? Or have we offended you in some way?

The 'why' genuinely is nagging at me, Mr. Jones. Because the day I don't feel disturbed about apparently losing a customer is the day I'll close up shop and give it away.

Here's what I want to do for you to welcome you back as a valued customer...[include a special offer]

### **A follow-up phone script**

'Post-purchase dissonance' is a risk carried by every business.

You've probably experienced it yourself. You go out shopping, you look around, you finally find something you think is right for you, only to buy it and within a few days feel you made the wrong decision. Now, that feeling of having made a mistake can be overwhelming when an employee speaks improperly to a customer, when something doesn't perform as promised, or when the customer feels they can't actually benefit

from the product or service. Sometimes, the customer will feel this way purely and simply because they believe the company really didn't care that much about them or their needs. At the time this wasn't too much of a concern, but as the days pass with the item on hand reminding them constantly of the purchase, this sense can set in.

A simple 'follow-up' phone call can be all that's needed to avoid this. For this call to have the greatest effect, it should be made within 2 to 3 days of the client's purchase or receipt of the goods or services.

And the call should be designed to ask for feedback, solve any problems the customer may have, and remind them that the business cares and will be there to help in the future. Most importantly, **never** include any sale or attempted sale in this phone script.

The call could go something like this...

*"The reason for my call is simply to find out how you like your [product or service], find out what you think of it, and make sure you're happy.*

(Give the person a chance to comment here.)

*I also wanted to find out how you felt about the level of service you received, whether you thought anything could be improved or changed to make it better for you in the future.*

*And I also wanted to make sure you knew that if you have any problems, feel free to give me a call right away—we're always here to help you."*

## **Anniversary cards**

If you've bought a home through a switched-on real estate agent who understands the long-term value of staying in touch with customers and being there over time, you might have received a 'happy anniversary' card like this:

Dear Ken and Sue,

Congratulations—you've been in your lovely new home for 1 year now! At Roberts and Roberts Estate Agents, we know buying a home isn't always an easy decision. Add to that the often traumatic experience of packing all your belongings, moving, and the time you need to settle in and make it your own. Your first year can often be the most exciting and the most challenging. So we wanted to say 'congratulations'—you made it! And we hope, too, that it has been filled with lots of lovely memories.

So...happy anniversary! Best wishes for many more happy years in the neighbourhood!

David Lishham

PS By all accounts and after having driven by, the house looks even better for your loving touch.

## Your Action Plan: Create communication schedules to ‘wow’ your clients

<b>Action</b> (What needs to be done.)	<b>Outcome</b> (Results to look forward to.)	<b>Person responsible</b> (Make sure you involve others, if possible!)	<b>To be done by:</b>
Review the use of a ‘calendar communication schedule’ for your business.	To establish your schedule and keep you in constant contact with your customers during the year.		
Review the use of a ‘rolling communication schedule’ for your business.	To establish your schedule and keep you in constant contact with your customers during the year.		
With your team, brainstorm communications that could be included in your communication schedules.	To generate ideas about what to communicate and when that will ‘wow’ your clients, to interest them in buying from you again, or keep them aware of you.		
Establish both types of schedules for your business.	To ensure that your customers receive a personalised message at the beginning of their buying relationship and, later, other materials to keep them interested.		

## **Your Most Valuable Asset—Your Customer Database**

These days, one-on-one marketing—that is, contacting people directly—is fast becoming one of the best forms of marketing available.

This is happening for some very sound reasons—better response rates, higher sales, improved profitability, and the creation of a saleable asset, just to name a few.

This information, then, is designed to give you insight into some of those benefits and just why your customer database—a detailed list of customer names, personal details, and, in some cases, spending patterns and other information—is so important to the future of your marketing.

### **A gold mine at your fingertips**

As business owners or managers, we're constantly looking for people to sell to. You know, people who match our products and services, people who want what we've got, appreciate that we offer value for money, and more.

And yet, each and every day, every business deals with tens or hundreds of those people. People whose needs DO match your products and services, people who do want what you've got, people who know you offer value for money, and more.

People called your customers. And other people like those soon-to-be customers who have made inquiries.

Amazingly, the opportunity to tap into this huge resource as a marketing method is lost time and time again.

Why?

Because we say we're too busy, wouldn't know where to start to capture the all-important customer details needed to make this asset work for our businesses. Mostly because it seems more important (and sometimes easier) to concentrate on continually winning new customers, instead of tapping into the hottest list in town—your customers.

And yet, once again, the whole process is so easy.

What *is* the process then? Simple. Gathering names, or other details, creating your customer database, and in doing so, building your most valuable asset. In fact, an

asset so valuable it can be sold. Let's look at some other reasons why building this database is just so important, and then you'll learn some easy and useful techniques to do so.

## **Your customer database affects 1 of the 4 key ways to grow your business**

There are 4 fundamental ways to grow your business: Win new customers, **get them to come back to you more often**, get them to spend more when they do, and improve the processes in your business to ensure that you achieve the first 3.

Customer databases are involved in the second way to grow your business—getting customers to come back.

**You see, the more times your customers purchase from you, the greater your profits. And the greater your profits, the greater the longevity of your business.**

Because you paid to acquire a customer on the first sale, every other sale after that has no cost other than the cost of the goods itself or the labour to complete the service, both of which would be covered in the price. So the more sales you make to a past customer, the more profits you keep.

It's like the icing on the cake. And it's a huge opportunity for your business.

Further, **studies show it costs 6 times more to win a new customer than it does to have an existing customer come back and purchase again.** As such, if you can build repeat sales for your business, you'll be even more profitable.

There are many, many ways to encourage your customers to come back. The first tool you require to benefit from ANY of them is your customer and potential customer database.

Having a customer database is an integral tool for developing the second way to grow your business and increase your profits.

Also, your customer database is a tool that when used properly makes you...**stand out!**

Standing out is possible—easily, effectively, and economically—through your customer database.

As other forms of marketing become more expensive for the limited results they often bring, one-on-one marketing is becoming an integral part of many marketing plans.

Large and small businesses are placing more and more emphasis on collecting useful information about their clients, including spending patterns and contact details. Many collect this information through competitions. Others through merchandising campaigns—a customer fills in some information (for example, sending in a certain number of product labels or service receipts) that is redeemable for merchandising products.

Merchandised products—attractive products that are useful to the customers and that promote the business as well, like caps, T-shirts, jerseys, jackets, umbrellas, pens, coolers, sports bags, drink bottles—are becoming more and more popular.

You see, if someone has purchased from you before, they know you. You already stand out from all the other promotional mail. Customers will be more interested, curious even, to find out why you're contacting them. You're already 'in,' if you like!

Besides that, contacting a person one-on-one, means that you no longer compete with all the other mass marketing forms out there, such as television, radio, print, and so on. Essentially, contacting someone personally means that your marketing material breaks through the clutter of all the other marketing materials a person is bombarded with on a day-to-day basis.

## **So let's look at developing your customer database**

Many business owners shy away from a customer database as a tool, thinking it looks like far too much like hard work.

And yet, it doesn't have to be that way.

Actually, it could make your life that much easier.

If you already have a customer database and a process to continually build that database, bear with us. You might find out how to improve it and just what it could mean for your business.

It all starts and finishes with easy-to-ask questions. In particular, asking 'incomplete questions' is very good for gathering personal details.

These questions can be softened by the following sorts of statements:

*Could I just ask...?  
Incidentally...  
Tell me...  
By the way...*

For example, asking questions like these will build your database:

*'By the way, your name is?'*  
*'Once again, my name is Jenny Tucker and yours is...?'*  
*'So that I can send that to you, your mailing address is...? And in case of a special delivery, your street address is...?'*  
*'Just in case something crops up before then [Customer Name], your phone number is...?'*  
*'To let you know sooner rather than later, the best contact number to reach you on is...?'*

You can also use questions like these to track other important information, such as the source of your enquiries. (This in turn can help you make better decisions within the framework of your marketing budget.)

For example:

*'And before you go, can I just ask, how did you hear about us?' 'How many people do you think will be using the [product or service] regularly?'*

This information can then be included in your database.

Other information you can note could be things like what was purchased for what cost and their sex and occupation if you know it.

If you wanted, you could take these questions a couple of steps further. You could go on to ask:

*'So that we can understand your needs fully, some more information would be helpful. So [Customer Name], could I just ask you a couple of other questions about yourself [or your business]?''*

Once you have permission, ask the following questions, which would be relevant to your business:

*[Customer Name], what would you classify your occupation as?  
Which of these age groups do you fall into:*

25–35  
35–45  
45–55  
55–65?

*Your level of income would fall between:*

*£20,000–£40,000  
£40,000–£60,000  
£60,000–£80,000  
Or greater?*

*What mattered most to you when you were looking for a [product or service or your type of business]?*

*What are you looking to get out of your [product or service or relationship with your type of business]?*

And so on.

This information is important because you can then complete ‘searches’ on certain characteristics of customers.

For example, you might want to send a mailing to your female customers, those between the ages of 35 and 45 who have spent over £50, to promote a certain product or service designed to suit that particular market.

Or you might want to send a mailing only to those particular customers who’ve purchased more than 5 times or spent more than £1,000.

Your database will help you to refine your marketing to suit the people receiving it. That way, you can expect far better results for your investment.

Collecting this information also makes it easy to classify your clients as A (your best clients), B (clients with potential), C (clients who spend a limited amount), and D (those you should pass over to your competitors!).

This further helps refine your marketing and your strategies so that your offers, headline, text, and so on are tailored to appeal to each different type of customer, and, because you’re contacting them on a one-on-one basis, each individual customer and potential customer as well.

*(Client classification and your A, B, C clients will be covered in more detail in our series of Special Reports)*

The same steps apply to your prospects. It's just as important to gather information on these people. Then, you can also classify these prospects, and you can better tailor your marketing to meet their needs and push their 'hot buttons.'

This can be taken just one step further, too. This information makes gathering referrals even easier, as well. You see, you could request referrals from certain types of customers, the ones who purchase certain types of products and services you'd like to sell more of.

You can also use this information to assist in establishing 'host-style relationships,' where other businesses refer people meeting that description to your business!

Of course, there are a multitude of database computing products out there. Many of them inexpensive. Find one that suits your needs best!

## **Build on your asset**

It's possible to grow your potential customer base by finding 'lists' elsewhere.

### **List brokers**

For example, every city has 'list brokers.' These people find and then adapt, classify, and massage thousands and thousands of names and details into workable lists ready for mailings.

When purchasing lists, there are some important issues to bear in mind. Only purchase from a broker who offers a guarantee on the percentage of 'return to sender' mail you receive. That is, anything over and above a certain percentage means you receive a partial refund. Often these lists will not be ideal, and you will have to tailor them to your needs. To do this, you'll have to complete a couple of test mailings.

Also, be very finite in the characteristics of the target list you desire. For example, if you're looking for individual customers, you need to specify the age, sex, income bracket, and occupation groups you'd like to mail to. And you can define this list further by selecting certain suburbs.

On the other hand, if your customers are businesses, you need to specify the size of the business by turnover and number of staff, years in business, industry type, and so on.

### **Do-it-yourself lists**

Sometimes, although more time-consuming, a better way to add target potential customers to your list is to pay some telemarketers, perhaps even university students, to create a list for you. For businesses, they would simply pull out your phone directory and work through those industry sections of interest to your business. For

individuals, it's a little tougher and far more time-consuming, considering the amount of inappropriate or unqualified people you might call.

Another option is to buy CD-ROMs from various agencies, research bodies, government departments, and possibly even your phone directory company itself.

### **Host-style relationships**

When you've identified your types of customers and those who you'd like to win more of, one way to grow your customer list is to approach a non-competing company and offer to promote their services to your customers and yours to theirs. That way, you both access double your client base in no time at all. When you've completed this, you can add those names and details to your list.

### **Trade shows and industry fairs**

Trade shows and industry fairs are a great idea ONLY if you're going to gather potential customer data. For example, name, address, phone number, products, or services they're most interested in, budget, when they'd want or need it by, and so on. So use these events to gather priceless information that will help you not only make that specific sale, but also create invaluable information for your database.

You can do this easily by having every representative ask each enquirer the necessary questions each time. Or have the clients provide these details by entering a competition for something great.

### **After a shaky start, a jeweller does discover the gold mine**

Another example comes from a jeweller. He became very interested in the possibilities of 'professionally' servicing his customer base through regular mailings. Interestingly, the initial mailing to 5,000 past customers was an eye-opener.

He developed his mailing around his 15 years in business and wrote to his customers to invite them to join him in celebrating his 15<sup>th</sup> anniversary. As a little 'thank you' for being part of this growth, he invited them to come into the store over the next 5 weeks. And, with their next purchase, receive a gift from the 'Birthday Treasure Chest.'

The fully personalised letter was accompanied by a full-colour invitation depicting valuable gift 'treasures' (each around £100 retail) spilling out of a jewellery box. The mailing package was individually addressed, with a stamp, 'dressed up' inside with little touches like tissue paper and a red wax seal. It was clearly, an interesting, even exciting mailing to receive.

The mailing went out and several things happened:

He was astounded to learn that his valuable customer list, compiled from invoices over the last few years, was very out of date. Lists date very quickly. People move on, change jobs, marry, travel, pass away all the time! The only way to have an up-to-date list is to use it often.

If you do go back and build a database from past sales information, which by the way IS still a good idea, just be sure to count on a 20 to 30% return rate—letters will be sent back to you because the post office can't find the person.

The jeweller discovered that his list contained people he hadn't counted on—bargain hunters who purchased an absolute minimum to get the gift—rather than the upmarket, discriminating people he thought he had.

Again this shows the importance of customer classification. These people, probably because of the low value of their initial purchase, might have normally been classified as C clients. As such, they would not have been invited to participate in this event.

On the other hand, he discovered great loyalty among his 'true' market. Many accepted the gift offer graciously, and others expressed that they'd always come to him and felt the gift unnecessary. But they genuinely appreciated the gesture.

So, from an up-front pound point of view, the mailing and using his most valuable asset—his customer database—was only a lukewarm success. Or was it?

You see, that initial mailing yielded a great deal of valuable information that put this jeweller on a path toward servicing his customer base through direct marketing, and is years ahead of his competition.

So here's what he did:

He went back to the drawing board and initiated a computer database that gives him access to contact details, his customer's buying patterns, in any format he wishes: by date of purchase, frequency of purchase, average price range of purchase, item type, and by staff member who served them.

He totally redesigned his receipts to record the full name and address details of each purchaser. So no one could leave the store WITHOUT their name being captured.

Team members were trained in questioning techniques (like those outlined here) to gather the name and address in a pleasant, non-intrusive way. They were told about the value of the information they were collecting.

Team members were then encouraged to gather other ‘intelligence information’ through friendly conversation with each customer. Information like birthdays, anniversaries, upcoming special events like graduations, christenings, and so on. They’d note the information on the back of the receipt for ultimate input in the computer.

So in this case, the jeweller is able to write to customers, not with generalised, sometimes inappropriate mailings, but in an accurately targeted way personalised to the customer.

**It really is the perfect promotional vehicle.**

For example, if the jeweller knows a customer (or a group of customers) likes and often buys yellow gold, he can write to them to promote his new, hand-crafted, award-winning, yellow gold pendants.

He could even go so far as to remind husbands about important upcoming dates like anniversaries. And he could even suggest specifics because he might know what the wives like. What a service!

Better yet, as his database grows, he has a guaranteed lucrative market that is his alone. He can write to them privately and personally. His nearest competitors can only rely on mass advertising in the general media!

Based on this example, you’d agree something great can come from something as simple as asking for names and addresses.

Perhaps you could take some of these ideas, apply them to your business, and begin (or continue) to build your most valuable asset—your customer database.

**Your Action Plan: Build a valuable asset for your business**

<b>Action</b> (What needs to be done.)	<b>Outcome</b> (Results to look forward to.)	<b>Person responsible</b> (Make sure you involve others, if possible!)	<b>To be done by:</b>
Review this information with your team.	To ensure that the team understands the significance.		
Buy a computer database program that suits your needs.	To have the building block for your asset on hand.		
Establish a ‘prompt sheet’ that outlines all the questions you need to ask your customers: name, address, phone number, other items needed, purchase frequency, and amount.	To make sure you and your team don’t miss any opportunities to capture invaluable information from EVERY customer or even potential customer. And to build your customer database.		

<b>Action</b> (What needs to be done.)	<b>Outcome</b> (Results to look forward to.)	<b>Person responsible</b> (Make sure you involve others, if possible!)	<b>To be done by:</b>
Consider redesigning your invoices or order forms to include all that information as standard.	To make sure you and your team don't miss any opportunities to capture invaluable information from EVERY customer or even potential customer. And to build your customer database.		
Be sure to collect names and details every time. Particularly, be sure to collect names at trade shows.	To make sure you and your team don't miss any opportunities to capture invaluable information from EVERY customer or even potential customer. And to build your customer database.		
Research list brokers in your areas. A good idea is to work out your characteristics, request a quote on such a list, and find out how many people or businesses fitting those characteristics they can find.	To add to the database and to complete some market research while you're at it!		

## **Learn Your A, B, C's and Sell Your D's!**

Classifying your customers could make a real difference to your business. It could be the difference that means you won't spend every waking hour at work thinking about it! It could literally improve quality of life for you and your team.

You see, we all have customers we just don't like to deal with. Well, why do it? Those customers who give us grief, never pay on time, complain consistently, or are generally unfriendly and uncooperative really don't have to be a part of our lives.

This information is designed to give you insight into what classifying your customers means, why it's important, and how to do it successfully.

### **Classify and fire!**

There's only one way to describe this—an absolute MUST.

Chances are, you have a client list (literally a list or database of your customers and their details) that gives you a warm glow every time you look at the numbers because this base is the foundation of your business. Perhaps you have a hard copy of the list, or you do a computer merge and it comes up to a number in the hundreds or thousands. But that warm glow could be false confidence. That is, if you haven't ruthlessly culled the 'inactive' customers from your list.

The first step, then, is to define your customers or clients into A, B, C, and D groupings. First, let's define an A client. In essence, an A client might be someone who:

- Loves what you do.
- Pays for it on time (if not ahead of time).
- Wants a good quality product or service.
- Is friendly to you and your team members.
- Understands the value of creating something of value or taking care of their needs.
- Buys from you regularly, that is, they're active.
- Understands the importance of their purchase and therefore appreciates your reputation.
- Gives you work you love doing.
- Has significant potential to grow.
- You enjoy working with.
- Refers other A clients to you.
- Let's you add value in lots of ways.

B clients might be those who are deficient in one or more of these characteristics. Perhaps they don't buy as regularly, but they have the potential to become an A. C clients are the same, only to a greater degree. They spend within a minimum range

and have very little potential for further development. Finally, D clients are people you simply don't want to work with anymore.

As such, it becomes important to track your customers' activities. If you aren't doing this already, you can begin this process by classifying your customers and tracking their activities from there.

Each client needs to have a profile on computer, hard copy customer record, or card, where relevant information can be stored, including the specific information about their dealings with you.

Information such as special requirements, technical records, the total pounds spent to date, amount spent per contact, averages, and so on can then be recorded in one place. This will help keep a very tight track of each client's spending pattern. It's on this record that you register them by their rating—A, B, or C.

When you have those classifications, you have to start doing different things with those groups—and those different things may start with ridding yourself of at least your D clients (if not the C clients, too).

There are lots of reasons WHY you have to do this. You see...

- D clients are usually the ones who complain the most and pay the least.
- They are often focused on price and discounts.
- They are almost inactive, only purchasing from you irregularly.
- They are usually the ones who can be dealt with far more effectively by people other than yourself.
- They do not value what you do. Therefore, it's incredibly difficult to add value.
- They cause you stress.
- You do not enjoy dealing with them. (Please think about this: You do not HAVE to deal with them. Right now you're making a choice to do it. It's a choice you don't like, so don't deal with them.)

And what's the biggest reason of all?

- They take valuable time that could be so much better used elsewhere. They are like an anchor holding you and your team down.

As one person put it, "The D's are sucking the AWESOMENESS out of me!"

It's simply that D clients don't fit the profile of people you want to deal with from now on.

## **Pareto's Principle: 80/20 Rule**

Now before you say, 'No way, we just couldn't afford to do that!!' consider another issue, something called Pareto's Principle.

This suggests that 20% of your customers provide you with 80% of your income. The other 80% of your customers provide you with only 20% of your income.

It is, however, the customers who represent this 20% of your income, who take up 80% of your team's valuable time! And it's the 80% that are your C's, D's, and possibly B's.

As such, it simply isn't worth working with them. Financially, the rewards to the business from these groups are limited, and valuable resources are constantly tied up for little or no return.

If you were to work through your customer list, you'll probably find this to be the case. Think about those customers who spend the most with you and calculate the income from that group. Compare that, then, to the rest. When you do that, you'll probably find it's something close to the 80/20 Rule.

Let's look at this in more detail.

Some business owners get frustrated with this kind of talk. Some tend to think people buy 'on price.'

An example of just such a case comes from a business in the petroleum industry. The business owner felt that in a climate of price cutting, what hope did he have of achieving his fair margin and providing that level of superior service he wanted to give?

It was suggested that he segment his customer list and then analyse the proportion of A's, B's, and C's. (He defined A clients as those who simply call up and say, "Can you put 10,000 gallons in the bottom paddock by tomorrow morning?")

As it turned out, a full 61% of his sales came from his A clients! 24% came from his B's and 15% from his C's. Most of his business comes from his A clients.

The business owner discovered something very interesting. Those A customers were more interested in service and dependability than price. It's the sort of thing we all miss when we're too close to what we do.

He realised that his focus and that of his team had been preoccupied at the price shopper end, that he COULD put more energy into serving the A's at a higher service level without being paranoid about price.

He went on to find out what 'makes' an A client. With that vital insight, he could then articulate how he services this market and articulate a Unique Core Differentiator. In doing so, he may have been able to upgrade some B's to A's and find even more A's out in the marketplace who were looking for more service.

As you can see, then, segmenting your clients is pivotal to building a profitable business.

### **So, how do you move them out of your customer base?**

Here, you have two options (or more if you can think of them!)

First, you could develop a system to pass work to others who are more willing to work with that kind of customer. Your competitors will normally be happy to accept your leads.

In fact, you could sell those leads to them. Often competitors are willing to pay you a fee for each one. That way, you can earn some added income to boot and they win a new customer.

(They'll think like most business owners—any customer is a good customer. Understanding this is not the case will make you more profitable because you'll have more time to deal with those customers who are more important to your business.)

To explain this to your customers, you could say something like this:

*'[Customer Name], we've been looking at the work we do with you and we feel that [other business name] could help you better with your needs. You see, we're moving away from offering this [product/service]. I've really examined it closely, and I'm convinced that [other business name's team] can help you get the [help/product/level of support/service] you really need.'*

*In fact, I've talked with them already. They're sure they can help and they're looking forward to talking with you. Their rates are similar to ones you're used to, and they're happy to offer you an account and help out. Now that you've called, I'll talk with them and ask them to call you later today. What time would suit you best?'*

Second, you could simply fire your client. Here's an alternative script as an example. (Of course, this sounds very harsh, but some would argue that it's the only way to go.)

*‘John, it’s important that we talk about how we’re working with each other, and how well my range of [product/services] match what you want. Clearly, if there’s no match, then I’m not serving you well.*

*My feeling is that the match doesn’t exist. In our practice, we want to work principally where we can make a real contribution to our clients’ [health/home/family/supply/appearance/business/life], instead of simply doing the basics.*

*It means we’re going to reduce the number of clients we deal with, yet increase the services we provide for them. That means, too, that our fees are increasing—in fact, the typical client we’re working with now is investing over [£200/£2,000/£20,000] with us each year. Clearly, they’re doing that because of the value we’re giving them in return.*

*Again, my feeling is that (unless I’m very mistaken) we simply can’t provide you with that value. How do you feel about that?’*

Let’s say it again. When we say ‘get rid of the D’s, we really mean ‘get rid of the D’s from YOUR workload.’

Go ahead and classify your clients now. You’ll be amazed at the insights this gives you.

### **A management tool**

Taking that one step further, you then use those classifications to manage your customers and your marketing to those customers.

You see, most businesses promote to every customer and potential customer as if they were the same. Needless to say, this is expensive because very often the marketing that would suit an A client would fall on completely deaf ears with a D client.

The classification process you’ve just been through would show you that your A clients deserve (and probably already receive) completely different attention levels than your D (soon to be gone) clients.

Your B clients, on the other hand, have the potential to become A clients. So it’s important here to nurture them, contact them regularly, and send them special information. Offer them privileges your A clients enjoy by explaining what that entails and lead them into becoming A clients.

Your A clients would need to receive regular contact, and a great deal of your energies would need to be focused on delivering fantastic service. In fact, we really should add something else to the title of this segment: “Define your A, B, C, and D clients...*and then love your A’s to death!*”

## The ‘mad dentist’ gives us a lesson (an example for you)

A perfect example of just how well this strategy works is the referral system that dentist Paddi Lund has used to change his mediocre dental business to a place where people *love* to come.

One of Paddi’s primary goals was to create a ‘happiness-filled’ working environment. Paddi’s theory:

*“In general, people spend about 8 hours of each weekday at work, and much of the time they don’t enjoy themselves. Like myself, people put up with this situation so that they can earn some money. In the small amount of leisure and vacation time that they have, they take the money to buy things to try to make themselves happy.”*

Paddi decided that there had to be a better way. Since happiness was Paddi’s goal, he decided he didn’t need to continue to work with customers who didn’t bring him any happiness in his business.

So he decided to split his clients into A, B, C, and D groups.

From there he decided to ‘fire his D clients—he referred them to another dentist (never to be seen again!) Suddenly he realised his C clients had now become his D clients, so he fired them as well. And followed the same pattern with his B clients.

Consequently, he was left with only around 30% of his former client base. The 30% who were always on time, always paid promptly, and were just a pleasure to deal with generally. And he loved it!

At the same, time his team was concentrating on serving their A clients with extraordinary care. As part of a working agreement with their clients, they also began to ask for referrals.

The outcome of all of these somewhat ‘radical’ and certainly unorthodox changes is a practice that gradually moved from a client base of 20% A clients to a base of 100% A clients.

Not a bad result!

Paddi and the team really began to enjoy their work. The customers benefited from so much personal attention that they were happier, spent more, and referred more people. The team felt better and happier, too.

Not only that, Paddi and his team have been very successful in generating ‘word of mouth’ referrals from these A clients by very carefully selecting the clients they ask for referrals.

In fact, this dental practice is strictly ‘invitation only.’ Paddi and his team have many internal systems in place to ensure that their customers are delighted. Clients are thrilled to have the opportunity to refer a friend.

The entire referral process is done with a great deal of ceremony, which adds to the clients’ feeling of being ‘privileged’ to be selected to refer a friend. The referring client is given a set number of specially printed business cards (in a beautifully engraved gold business card holder) and knows that whomever they refer should be ‘just like them.’ Human nature being what it is, Paddi’s clients are very selective about who they refer to the practice.

The end result for Paddi Lund is that he now works a 22-hour week (as opposed to the 60 hours he was regularly putting in). He and his team now earn approximately 3 times the average dental income, and they have a completely stress-free and fun working environment!

## **Your Action Plan: Classify your clients and move them to greener pastures!**

<b>Action</b> (What needs to be done.)	<b>Outcome</b> (Results to look forward to.)	<b>Person responsible</b> (Make sure you involve others, if possible!)	<b>To be done by:</b>
Establish criteria for your A, B, C, and D clients. Remember to consider quality-of-life issues as well as financial points.	To define what you’re A, B, C and D clients are like.		
Once you’ve completed this, work through your entire customer base, tag them A, B, C, or D.	To classify your customers.		
Decide on the method you feel most comfortable with for moving your customers to greener more appropriate pastures (a.k.a. firing them!) and begin that process.	To generate more available time to nurture your A customers appropriately.		

## **Client Advisory Boards**

This information is designed to give you insight into the power of really getting your clients talking to you through a 'Client Advisory Board.'

Client Advisory Boards let you know:

- What your customers and clients feel and think about your business and what you do.
- What your customers and clients really want from your business (rather than what we, as owners, managers, and team members, might think they want!) and how to improve it from your customer's point of view.
- To find out, in an ideal world, what your type of business, as a group, could do better. That way, when you implement some of those ideas, you'll be like no other business of your type, again differentiating you even more.
- What you need to do to significantly improve your business.
- The 'hot buttons' to use in your marketing to make it easy for potential customers to spot the differences (like why you're better!) between you and your competitors.
- How to increase the results you get from the marketing pounds you spend.

In this session, you'll find out how to hold a Client Advisory Board, how to get your customers to attend, and how to arrange it (the number of people who should attend, the logistics involved). You'll also learn about the results you can expect and much, much more.

### **A gold mine for your business**

Client Advisory Boards are not research-based, report-generating, expensive things. They are gut-to-gut communications. Specifically, mouth-to-ear communications... their mouths to your ears!

And that's the whole point.

Very simply, at a Client Advisory Board, you or an independent person meet with 6 to 10 of your clients and talk...about your business. About the service they've received. About what they like and what they're not so happy with. About what your business could do to really improve. And about what the ideal business of your type would do for them.

A Client Advisory Board gives your clients a chance to tell you ‘what’s what’ in an incredibly constructive environment. An environment, where, if you do it right, they will tell you lots and lots of the ‘little things’ you could do to make your business really stand out from your competitors.

Things they want. Things that would really make a difference to them. And given that, things that really make a difference to potential customers and the strength of your marketing, too!

And all you have to do? **Listen.**

Listen very carefully...and your customers will help you build a gold mine—your business!

It takes just one client to mention something that gives you a ‘blinding flash’ of the obvious. It can really make a difference to your business.

Your customers know what they want and what you could do to really offer them the best service possible...so why not hear it from the horse’s mouth?

Better yet, your customers, are what you want more of, aren’t they? So why not ask them what’s really important to them? Why not ask them what they think about the way you do business, what you do, and then address the issues they suggest so that your business becomes the best in its field? The best in the field based not on what we think is important, but on what really matters—what the customers (the ones we want more of) really want!

## **Will I want to hear what they have to say?**

Some business owners fear this idea simply because most don’t know what their clients will say. Most business owners couldn’t say, for a fact, whether their clients were really happy. And what if they say something bad?!

It’s that possibility of negative comments that make some business owners miss out on one of the best marketing resources ever—your customers’ opinions!

The fact is, if someone has something negative to say, probably dozens of others feel the same way. These people won’t tell you they’re not happy. They’ll just move on to your competitors. Given that, it’s much better to bite the bullet, find out what they have to say, good and bad—and then do something about it.

The funny thing is this: If you’re the kind of business owner or manager who has enough interest to hold an event like this, chances are your customers are already

reasonably happy. You see, if you're even willing to have a Client Advisory Board, you already have a customer-focused attitude and an interest in your customers!

Usually, rather than negatives, your customers will simply use the Client Advisory Board to give you some great ideas.

## **How do I get people to come?**

The best way to do that is to invite a select group of your clients to come to a special event. An event where all you really want to do is find out what they think, find out firsthand what's important to them, get their opinion about the way you do business and what you could improve for them. Then you want to make those changes.

Be sure to talk about benefits to your customers...what you want to do and what it could mean to them. Be sure to answer the 'WII—FM?' question (What's In It—For Me?)

They'll want to come, but they'll need to feel sure that it's going to be valuable and their time will be appreciated. For that to happen, they have to believe that you really are going to listen to them *and do something about it*.

Most of your customers will want to get involved simply because you've asked them, and most will never have been asked their opinion, let alone to participate in something like this!

## **Who should I invite?**

It's usually best to invite a cross-section of your customers who are all relatively happy. Some may have been clients for years, some may be new clients, some large clients, others small, and so on. Be sure to mix the group. That way, you'll get a cross-section of comments.

*(A 'Team Advisory Board' is a great idea, too. Everything about this idea is exactly the same as a Client Advisory Board, except that you invite your 'internal customers,' your team, to talk with you. Here you find out what would really make a difference in their ability to do their jobs well and to create happier customers.)*

## **What time of day is best?**

This can vary depending on your industry. Ideally, you need to take as little of your customers' time away from their working day as possible, or they simply won't fit it into their schedule.

Afternoon to early evening, say from 4 p.m. to 7 p.m., seems to work quite well, as does 6 p.m. to 9 p.m., as long as you offer a light meal and beverages. Morning

sessions aren't usually ideal; if you feel this is a must, make sure it starts at 7 a.m., and finishes at about 9:30 a.m.

Also, depending on the time of day, always offer them some food and refreshments, such as a light lunch or supper or breakfast.

## **How often should I hold a Client Advisory Board?**

That's entirely up to you. You can hold them as often as you like...once a month, once a quarter, and so on. The key is to do them *regularly*.

The more often you hold them, the more feedback you'll gather and the more ideas you'll get to improve your business. So it really depends on how quickly you want to grow your business and how soon you want to increase your profits. It really is up to you.

Holding them regularly, though, is a great tool to continually refocus your team on the customer and make improvements every day. It also lets your customers know you really are committed to their needs.

Ideally, you'd hold a Client Advisory Board *at least* twice a year.

## **How many people should come and how long should it run?**

Ideally, you should have 8 to 12 people at the meeting. It's critically important that you keep the numbers small enough to ensure that the group is manageable. It's also important that each person has the chance to participate.

For group dynamics, the best number is around 10 people. If more than 10 people respond to your invitation, it's worthwhile splitting the group into 2 smaller groups to get the most from your clients' feedback.

And the meeting should run about 2 to 3 hours. One hour is invariably too short, and 4 hours is a bit too long for most people. It's possible to keep your breaks to a minimum. For example, you could do just one 10-minute break half way through, as long as coffee and tea is always available. Otherwise, you'll need a 5- to 10-minute break every hour.

## **What kind of venue do I need?**

You need to choose a venue where your clients will feel comfortable. For example, be careful not to invite working trades people to a 5-star hotel during or just after a working day.

Hotels normally offer all the service you'll need, plus they're perceived as a neutral environment. That's important.

The venue should have audio equipment so that the session can be taped. That way, you can play it to your team, get it transcribed, and refer to it later. This is *extremely* important because the information that comes out of the meeting will be truly valuable, and you'll want to refer to it over and over again as you improve your business.

You'll need a whiteboard so that you can open ideas up for discussion. (The whiteboards that make copies of the board before you clean it are particularly good.)

Use a boardroom table or a table set-up that is open, one where people can communicate easily. A 'U' shape works well and is perceived as 'businesslike.'

Place jugs of ice water and bowls of lollipops or something fun on the tables. You'll need a pen and name tag for each client. The names on the name tags need to be in a large font so they can be seen clearly from the front. Again, attention to detail like this lets the clients know you're serious about listening.

## **How do I make sure everybody has a fair say?**

Group dynamics usually means that 1 or 2 people will try to dominate the conversation. This can be very frustrating for those who sometimes find it difficult to talk in a group environment.

Having the key questions you're going to ask printed on single sheets of paper (creating an answer booklet) is a good way to capture everyone's opinions. It also allows people to express some opinions that, for whatever reason, they just wouldn't want to say in a group.

As the facilitator, your role is to manage the group and make sure the conversation runs smoothly. This will mean dealing with different elements as they arise.

Again, with general group dynamics, you'll find times when excitement and anxiety will come to a head. Your role is to help the group achieve balance. Too much of either accomplishes little.

Often these situations occur when the group stops listening to an individual's opinions. A way of overcoming poor listening within the group is to ask people to paraphrase what they're saying.

## **How do I get my clients to be honest, to tell me what they think and how they feel?**

You have 2 options:

- Option 1: Do the Client Advisory Board yourself.
- Option 2: Have an independent person facilitate the meeting for you.

Let's look at Option 1. In this case, you need to position yourself as an impartial listener right from the start.

Your clients have to believe that you honestly want their true feedback before they'll give even part of it to you! They need to know the genuine reasons why you need their feedback. You have to be honest so they can be the same with you.

Tell them up front that you won't comment on their ideas unless they want you to. Tell them time and time again that you're there to listen and explore—that's it.

Not only that, your clients have to feel they won't have to justify their comments and there'll be no consequences to deal with outside the Client Advisory Board.

Your clients must understand they are free to truly express what they're feeling. For that to happen, the structure has to be open and flexible. All you need do is act as a guide for the conversation, just steer the meeting through the areas and topics you want them to talk about.

Ask questions here or there to draw more information out, to move on to a different topic, or to refocus your clients. Here you need to ask virtually 'play dumb' questions, so that you get the real issues out. Questions like 'What do you mean by that?' 'Could you explain that a bit more just so I can better understand what you mean?'

By asking those questions, you'll find that some great ideas will develop.

Obviously, to actually do all that, you have to be completely open to their comments, praise, and criticisms. And that means not getting defensive—regardless of what is said, you must NOT refute their comments. It's important to remember that their perception of what your business does *is* the reality.

And that's why Option 2 is often vastly better.

You see, it's important that what's really going on for the customers does come out at the meeting. You don't want a lot of "you're OK" or "I'm pretty happy" statements. You don't want to know so much what your business is doing right as what you could be doing better from your clients' points of view.

In that way, it's really better if you're not actually there!

With an independent facilitator, you can relax knowing that your clients will give you the real story. (Public speaking and working with groups can be frightening, so even better yet, you can avoid standing in front of a dozen people for 3 hours!)

You see, people are often reluctant to say anything negative for fear of hurting someone's feelings or upsetting you or your team. This really is an important consideration for most people and often means that your customers are more likely to hold back if you (or your team) are present. This then lowers the overall value of the Client Advisory Board and sometimes means you just don't come away with as much feedback, or as many great ideas, as you otherwise would have.

If you aren't there, your customers can relax, too, making it easier for them to talk. They'll be much more open and ready to offer their opinions without feeling intimidated.

It also sends a message, one that says: 'We're serious, we really do want to know what you think, whether we like it or not.' This gives them more confidence to speak honestly. In this case, you'd simply meet and greet your customers, introduce the person facilitating the meeting, and leave. You'd return *after* the meeting to thank your customers and socialise.

Regardless of the option you choose, both will get you something you didn't have before—some great ideas from the people who matter most, your customers. The important thing is to do it.

## **What follow-up do I need to do after a Client Advisory Board?**

A thank you letter is a great way to follow up. Perhaps you can send a small gift or voucher to do business with you again. People always appreciate being thanked and they'll be even more impressed.

More importantly, you need to follow up with action. Immediately implementing some of their simple, workable suggestions is a great way to show your clients that you're committed to change for the better.

You can even go so far as to send the participants a copy of an 'Action Plan' that documents all the ideas you're going to implement and by when.

## **What will happen when I hold a Client Advisory Board?**

- Your customers will feel that you're paying them special attention, that you care. This makes them like dealing with you, which means they'll keep on dealing with you!
- Your customers' loyalty to the business will increase dramatically. This happens even for those people who were invited to the event and couldn't attend! Why? Because customers are always very impressed that you took the time to let them know you cared about their opinion. In fact, they feel involved and so want to continue working with the business. Many businesses actually receive thank you notes from the participants!
- Your customers will know you want to improve your business. That makes them want to support you even more.
- You'll find out what your customers really think—good, bad, or indifferent!
- You'll find out what's really important, even critical, to your customers...and it usually isn't what you thought!
- You'll be given specific, firsthand ideas and information that you and your team will be able to implement to improve your business.
- You'll usually hear about particular examples of the 'little things' that have gone right or wrong in your customers' dealings with you. These 'little things' can be improved easily and quickly...and make a huge difference.
- You'll stand out from your competitors. Your customers and potential customers will notice a clear difference between you and your competitors.
- You'll have some keys to really make your marketing fly!
- You'll get free public relations! Because it's different, most participants will end up talking to someone else about 'this great event I went to' and what happened. This, in turn, literally increases the referrals to your business.
- Most business owners have an idea of what could be done, but for one reason or another—they're too busy, not sure if it'll work—the idea just doesn't get implemented. After a Client Advisory Board, those ideas will be confirmed or denied, making your decisions easier.

Given all of these facts, then, it really is imperative to complete a Client Advisory Board.

### **An example for you...**

Some astounding results can come from Client Advisory Boards.

### **Simple, great ideas...**

Almost every time a Client Advisory Board is held, the business is given simple, new ideas that really are easy to implement and make a world of difference.

For example, a medium-sized manufacturing company held a series of 3 Client Advisory Boards. (This business had thought about it for some time and finally decided to make the investment to use an independent facilitator.)

At just one of those events, the clients talked about a problem that was making things more of a hassle. As the group talked about it, they came up with an idea. A simple idea that made order placing and confirmation easier between the manufacturer and the clients. It took up only about 10 to 15 minutes of the discussion at the Client Advisory Board...but within 1 day of putting the idea into practice, the company had saved £150,000!

Not bad for the first day! You'd probably agree that it was certainly worth the little investment needed to hold the Client Advisory Board. You see, the company didn't know it, but they were about to lose a major client. A client that was worth £150,000 to them.

That client didn't come to the Client Advisory Board, but received this new idea and loved it. They then specifically faxed and called the manufacturer just to explain that 'if it hadn't been for this, we would have walked. We had made arrangements to move to another supplier and when we received it, we were actually writing the fax to tell you so.'

And the idea? A simple '*Fax Back Same Day Order Confirmation*' form. A one sided piece of paper.

This form simply indicated that an order for X, Y, and Z had been placed. (This allowed the customers to make sure the right order had been placed.) And then it confirmed that the order (a) could be filled immediately or (b) listed those items that could be delivered immediately and those that had been put on back order. Next, the date for delivery of all items was confirmed.

This was faxed to the customer on the same day. In fact, it was so easy to use that it was usually faxed within 30 minutes after the order was placed.

To the customer, this meant that their order could be checked, they could better manage their resources based on the delivery dates, and they were guaranteed the stock—once confirmed, those goods wouldn't be sold from under them or delivered to a bigger customer, and so on.

From that first day, clients started calling to say they really appreciated it. More orders were placed. Customers started ordering a wider range of products than before, preferring to deal with this business...

Please bear in mind, nothing else had changed. No different stock was sold, prices weren't slashed and so on. Only a simple piece of paper—one idea from a Client Advisory Board—made it easier to buy from this manufacturer than from their

competitors (who didn't offer a written confirmation; in fact, nobody in the industry did). And because it was easier, they did it more often!

### **Your customers' 'key frustrations'—a vital tool**

Another important point is that business owners find out about their clients' 'key frustrations'—those things that really bug them not only about your business but also your *type* of business, and what would need to happen to fix that.

Let's look at a plumbing business. If you were to ask someone, 'what are the top 3 things that frustrate you most about a plumber?' the answers will almost always be the same.

Number 1: "They're always late (that is, if they show up!)."

Number 2: "They make a mess and never clean up."

Number 3: "They're expensive. I don't know what they did, but I paid hundreds!"

Now, if a plumbing business could change and make sure none of their customers ever had to experience those frustrations again, they'd keep and win clients over and over again.

Why? Because all of a sudden it would be far easier and more enjoyable to deal with that plumber, rather than one who was always late and messy and gave no idea of what work was completed for the money paid!

They could say, 'At XYZ Plumbing, you'll never have these problems again,' and then explain how each frustration is handled. Their marketing results would far outstrip their competitors, and customers would flock to them.

In fact, that's what exactly what happened for one plumbing company in Sydney, Australia. After addressing these 3 key frustrations, they quadrupled their turnover in just one year!

Or take a doctor's office. Ask some people, 'What is the thing that frustrates you most about going to the doctor?' Everyone will answer, 'Waiting!' So if a doctor's office guaranteed that your appointment would be on time, busy people, all of us, would be heading there in packs.

These sorts of frustrations are 'universal.' That is, if you were to ask 1 person or 2,000, the answers would typically be the same. If one of your customers had a frustration, chances are hundreds of your customers and potential customers feel this way, too. Whatever your industry, the people who use your type of business *will have some of those universal frustrations*.

Finding out what those frustrations are from your Client Advisory Board—and changing your business so that it doesn’t allow those things to happen—is a great way to make your business stand out. It will help your business get ahead of your competitors and create your Unique Selling Proposition, too.

## Your Action Plan: Tap into the power of Client Advisory Boards for your business

<b>Action</b> (What needs to be done.)	<b>Outcome</b> (Results to look forward to.)	<b>Person responsible</b> (Make sure you involve others, if possible!)	<b>To be done by:</b>
Do the 2-step doctor’s test. Ask people, your team, and associates these two questions:  1. ‘What is the one thing that really frustrates you about going to the doctor?’  2. ‘Given a doctor was a good doctor and offered a service that meant you never had to wait, that your appointments would always be on time, would you prefer that doctor’s office over another?’	You will see that ‘universal’ frustrations do exist and that a business will win customers if it solves that frustration.		
Make a commitment to hold your first Client Advisory Board on a specific date. Allow at least 1 month from now so you can get everything prepared.	To improve your business and enjoy all the benefits of Client Advisory Boards.		

## **Entice Your Customers to Buy from You Again with Offers and Bonuses**

Encouraging your customers to buy from you again and again is another one of the '4 Ways to Grow a Business.' Using offers is a great way to do just that. Offers can literally mean an increase in the number of times a customer comes back to deal with you each year.

Outlined below are a couple of the more effective methods of doing so.

This information is also designed to give you an insight into, and uses of, enticing your customers back again and again, particularly during certain seasonal changes or downturns in sales.

### **Neat offers to keep your customers coming back**

#### **The 'bounce back' offer**

'Bounce back' offers succeed on the premise that 'the best time to sell to a person is right after you've already sold to them.' 'Bounce back' order forms, for example, are usually included in shipments or with invoices or statements. They can also take the form of a voucher presented at the time of purchase or in a follow-up letter. If the bounce back offer is made easy enough, customers will 'bounce back' and purchase again because they already feel good about their immediate purchase.

Take, for example, a computer store. It would be logical to expect that the owner of a new computer would be in the market for some additional equipment, like a printer, a computer carrying bag, a modem, and even software. If a voucher is offered at the point of sale, there's a better-than-average chance that customers will (a) return and (b) spend more than the original amount of the voucher.

Bounce backs may offer more of the same, a related item, or items that are totally different from those originally purchased!

Bounce backs can also be a verbal offer. For instance, a hairdressing salon might offer every client who has just had either a perm or a colour a bottle of 'special-care' shampoo with a matching conditioner to ensure the best results out of the treatment.

Another version of a 'bounce back' is to offer to book their next hair appointment right there, *before* they leave the salon. Perhaps, when they do book another appointment immediately, they'll receive a free conditioning treatment at the next visit.

## **The ‘until further notice’ offer**

‘Until further notice’ offers occur when a customer gives permission to a supplier to continue sending an item or providing a service on a regular basis—until notified not to. That is, ‘until further notice’ is received by the supplier.

In taking up this arrangement, the customers may well receive some sort of added benefit or special offer.

The major benefit of the ‘until further notice’ offer is that customers won’t forget to renew their orders or have to go out of their way to purchase the item themselves.

It’s also a case of building a habit. You see, if the item or the service ‘just happens,’ there’s an even greater chance the customers will get into the habit of taking advantage of it or, in some cases (for example, a service to a business) become dependent on it.

A great example is a ‘Wine Club.’ When customers sign up to become part of a wine club, they usually receive a dozen bottles of wine every quarter. Wine consumption almost certainly increases when there’s a ready supply on hand! Particularly when you know there’s another shipment arriving at the end of the month.

Often, these orders will be charged to a credit card on a monthly basis. The most common types of until further notice offers can also be found at CD Clubs and Book Clubs.

Similarly, in the example advertisement that follows, the initial 4 CDs are being offered at a reduced price, on the condition that the customer purchases a set number at full price throughout the year. In some cases, a selection is sent according to the member’s predetermined tastes, and it can be returned if the customer isn’t interested.

Professional firms can use this sort of arrangement, too, by offering monthly services until further notice.

Bottled water suppliers also offer this type of arrangement. In this situation, the customer takes delivery of 2 or 3 bottles every month ‘until further notice’ is given to end that service.

## **The ‘reward offer’**

With competition in the marketplace on the increase, the fight to maintain customers has evolved. Loyalty programs, frequent flyer clubs, and other variations are now commonplace.

So why is there a need to reward existing consumers?

On average, it costs 6 times more to acquire a new client than it does to retain an existing one. In fact, just a 5% increase in your customer retention rate can produce a staggering 25% increase in profits! Knowing that, it's easy to see why some additional capital needs to be injected into programs to enable you to keep more and more of your existing customers coming back again and again.

Another aspect to consider is the 'lifetime value' of each customer. Basically, this suggests that an average customer who spends an average of £500 a year is really a £2,500 client over a 5-year period. This also suggests that as the relationship between you and your customers strengthens, there is the ever-increasing chance that the consumers' average pound purchase will increase too, as will the number of referrals they send you. This further emphasises the need to reward regular customers and keep them loyal.

The result of rewarding your customer—through special offers or promoting special offers to your customers directly or through loyalty programs—can be very successful. Your customers are far more likely to buy from you again if rewarded or if offered something special. (Or even if simply invited to deal with you again—most businesses fail to do even that, let alone make a value-added offer!)

That's because it provides an incentive to existing customers to continue purchasing a certain product, shopping in a certain place, or using a particular service. For example, you could suggest that at a certain target number of purchases, customers are entitled to a particular product or service at a discounted or nominal rate or perhaps even for free. These rewards can also be used to give the customer an opportunity to try a different product or service you offer.

You may have read the various music, CD, wine, or book club ads in papers and magazines. One company rewards customers who've been with them for 12 months or more. Customers must first fulfil their obligations to the original offer—that is, to purchase a certain number of CDs in the first 12 months. After that, they're entitled to further discounts, up to 30% off many items that the business has in stock.

So how can you create offers to reward your existing clients?

Some options that could be considered for rewarding clients are:

- A type of 'frequent flyer' program
- A gift of an additional or different product or service offered

An important point to note: You need to set parameters as to which clients are eligible to be rewarded. Will this be based on the number of years they've been a client, the level of investment they have with you each year, or whether they're someone you like to work with? Or it could be a combination. These parameters or guidelines

ensure that a system is in place that allows all your clients to be dealt with in a consistent manner.

**The: ‘fire sale,’ ‘end of year clearance,’ ‘it must go!’ ‘stock clearance’ offer!**

You’ve seen a million such ads and signs, probably paying little attention most of the time. Each of these is, at least overtly, trying to clear ‘slow moving stock’—products or services that aren’t selling well. However, there are measurable differences between seemingly similar offers.

For example, the three offers below are, for all intent and purposes, identical:

1. 50% off sale
2. 2 for the price of 1
3. Buy 1, get one free!

However, the response rates to each vary drastically. In fact, the last offer has attained up to 40% greater response than the other two.

So, let’s say that you had some ‘dead stock’ (stock that just isn’t selling) you’d like to move quickly. Of course, you’d still like to get a decent return, but you may be open to some flexibility in pricing and packaging. What are some of your options as far as creating stock-clearing offers?

The first is a sale of some kind, as suggested above.

A ‘closed door sale’—one where you close the doors and only invited customers can participate—is a particularly efficient way to clear stock because it appeals to the loyal customers in your database. This form of offer, when it’s done well, represents a whole package. Some closed-door sales are quite entertaining—refreshments and music help create the mood. In fact, some retailers report they don’t have to discount prices markedly to achieve good revenue in closed-door sales!

Another example of an offer that helps clear stock is ‘bolting’ the clearance items onto something else that the market wants.

Jeans stores do this quite often to clear a season’s T-shirts. Jeans are a regularly traded item compared to shirts and tops. One way to clear the ‘soon to be out of season’ shirts is to create a package deal, such as ‘2 free T-shirts with every pair of jeans.’ Restaurants do this very effectively with wine stock. For example, many give away a free bottle of ‘soon to be replaced’ Cabernet Sauvignon with every meal purchase over £40.

Sometimes, the process for clearing the stock is more subtle. As stated earlier, many people subscribe to Wines Clubs. Members receive a mixed dozen fairly regularly throughout the year. The first ‘clearance’ method is to place some of the slower moving wines in the mixed dozen.

The second method is to create special offers for ‘club’ members throughout the year. For example, a slow-moving Port may be offered at a discounted price (or at no extra charge) as a bonus for purchasing a certain quantity of wines.

Another option for clearing stock is to establish a ‘host-beneficiary relationship.’ In this case, you could attach items (products or services) to other, more regular sales items, as shown above. The difference is that the regular item could be from another business!

You’ve probably seen a number of businesses do this. For example, companies wishing to clear their aerobics outfits before the next season’s fashions arrive could make an offer in conjunction with a fitness centre or gymnasium. The simplest arrangement is having the racks of outfits at the gymnasium reception area, with a percent of sales going to the gym.

## **A final note...Low sales or downtime trading—the perfect opportunity for ‘offers’**

A ‘flat spot,’ ‘depression,’ ‘low,’ or ‘downtime’ can be defined as any time of the day, week, month, or year when sales of your product or uses of your service *usually* fall below desired levels.

For example, a bar or restaurant might experience this on weeknights. Sales are slow because people go home to relax and prepare for another working day, rather than going out and socialising.

To lift those sales levels, offers can be created to encourage consumers to use your products or services or visit your business during these ‘flat spots.’

Please bear in mind—what you can measure you can manage! You can identify these ‘flat spots’ only by constantly measuring and monitoring the ‘key performance indicators’ of any business on a regular basis.

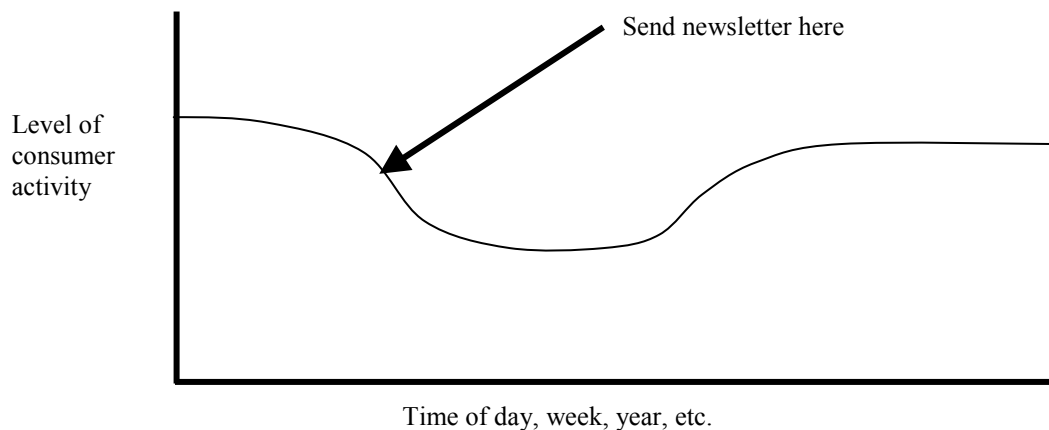
For many industries, downturns in business can be directly attributed to seasonal changes. For example, a lawn mowing business is slower in winter. A pool builder or air-conditioning company would normally experience the same thing. A vet may experience increased sales in spring or according to the breeding cycles of certain pets.

For other industries, it may be that consumers use their services only during certain times of the week.

Many cinemas have midweek specials. The same applies to video outlets, for those times when people don't tend to see films or rent videos (for example, a Friday or Saturday night). These industries (through measuring and monitoring) have identified particular days/weeks/months as their quiet times and have devised an offer to counter that.

Some businesses use a newsletter as a prompter for new business. The newsletter is sent out a month or so in advance of the quiet period to activate their clients during an otherwise quiet time. Newsletters also provide a medium for educating customers about various other products or services that are more suited to that time of year.

The graph below helps explain further.



Another example comes from a hotel. The banquets conference department identified an annual flat spot in its conferencing bookings. By packaging together a number of aspects that are essential to a typical conference, the department was able to offer a better overall conference rate. To differentiate themselves even further, the department bonused in a free embroidered polo shirt for each seminar delegate. This offer was created purely to overcome that traditional downturn.

Christmas is traditionally a period when many people travel. As such, here's another illustration from the automotive industry: Tire companies and various other car service providers, garages, mechanics workshops, and the like use the time just prior to the season to launch marketing campaigns. The campaigns are targeted to capitalise on this peak time. However, as a result of these campaigns, the industry generally experiences a lower level of consumer activity during January or February.

Review these examples and ask yourself when your low sales days, weeks, or months of the year takes place. From here, look to make your customers a special offer to encourage them to come back and purchase.

## **Your Action Plan: Use offers to entice your customers back to your business, to buy from you again and again**

<b>Action</b> (What needs to be done)	<b>Outcome</b> (Results to look forward to)	<b>Person responsible</b>  (Make sure you involve others, if possible!)	<b>To be done by:</b>
With this information in hand, review any offers you're currently using to ensure that your customers buy from you again and again.	To ensure that your offers are strong and generate repeat purchases from every customer.		
Review whether you could use the 'bounce back,' 'until further notice,' 'reward,' or 'fire sale!' 'downturn,' or 'seasonal' offers.	To make offers that will generate a greater number of purchases and increase the number of times a customer deals with you throughout their 'lifetime.'		
Review your monthly financial information to identify any peaks or troughs in your sales.	To document those peaks and troughs and adjust your marketing accordingly.		
Create an offer to increase sales in those troughs or to lift sales immediately after peak times.	To increase sales in lean times.		
Create some new offers using these techniques.	To increase the number of times your customers buy from you and increase your overall profitability.		

## **Understand Debtors and Discover the One Key Thing You Can Do to Collect More Money, More Easily!**

The debtor situation in a business usually makes people uncomfortable. It's often a problem that's given to somebody else to handle because it's just too difficult.

It doesn't have to be that way. Instead of considering your debtor situation a bad problem, consider it in a new light—the light of opportunity!

This information will delve into the meaning of debt, what it is, and how best to measure and control debtors. You'll then discover a host of strategies designed to reduce your current debt problem, all of which are based on one premise. A premise that will have the cash flowing to your business more freely.

This really is a pivotal topic simply because your cash flow and control of your debtors affects every other part of your business. It can affect your profits profoundly, too.

### **Imagine how easy it would be**

Imagine if you could have every single penny your business was owed in your bank account tomorrow morning.

Impossible?

Consider this: Wouldn't it be interesting to work out how long you could shut up shop if you did?

One business owner made this comment:

*“If we could get all the money we were owed, we could close down until the beginning of the next Financial Year.” (7 months later.)*

Of course, that's not to say you'd want to close up shop for the next 7 months after you collected all that belongs to you. Rather, the idea illustrates the potential magnitude of a bad debtor situation.

When you're frustrated by the health of your business, always analyse your own debtor situation before you look at ways to acquire more work.

You should be looking at ways to get the money in through the front door before considering ways to get more work out.

Although seemingly simple, this concept can be extremely difficult for some to apply.

The purpose of this information is to show you how to apply this concept by building systems that will keep your debtors low and yet not need your constant attention.

The ideas, tools, and systems outlined here will help you leverage your time so that you have the opportunity to work ON your business rather than IN your business. AND you collect what you are owed more easily.

## **What is debt, really?**

Perhaps at this point you're thinking to yourself:

*"I know what debt is. I've been dealing with debt throughout my career!"*

Certainly that's true. However, consider a different perspective on a common problem.

With that in mind, what is debt? And not from a fancy economist point of view, but from *your* point of view.

Really, debt is your money—in someone else's pocket!

It's not right and it makes life tough and unpleasant. You can turn that around, though, and you can have fun doing it.

The best way we know of to work out how badly you need to eliminate this problem is through the numbers. Numbers in this case speak louder than words, and a good mathematical equation can truly paint the picture about your business.

## **Key performance indicators for debts**

Critical questions for your business.

**What is the average size in days of your debtor book?**

Answer here if you know the figure: \_\_\_\_\_

**What do you collect before you start work compared to after the work has been completed?**

Answer here:

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**What is the ratio of your bad debts to accounts paid?**

Answer here if you know the figure: \_\_\_\_\_. Otherwise be sure to calculate this when you get back to your office.

These aspects of your debtor book can be your telltale signs. Consider them the specific Key Performance Indicators of your debtor situation.

Now do the numbers for yourself. If you could reduce the time you have to wait for an account to come in by 10 days, say from 30 to 20 days, how would this affect your cash flow?

What would happen if you collected 10% more of your fees before you started the work? Or instead of having a ratio of 20% collected before completion, let's say you could change that to 30%. What would this mean to your bottom line?

How would your clients react if, instead of hitting them with a bill for £2,400 at the end of the job, you had them on a 1-year payment schedule of £250 per month, which was charged automatically to their credit card?

These improvements are possible. What effect do you think they would have on your bad debt ratio?

Now that it's clear you can improve your existing debtor situation, let's look at probably the most significant way to get the pounds you're owed in your pocket.

**Make it fun**

Debt collecting doesn't have to be a visit from the boys with bulging muscles, and more importantly, it doesn't have to be perceived that way, either. You should make it a standard in your office to make debt collecting...

**FUN !**

A fun way to collect a debt reduces the possibility of upsetting clients. Remember, disgruntled clients will never come back, so don't aggravate them—inspire them.

## **Some examples for you**

Here are some examples of ways you can make debt collecting fun.

### **Around the bank manager in 80 days**

This idea originated at a courier company. It's called a Prompt Payers Club. The club is for customers who simply pay their bills on time.

What's in it for them? Every month the customers who are in this Prompt Payers Club are entered into a drawing. The winner gets their name published in the business newsletter.

You could easily do the same. You aren't limited to just publishing the winner's name, though. You might also promote the client by featuring a profile article in your newsletter.

In this example, the monthly winner in the Prompt Payers Club also receives a free balloon flight over the city.

What does the balloon flight cost each month? Well, it might cost about £500, but it does secure a lot of payments that would have become debt problems.

Work out how much time you spend chasing debt and put a value to it. Certainly, it's more than £500.

An interesting way to find a low-cost but valuable prize would be to look into your client base and see if any clients would like to promote their services or goods to your other clients.

For example, if a gym owner is a customer, why not arrange to give away a year's free membership to that gym? Perhaps you know other exciting businesses with whom you could arrange a relationship?

If you collected your thoughts and approached some non-competing businesspeople, you could probably organise a monthly prize that would be valued at thousands of pounds in your customers' eyes.

If you consider all this a bit much, you could arrange for the monthly winner to be refunded the cost of their work.

Of course, these are considerable suggestions, so you really need to work out how serious your debt problem is and then DO SOMETHING FUN.

### **Change the wording, change the debt**

A less dramatic strategy would be to modify the wording of your invoices from “payable within seven days” to a more specific call to action. Try wording your invoices with a due date for payment. For example:

‘Your payment would be appreciated by September 14.’

The owner of a secretarial services business had a dilemma, probably not dissimilar to something you may have experienced. You see, her business was growing and thriving. But she was experiencing the all-too-common cash flow problem—having to carry accounts. She had to pay her staff and overheads during the month, but her clients were taking 30 days or more to pay.

To speed up the cash flow from her customers, she originally added this line to her invoices: ‘This invoice is now due and payable within 7 days of date of invoice.’ Nothing happened. Clients clearly judged that ‘within 7 days’ really meant 30!

She decided it was time to do something about it. Using some of the ideas you’ll find here, she put together a 3-step process.

Step 1: she replaced the ‘payable within 7 days’ wording to one that noted a specific date for payment. Her invoice then read as mentioned above: ‘This amount is due by September 14<sup>th</sup>.’

The effect of just that alone has been astonishing. People now pay within days of that specified date.

If customers are still reluctant, she moves to Step 2: a simple ‘with compliments slip’ reminder. This slip is hand-written and mailed in a stamped, hand-written envelope. More success!

In fact, she recounted that after mailing this friendly reminder, the accountant of one client company walked in personally to pay the bill!

And then Step 3. For those who are still slow to pay, she sends a firm ‘reasoning’ letter. Fact is, Step 1 and Step 2 work so well that she rarely has to send this letter!

### **Why not stick it to them?**

This is another simple idea that makes a profound difference. Try using stickers with cute dialogues that convey a far more important message.

One business owner used just 2 different sorts of these stickers. One said, ‘Thank you, we really do appreciate the way you always pay your accounts on time.’ The second said, ‘Thank you for being such a good customer. We wish we had more like you.’

The results?

His account payments jumped a full 24%! Well worth the couple of quid it cost to buy the stickers!

You can find a supplier of these sorts of reminder stickers in your area. Buy some and start using them. Again, they’re different, and they attract attention.

### **Buy back your hard-to-get debts from your clients**

This idea originates from a professional firm. Shane had some success with his slow payers. If they owe, for example, £5,000 for an extended period, he sends them one of his own real cheques made out to himself for £500.

Shane then invites his debtor to use it as part payment for the amount outstanding.

It works, and you must agree, better a 10% gift than a 100% write-off!

### **Reward your clients for doing what they’re supposed to do!**

This idea comes from Barry, owner of a specialty printing business. The business specialises in printing embossed, gold-foil certificate blanks.

Barry used one of his blanks to print up a high-quality Certificate of Appreciation, which was awarded...

An accompanying letter invites the recipient to...

Another suggestion would be to simply send a ‘with compliments’ slip to say ‘thanks for paying your account on time.’ Remember, the little things are what make profound differences in your business.

This may not directly help to collect the money that is out there. But it may help you stop any *more* money from going out and becoming an addition to your debt problem.

Just to give you an idea of how you can go about putting these ‘with compliments’ slips together, here are 3 examples:

‘Hi,

Thank you—for paying your account today.

It makes it so much easier for us to continue giving you the excellent service you deserve.'

Or:

Hello,

We need more clients like you!

You see, when you paid your account promptly, it helped us enormously.

By keeping our wheels turning freely, it allows us to give you the level of service you so richly deserve.

Thank you!

Or:

'Just wanted to say...

Thank you so much for paying up the first part of your account.

It certainly helps us to keep everything on track. And it also helps us to continue to give you the kind of service you deserve.

Thanks again.'

It's best to hand-write the letters. To make this an easier process for you, ask your printer if they can do it for you from your original hand-written message.

So you can see there are a multitude of new, exciting, different, workable ideas to apply to debtors! Ideas that have already been proven to bring results.

## **Your Action Plan: Create the 'controls' for your debtors and begin making it fun to pay!**

<b>Action</b> (What needs to be done.)	<b>Outcome</b> (Results to look forward to.)	<b>Person responsible</b> (Make sure you involve others, if possible!)	<b>To be done by:</b>
Calculate your Key Performance Indicators. What is the average size in days of your accounts receivables? What is your ratio of bad debts to accounts paid? What do you collect before you start work compared to after work is completed?	To provide telltale signs about your debtors and the position of your business.		

<b>Action</b> (What needs to be done.)	<b>Outcome</b> (Results to look forward to.)	<b>Person responsible</b> (Make sure you involve others, if possible!)	<b>To be done by:</b>
Consider establishing a 'Prompt Payers Club' of your own, or some sort of reward for customers. A little more radically...consider any customers where it would be worthwhile to 'buy back' the debt!	To increase payments, cash flow, and profits.		
Change the wording on your invoices to include a specific due date for payment.	To get them paid on time! And to increase payments, cash flow, and profits.		
Buy debt collection stickers from a supplier in your area and use them.	To get them paid on time! And to increase payments, cash flow, and profits.		
Thank and acknowledge your customers for paying!	To begin building better relationships with your customers, show they are appreciated, and increase their desire to pay you more often!		

### 3 Smart Ways to Collect What You're Owed

This information is designed to give you insight into some techniques to get the cash flowing to your business more freely.

The 3 smart ways involve new ways of writing to your customers, talking to your customers on the phone, and giving your team some incentives.

Let's explore this critical area even further. It really is vital to collect as much money as quickly as possible and keep your debtors to a minimum. These tools will help you do that.

#### **1. Use letters that really reach a person *instead* of letters that badger them! And some examples for you.**

Here are some letters to get what you're owed back into your pocket.

As you're probably aware, most debtor letters are negative and threatening. (Conversely, most businesses NEVER send a thank you note for receiving payment.)

These sorts of letters alienate the customer. People don't like being threatened even if they know they're in the wrong. It makes them resentful and uncomfortable. This also makes them less likely to pay quickly and certainly less likely to purchase from you again.

Better to reach a debtor on a person-to-person basis.

You see, almost everyone has owed money to someone else at some point. Even you perhaps?! Maybe you forgot a small account. Maybe you were having difficulty paying a larger one at some point. Maybe you were just too busy to get to it. Whatever it was, usually though, you would never have purposely just NOT paid someone. (Very occasionally, someone might do so, but why punish and alienate the majority for the sake of a troublesome minority?)

Bearing that in mind, let's take a quick look at a couple of typical debtor letters. The first, in particular, seems to be the norm for those businesses that bother to write requesting the pounds owed.

Dear Customer,

It has come to our attention that your account is outstanding.

The overdue amount is :       £56.54

Please correct this situation immediately by sending a cheque or money order today or visiting the premises.

If your arrears fail to be received within the next 14 days, you will leave us no choice but to seek legal action. Of which you will be liable for this amount and all court costs.

Legal action will be taken if the amount of £56.54 is not paid.

In the meantime, we appreciate your business and if you have already paid this account, please disregard this letter.

Yours faithfully,

Or another, not quite as harsh but a bad letter just the same:

Dear Client,

We refer to your outstanding account with our firm. As you are no doubt aware, the amount charged to you is our selling price. While we do not provide any goods or materials, we do have a very large infrastructure that must be financed. Not the least of these is our commitment not only to keep up-to-date with legislative changes, but also to keep touch with the current best business practices.

In order that we can provide you with better services, our cash flow is of prime importance. We would therefore ask you to make payment as soon as possible.

If you have some complaint with our services or are experiencing cash flow problems, please call to discuss the matter. I'm sure any problems could be solved to our mutual advantage. If you are having cash flow problems, perhaps we can help you to plan your business objectives and review your business practices. This could well solve both our problems.

As you can see, both letters are harsh. Both fail to consider the customer's point of view. The first is threatening and overbearing, only to say 'but thanks anyway' at the end! The second talks about the accountant and not about the client. It's a complaining, almost indignant style of writing. As is the case with these types of letters, it's not unusual for debtor letters to come across as negative.

Perhaps yours are written in a similar style? If so, consider this:

**People pay people they like! And the purpose of any debtor letter is to retrieve your money in full.**

As such, it should not make you feel good and the client feel awful. It should build empathy in *your* direction!

Instead, try a letter like this one:

October 28, 20xx

Susan Smith  
ABC Company  
PO Box 123  
Your Town

Spring Hill, Thursday, 2:50 p.m.

**Good morning, Susan,**

You know, bank managers and accountants can be such pains in the butt!

They do, though, have one very important function—they remind me occasionally that I'm running them out of business by competing with them.

*"Look here Bill," they say, "we're the ones who lend money, NOT you. And you don't charge any interest either."*

You see, Susan, I've effectively loaned you £1,200. The £1,200 you've owed us since May 5.

Now, you might feel a little uncomfortable about that, so acting on this letter may well help you feel a little better.

All you have to do is drop your cheque for £1,200 in the post. I'd really appreciate it if you could do that right now or please call me so that we can find a solution to the problem.

Thanks in advance for taking some action, Susan, and for doing it quickly. That way we can both keep our paperwork piles down.

Keep at it...

Bill Hamilton

PS And I guess we can make at least one bank manager happy, too!

Or perhaps a letter like the one below:

November 10, 20xx

Michael Smith  
ABC Company  
PO Box 123  
Your Town

Spring Hill, Tuesday, 2:50 p.m.

**Good morning, Michael,**

You know, I've tried 47 different ways of starting this letter to you. And then, it finally hit me.

All I had to do was say **H E L P !**

All I had to do was explain that I had a problem and needed your help. I figured you'd want to know exactly how you could help.

You see, someone in your organisation currently has an account they're "sitting on" for £2,900. Sure, it's not taking up any space, but it can be annoying to have paperwork piling up.

So, you can reduce that pile and help 3 people at the same time.

First, you'll help me. Second, my bank manager will change his scowl into a smile. And most importantly, you'll help yourself by getting rid of something that might just sit there like a thorn in your side.

Thank you in advance, Michael, for taking action on it now. I really do appreciate your help. Keep at it and keep on enjoying...

...good things.

Bill Hamilton

PS If for some reason you can't act NOW, I understand. But please do call me so that we can find a good solution.

The idea behind these letters is that they're 'friendly.' And people don't like owing their friends money. And most don't like to think they're making someone feel bad.

Also, you'll agree these letters are different. They certainly stand out from the rest of the debtor letters your customer may have *ever* received.

Because of that, you can be sure they'll be read.

Your customer will understand your position better while relating to your message, instead of being offended by it. Many will feel guilty and feel compelled to do something!

## **2. Create a debt collection system and use a critical resource—the phone—to collect your money. And some examples for you.**

It's important to create a debt collection system. At each point in the collection process, the action you take moves up in 'gradient.' That is, it gets more and more proactive on your part.

Such a system must be created with a view of having people move out of that system—having paid their debt—before you take the most serious steps, such as legal action and so on.

It's also important to record of your contact activity with customers in order to remind them of previous promises they have made and so that you know when and what additional action needs taking.

In this light, it can be useful to call your clients, perhaps even more than once, before you write to them.

Because most people don't mean to fail to pay. Receiving a nasty letter can take them by surprise and make them indignant! The initial phone call, then, should be designed to offer a friendly reminder, a service more than anything else.

Whereas a more formal letter would have been sent in the past, these days the phone is totally accepted as a means of dealing with such issues. With the next phone call becoming more serious, and so on. In this context, your letter often has greater power to it as well.

In that respect, there are a multitude of strategies that can be used to increase the results of your debt collection efforts.

### **Phone call #1**

Simply get on the phone to your customer. This phone call could go something like this:

*'Hello [Customer Name], this is [Your Name] from [Your Business Name] and I'm calling for 2 purposes. First, I wanted to make sure everything is OK with your [product or service] and that you're happy with everything we did for you.'*

Let them respond. Most will say: ‘Oh yes, everything’s fine thank you.’ You can then go on to say:

*‘That’s great. I’m glad to hear it all went well. [Customer Name], there is one thing I need to remind you about. We haven’t received your payment for your [product or service] yet [pause], and I was wondering if we could take care of that right away then?’*

Many people will be surprised, or apologise, or make excuses. At this point, you can go on to say:

*‘Oh OK, well it would be best if we could take care of that now. What would be the best way for you—credit card or a cheque, say by the end of the week?’*

This, in a friendly way, gives the customer 2 clear options, and you can take it from there.

For those few who mention something they are or were unhappy about, acknowledge it as a legitimate comment and resolve it, if possible. After that, go on to confirm:

*‘Despite that, would you say you’ve been happy with everything else?’*

Most will say, ‘Oh yes, everything’s fine thank you.’

From here, depending on the severity of their unhappiness, you can either continue or let them know you will call them again to check everything has been rectified. In the latter case, be sure to mention:

*‘[Customer Name], one last thing. Your account hasn’t yet been finalised for that [product or service]. Of course, I’ll take care of this for you first, but you’d appreciate that we will need to take care of this account then. I’ll talk with you again shortly and make sure this is made perfect for you. Bye for now.’*

## **Phone call #2**

This next phone call gets a little firmer about the outcome. You’ll find an example of the style of script you should be using below:

*‘Hello [Customer Name], this is [Your Name].’*

Here you will engage in rapport-building conversation.

*The reason for my call is to check that your payment for the [product or service] hasn't gone astray.*

*I've just been speaking with Nicky in our Accounts Department, who brought it to my attention that we don't seem to have any record of receiving your payment.*

Don't pause at this point.

*And [Customer Name], I just wanted to determine whether your payment has gone astray at this end, or perhaps it has been overlooked by your Accounts Department.*

*Can you shed any light on the subject?*

If the payment has been overlooked...

*So [Customer Name], there are a couple of ways you could fix that with us now. The quickest way to sort it out would be to pay with a credit card. Is there any particular card you prefer to use?*

If "no" to use of a credit card...

*Then [Customer Name], why don't I fax you a copy of the invoice so that you can have your Accounts Department process that for us?*

Wait for a response.

*Great. I'll fax that today. That way, we can anticipate receiving your payment by when?*

Agree on a specific date.

*Thanks for your help with that, [Customer Name]. I really appreciate it and I forward to finalising this.'*

You'll notice that it gets straight to the point in a very non-threatening way. But it does get to the point.

You'll also see that it creates action. You now have a direction or end point that you can work toward so that you can mark when your next follow-up should occur.

A way to make this even more powerful is to send a ‘Just wanted to say’ card that reinforces the end point, which is the specific date you can expect to receive your client’s payment.

For significant debts especially, it is better that you personally make these follow-up phone calls. The message is strongest and people tend to feel more beholden to you. If you don’t like doing this yourself (where the message is strongest), delegate it to a team member.

The next step from here would be a combination of a letter and another debtor follow-up call.

In this instance, you take the control away from the debtor. You write to explain that they need to pay the account, and you tell them that you’ll be calling in the next couple of days to follow up the letter and to determine when your accounts people can expect the payment.

You’ve clearly defined what will happen and what you expect. This way you’re in control from the time you send out the letter until the money is in your pocket. The script and the letters should follow a format similar to the examples you’ve read here.

From here, if you haven’t had a response and received payment—stay in touch. Call constantly. The old theory of ‘the squeaky wheel’ rings true here. People pay bills by prioritising their creditors and their cash flow. If you’re determined and constantly in touch, many will often pay you first just to get you out of the way!

### **3. Give your team an incentive and watch the ££ flow in. And some examples for you.**

Provide your team with an incentive or reward that will focus them on the debtor problem at hand. It’s sometimes hard for team members to grasp the seriousness of the situation because their salaries don’t alter as the level of debt alters. The debt gets higher, yet the salary stays the same. The debt gets lower and the salary still stays the same.

Most times, the best way to solve a problem is to have the whole team focus in on it. Set team performance goals to reduce the debt. Give your team the systems, skills, and support they need to get out there and reduce your debtor problem.

Empower your team to make deals, such as payment schemes. And give them an incentive, a profit share—whatever it takes to get your money.

If you were to hire a debt collector, they would take 20% of what is returned. Yet in most cases, your team will do it so much more efficiently and nicely for the opportunity to win a day off.

The cost to you is very little, and it really focuses your team. Once they learn about the difficulty of collecting debt, they may just be a little stricter with their controls on credit.

When you're in charge of collecting debt, you soon work out ways of bringing the debt under control. When you look to your team to share the debt responsibility, you'll find that, in most cases, your team will devise more effective controls for outstanding amounts. And this is great leverage of your time.

Take the example of one company that tried a 'day of reckoning' that's had astronomical effects. Literally hundreds of thousands of pounds have been collected in just one single day! Simply by having everyone in the company focus for a whole day on one particular aspect of the debt problem. Teams of people who normally had no contact with clients got on the phone and called debtors in an all-out attack on the problem.

The day was set up with an Olympics-style atmosphere: The opening of the 'Games' was held early in the morning. Collection and tabulation of results occurred every half hour in a place where everyone on the team could see.

Medals were awarded for outstanding performance.

- Gold for credit cards or payments that would be collected and banked that day.
- Silver for credit card payment schemes where the client acknowledged his tardiness and offered to pay over a period of months.
- Bronze for promised payment by a set date that could be followed up within the 'Post-Olympic Closing Ceremony' that would occur in the following months.

Rewards were given at the end of the day for the most debt collected in each category. The company managers established records before the day, and many of these were smashed during the 'Olympics.'

They even mentioned to their clients that the day they were calling was a special day. Their clients were interested and wanted to know more about the day and why they were doing it. This led in nicely to the fact the clients owed money.

It was surprising the amount of enjoyment and enthusiasm people had for what was normally a job that most would hate to do. It was great for morale, too. Everyone had the same purpose. No bosses handing out work, only team captains setting the rules of conduct. The end result was a better company financially, culturally, and spiritually.

How could you apply these great ideas to your business?

## **Your Action Plan: Go ahead, bring that money in!**

<b>Action</b> (What needs to be done.)	<b>Outcome</b> (Results to look forward to.)	<b>Person responsible</b> (Make sure you involve others, if possible!)	<b>To be done by:</b> (Date of next BGR meeting, if possible.)
Review your current debtor letters and/or phone calls. Also, consider who is involved in the debt collection process.	To assess the current situation.	You and your team	
Take an example of the kind of letters you could be using and adapt this to suit your business.	To create a tool that will bring in more money more readily to your business.	You or a key team member	
Call your new debtors using the first script and your older debtors using the second. Track how much money you collect.	To begin collecting more of what is rightfully yours!	You and your team	
Look into involving more of your team members. Consider the debt collection ‘Olympics’ described here. At the very least, hold a team meeting to explain the situation and the importance of debt collection.	To collect more by having more ‘collectors’! Or at the very least have your team more aware.	You and your team	

## **Creating a ‘Team Commitment’**

This information is designed to give you insight into just how important it is to establish a ‘team commitment.’ You’ll find out why they are important and how to create a team commitment, And you’ll see some examples.

A team commitment is literally that. A commitment by the team to the customers. It clearly states what the team is willing to commit to do for the customers. Team commitments are very powerful tools that increase your customer’s level of confidence in your business.

Interestingly, the process of building a team commitment actually creates a ‘team’ within your business, so that the staff doesn’t work independently. It makes it easier for team members to understand their roles and responsibilities, too, and it gives them a guide by which to make decisions.

A team commitment could be created by the team for the team; that is, what they commit to do for each other. It could be created by the owners or managers of the business for the team and vice versa.

If your customers’ involvement in a certain process really can affect the value they receive from that process, you can create a team commitment. The team in this instance consists of the customer and supplier, who are working together for the best results. So you can see that team commitments apply to all sorts of ‘teams.’

### **No involvement = no commitment**

One issue that comes up again and again for most business owners is this question: ‘How do I get my team as committed as I am to the enterprise?’

This is probably one of the most frustrating issues for most business owners and managers.

Most complain that team members ‘don’t take responsibility, cost too much, don’t do any more than they have to, arrive late, go home early, make mistakes all the time, don’t take any responsibility, blame each other or the customers, drag their family problems into work, make personal phone calls all day. It would be easier to do it myself.’

So much so that when surveyed about the positives and negatives about being in business, the vast majority of people include their staff in the negative column.

There are literally hundreds of theories about how to solve this issue, but there's just one common thread to win that all-important commitment:

**The involvement of your people.**

Many business owners complain that people just show up. And it's true, isn't it? Many times, people turn up, do a 'fair days work for a fair day's pay,' and go home. In the meantime, you can just feel it—the lack of commitment or willingness to go an extra mile.

And therein lies the problem—they're just showing up. This drives most business owners or managers crazy. There is no commitment.

At the same time, in most situations like this, the point often has to be made that there is, conversely, no involvement of the team. No opportunity to contribute, to get involved, to understand where the business is heading, your vision, and how they can be a part of that.

In this instance, how can anyone expect anything more from employees—except to *just* do their jobs?! Really, they haven't been given any the opportunity to do anything else!

It's that involvement that's critical. It's that involvement that literally breeds commitment.

You see, if people are treated like they're *just* employees, they'll behave as if they have *just a job*. They'll get there when they have to, do their job diligently (if you're lucky), and be the first out the door at 5:00 p.m.

**So, if your team members are treating their roles as if it's 'just a job,' it's time to get them more involved.**

Think back to when you were employed by someone. Did anyone ever treat you that way, as if you were just an employee to be ordered about, never asked an opinion? Unfortunately for most of us, the answer is yes. On further thought, people usually notice that they weren't that committed either.

Remember your experiences for a moment. Remember how it felt. Remember how you hated it. Remember how you couldn't wait to get out of there. Remember how frustrated that made you. Remember how bored you were. Remember how you felt that little bit trapped. Remember how your whole life revolved around your weekend. Maybe it was these kinds of jobs that made you want to set up your business?

At this point, nobody wins.

The employees lose a little life every day. The owners or managers do the same. Both feel incredibly frustrated. Many blame each other. Many have an ‘us’ vs. ‘them’ mentality. And the customers are usually lost somewhere in the middle.

You lose even more, too. You see, it’s your team members who are on the front line, dealing with your customers face-to-face or on the phone day in and day out. This means they have an invaluable and immense understanding of what the customers want, what problems exist, what could be done to solve the problems, and, better yet, ideas on how to grow your business. (Great ideas for your business usually come from 2 sources: your customers and your team. If you aren’t involving your team, you’re missing out on a MASSIVE opportunity to grow your business.) Their role in your growth is pivotal.

The amazing thing is this: Most people would leap tall buildings in a single bound to have a job that asked more of them. Just like you, most people DON’T want *just* a job.

Even if they’re acting like it right now, they DO NOT—REPEAT DO NOT—want just a job.

Most people want to take pride in their work. Most people want to contribute. Most want to do a good job. Most are happy to make an effort.

Most want something to get them excited. Something they can contribute to. Something that makes them want to get up in the mornings. People need passion in their lives. Having just a job doesn’t do that for anyone! A bigger picture, like what your business is there to do and how they can contribute to it as part of, and over and above, their job—DOES.

With the world changing so quickly, people need a sense of belonging. A sense of being part of something greater than themselves, greater than just a confined job. Many people look for that in the workplace and very few find it. Most find just a job. Your ‘vision’ for your business, your sense of what you’re trying to achieve, could be just the thing to give them that bigger picture.

It follows, then, that many companies have high staff turnover simply because people can do ‘just a job’ only for so long. At some point, they virtually have to move on and look for something more fulfilling, something where they feel their contribution is valued and recognised.

**‘I’ve tried it—it doesn’t work!’**

On the other hand, perhaps you've *said* you're interested in their opinion or told them they can take the initiative. If so, you're on the right track.

Unfortunately, years of being led by rules and regulations through childhood, schooling, and other jobs means that without some clear guidelines, most people are uncomfortable about jumping in, making suggestions, and going the extra mile—when they're not sure of the results from above.

People often think, 'I hear what you say, but I don't know what you'll do.' It means people need more parameters.

**The key then is to *do* something.**

Something that demonstrates your commitment to work with them. Something that demonstrates their commitment to work with you to get the results your customers want. Something that establishes what 'we will and won't do and what to expect.' Something you build together, something that helps build a team.

**Something called a 'team commitment.'**

You'll find examples in this handout to help you create your own team commitment.

A great way to work this out with your team is to call a team meeting. Explain that you want to get their involvement in more areas of the business. Tell them that you want to make a commitment to them, have them commit to their roles and, together, make some commitments to customers.

Then hand out a blank version, something similar to the examples included here, about a week before another team meeting and ask each of them to fill in their ideas.

At the meeting, thank them for their ideas, write down their ideas on a whiteboard, and distil them into a set of commitments that everyone 'owns' and commits to.

Better yet, have each and every person sign the commitment.

Then print your team commitments. Frame a very large version, including all team members' signatures, and hang it in your shop or lobby. Use it as a feature, point it out to visitors if they don't notice it first. Hang copies throughout your premises. That way, you, your customers, and your team members have a constant reminder of your commitments.

You can use this team commitment as a sales tool. Give potential and existing customers a copy. Use a 'PS' on a letter you might be sending out or a 'with compliments' slip or business card attached to the team commitment to explain it.

It could say something like this:

[Client Name], you'll notice I've sent you a 'team commitment.' This team commitment is for you. Literally. We've listened to your feedback over the years, sat down together, and come up with [number of] commitments we're fully willing and able to make, specifically, to you. These commitments have been created so that we'll do a better job for you all the time. Hope you like them—they really are for you. Let me know what you think.

[Your Name]

Team commitments show customers and potential customers another way that you're different from your competitors. Different and better. It also builds their confidence in your ability to do their job right or meet their needs.

Team commitments can also be developed between the customers and your business. This way, the team, the 2 of you, are committed to whatever is required to make your relationship work well. An example is included here as well.

Not only that, team commitments can be used between teams. That is, team members can commit to each other in detail in a separate in-house team commitment.

## **Some examples for you**

Working through these examples, you'll notice team commitments are very individual, almost personal. And that's because they're a direct reflection of you and your team. They are a reflection of the personality, of the heart, of your business—your team as a whole.

### **Our Team Commitment to You**

As an ABC Ltd client, we want you to know you have the right to expect the following standards from us:

1. You will receive friendly, courteous, awesome service. You will be respected and not taken for granted.
2. We will honor our commitments to you absolutely.
3. Our products will always be of an exceptional quality and designed to add significantly to your business.
4. All of our programmes carry a very specific performance guarantee so that we remove any risk from trying them.
5. You will always be able to seek our help to implement any of the programs in your business.
6. We believe totally that your perception of our performance is always the reality.
7. We will acknowledge any communication you have with us before the end of the next working day.
8. We will be honest, truthful, and "up front" with you at all times.
9. Our people have the authority to make decisions for you without the need for referral.
10. We will communicate with you frequently and openly as we build a "win-win" and long-term partnership with you.
11. Our products will rarely, if ever, be the cheapest on the market. They will, though, always be the absolute best quality and value so that you get real benefit from them.
12. Your feedback is critical to our continuing to innovate and improve. We always look forward to hearing your ideas, your comments, and your suggestions.

Another business went for something like this:

#### **Performance Standards**

- Do fabulous work and be known around the world for our innovativeness.
- Attract exciting people—some of whom are a little offbeat.
- Constantly question the way things are and never, ever rest on our laurels (today's laurels are tomorrow's compost).
- Make sure that those who leave us, voluntarily or involuntarily, can testify to having learned a lot, having had a special experience, and having made fast friends while they were with us.
- Have a supportive, stretching, zany, laughter-filled environment where people support one another and politics is as absent as it can be in a human (i.e., imperfect) enterprise.
- Ensure that no question or innuendo ever surfaces about our ethics.
- Dot the i's, cross the t's, answer the phones within 2 rings (no interrogation, no "can I take a message," but offer genuine help), send out errorless invoices, and in general never forget that success is in the details.
- Work with exciting customers (and other partners) who turn us on and stretch us, from whom we can learn, and with whom we enjoy associating (and who pay their bills on time, too).
- Take in substantially more money than we spend (where spending includes above-average rewards and a very high level of investment in the future).
- Grow via quality services and customers, not via growth for growth's sake.

An exclusive and successful hotel uses this credo as its team commitment.

### **The Ritz-Carlton Hotel Credo**

The Ritz-Carlton Hotel is a place where the genuine care and comfort of our guests is our highest mission. We pledge to provide the finest personal service and facilities for our guests, who will always enjoy a warm, relaxed, yet refined ambience. The Ritz-Carlton experience enlivens the senses, instills well-being, and fulfills even the unexpressed wishes and needs of our guests.

1. The Credo will be known, owned, and energized by all employees.
2. We are "Ladies and Gentlemen serving Ladies and Gentlemen."
3. The 3 steps of service shall be practiced by all employees.
4. "Smile." "We are on stage." Always maintain positive eye contact.
5. Use the proper vocabulary with guests (eliminate—hello—hi—okay—folks)
6. Uncompromising levels of cleanliness are the responsibility of every employee.
7. Create a positive work environment. Practice teamwork and lateral service.
8. Be an ambassador of the hotel inside and outside of the workplace. Always talk positively. No negative comments.
9. Any employee who receives a complaint "owns" the complaint.
10. Instant guest pacification will be ensured by all. Respond to guest wishes within 10 minutes of the request. Follow up with a telephone call within 20 minutes to ensure their satisfaction.
11. Use a guest Incident Action Form to communicate guest problems to fellow employees and managers. This will help ensure that our guests are never forgotten.
12. Escort guests, instead of pointing out directions to another area of the hotel.
13. Be knowledgeable about hotel information to answer guest inquiries.

14. Use proper telephone etiquette. Answer within 2 rings and with a smile. Ask permission to put a caller on hold. Do not screen calls. Eliminate call transfers when possible.
15. Always recommend the hotel's food and beverage outlets before recommending outside facilities.
16. Uniforms are to be immaculate. Wear proper footwear (clean and polished) and your correct nametag.
17. Ensure all employees know their roles during emergency situations and are aware of procedures. (Practice fire and safety procedures monthly.)
18. Notify your supervisor immediately of hazards, injuries, equipment, or assistance needs you have.
19. Practice energy conservation and proper maintenance and repair of hotel property and equipment.
20. Protecting the assets of a Ritz-Carlton Hotel is the responsibility of every employee.

#### **The Three Steps of Service**

1. A warm and sincere greeting. Use the guest name, if and when possible.
2. Anticipation and compliance with guest needs.
3. Fond farewell. Give them a warm good-bye and use their names, if and when possible.

Here's one from a hairdressing salon.

### **Our Team Commitment to You**

At Jenny's Hair salons, we pride ourselves on giving you the very best haircut and design so that you're totally delighted with what we do for you. (That way, you'll recommend your friends to come and see us, too). We will never strive to be the cheapest—simply we'll keep striving to be the best.

We observe the following standards:

1. You must be totally delighted with what we do for you and how we do it—otherwise we won't charge you for our services.
2. If you're ever disappointed with the cut or the color, not only won't we charge you, your next visit to our Salon will be "on us"—you won't be asked to pay.
3. If we ever keep you waiting longer than 3 minutes before we start work on your hair, you'll receive a complimentary bottle of our shampoo absolutely free as our way of making up for the error on our part.
4. We'll always wash your hair and massage your scalp thoroughly for 5 minutes before we start cutting your hair unless you ask us not to.
5. One of our Professional Team will always recommend hair care products to you as part of our service—that way you can be certain you're using the right products for your hair group and style so that your hair looks great every day.
6. We'll always offer you tea, coffee, water, or juice when you arrive.
7. We'll always give you your "next appointment card" before you leave.

And finally here's one that comes from an accounting firm that sets out the commitment for the firm as well as the client.

### **Our Mutual Commitment**

We both agree that the objective of the work we're about to do is to increase the financial reward and personal satisfaction you receive from your business.

#### **My Commitment to You**

- I will act honestly and with integrity in everything I do for and with you.
- I will respect absolutely the confidentiality of our working relationship.
- I will return your phone calls within 24 hours even when I am out of town. When I am on holiday, I will advise you in advance and arrange for someone else in our firm to look after you.
- I will meet the deadlines I set with you, or I will advise you in advance of my inability to do so for reasons absolutely outside of my control.
- I will give you a firm estimate of the fee for each phase of the assignment and will discuss with you any variation that may be necessary.

#### **Your Commitment to Me**

- You will be open and frank with me at all times, and you will advise me of any concerns you have with any aspect of the work I do (or our firm does) for you.
- You will provide me with all the information I require and access to your Team within the framework we agree upon.
- You will make time to attend to any aspect of the assignment that you agree to work on, and you will meet the associated deadlines subject to problems that are beyond your control.
- You will attend to our account on the terms we agree upon, which will generally be within 7 days of the completion of each occasion of service or phase of the assignment.
- You will give consideration to referring me to at least 1 other business person who you believe would benefit from the work I do.

## Your Action Plan: Involve your team and create a team commitment

<b>Action</b> (What needs to be done.)	<b>Outcome</b> (Results to look forward to.)	<b>Person responsible</b> (Make sure you involve others, if possible!)	<b>To be done by:</b>
Call a team meeting to explain that you want their involvement to create a team commitment.	To have the team involved from the very beginning. And to let them know you are on the move!		
Give each team member some examples and blank paper. Ask them to jot down their ideas. Complete this task yourself, as well.	To have each team member contribute to the team commitment.		
To get started, use the following sentence: ‘Our Team Commitment to You. As a customer of _____, we want you to know you have the right to the expect the following standards from us:’  You and your team should list all the standards you’d like to offer.	To create a great team commitment for your business, differentiate you from your competitors, bring your team together, let your customers know you care, and increase sales and profits.		
Hold a team meeting to agree on your team commitment.	To reach a consensus on the team commitment.		
Begin promoting your team commitment. Send it out to potential and existing customers and hang framed copies on your wall.	To educate your customers about the differences between you and your competitors.		