

HOW TO

LOSE

a Customer

**in 10+
Easy Ways**

By Bob Waterloo

We have all been there. We work our tails off to develop a new account, get the trial order, run the test and finally get the first real order. That, believe it or not, was the easy part. Now, we have to keep the customer coming back! These tips apply to anybody who sells something, whether you are a manufacturer or a supplier in the precast concrete industry or any other industry. Many of these points can also apply to your everyday life with your family and friends.

If you have just won a new account, that means you probably took this business away from a competitor. Do you think your competitor is happy about that? Not likely. But it might be that your competitor has fallen prey to one or more of the 10 easy ways to lose a customer, and now you need to be aware of those same pitfalls.

SO, HOW DO YOU LOSE A CUSTOMER IN 10+ EASY WAYS?

1. Ignore them. You've won their business and now have more important things to do – namely get more business. Unfortunately, your competitor who just lost the account is now thinking of ways to get it back. Large or small, you need to maintain contact with your customers to ensure they are satisfied. Let them know that you are always looking for new ways to help.

2. Make stringent credit policies. “Our terms are net 30 days, and if you can't live with that, go somewhere else.” No, we are not our customers' banker, nor should we be responsible for banking their operation. On the other hand, you should know what your competitors are doing, know the industry standards and understand what you can live with. In the construction industry, it's not uncommon for payments from some customers to lag 120 days. Those aren't likely your terms, but if it's a good customer, can you live with that? Your terms can be seen more as a guideline than an ironclad rule. In checking, you will probably find that receivables average about 43 days. Keep in mind that includes those accounts that pay in 30 days or less, along with those that stretch into 120 days. And yes, there is a line drawn in the sand as to how long you allow them to pay.

3. Don't follow-up on requests or questions. A customer calls you and asks for some information. It's not in your area of expertise or responsibility, so you pass it on to the responsible person. A week later, the customer calls again. A week later the customer calls for the third time. If you are passing the baton, confirm it in writing and make sure your co-worker closes the loop with you.

Yes, the customer belongs to all of us, but as the salesperson, you're on the front line.

4. Fail to notify them of a change in policy or pricing. Nobody likes price increases, but they are a fact of life in business, and when there is a price hike, it is your responsibility to notify the customer. A phone call puts you on offense rather than defense, and it is a lot easier to be proactive than to defend yourself when a customer is feeling blindsided by a larger-than-expected bill.

5. Micromanage them. You have responsibilities. So do others. When it comes to the important things, be sure to follow-up but don't think you need to cover every little detail. On one hand, it is your responsibility to make sure your customers are always well informed. On the other hand, you don't want to be overbearing.

6. Prejudge them. A customer comes to you, and it's a small operation. You write it off. Then, later, you find that the company expanded the operation or purchased a competitor and is now a player in the market. When you are in the field, it is your responsibility to follow-up on all leads, even if it's just a phone call to qualify the account.

7. Fail to stay in touch. Sometimes a customer is in a remote area or just doesn't fit into your travel plans as frequently as you would like. In that case, call them on the phone and say: “I was just thinking about you and decided to call to see how things are going.” That makes the customer feel wanted, which is how you always want your customer to feel.

8. Be sure to point out when they are wrong and you are right. There is more than one way to point out when a customer is wrong. You need to be careful that you don't end up arguing with the customer or play, “I told you so.” Present the facts and/or historical data. Being diplomatic is not easy, especially when dealing with a difficult person. Take your time, keep your cool, let things settle down and think about the right approach. Don't show anger. You might win the battle with a direct confrontation, but you will surely lose the war.

9. Don't ensure the question is answered. You provided the requested information, but did you then ask, “does this answer your question?” This follows the concept of the “Johari Window.” Read this carefully and think about it: “What I said is not necessarily what you heard, and what I wanted to say is not necessarily what you wanted to hear.” Put yourself in your customers' shoes and try to feel as they do when you are dealing with them. 'Nuf said.

10. Stop trying to help your customers improve their business. This applies to the materials you are supplying, but also to other business practices. Your first responsibility is to your own company and products, of course, but if you can share your expertise in other areas to advise a customer, it makes you an invaluable resource rather than just a salesperson.

(I should stop at 10, but ...)

11. Stop trying to win business back. The customer moved on, so there's no reason to follow-up again, right? Well, guess what? Things

change. And if you're not in regular or semi-regular contact you might just miss a nice opportunity to win a former customer back.

12. Stop asking questions. You can't read the customer's mind, but you can often see things that might prompt you to offer suggestions for improvement. Offer your comments, but don't be obnoxious about it. Sometimes asking questions opens the door for you to share possible improvements.

13. Be a know-it-all. It's never a good idea to let customers know up front that you know more about their operation than they do and that you are smarter. Not a good idea ... ever!

14. Be inflexible. When a customer is looking for a break or wants you to make an exception, your first response might be, “I'd like to help you, but rules are rules and my hands are tied.” Instead of just prejudging a request and dismissing it, delve a little deeper. Maybe you can bend the rules, maybe not. But being willing to listen and go to bat for a customer shows you care and your customer will remember that.

There are other ways to lose a customer, but this is a start. It never hurts to review your selling practices and to be responsible to yourself, your company and your customer. In all cases, be sure that you are giving them your full effort. **PI**

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