

Why You Shouldn't Talk to Your Customers

A black telephone handset is shown hanging from a coiled cord. A pair of scissors is positioned to cut the cord, symbolizing the act of disconnecting or ending a conversation.

AS OWNERS, IT IS BETTER
THAT CUSTOMERS DON'T
RECOGNIZE US AT ALL THAN
THAT THEY RECOGNIZE US
AS THE FACES OF OUR COMPANIES

WHY YOU SHOULDN'T TALK TO YOUR CUSTOMERS

"My bids are down 27% from last year," he said.

I was on the phone with a prospect, the owner of a company that provides monthly contract services. His average contract is small but he has a lot of them and, consequently, a lot of customers.

"We're still making money because of our current contracts, but in spite of my efforts, some contracts always drop off. It's critical that I replace them."

"So what's the problem with getting the bids out?" I asked.

"My customers! My team could handle all their issues, but customers always want to talk to me. In fact, since we've been talking, I got a message to call a guy back. Elizabeth said I was on the phone and tried to re-route the call, but he declined and wants me to call him back.

"I can't afford to be rude and act like I'm blowing customers off, but it never stops. I can't get anything done."

My prospective client was still making money, but that 27% drop in bids is going to show up as lower earnings in the future. As for any hope he may have of **growing his company** - forget about it!

A guy who **doesn't have time** to maintain sales doesn't have time to increase them. **Interfering with profit and growth** are two good reasons not to talk to customers, but there is also a third.

THE PROBLEM WITH BECOMING IRREPLACEABLE

A few years ago, I spent some time with a private equity firm from the New York City area. Private equity firms are in the business of buying companies, increasing their values and selling them. It's sort of like "company-flipping" instead of "house-flipping," and a successful flip depends on sustaining and improving upon the current earnings of the purchased company.

At the time, the firm was evaluating an oil field service company located in Northwest Louisiana. The service company was in the firm's target market, energy, and the owner, Jean-Luc, had managed to earn impressive profits.

With high profits and an agreed price, the deal looked promising, or at least it did until due diligence began in earnest. The firm's research showed the owner was personally responsible for about **90% of the company's sales**. His was the face of the business **in the eyes of his customers** and almost all sales ran through him.

The problem was that he would be retiring after the sale closed.

It's hard to replace a competent business owner, harder still to replace the face of the company who brings in 90% of its revenue, but it's almost impossible to replace an owner named Jean-Luc from rural Louisiana with a new owner named Lenny from New York City.

The firm did not buy the company. They doubted their ability to sustain sales to rural Louisiana customers without Jean-luc. The New York City firm missed an opportunity and Jean-Luc missed his dream of cashing in on his life's work.

Both opportunities were lost because Jean-Luc had always been the one who talked to customers.

THE FACE OF THE COMPANY

You may argue that I'm overstating my case when I say we shouldn't talk to our customers.

Most of us love customers and enjoy interacting with them. But if we allow them to hijack all of our time, we will not be able to work on our businesses and will forever be limited by our personal capacity to get things done.

Current [profits](#), growth, the [value of our businesses](#) and, ultimately, our freedom depend on our working on the business, not just in it. We can't do that if we are perpetually talking to customers. As owners, it is better that customers don't recognize us at all than that they recognize us as the faces of our companies.

HOW ABOUT YOU?

Do you agree? Do your customers always want to talk to the "owner" or to the "boss"? If so, why? Do you let them? Could you get more done by working on your business and letting your competent staff handle all interactions with customers?

If you have any further questions, please don't hesitate to mail me at Martin@annealbc.com or visit www.annealbc.com



Martin Holland

Martin Holland is the son of a successful entrepreneur. He grew up hearing about margins and markets, R&D and sales, risk and return on investment. He learned to love the language and rigors of business and grew to believe that business is both the most human of all endeavors and the highest calling. After selling a company in 2011, Martin became a coach in order to help other owners build profitable businesses that do not require their day-to-day involvement.

A native of Norman, Martin earned a B.A. degree from Hastings College in Hastings, Nebraska and a Masters in Business Administration degree from the University of Oklahoma. Over the past 7 years he has written business plans that have raised over \$52.4 million in bank and investor financing. He has helped 157 (and counting) business owners reduce stress and increase performance through clarity of purpose, better marriages, more money, and more free time away from the business.