

## **Customers Decide If You Live or Die**

In these days of intense competition only the smartest businesses will survive. I've been thinking about how businesses retain customers for repeat business.

My view has always been that if you are in touch with customers – in fact if you make customers feel really special - you won't go far wrong.

There are thousands of management consultants who will charge a lot of money trying to convince you there is a technical, rational, systems answer to all this. I disagree. I have always said (and written) that there is a place for process in businesses but the proportions in my opinion should be a pint of process and a gallon of passion. In my experience many businesses have a gallon of process and a pint of passion – and they then wonder why their business is not a hotbed of creativity and in touch with front line staff and customers. I say value and trust your front line staff and look after your customers and you will succeed.

***These are the stages I recognise in many businesses:***

### **Stage 1 Passion**

The owner of the company starts small with a vision to establish the business. There is real passion at this stage because the owner has to work to eat. It will be a struggle to make any money. This is about making your reputation.

### **Stage 2 Established**

The owner sees the business is meeting a need and begins to break even and maybe make some money. More work is generated and the business is becoming established. The owner is still very hands on - driving the business.

### **Stage 3 Growth**

The reputation of the business grows and more work is generated. The owner decides it is time to get some help and staff are recruited to assist. The owner is still heavily involved. The business is becoming profitable.

## **Stage 4 Expansion**

Now things are buzzing and the owner decides that it can expand. Staff recruitment takes off, business is growing and everything looks great. The owner is now slightly more removed from the front line and customers and has people doing 'all that stuff.'

## **Stage 5 Comfort**

The business is now comfortable in terms of profits and growth. The owner now has a monitoring role because the senior management team takes care of the day-to-day business including customer care.

## **Stage 6 Complacency**

Because things are now 'comfortable' complacency sets in. Standards provided to customers that were hugely important in the earlier stages seem to have slipped because the business is now big and less responsive to the changing needs of customers.

## **Stage 7 Vulnerability**

Whilst standards have slipped, existing competitors and new businesses have emerged as serious rivals. You have become vulnerable. You start to notice profits are reducing and repeat business is not happening. Your staff are not as happy as they were. The owner is now far removed from the everyday business – and may even be oblivious to what is happening.

## **Stage 8 Arrogance**

The business ignores the obvious and growing competition and refuses to learn from what is happening – a classic case of burying your head in the sand. The need for change is now smacking you between the eyes but refusal to accept the inevitable seems to be the overriding culture.

## **Stage 9 Death - RIP**

This is what happens when we refuse to listen to what our customers are telling us. Customers are our heartbeat and if we do not listen and respond to what our pulse is telling us then the outcome is sadly inevitable. The owner – now completely out of touch – is heard to say 'What went wrong?'

## **Summary**

I would suggest that being closely in touch with our customers is important throughout all the first 8 stages and arguably more important from stage 5 onwards. Sadly many businesses seem to lose touch with customers once they have become comfortable.

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