

Interpreting the “F Word” in Client Relationships

A Brookside White Paper

HAS THE LOSS OF A BIG CLIENT EVER SURPRISED YOU?

Account teams are often blind sided when a client decides to move on, which means they never get the chance to save the relationship. It's true, most clients won't complain before they move on. In our research, we've found that there is one word that signals client defection, but most people don't realize they could be in trouble when they hear it. The next time a client uses the "F word," you will know that it could be a signal to take action and save your hard work from walking out the door.

When a client says everything is "fine," it can often be translated to, "Everything is not fine, but this relationship has run its course and I don't want to invest any more time in trying to save it." An international Healthcare provider found that 72% of the clients they lost the previous year were either "satisfied" or "very satisfied" according to their latest customer satisfaction survey. It is not enough to simply satisfy clients; you must make them loyal.

Loyal clients are likely to say much more than the relationship is simply "fine". They seek your advice, give you benefit of the doubt, put you in touch with colleagues, and share information to help you. We've heard things like:

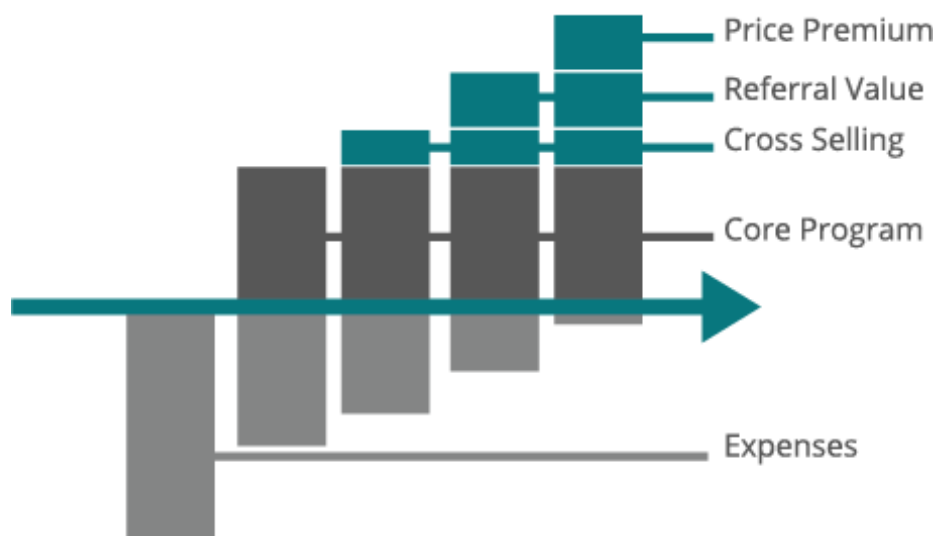
"Keep up the fabulous service...yours speaks volumes over others in the industry." "Absolutely love the relationships your people are building." "I know it looks bad to put all 10s but I wish every insurance company acted like you do."

In addition to great word of mouth marketing, the benefits of loyal relationships also translate directly into profit. In our research, compared to clients who describe your relationship as "fine," loyal clients:

- **Give you 3 times the book of business**
- **Require 41% less work**
- **Stay with you 4 times longer**

These benefits translate into larger profits and a stronger bottom line (see Figure 1).

The value of sticking around



The value of retaining a client over time can be hugely profitable. As time passes, expenses associated with that client decrease (sales, marketing, etc.) while opportunities increase for cross-selling, upselling and referrals. Essentially, the longer you keep a client, the more profitable they become and the harder it is for them to break away.

Figure 1

HOW DO YOU KNOW IF YOUR CLIENT IS LOYAL?

For well over a decade, we have studied what motivates people to continue doing business with you; what makes them loyal to you. We've found six dimensions that define a loyal, Trusted Advisor relationship. The first two dimensions are Satisfiers, which are considered the "ticket to the game." You get no points for doing these well, but they provide no edge on the competition.

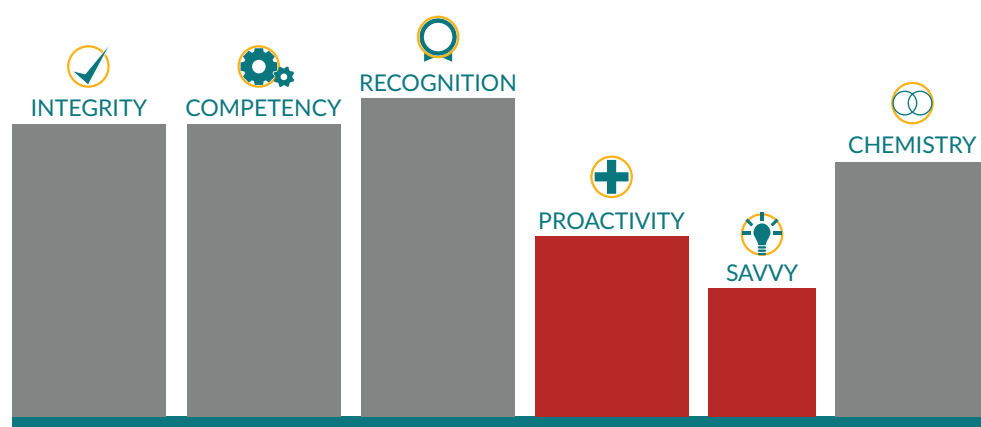
1. **Integrity** – *Are you reliable and trustworthy?*
2. **Competency** – *Do you have the skills and capabilities to deliver on your promise?*

The remaining dimensions are the Motivators, which motivate people to develop a more powerful relationship with you. It is not enough to satisfy your clients; you must demonstrate more than just Integrity and Competency in order to take your relationship to a higher level. The aforementioned international Healthcare provider's "satisfied" clients may have defected because the following relationship dimensions were not represented:

- 3. **Recognition** – *Do I feel valued or am I just another relationship?*
- 4. **Proactivity** – *Do you look out for me and protect me from surprises?*
- 5. **Savvy** – *Do you understand my world and help me to be successful?*
- 6. **Chemistry** – *Do I like working with you?*

Developing loyal relationships is a matter of assessing where you stand with each individual client on these critical dimensions. This assessment then becomes the foundation for your key account plan. If your client feels that you are under performing in certain dimensions, you know to exhibit behaviors that make your client feel like you’re looking out for them and helping them to be successful (see Figure 2 for an example).

Relationship Dimensions



Your clients' perception of where you stand on each of the six dimensions becomes the foundation for your key account plan. In this case, the account team must begin to exhibit behaviors that demonstrate that they are Proactive and Savvy.

Figure 2

SUMMARY

In our experience, the word “fine” often indicates a business relationship is in trouble. If your client says the “F word,” you should determine the underlying reason as it may require you to take immediate action to save your relationship from possible defection. Our patented measurement software, Brookeside INSIGHT[®] analyzes the strength of client relationships on a 1:1 basis and prescribes tailored follow-up action items, thereby eliminating the ambiguity in your book of business.

BROOKESIDE

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The Brookeside Group is the B2B client relationship company. Brookeside helps its clients significantly increase revenue by providing actionable, 360° client feedback, personalized coaching, world-class sales and management training and award-winning consulting.

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