

Improving Profits Through Customer Satisfaction Management

by

*Robin A. Cleveland, President
Cleveland Consulting, Inc.*

In recent years, consistently increasing revenues and profitability for businesses seemed like a given. If your business was established or if you had a new business with an exciting business model, there was little concern about profits becoming flat and even less concern about the business closing its doors due to insufficient revenue. Businesses and organizations were more concerned about taking their ventures to the “next level,” with less emphasis on whether their revenues would increase.

Today, that’s not the case. Many businesses and organizations are struggling to adjust to the economic downturn, governmental budget cuts, and the possibility of war. Businesses have cut costs where possible, are working hard to maintain revenues, and have tapped deeply into their lines of credit. Some have even been forced to close their doors. Not exactly what most of us had anticipated for our business’ futures! Many businesses and organizations now find themselves holding on by their fingernails, waiting for the next wave that will deliver them from their bunkers and take them to capitalism’s promised land.

Some businesses however, are not only surviving, but thriving! We all want to know how they’re doing it. They continue to ride the wave to the next level because they’ve paid close attention to many aspects of their organization’s operation. However, what ultimately sets them apart from other organizations is their ability to manage customer satisfaction.

Customer satisfaction consists of several components including the business’ location, pricing, policies, processes, procedures, as well as what we usually think of when thinking about customer satisfaction, customer service. When times were good, businesses focus more intently on gaining market share. Gaining new customers can be costly and smart businesses know that getting new customers is less than half the battle! The road to profitability and survival is lined with *loyal*, repeat customers, or in the case of non-profit organizations, loyal members. In fact, several studies have shown that the longer an organization has a customer, the more profitable that customer becomes!

What can you do *today* to help your business or organization retain its customers and members and ultimately improve its profits? Start by examining your attitude and that of your staff related to your customers. Remember that your business exists “at the pleasure of your customers.” In other words, if your customers defect, your business no longer exists. Think also about your focus. Are you more concerned with getting things done on time, or doing the work right? Which would your customer prefer?

Analyze your policies, procedures, and processes as they relate to both your internal (employees and vendors) and external customers. Do these still fit in today's business climate? Look at them from your customer's perspective. What might work for you or your staff might not work in the eyes of your customers. It's not uncommon for businesses to think because a procedure works internally, the customer must be happy with it. How do you know if a customer is happy with your policies, processes, and procedures? Ask them. Directly. One-on-one. If you're not sure how to ask in a way that gets the answers you need, hire a company that specializes in customer satisfaction issues to assist you.

Once you ask the customer, listen? really listen? to the response. Read between the lines. Customers often don't want to hurt someone's feelings or cause problems for themselves by complaining. If asked in the right way and if they sense you are trying to understand their point of view, they will tell you what you need to know and more, and they will be more loyal because of your interest.

Focus on the customer. A few years ago, I listened to a panel of business leaders at a meeting discussing their respective business's success. One of the panelists was Mary Ellen Sheets, founder of Two Men and a Truck. Someone in the audience asked her how a business could ensure its success. She remarked, "Remember the customer." A simple but profound statement indeed! Wouldn't we all like to enjoy the success that Two Men and a Truck has enjoyed? Are you remembering *your* customers?

The best asset a business can have is loyal customers. They increase revenues by bringing your organization new customers and by recommending potential employees and vendors. And they cost less than new customers, thereby increasing profits. Paying attention to your attitude, focus, policies and processes, and listening to your customer will help your business improve its profits and thrive, irrespective of outside influences, by retaining your customers' invaluable loyalty. Show that you care about them and they'll stand by you. It's a win-win situation for all.