

Worth their weight

Brenda Stewart explains why finding out what keeps your customers happy can increase your business by as much as 50 per cent

Reliable industry research suggests that the way to win and retain business to business (B2B) customers in today's highly competitive marketplaces is to give them quality service delivered with passion rather than focus excessively on price.

Other research suggests that B2B organisations can regularly expect to win as much as 50 per cent more business from existing customers if they can devote themselves to understanding what these customers really want.

Organisations that sell to consumers spend millions of pounds every year finding out what consumers think of their products and services and identifying what motivates consumers to buy more. B2B organisations, on the other hand, rarely take as much trouble to find out what their customers think of them, even though B2B contracts are often high value. It seems that B2B suppliers often believe they have an innate and reliable knowledge of what their customers think of them. The evidence, however, suggests that in many cases they don't.

Recent research published by TARP – a consultancy that specialises in measuring customer satisfaction – reveals that regardless of the contract size, around 25 per cent of B2B customers in the UK say they would not complain to their supplier about poor service.

This finding is confirmed by our own research. Most business customers we

have interviewed say that while they will discuss operational failures with suppliers, they are less comfortable giving feedback about relationship management.

Keeping track

The need to maintain a working relationship prevents them revealing the true strength of their feelings. There is, therefore, a serious danger that the first time a B2B supplier knows a particular customer is unhappy is when the business goes to a competitor.

It's an established fact that in a typical B2B organisation, about 80 per cent of business comes from about 20 per cent of customers. This being so, a B2B supplier runs the risk of losing significant turnover if one of its major customers decides to move to a competitor. So there should be no debate – you should invest time in understanding exactly why your major customers buy from you and what you can do further to satisfy them.

What about the suggestion that B2B suppliers can considerably increase revenue from their customers? All the

senior executives we interviewed said that suppliers who delivered what they promised and managed relationships effectively could win 'significant' new business from their organisation. Only a few valued that additional opportunity at less than 25 per cent of what they were currently spending. Our research also found that that, far from awarding contracts just on price, most organisations are willing to pay a price premium to keep on working with B2B suppliers whom they perceive as really caring about their business.

Blame game

When a B2B supplier loses a major customer, it frequently makes excuses about the reasons, often persuading itself that the account was only lost because a competitor offered a better financial deal.

If you are ever tempted to make this assumption, ask yourself this question: does your company move vital contracts, supplied by excellent organisations with which you have strong, long-term, mutually beneficial relationships, only on price? If your reply is: "Of course not," then ask >>

in gold

► yourself this: *why would your customers do it?*

One senior executive of a major UK insurer, discussing this point with me soon after ending a relationship with a major supplier, said: "Our supplier will have told himself he lost the deal on grounds of price but, in fact, he made no effort to develop relationships around the company. He started out with all the advantages of brand, product range and being the incumbent relationship. If he had lived up to his original promise we would

existing or 'old' ones? The challenge of winning business, the satisfaction of beating competitors, is undoubtedly good for the ego. No wonder we pay great attention to making the sale and getting the relationship off the ground.

Whether or not you agree, there's no doubt that a huge amount of time, effort and personal pride goes into winning a big contract. Suppliers present their best features, like eager suitors on a date. They make commitments about delivery, put their best people on the project, make it clear

really believe we are going places together, but once they've won, all the sparkle and enthusiasm wanes and we are left wondering whether we chose the right partner after all."

No passing affair

The difficulty for most suppliers is that delivering what has been promised demands a different mindset from the heady 'romantic' phase of the actual winning of the business, just as a successful long-term marriage demands a different mindset from the early days of dating and courtship.

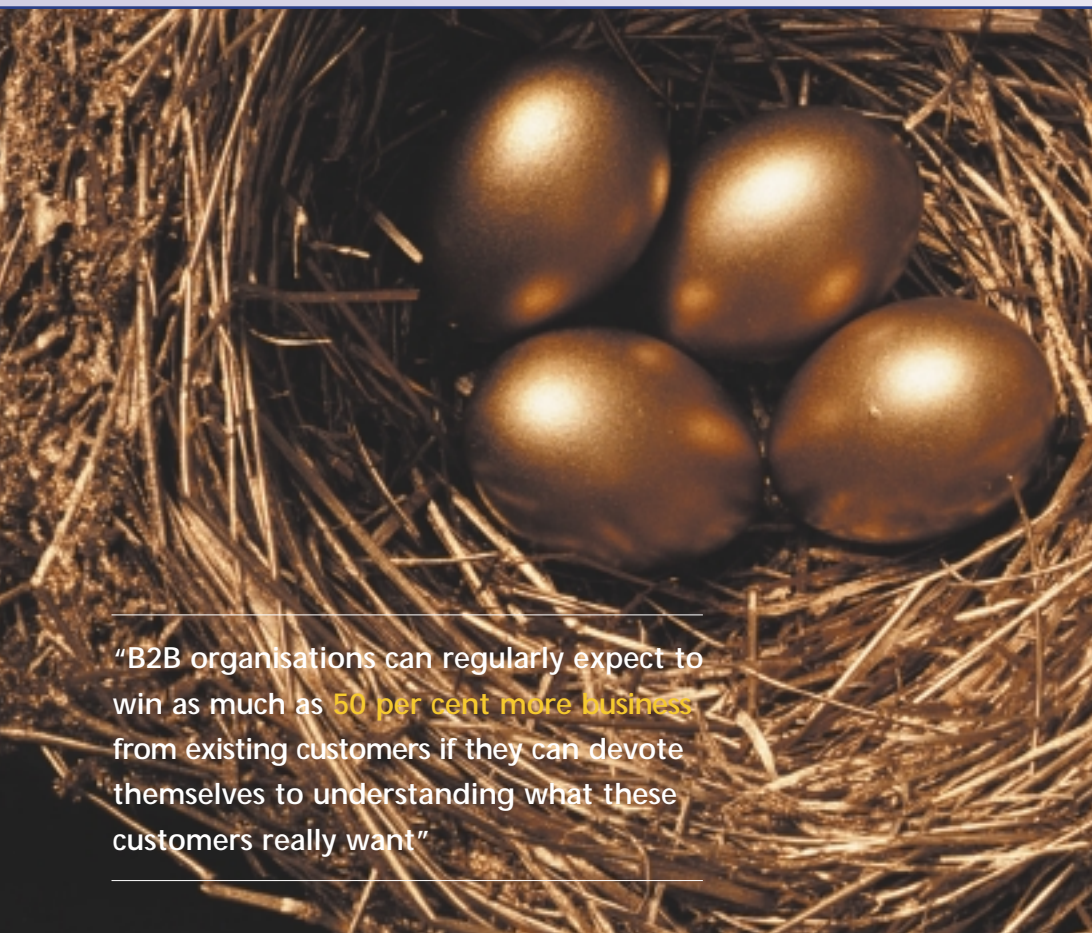
What the new customer really wants, however, is to feel that he is getting access at all times to the same calibre of people who sold him the service: people who really want to understand his business and can spot opportunities to grow it, people who can bring new ideas to the table. In short, people who can add value, and that's how opportunities arise for the supplier to win more business.

For a supplier, finding out what matters most to its most important business customers is not an add-on; it should be something a supplier does as a matter of course. Even the most senior people in a customer organisation will willingly give their time to providing feedback if they think it will improve existing relationships and ultimately help them grow their business. Customers genuinely like

being asked. Individuals stake their own reputation on the deals they do with you. They need you to deliver; they want the relationship to work.

So, what positive steps can you take to develop lasting relationships that will create business opportunities for you and your customers?

Never forget – you are the supplier: "They treat me as though I have a dotted-line responsibility to send them money," a managing director of a financial services company told me



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have happily paid a bit more – but, for the sub-standard service we received, we might as well save some money and take a risk on someone new."

So, it often seems that a supplier to customer relationship that starts out with great enthusiasm on both sides simply goes stale. Why does this happen?

Perhaps it is because most people tend to find new relationships and new situations more exciting than

they see the deal as a partnership.

Once the contract is won, the customer is pleased it has found the right people for the job; the supplier heaves a sigh of relief and top-team attention turns to where the next big contract is coming from. As the marketing director of one of the country's best known charities told me: "It's like a marriage. When they want your business they flirt with you, they offer ideas and excitement, we

recently, explaining why he had decided to put out to tender a sizeable contract that he would, in principle, have been happy to keep with the incumbent. Corporate arrogance is one of the biggest failings to which suppliers are prone. Big-brand suppliers too often forget that they are just that: suppliers.

Show you care

The value of the contract may be high, but that doesn't automatically turn the supplier relationship into a partnership. Imposing your processes on your customers, changing the account team without telling them, withdrawing agreed services with no negotiation, and cancelling meetings at short or no notice are all examples of common ways in which suppliers disappoint customers and ultimately let them down.

Make sure your customers feel valued. Remember they bought from you because they liked what you had to offer. They liked the people they met, so make sure the top teams stay in touch.

Block out time in your diary, sit down and make contact. You may be the most important person in your company – but you are not more important than your customers. There may be occasions when internal issues or other meetings seem more pressing, but keep cancellations to the minimum.

Follow up problems personally and make it clear to everyone in your company that existing customers are your best opportunity for business growth. By the way, don't make the mistake of thinking (and many suppliers do) that corporate hospitality is a substitute for a business meeting where the nitty-gritty aspects of your relationship with your customer get attended to and the customer's problems solved. Corporate hospitality is one thing; business meetings are something else.

Deliver what you promised and keep on delivering it: B2B relationships are normally based around service agreements so there's really no excuse for failing to deliver the standard you

committed to. If operational problems crop up, don't keep quiet and hope they won't notice, inform your customers in good time – then they have a chance to manage the impact of the problem on their reputation and business.

Get to know your customer's people: Even though your B2B relationship may be focused around only a small number of people at your customer's organisation, get to know as many people there as you can. There may be other business opportunities around, so ask for introductions. Take the time to meet front-line people, very often they have the best ideas about how service can be improved and you will demonstrate you genuinely want to know how the business works.



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A smooth consistency?

Make sure your customers are the first to know. Any change in your organisation that is going to affect them needs to be communicated before the grapevine gets to work. Customers feel valued if you make sure they are kept informed. Remember also that a common complaint from B2B customers is that the people who look after their account change too frequently. Make sure there's a range of contacts in place, so that one or two people moving won't have so much impact. Think through the effect of organisational changes and, if you are convinced the changes will be positive, sell the benefits.

Continue to 'flirt' with your customers both new and old. The secret of keeping your customers happy is to continue

paying them attention. 'Flirt' with them in a business sense. Don't just concentrate on the day-to-day; make time for 'blue sky' conversations; you never know where they might lead. Really get to know your customers' business, find out what they want to achieve, identify where you can help – and say what more you can do. If they don't know what more you have to offer they may start looking around for other suppliers for things you could have done.

Take the trouble and time to research what your customers think of you: It's an unfortunate truth that in a B2B situation the way you are treating one customer is likely to be the way you are treating all of them. So find out what your customers think of your organisation and the way it does business.

Never leave a vacuum. If you are not a full partner in the business relationship, someone else will step in and fill the gap. No matter how long you have been working with a customer, be aware that your competitors will be putting their top people in front of your customer. They'll be making creative proposals and promising an exciting future together, in the same way you did when you really wanted the business.

Don't let the honeymoon end. If the relationship works well, your customer won't want to part with you, and he will invite you do work with him more, not less. ■

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