

## How losing just one Customer can cost your organization a fortune...



Training expert Gordon Veniard highlights a key point that might escape the notice of those who deal directly with Customers



“No matter your business, it’s the accumulation of potential losses through “poor” service to just a single unhappy Customer that truly hurts you”

“Many businesses clearly highlight Customer service as a key part of their mission. And, it’s easy to understand the benefits gained”, he agrees. “But,” he adds, “it’s often the scale of potential losses that can be neglected”. Gordon goes on to give an example: “Suppose you run a garden centre. The average sale per Customer might be £35. So, it’s easy to see the loss of £35 if that Customer leaves in a huff! But, if they were – say – to visit you 6 times a year – the loss is now £210. And, how many years might they have continued to be a Customer. It adds up frighteningly quickly ” Gordon agrees that this is bad enough; but has another point to make: “This ‘lost’ Customer might also have encouraged several friends and family members to do the same”. “Now, instead of being an advocate for your business – they might be actively canvassing “against” you!”

### So, who does this affect?

Gordon is very clear on this: “Every single company or organisation who relies on the public to stay in existence – or offers a financed service (e.g. government-backed organisations). Just think, for instance, how quickly the losses can rack up for a hotel from one unhappy Customer”. And, usually, the cause is not – say - a member of staff being rude or aggressive. It’s more often about a seeming attitude of indifference; a feeling that: “we can’t be bothered to do that for you”. Remember the old term “jobsworth”? Usually coined from the unhelpful, shaking head, followed by: “That’s more than my job’s worth.” Which, of course, quite often simply meant that the company didn’t value you enough to make the extra effort”. “Equally,” he adds, it doesn’t need to be a big-ticket purchase. If I ran a newsagent, losing a single sale of a daily paper would cost me over £100 a year. Plus, of course, all the other items that Customer might have bought – and all the other folk they might have brought in to my shop”

### And, what can be done about it?

As you would expect from someone selling a service, Gordon is ready with an answer: “What I do, is ask people to identify all those moments where the service offered gains a plus or a minus in the Customer’s head. Then, we work to strengthen the delivery of the plusses – and to find ways of turning round the minuses”. Because, often, it’s a build-up of these – as much as a single incident – that causes the Customer to withdraw from their relationship with any business or organisation”. This turns Customer service into a simple step-by-step process; one that people can work at managing for themselves”

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## Methods for assessing your options

To assess your options, it's useful to have some proven processes to work through; so here are three. Firstly, you might try a "benefit v risk" analysis for each option. Just as it suggests – list the possible options and both the benefits and risks involved with each of these. But, always remember that one risk might outweigh a hundred benefits. An example of this was the USA's first manned moon landing. NASA were confident of getting men to the moon several years before it happened (a benefit when desperate to win the "space race" against the USSR), but weren't as certain as they needed to be of bringing them safely back to the earth (an unacceptable risk). This example has been sadly highlighted again in the recent space shuttle tragedy. A second way of assessing is to try a "what if and what then" analysis - where you take each option and ask "what if we do this" and keep asking "what then" until you have worked through the problem and discovered if the outcome is acceptable. Thirdly, if you still have more than one option, you can try listing a range of criteria you'd like your decision to meet - and then assess each remaining option against these

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## Your final choice...

If you are left with a couple of decisions that are virtually identical in actions and effects, then here's a final technical method to help you decide. Toss a coin! Honestly! With one proviso though. You must commit yourself to whichever "wins". Of course, if, whilst the coin is in the air, you are hoping for "heads" or "tails" - why are you tossing!?

## Let the world know

Once you've decided, make sure you advise everyone both involved in actioning the decision and affected by it. Try and explain both your intent in deciding (why you have needed to reach this decision) and the context in which the decision has been made (how it fits into aims, objectives and activities). This makes it easier for people to understand and action it – even if they might not totally agree with it

## Making your decision "active"

Always check that the decision is then actioned in the way you want - don't automatically assume it will be. It's not unknown for people who don't agree to find ways of subverting a decision; or to change it in ways they want to! Or, simply to ignore it and hope it "goes away"

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