

# DIRECTIONS

A QUARTERLY NEWSLETTER FROM THE COMPETITIVE BUSINESS STRATEGY GROUP

## The Dating Game: Today's Sales Cycle

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PRESIDENT

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As everyone knows, today's customers are more demanding—they want more; they have short attention spans; they're just plain fickle. Over the years we have come to believe that the behaviors of businesses and customers during the sales cycle are just like dating.

Imagine a crowded room filled with "suitors" all dressed to the hilt and using snappy phrases like, "Do you come here often?" or "What's your sign?" Each is hopeful that prospects will look upon their wares with attraction and—yes—maybe even with lust.

When there is a spark of interest, the two get acquainted and if the prospect likes what they hear and see from the suitor, things become more intense.

Everything is carefree, fresh and exhilarating. Things get "serious"; the parties fall in love and pledge their eternal devotion to one another. They commit, celebrate and consummate the covenant. All seems right with the world.

As time passes, however, the flame is gone and "warts" begin to appear. Exhilaration becomes boredom; expectations become demands. Stuff once overlooked or disregarded becomes an issue. Left unresolved (or worse ignored), issues turn into "problems."

A crossroads is reached. "Do we stay together and work it out or, do we quit and move on to something better?"

Customers and companies are great at dating. And we're the first to admit that getting new clients produces a level of satisfaction that comes real close to orgasmic! Maintaining a long-term relationship is entirely another matter. It appears to us that the more customers demand, the more a business wants to run in the other direction. And those new prospects look mighty good—they don't complain or criticize—they even think you're the answer to their prayers.

The fact remains that companies and customers "fall out of love" at alarming rates. The average business loses 20% of their customer base each year. Even more telling is the reason why most customers leave. Several notable surveys of customers indicated that 7 of 10 leave because they felt ignored or experienced poor service.

Before going further, we must set the record straight. All businesses need a healthy infusion of new customers to survive. However, a "one night stand" does nothing for profitability; it comes from retaining customers. That's why we advise every client to eat, drink and sleep sales and service. It may not be new, but it's just as climactic when good service encourages a current customer to make a repeat purchase or sign a renewal agreement or refer another paying client.

*(continued inside)*



For more information about Continuous Customer Contract workshops or to schedule an onsite private workshop, visit [www.cbsg.com](http://www.cbsg.com)

## EDITOR NOTES

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## CBSG II E U S

→ Things just keep humming along...Here's the latest. Braving arctic temperatures—minus 40-degree wind chill factors—of North Dakota and Minnesota, CBSG's gallant partners continue to work with several business units of ING **ReliaStar Insurance Company** to implement a common remitter system. The new service will be launched January 2001.

→ **Kades-Margolis Corporation** is in the final testing of a new client database system, which also includes common remitter functionality. The application should be online as of January 2001.

→ We just completed a strategic planning assignment with **Virginia Retirement Specialists, Inc.** and facilitated a planning session for **Lincoln Investment Planning**. We continue to advise the **Thomas Seely Agency** and **Kades-Margolis** with their strategic and business planning activities.

→ CBSG's views on sales and service are featured in a monthly column for the new magazine, **Jobs & Money**. Check things out at [www.cbsg.com](http://www.cbsg.com) or [www.jobsandmoney.com](http://www.jobsandmoney.com).

→ On other online news, CBSG's website has received a ★ ★ ★ ★ ★ (five star) rating from

"Anbar," a renowned online database for business management. The **Strategic Leadership Forum** has republished a CBSG article on customer profitability in their online newsletter. View the article at [www.slfinternational.org](http://www.slfinternational.org).

→ Also this quarter, **SBADV Newsletter** and **President's Strategy and News** published CBSG articles.

→ In November, **Suzanne Jones** and **Mark Heisler** were appointed Board members of **HRWebXpress.com**. Led by our long time colleague, **David Scheuring**, WebX is an Internet based job posting and candidate search/screening tool targeted for the mid-size employer market. This promising new service is being launched in January. Check out the product demo at [www.hrwebxpress.com](http://www.hrwebxpress.com).

→ Finally, CBSG is presenting a workshop and facilitating a CEO Forum at the **National Tax Shelter Annuity Association** in Tucson, AZ in January, presenting a workshop on customer service to **The Greater Philadelphia Chapter of the Hospitality Sales & Marketing Association** on February 13, and presenting a workshop on building customer relationships at the **PNC Bank/Greater Philadelphia Chamber of Commerce Roundtable Series**.

Until next time. ←

## MUSING ABOUT CUSTOMER LOYALTY

What is customer loyalty? We define it as the ability to reinforce the customer's original purchase decision. As a result, more businesses are banking on "loyalty or frequent purchase programs" to keep their customers coming back. Just count how many cards you have in your wallet or purse.

There's an inherent risk in adopting this strategy. With so many companies hocking these programs, customers can chose which ones to use and which to ignore. And their choice is still based on the actual value your products and services provide.

Consequently, our advice is simple. You'll get more loyalty bang for your buck by upgrading the quality and value of the customer's entire experience in the products and services you offer. ←

## THE DATING GAME *(continued from front)*

So how do we keep customers?

- Change your mindset. Sales (the first date) and service (preserving the relationship) can no longer be viewed as mutually exclusive customer deliverables.
- Keeping customers is everyone's job. The entire company must be focused on the whole customer process—making everyone a salesperson and service provider.
- Create shared sales and service goals. All business units become partners in one

common goal: to strengthen and perpetuate the customer relationship.

- Use service to reinforce a customer's original purchase decisions. In today's environment, customer service must go beyond the typical "after-the-sale" tactics.

Recognizing that your current customers are prospects for your competitors gives perspective to importance of creating lasting relationships. ◀

## LEARNING FROM THE BUTTERFLY BALLOT

Now that the Presidential race has finally come to a conclusion, CBSG has decided to provide its own post-election analysis. We promise our comments are completely bi-partisan—think of them as a public service. So whether you're a Gore guy/gal, a Bush backer, or you opted for Nader, Buchanan or "none of the above," there is an important lesson that every businessperson can apply.

It comes courtesy of Theresa LePore, Supervisor of Elections in Palm Beach County.

Remember the image of Ms. LePore, courtesy of CNN, explaining the reasons why she approved the design of the infamous "butterfly ballot." In countless interviews, LePore stated that the Palm Beach ballot was printed in LARGE TEXT to help the many older voters who reside in the county see the candidates' names more easily. She thought she knew what her constituents needed.

Political leanings aside, no one can argue that the ballot design led to (some/much) confusion among the very voters she was attempting to aid.

Ms. LePore will be cited in history books because she never asked her customers for input, for feedback. If she had only asked, the 43rd President of the United States of America may have been a different four-letter word. ◀

## QUOTABLES

BY: JONATHAN TISCH, PRESIDENT, LOEWS HOTELS

SPEAKER'S LIBRARY OF BUSINESS STORIES, ANECDOTES, AND HUMOR; JOE GRIFFITH; PRENTICE-HALL, INC. 1990

When you offer the customer a service, make sure it's what they want.

"We believe many hotels get too distracted by advertising, promotions, and giveaways and lose sight of the basics. The only real way to differentiate yourself from the competition is through service."

"For instance, we believe in guest recognition, rather than guest rewards. What's more, we've found that our guests prefer it that way. They prefer to be upgraded to a suite, to be remembered by name, and to receive their favorite amenity, rather than pay a higher room rate so that we can afford to send them on a free trip to Europe." ◀

## HIGHLIGHTS

### The Dating Game: Today's Sales Cycle

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