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December 2007



Doug Hall

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Valued Clients and Potential Clients:

One of my goals is to help you keep and grow your best clients - because I believe **Client Retention** is the key to business success.

Have you ever lost a "satisfied client"? The words painful, costly and embarrassing come to mind.

In most firms, about 80% of the annual revenue comes from 20% of the client base. Is this true for your firm? Do you know if your top clients are satisfied with your efforts? The chances are very good that your competitors want your best clients and are targeting and paying attention to them right now.

Here are a couple of reasons why your top clients are worthy of some special, undivided attention from you:

- Improved profitability because of lower sales and admin costs
- Continued client referrals
- Advocacy (a no-cost outside sales force)
- Revenue growth through cross selling

If you have lost an important client or if the year-to-year revenue is declining from the top 20% group, look for opportunities to improve processes and attitudes in your firm. The loss of a good client is the canary that expires in your coal mine - a gentle or not so gentle warning.

Two useful tools for improving *client retention* are: **segmenting your list of clients**; and, **in-person client feedback interviews**. I hope the following discussion will help you strengthen the processes that impact *client retention* for your firm.

Please contact me if you have any questions or need more information.

Doug Hall (512-306-8444)

Segment Your List of Clients

Customer Loyalty - How to Earn it & How to Keep it, by Jill Griffin (1997)

The Lawyer's Guide to Marketing Your Practice by James A Durham and Deborah McMurray, Editors (2003)

Great Customer Service for Your Small Business by Richard F Gerson (1996)

Through the Client's Eyes by Henry W Ewalt (2003)

How to Win Customers & Keep Them for Life by Michael LeBoeuf (2000)

Rainmaking Made Simple - What Every Professional Must Know by Mark M Maraia (2003)

A Complaint is a Gift by Janelle Barlow and Claus Moller (1996)

Who are your best clients?

Think in terms of three client groups - The "A" list are the best. Clients in the "C" list are the worst. And the "B" list contains clients that could go either way. Here are some ideas for segmenting your existing clients.

The "A" List - Concentrate on Retaining these Clients!

Your best clients are loyal clients. They are probably - but not necessarily - in the top 20% that provide 80% of the annual revenue. They have the highest lifetime value and are growing. They make regular, repeat purchases. They purchase across service lines. They refer others. They demonstrate an immunity to competition. They can tolerate an occasional lapse without defecting. They may be willing to pay premium fees. They pay bills on time. They are nice to work with and appreciate what you do for them. For more details about what makes an "A" type client, take a look at the book - **Customer Loyalty** by Jill Griffin

In your firm - Which clients are on the "A" list? What are you doing to keep and grow these important assets.

The "C" List

These clients are unprofitable. They offer no real growth potential. They generate too many conflicts and are either too small or too large. They don't appreciate what you do for them. They are not pleasant to work with and are slow payers. For the most part, they are a waste of time and resources. Don't spend another dime marketing clients on this list!

The "B" List

The remaining clients are on the "B" list and should be marked as - "status to be determined". Evaluate them on a regular basis to see if they have the potential to join the "A" list or if they should be jettisoned as soon as possible.

The sooner you segment your clients into "A", "B", and "C" groups, the sooner you will know where to focus your business development resources to get the best return from existing clients.

In-Person Client Feedback Interviews

"To guess is cheap...to guess wrong is expensive" Jim Durham

I consider the client feedback interview to be the most powerful business development tool in my tool box. One reason - clients don't usually complain unless you ask for feedback. They vote with their feet. If they are unhappy, they just leave.

These in-person interviews are focused intelligence tools that provide a tremendous return on investment for both you and your clients.

Why are these feedback interviews so valuable?

- The client appreciates the attention.
- It gives them a chance to complain and gives you an opportunity to fix the problems.
- More often than not, opportunities for new work are uncovered during the interview.

When conducted correctly, these face-to-face sessions can help you maintain and grow your current good relationships; help you win back lost clients; and, if necessary, be a valuable resource in damage control efforts.

When you request the feedback interview, you send the following message -

"You are one of our most important and valued clients. We want to do everything in our power to help you achieve your objectives."

This is both a powerful and flattering communication.

If you want to:

- Discover how your firm is perceived - strengths and weaknesses
- Identify potentially serious issues or complaints
- Learn about your competition - strengths and weaknesses
- Discover specific steps you can take to increase your work from them or win business back
- Learn about future business opportunities for your firm

then I recommend you conduct one of these interviews with your best clients. The process works! Remember -

If you don't Ask... You won't Get and you Need to Ask!

Call me if you have questions or need a boost getting started. Good Luck. Doug Hall

My Motto - "Less wear and tear and still get there!"

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