

Welcome to Basis Points! Each month, Basis Points provides you tips and techniques that we've gleaned from a variety of sources to help better your business life. This month's theme is "Dazzling Your Clients". While many business schools teach that success is chiefly measured by revenues and profits, the best leaders know the most important metric is complete client satisfaction. Here are some ideas to help you gauge how 'client-centric' your firm truly is.

The Pareto Principle

Vilfredo Pareto (1848-1923), an Italian economist and philosopher, developed this principle – also referred to as "the law of the vital few" or the "80/20 rule". Simply stated, the Pareto Principle states that, for many events, roughly 80% of the effects come from 20% of the causes.



For example, it's not uncommon for a business to derive 80% of its revenue or profits from 20% of its clients.

This 20% is the essence of your client base, the cohort that wields the greatest influence on your business, not just today but tomorrow. Keeping this client core completely, utterly, 100% delighted with you – ideally, to the point of them being willing to recommend you without hesitation – should be your primary mission.

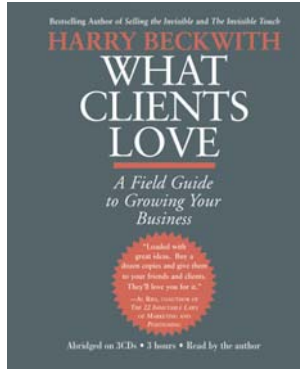
An important first step: develop a plan, specific and detailed, designed to make each of your most valued clients feel genuinely appreciated.

"There is no greater challenge than to have someone rely upon you; no greater satisfaction than to vindicate his expectation."

- Kingman Brewster

Seeking Love

Harry Beckwith, whose best-selling book, "What Clients Love: A Field Guide to Growing Your Business" is a treasure trove of useful tips to grow, cultivate and strengthen client relationships, is a keen observer of what works (and doesn't) in company-client interactions. Three of our favorite "Beckwith-isms" are reprinted below:



► **Praise all clients** – especially past ones. Never say anything about a past client that might be heard as criticism. Those statements could threaten current clients and prospects. Why? They might wonder if you'll criticize them, too.

► **Choose clients wisely.** Bad clients don't produce minimal returns; they produce losses. If a prospect is most interested in cost, you'll never be happy and always be vulnerable.

► **Remember the importance of importance.** Even perfect clients fear you: they fear you care more about yourself than about them. Whenever they're in doubt, they'll see your behavior in the worst

light. Be constantly attentive and find ways to eliminate any reasons – real or imagined – for them not to love you.

Source: "What Clients Love: A Field Guide to Growing Your Business", Harry Beckwith; Warner Business Books, 2003

Five Keys to Putting the Client First

- 1 *Be paranoid.* Approach each day as though you were on the verge of losing any one of your customers. But, rather than letting this mind-set paralyze you into inactivity, let this 'worst-case thinking' drive you to treat them warmly, excitedly, appreciatively. Make them feel treasured.
- 2 *Underpromise, overdeliver.* Make sure clients get what they want before they ask for it. Winning organizations routinely anticipate client needs, rather than waiting to respond to them.
- 3 *Once is enough.* Clients should never need to ask twice for information, assistance, advice. Take a moment to ensure that everyone on your staff – from an entry-level employee to the most seasoned executive – understands the importance of responding quickly and smartly to every client request.
- 4 *Listen up.* Clients are often your best sounding board. Don't hesitate to seek their input (one simple question: "how are we doing?") through surveys, focus groups, follow-up calls or face-to-face meetings. Most importantly: always thank them and take action on their suggestions.
- 5 *Make it right.* When clients express dissatisfaction, respond promptly, happily and generously. Nothing irritates more than an unaddressed wrong.

Source: "Smart Moves for People in Charge", Sam Deep and Lyle Sussman; Addison Wesley, 1995



What Amazon.com Teaches Us

Loyalty is best built with services that make every client feel special and unique. Amazon.com has thrived not simply because it's a convenient or economical alternative to brick-and-mortar bookstores, but because it recommends other books, specifically customized to individuals' previous buying behavior.

The Amazon.com platform – a neural network – "learns" what each visitor's reading preferences are, "remembers" them and adds meaningful value to the next interaction. Does your firm have a central database that tracks all client interactions, needs, meeting summaries, recommendations? If so, do you use this data to really understand your clients' underlying (and sometimes unexpressed) needs? Finally, have you customized your client relationship efforts or are you still employing a "one size fits all" approach?