

Don't Be Satisfied With Satisfied Clients

By Robert A. Potter

Highly Satisfied (vs. Satisfied) Clients Twice As Loyal

Keeping clients is frequently more important than winning new ones. Even a fast growing concern realizes 80% of its revenues from existing clients. However client loyalty has never been more difficult to attain. Traditional service satisfaction attributes like experience, capability, timeliness, thoroughness, responsiveness, etc. have become minimum requirements and are no longer differentiators. They are table stakes in a more competitive world.

Today if you want clients who are loyal advocates, they must be highly satisfied. Highly satisfied clients arise from a deeper personal and strategic partnership. If your goal is still a satisfied client, you are setting your sights far too low.

Satisfied clients invite you to compete again. Highly satisfied clients not only give you follow on business (frequently sole sourced); they also refer you to others. They become in effect a surrogate sales force.

Highly satisfied clients are also far more profitable. According to Fred Reichheld, Director Emeritus of Bain & Company and author of Loyalty Rules and The Ultimate Question, **A 5% increase in client retention can lead to a 25-100% increase in company profits!**

What's The Difference?

We recently conducted a study for a client to determine the difference between a 'highly satisfied' client and a 'satisfied' client because their research showed that highly satisfied clients were more than twice as likely to be repeat customers.

We discovered that both satisfied and highly satisfied clients used similar language to describe qualifications and execution effectiveness. Comments like capable, responsive, thorough and on time and on budget were common with both groups.

Highly satisfied customers however were much more likely to name a specific professional and use emotional language like comfort, trust, partner, team member, etc. They also were more likely to comment on value added contributions related to a deeper knowledge on the part of the service provider of the unique aspects of the project, client situation and preferences.

Satisfied Client Comments	Highly Satisfied Comments
<p>Qualifications Comments:</p> <ul style="list-style-type: none"> • Professional • Qualified • Knowledgeable • Industry leader • Experienced <p>Execution Comments:</p> <ul style="list-style-type: none"> • Responsive • Excellent work • Good follow through • Did what they said • Smooth process • Efficient • Met requirements • Competitive, fair price • Within budget 	<p>Relationship comments:</p> <ul style="list-style-type: none"> • Named specific service provider • Long working relationship • Good people • Supporting partner • Working team member • Delight to work with • Trust, forthright and honest <p>Value Added Comments:</p> <ul style="list-style-type: none"> • Understand what we are looking for • Made my job easier • Proactive • Good listener • Better ideas and solutions • Helped with design • Good at trouble shooting • Creative

Interestingly, highly satisfied clients were just as likely as satisfied clients to complain about some aspect of the project execution indicating that highly satisfied clients were more likely to forgive. That makes sense when you consider that it is easier to fire a vendor than a friend. It also explains why competitors have a harder time breaking into a strategic relationship.

Take Care of It (Satisfied) and Take Care of Me (Highly Satisfied)

At the end of the day clients only have two satisfaction criteria. They are: 1.) Did you take care of it? and 2.) Did you take care of me? If you did the former, you created a satisfied client. You will be included in their short list of qualified vendors for future business. If you did both, you created a highly

satisfied client, who will likely award you follow on business with little or no competition.

“Taking care of it” speaks to your capability and execution effectiveness. You met the specs, your price was competitive, you were responsive and completed the work on time. Clients are satisfied when you do that. (Dissatisfied clients are angry that you did not meet these minimum expectations. Dissatisfied clients are 5 times less likely to repeat when compared to highly satisfied clients.)

On the other hand “taking care of me” means you have established a personal and strategic relationship with the client and an understating of their unique project, situation and preferences better than anyone else. That creates confidence and trust that you will assume their burden and protect their position better. Those emotional differentiators are far more important to the client than minor differences in capabilities and experience.

Let me give you an example of ‘taking care of me’ (the client). A facilities director (the client) of a rapidly growing financial services company was concerned that she was being stretched too thin with multiple building projects in multiple cities occurring simultaneously. She felt that she needed to ‘walk the site’ daily to stay on top of things but would not be able to do that with four projects going on at the same time.

With that in mind one of her commercial contractors (the service provider) on one of the projects designed a Web based dash board and had his superintendent post pictures and updates on a daily basis so that the facilities director could walk the site virtually whenever and wherever she could. The facilities manager was so delighted with the creative solution that she awarded that contractor the three remaining projects without a competitive bid.

Client Advocates: Taking Care Of You

Dissatisfied clients threaten your survival. You will not even be allowed to compete for their future business. That revenue will have to be replaced from scratch.

You can survive with satisfied clients but only with great effort. You will at least be allowed to compete for their future business and include them in

your list of clients, but you will have to resell each project and probably compete on price.

But if you create highly satisfied clients, you will spend much less time selling than your competitors because your delighted clients will assume that burden. Not only will they give you their follow on work, they will sell you to others in the form of recommendations and referrals. You will sell less, earn more and enjoy it more.

The bottom line: take care of your clients and they will take care of you.

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