

A Few More Thoughts On “Selling” vs. “Service”— And On “Good” Customers vs. “Bad” Ones

A couple of months ago I wrote about the difference between “service” and “selling,” expressing the opinion that most outside salespeople in the quick printing industry are doing more “servicing” than “selling.” That, I said, is a big part of the reason that most quick printers with outside salespeople are dissatisfied with the performance of those salespeople.

That column brought an interesting response from a reader—one who is not a printer, but rather a customer. Here’s what he had to say:

Dear Mr. Fellman:

I just finished reading your article on “The Difference Between Sales and Service” in the September issue of Quick Printing. I am a Marketing Manager with large staffing service in New England. I must say I agreed with many of your points from a sales perspective, but felt you undermined the importance of customer service in the extremely competitive business of printing.

From my own perspective, my company and I have chosen a relationship with our current printer, not because they necessarily offer the best price on all projects, but because my sales rep treats me like I am his only customer. When I need him in my office, he is there. We design complex four-color jobs that are almost never the same. I need someone who can advise me, quote me and be able to swing tight deadlines. An assistant in his office can’t handle these tasks and the owner is often away from the office.

My company is in the service industry, we tend to be very unforgiving of poor customer service since we are constantly held to very high standards. The old saying of “service your customers well, or someone else will” holds much water here. I am always being solicited by printing companies saying they can save me money. Maybe they can. But is there going to be someone here when I need them?

Sometimes the best way to build a business is not to lose the customers you have. If you can accomplish that, the rabid demand for bringing in new customers decreases since turnover is eliminated (in a perfect world, right?) I guess it all depends on your focus and ability to grown beyond a certain size customer base.

—Scott Capurso

My Response

I wrote back to Mr. Capurso that he misunderstood my intent. I’m not against customer service, I told him, and he is absolutely right that keeping the customers you have should always be the first priority, with the twin caveats that they are *good* customers—which involves more than simply how much money they spend with you—and that the salesperson is already over the “break-even” point between his/her compensation plan and the printer’s overall profitability.

As I told Mr. Capurso, the problem too many printers face is that their salespeople are spending more time “servicing” than is really required—and using that as an excuse to avoid prospecting.

It really comes down to simple arithmetic in many cases, I told him, and here is the example I provided: Let’s say that you spend \$100,000 a year with the printing company you’re doing business with, and let’s also say that you are the salesperson’s only substantial customer. For the sake of discussion, let’s say he/she does \$100,000 with you and another \$50,000 with a bunch of other miscellaneous customers...but considering the compensation plan, his/her employer needs this salesperson to be doing a minimum of \$250,000 in order to be profitable overall. As much as you like the service and attention you get from this salesperson, the owner of the printing company can’t afford to keep this salesperson around!

It would be a lot different. I said, if we were talking about someone doing \$100,000 with you and another \$900,000 with other customers, and still treating you like you are his/her only customer! Unfortunately, that’s a level of performance most quick printers don’t enjoy from their salespeople.

What’s Really Important...

Mr. Capurso may have misunderstood my intent in this particular column, but he has several important lessons to teach you too, and that’s why I included his letter in this month’s column. Go back a few paragraphs and read what he had to say again, and see if you pick out the same key points that I did:

1. Price is not the only factor most printing buyers consider.
2. Price diminishes in importance whenever service (or quality) increases in importance.
3. There really are other salespeople calling on your best accounts (a very important lesson for any quick printer who does not have an outside salesperson out there competing for both new and established business.)
4. The “customer” often has a “customer” of his/her own. (As Mr. Capurso says, he holds his printer to high standards because his own customers hold him to those same standards. It’s also important for you to understand that the jobs your customers give you reflect much more than just ink or toner on paper to them. Every print job—especially the kind of high-color, promotional printing that Mr. Capurso refers to—has a job to do for the customer; a job that may be time-sensitive or quality-sensitive. If you aren’t sensitive to whatever it is they’re sensitive to, you won’t hold onto customers like Mr. Capurso.)

What’s Really, Really Important...

Now, having said all of that, let’s not forget that while keeping your customers happy is always important, what’s really, really important is keeping your business happy...read that profitable! And while I like his attitude in general terms, I can’t help but wonder if Mr. Capurso is really a good customer.

There are two key issues here, one of which bears directly on Mr. Capurso, and the other one on his printer. The first issue is contained in his statement: “I need someone who can...swing tight deadlines.” I don’t know about you folks, but a customer who always has tight deadlines is unlikely to be my favorite customer. I’d rather work with people who give me a little more lead time; where every job is not a “crash project” which disrupts the orderly flow of other jobs through the shop.

It’s worth considering that every “crash project” carries with it the likelihood that another customer’s job will be late, or suffer from a slippage in quality while most of your company’s resources are being applied to the “big job” with the “tight deadline.” The point is, you can easily be killing other customer relationships while you’re servicing one customer to death!

The Price Issue

The second issue is the price issue, and this one may have a lot more to do with the printer than with the customer. Mr. Capurso says clearly that price is not his most important consideration. He knows that he can get lower prices from other printers, but he continues to use this one anyway. Here’s the key question: Does the printer know that?

I wouldn’t be surprised to find that the printer gives Mr. Capurso some sort of preferential pricing, maybe a discount based on volume, or else aggressive pricing based on the perception that he/she has to “keep the pencil sharp” in order to keep Mr. Capurso’s business. Maybe that’s the message the printer gets from the salesperson—who is almost certainly less concerned with profit than with commissionable sales volume!

I don’t know if any of this is the case of course, but I hope you’ll agree that if it is the case, this printer is leaving money on the table—and by my definition, that takes at least something away in the definition of a “good” customer.

THINK!

Obviously, I don’t really know if Mr. Capurso is a good customer or not. I don’t know that the service he requires causes a “domino effect” that disrupts service and quality for other customers. I don’t know that he gets discounted prices, or if the printer does in fact charge him “top dollar” for everything he buys. I don’t know if he buys everything from letterhead, envelopes and business cards right up to the complex four-color jobs that he mentioned in his letter from this printer. I don’t know if he pays his bills on time!

These are things I can’t know from one short letter, but I can tell you who can know and should know. Right, the printer he wrote to me about!

The real point here is that you have to THINK about these things if you want to be successful in this business. I’m not saying that a high level of service isn’t necessary in order to gain and keep good customers, but I am—still!—saying that far too many salespeople spend too much time servicing and not enough time selling. And I’m also saying that far too many quick printers are suffering as “profit laggards” because they don’t really know the difference between a good customer and a bad one. To me, the height of insanity is to provide great service to a bad customer.

By the way, thanks again, Scott Capurso, for your comments, and for allowing me to try to “twist” them into an additional lesson or two!

Value vs. WOW!

To shift gears a little bit, I thought you might be interested in part of a conversation I had recently with a client. We all know that the perception of value changes from customer to customer, and from prospect to prospect. According to this particular client, this is simply because each customer or prospect has a different perspective on what he/she is actually paying for. Some people measure value in terms of quality, and if you're trying to sell a level of quality that's greater or lesser than what they're willing to pay for, you're not going to satisfy that customer or connect with that prospect.

Others—like Scott Capurso—define value more in terms of service. The truth is that it doesn't matter so much how customers and prospects define value, what matters is that you—and your salespeople—understand exactly what they're willing to pay for and provide exactly that.

That statement might seem to fly in the face of a business philosophy that's very popular right now—that your product or service has to be so good that it will make customers say “Wow!” Many people seem to think that you have to provide a level of quality or service at a specific price point that no one else can match in order to get that “Wow!” In fact, I recently spoke with a printer who told me he'd set a goal of getting “Wow's” by providing twice the level of quality and service his customers expect.

From my perspective, that strategy reflects a huge waste of his company's resources. If he spent some of those resources gaining a better understanding of what individual customers and prospects are looking for and then providing exactly that, he'd first have customers with no reason to seriously consider buying from anyone else, and second, he'd have enough free resources to truly support more new customers!

Remember, anytime you or one of your employees spends two hours doing something superlatively when doing it adequately would only have taken one hour, you've wasted one hour which never comes back to you. And please understand that I'm not talking about cutting corners in any way. The word “adequate” means good enough!