

Balancing Act: Customer Care vs Customer Development

In my seminars, I often ask salespeople how they view their priorities. “Of all the things you’ll do on any given day,” I ask, “which category of activities represents your highest priority?” The typical answer I get is: “Taking care of my customers” with “Prospecting for new business” a distant second.

I’d like to see prospecting as a close rather than distant second, but I do agree that taking good care of current important customers should be a printing salesperson’s top priority. As I note in the seminars, though, there are two tricky words in that last statement: *good* care and current *important* customers. The sad fact of the matter is that a lot of sales time gets spent on not-really-very-important customers, and on a level of care that represents what I call “customer care overkill.”

Important Customers

How should you define an important customer? First of all, let’s remember that whenever I use the term *customer*, I’m talking about someone who’s actually buying from you. Someone who’s not actually buying from you is either a *suspect* or a *prospect*.

Beyond that distinction, I think the *important* category should be reserved for the 20% of a typical salesperson’s customers who provide 80% of his/her sales volume, and the companies within the other 80% of the customer list who have significantly greater potential. As the owner, you should sit down with your salespeople and make sure that everyone is in agreement about who’s important and who’s not. (This, by the way, is an exercise that should be completed at least every quarter, and it should also include evaluation of the salesperson’s current suspects and prospects, to make sure that he/she is working at developing people who will become new *important* customers.)

Now, am I suggesting that you offer no service to any customers who don’t meet the *important* standard? No, but I am suggesting that a salesperson has to recognize immediately when doing something for a not-really-very-important customer is going to take up a lot of time. I heard a story recently where a salesperson spent a whole day running back and forth between the printshop, the customer’s office and a trade bindery with samples and then artwork for a \$300 foil stamping job for a \$600 per year customer. If the customer had \$6000 per year potential, that time might have been justified. As it was, I think everyone should agree that the salesperson would have been better off not making a \$300 sale, and spending that time prospecting for new business instead.

Good Care

Where is the dividing line between *good care* and *customer care overkill*? I think the best way to approach that question is to consider the *temperature* of each customer relationship. In this analogy, a temperature of 98.6 degrees represents a healthy relationship. At that temperature, the customer is telling any of your competitors who call on him that he’s happy with his current printer.

I’d like to see the temperature just a little bit higher than that. We’d all be horrified if a child or grandchild had a temperature of 104 degrees, but I think that’s the ideal temperature for a printer/customer relationship. The extra few degrees above 98.6 provide a cushion against any minor problem.

Many salespeople seem intent on trying to raise the temperature even higher, perhaps to 125 degrees. I’m talking about the salespeople who bring candy or donuts or bagels, who never forget a birthday or anniversary or to ask after parents or children or pets, who spend 10 minutes taking care of business on every sales call and then 20 or more minutes socializing. It seems to me that these salespeople are trying to pile *like* on top of the *trust* that represents the real basis of any successful printer/customer relationship. The question is whether that *like factor* really adds anything to the likelihood that the customer will continue to buy from the salesperson and the printer. The answer is *probably not!*

Now, I do understand that there are customers whose definition of 98.6 degrees includes the donuts and all the rest, and if they’re really important customers, I guess we have to accept the time and expense it takes to keep them happy. Far more often, though, printing salespeople are simply making bad prioritization and time management decisions, and spending more time and money than is necessary to keep a customer happy—at the expense of prospecting for new business!

Here’s my bottom line on a printing salesperson’s priorities. First should be taking good care of current important customers. A close second should be developing new important customers. A distant third should be anything else if there’s any time left after taking care of the really important parts of the job.

Balancing Point

OK, what does that mean in terms of specific time allocation? Should it be 50/50 between customer care and customer development, or 70/30, or 30/70? The answer is that it simply depends on how much a salesperson wants/needs to increase sales volume. I think the 50/50 point probably sits at around \$400,000 in sales volume for a salesperson working for a “typically equipped” quick printing company. Anyone at a lower volume level should be spending more than half of his/her time prospecting for new business. Anyone at a higher volume level probably can’t spend that much time on new customer development without jeopardizing current important customer relationships.

I can hear some of the skeptics saying that \$400,000 is a pretty high number, and one that the majority of quick printing salespeople never manage to reach. Exactly! They don’t reach it because they spend too much time providing *customer care overkill* and not enough time on new customer development!

The “Important” Test

I wrote earlier that the *important* category should be reserved for major customers, or those with major potential. Here are a few more things the owner should think about in determining who’s important and who’s not.

Do I really make money on the work we do for this customer? Remember, high volume is not the same as high profit, and profit is the reason you’re in business.

Do they energize us or drain energy from us? Some customers look to be reasonably profitable in terms of the prices you charge them, but they take a toll on your business in other ways. I’m not recommending that you immediately fire these high-maintenance customers, but I hope you’ll recognize the need to try to change their behavior.

Could my business survive the loss of this customer? This is the ultimate test of *important*. If the answer is “no,” I hope you aren’t leaving the entire relationship in the hands of your salesperson. The owner absolutely needs to be involved in any critically important customer relationship!