



5 SIGNS IT'S TIME TO SAY 'GOODBYE' TO YOUR CUSTOMER

(And How to Breakup the Right Way)

By Kate Zabriskie

Goodbye customer! It's nothing personal (at least not usually). Sometimes customers' expectations can't be met, other times customers require an inordinate amount of time, and on rare occasions, a customer's behavior may expose an organization to undue peril. When any of those situations occur, it's best to say "goodbye" and to do so quickly in a way that creates the least resentment on both sides.

5 SIGNS IT'S TIME TO PART COMPANY AND HOW TO SAY SO LONG

1. They cause 80% of your problems and don't contribute even close to 80% of your revenue.

From time to time, any customer could require more energy than others. Those high-demand situations are normal. What isn't normal, however, is the perpetual squeaky wheel that routinely disrupts normal business operations.

Customers who buy very little and cost a lot time, personnel, or mental energy to service may not be the customers you want to keep—especially if serving them prevents you from taking care of customers or clients who are more profitable and easier to help.

Goodbye Move: When customer is more work than it's worth to you, the easiest way to say goodbye is to rely on the classic "It's not you, it's me" approach.

For example: *"Brad, I'm concerned. I've reviewed your account and have discovered that we're doing a lot of rework and revisions to the projects we have with your firm. I've concluded that there has got to be someone who is a better fit for you. We're not hitting the mark with you the way we do with our other clients. This isn't good for you or us."*

If after that they insist on staying anyway, consider raising your rates accordingly.

2. They are abusive to your employees. When management allows customers to abuse employees, it's the same as perpetrating the abuse directly. Do customers swear, yell, demean, or harass your employees? If so, it's time to draw a line in the sand and let them know what behavior is and isn't acceptable.

"Julie, we have a no profanity rule here. Respect is one of our core values, and we've agreed that we don't yell and swear at our clients or each other."

If the bad behavior continues, the relationship should stop. *"But she's our best customer. She has a lot of sway."* Maybe so. She's also the poison that potentially exposes the organization to a lawsuit, erodes morale, and negatively affects the culture.

Goodbye Move: When someone is abusive, again, it's best to say goodbye and to do so in a calm and professional manner.

"Julie, you're obviously unhappy, and my employees are too. For the benefit of everyone, at this point I think it's best that we part company. We both deserve better."

- 3. Their behavior is out of touch with your ethics policies and practices.** You are the company you keep. If you are enabling your customers to act in a way that is in disagreement with your organization's values or the law, it may be time to say goodbye. Do you really want to associate yourself and your organization with those whose business practices are illegal, immoral, or routinely questionable? When you like the people on a personal level, it can feel like a tough decision when you're making it. The good news is once you do, you won't look back.

Goodbye Move: When someone or an organization exposes you to unneeded risk, it's prudent to disassociate yourself and your organization from them pronto.

"We're a very conservative organization. While we understand others have a more robust appetite for risk, it's typically something we avoid. For that reason, another vendor is probably going to better meet your needs. At this point, we're really just not a good fit."

- 4. They expose you to unneeded financial risk.** If you spend more time chasing payments than performing work, it's time to consider a new payment plan at a minimum or a permanent breakup if that step doesn't solve the problem.

Goodbye Move: Just as it doesn't make sense to stay involved with someone who exposes you to ethical and legal risks, an organization that puts your pocketbook on the line is probably best avoided.

"Janet, I know we've tried a range of payment options to make this relationship work. At this point, we simply don't have the financial appetite to accommodate your payment schedule. For that reason, I'm asking you to find another vendor. We can't accommodate the work."

- 5. You're no longer a good fit.** Sometimes people and organizations grow apart. Nobody has done anything wrong; the two parties are just in different places and it's time to say goodbye.

Goodbye Move: This last goodbye is the hardest. When you find you and your customer are no longer compatible, it's a good idea to start the conversation with something open-ended.

"Bill, tell me a little bit about how you see your business growing in the next few years."

Assuming Bill isn't planning for growth, you might continue with:

"It's good to hear that you're comfortable where you are. That's a nice place and a future goal of ours. As you may know, we're on a growth strategy and have been for a couple of years. What concerns me is our ability to give you the attention in the future that we've been able to give you in the past. I think you deserve to work with a partner company that can make your work priority number one, and right now I don't think that's us."

No matter the reason, prolonging a relationship that isn't working does no one any favors. It's usually not fun to say "goodbye," but once you do, you'll have more time to say "hello" to customers who should conduct business with you.

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