

# Building Your Foundation

*A solid customer base is one of the cornerstones upon which any successful business is built. Do you have a plan for keeping that foundation together?*

BY BRAD PARKER

**C**ustomer relations is a continuous process involving you and your customer. All businesses communicate with their customers. Making sure the right messages are being exchanged is the challenge.

There are many ways to reach new customers, maintain contact with current ones and increase their desire to do business with you. Customer relations is a tool that is sharpened through constant, careful use.

## ■ CHOOSE WISELY

Before beginning a customer-relations program, you must know who your customers are.

Some will be good customers; others won't. You must decide who will be before spending resources on communicating with them. Determine if someone will enter a long-term business relationship with you. Will they purchase from you again? Will they encourage others to do so?

According to Stephen Broydrick,

in his book *The 7 Universal Laws of Customer Value* (Irwin Professional Publishing), it's better to spend wisely on loyalty than foolishly on prospects.

Loyal customers are your secret sales force and provide reliable feedback about your performance. In addition, once loyalty is developed, price is less of an issue.

"It's a lot more cost-effective to keep customers than to find new ones," says Bill Bowman, director of commercial relations for the American Angus Association. He adds that as the seedstock industry becomes more competitive, keeping customers will be even more important.

The first step in designing a customer-relations plan is identifying loyal customers and exploring how to develop loyalty in others. To do that, you must understand customers' goals, challenges, strengths and opportunities. Can you offer them objective counseling, analysis and workable solutions over the long run? The best customers are those you get to know well and to whom you can offer more value as time progresses.

Producers expect that attention from their seedstock suppliers, Bowman says. "To fill their needs, you have to know something about them," he explains.

Prospective customers should know about you,

too. A mission statement addresses that. Carefully select the media used to promote your mission. People led to your gate by the right message in the right medium probably will be the right customers.

The reverse also is true. Customers can help you identify the right media. Ask them how they learned about you, and use the information to refine your advertising strategy.

Commingle your loyal customers and prospective clients will further help sort the masses. Those who respond positively to people who already have a good relationship with you are more likely to follow.

Don't have an appreciation barbecue for established customers, then an open house for prospective ones. Bring them and everyone else with a stake in your operation (such as employees, consultants and lenders) together. All will appreciate the interaction and gain confidence in your operation.

## ■ SPREAD THE WORD

Advertising is everywhere, and people are cynical. Be direct in your advertising. Broydrick advises, and realize false claims will kill your business.

Another reason to be direct, writes Jacqueline Dunckle in *Keeping Customers Happy* (Self Counsel Press), is that customers are tired of being patronized into accepting what they don't understand. Seedstock producers who take time to explain concepts like expected progeny differences (EPDs) and retained ownership will have happier customers.

Advertising alone won't keep you in business. Being available to the media and active in charitable and association work will create additional exposure. "Being involved — for example, in the state or county cattlemen's association — will provide a lot of free publicity," Bowman suggests.

The most effective promotion, however, is positive word of mouth. Providing better-than-expected service will create this free, informal publicity.

"When your animals do what the customers want, they may or may not talk about it," Bowman says; "but when your animals don't, your customers will tell their friends." If you want people to hear good things about your operation, stand behind your stock and address problems quickly and courteously, he says.

## ■ KEEP IN TOUCH

Once your best customers are identified, make a list. Write down the information gleaned from every transaction, inquiry and



chance meeting. Use that to plan additional contacts.

Knowing things about your customers will lead to well-timed contacts. Birthdays, anniversaries and other important events in a customer's life allow for opportunities outside the sale ring. When conversing with a customer, listen for frustrations, insights and problems you can turn into opportunities to help.

You can be more direct in collecting feedback. Use questionnaires in your sales follow-up, and customize services and additional contacts to your customers' complaints and compliments.

Another way to maintain a connection is a customer newsletter. Broydrick suggests keeping them lighthearted and informative. People and ideas are more interesting than products and services. Remember, he says, it's a *newsletter*, not a sale book.

All written communication must be personable, yet professional. Have someone check your grammar and spelling. Never misspell someone's name; that's as bad as calling them by the wrong name altogether. Along the same line, realize that the quality of any premium items used to promote your operation (such as pens, hats and calendars) is a reflection of you.

#### ■ THE RIGHT TIME

Broydrick advises 30 days after a purchase is the best time to follow up on a sale. Bowman says a call or visit is great, but transferring registration papers and sending a timely thank-you note is effective.

"They've left your place, but it shows you care and respect them as a customer," he says.

It's appropriate to contact customers two or three times each year, and bills don't count. In the case of a production sale, Bowman suggests contacting customers 60-90 days before the event. Sale books should be mailed one month in advance.

"Too often someone calls 11 months and three weeks after a sale to see if the customer wants to buy another," Bowman says.

So, who in your customer base needs attention today?

*Editor's note: We've asked our staff and some young writers to profile the customer-relations strategies of several Angus operations across the country. A couple follow this story in this issue. We'll publish others in issues to come. Look for the "SOLID FOUNDATIONS — Customer relations" bar to denote those articles.*

