

From the Director's Desk

By: Denise Olsen

Recently, I was looking at some things on the Internet and came across this article by Jeff Wuorio titled *7 Tips on Keeping Customers for Life*. I have quoted the article below.

It's the frozen heart of winter and the pipes in your home are as icy as the arctic air outside. Trying to find a plumber seemd less likely than arranging an on-the-fly papal audience.

But not if you're a regular customer of Benjamin Franklin Plumbing, based in Rogersville, Missouri. You may be part of the company's "front of the line" program, which means the plumbing shop gives you priority status. You will be the first one called and, if need be, will be serviced the next morning—no waiting in line not knowing when the call will come.

Sound cool? Even cooler than your pipes in winter? Sound like the kind of perk that could make you a life-long customer? Indeed.

Programs and strategies akin to Franklin's "front of the line" program can be just the thing to transform a one-shot sale into a lifelong customer. Granted, there are scads of ways to do that,

but here are seven that may be just the wrinkle that fits your business:

Deliver what you say you are going to do

"If the business can't deliver on basics, then any other steps will be wasted effort," says Ruth Stevens of eMarketing Strategy, a New York consulting company. In other words, don't swing for the fences when you can't even lay down a bunt. It may seem ludicrous, but far too many businesses focus on ways to keep customers only to lose sight of the fact that their product or service simply isn't what it should be. Make certain that the core of what you do is deserving of long-term customer loyalty, and then look for ways to nurture it.

Expect the best

Another stumbling block to establishing customers for life is turning the tables. Many businesses wait for customers to "prove" their worth before they start to take steps to cement the relationship. Instead, approach everyone as a potential lifer; "Don't adopt the mindset that a customer must 'earn' their way into your good graces as a business," says Erin Duckhorn of Crucial Technology, an online memory upgrade

provider. "Instead, we assume from the very beginning that this new customer is going to be a long-term loyal customer and treat them as such." By treating your customers respectfully from the start and expecting that they will pay on time—rather than prodding then about payment deadlines before it ever becomes an issue—you can engender long-term customer loyalty. Duckhorn says.

From there, go beyond the usual

Once the basics are clicking, one way to win a customer for life is to consistently exceed the expected. Establish a baseline of good, and make it policy to climb to better and beyond. For instance, E.D. Foods, an online provider of soups and other food products, wins plaudits for placing orders for items that customers want but can't find in its online catalogue. "It's really simple," says co-owner Leslie Eiser. "Have great products and provide customers with service beyond what they were expecting."

Watch your customer, not your bottom line

A continuing element of life-long customer loyalty is

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...PEOPLE WILL FORGET WHAT YOU SAID, PEOPLE WILL FORGET WHAT YOU DID, BUT PEOPLE WILL NEVER FORGET HOW YOU MADE THEM FEEL.

~MAYA ANGELOU

Business Highlight-Paul's Welding

The business highlight for this month is Paul's Welding, owned and operated by Paul Loberg.

Louie Broer came to America from Germany in about 1923 when he was 18 years old. He went to work for his older brother in the blacksmith shop. In 1928, Louie's uncle sold him the blacksmith shop. He would own it until 1979.

In 1979, Paul Loberg heard that Louie Broer was wanting to sell his welding shop. Paul had some experience in welding and was inter-

ested in buying the shop. After selling the shop, Louie Broer still came down and helped out.

The original building was on Main Street and Paul stayed in this building for twelve years. As the building became too small, and did not allow him to do work inside, he decided to expand into a new building. He put up a new, larger build-



ing on Hughson Street that would allow him to do work inside.

Over the years, with the changes in the welding business, Paul has expanded his business to Paul's Welding and Sports Shop. He sells sporting goods, mainly archery and black powder accessories, and also repairs bows.

If you have any welding needs check out Paul's Welding.

Is Every Customer a Good Customer?

In my cover article I talked about seven ways to keep a customer for life. But do we always want to keep every customer that comes through the door. Lesley Spencer Pyle wrote about that very idea in a recent article for *Entrepreneur Magazine*. I have quoted it below.

The goal for most people when they start a business is to find and build a solid customer base. Out of eagerness or desperation to build the business, entrepreneurs commonly take on any customer—good or bad. After all, a customer is a customer, right? Wrong. Some won't be a good fit for your business.

Of course, there's a balance. Not every customer is going to be a dream, and there will always be customers who are more demanding than others—maybe more demanding than they're worth. But you need to draw a line in the sand when the stress of a catering to one customer negatively impacts other customer. Parting ways might be

difficult, but your company's welfare may depend on it.

Some customer may have needs that extend beyond your resources. In other cases, simply meeting a customer's

*"Before you can win, you have to believe you are worthy."
~Mike Ditka*

expectations is too much of a challenge. In some cases, you may not be generating the income necessary to maintain a company as a customer.

There are other dangers, as well: If a difficult customer is impacting your ability to service your other customers, it could drive your good clients away. If a complaining customer starts speaking negatively to others, that puts your reputation on the line.

If a customer continually complains about your product and service and you can't make adjustments to meet the client's needs, there's no reason to continue dealing with that customer. The reality is, you can't be everything to everyone. It's far better to focus on what you do best and attract the customers you can best help...and enjoy helping.

If the customer is a financial drain, be honest with yourself and determine the dollar amount you need to make per customer or per hour. If this customer is not meeting your minimum requirements, it's time to adjust your rates or move the client to a company that's a better financial fit. You're in business to make money, not donate your time. After you assess the financial impact of a customer, use this information to help set prices in the future so you can avoid this situation again.

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From the Director's Desk

more attention to the needs and preferences of your clientele and less on your earnings growth. Of course, profits are crucial. But long-term solvency derives from customers who are also there for the long haul. And that stems from a business which listens in any number of ways. "I've always asked my customers' opinions of new product ideas," says Ellen Cagnassola of MaryEllen's Sweer Soaps, an online soap retailer. "Keeping them a part of the process can inspire them in more ways than one."

Nurture lifelong employees

An effective strategy to win long-term clientele doesn't exist in a vacuum. Treat your employees as you would want a customer whom you want to see year after year. Not only does that encourage staff to also do their bit to entice customer loyalty, it's simply a good idea to maintain a consistent emphasis on a supportive, responsive environment. Southwest Airlines insists on capitalizing both customer and employee in all of its correspondence," says consultant Rich Gal-

*"Individuals play the game,
but teams beat the odds."
~SEAL Team saying*

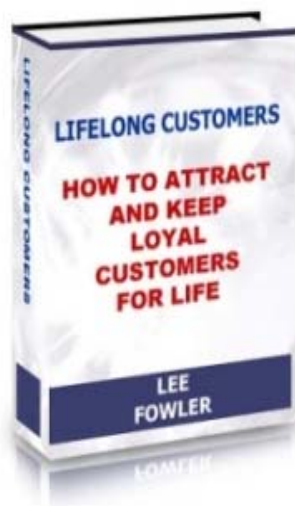
agher. "As a result, they're a top-rated service quality leader as well as an employer."

Make customers want to stick around

Great service or products are terrific, but it never hurts to stack the deck to lure customers into the long-term fold. In Franklin Plumbing's case, that means discounts for repeat customers. For Fern Reiss of PublishingGame.Com, an independent resource for readers, authors and book publishers, it's a 25 percent discount on updated titles if customers send in the cover of an old title. "Because my books are updated every three to six months, and because the publishing industry

changes so quickly, many people who like the book end up reordering it on a regular basis," she says. "They get the latest in-

formation, for sale—and I get the repeat business."



Be picky about your lifelong customers

Saying some people aren't cut out to be lifelong customers seems akin to saying you despise Bambi. But the fact is that some customers are more trouble than they're worth. Monitor what goes into keeping a customer satisfied; if it's too costly or simply too much work, it's probably better to put your lifelong-

customer building muscle elsewhere. "Look at your service costs. Some clients mandate expensive sales coverage and some always insist on face-to-face meetings with a sales rep," Stevens says. "If they're a problem, give them a competitor's number or manage the relationship more carefully. But it's a myth to say that everyone should be a lifelong customer."

Rosy Budget?

In a recent email I received from *Boomtown Institute* they decided to find out which states had a budget surplus. Sadly, on two states will have a budget surplus for 2010. according to an article out of Helena, MT. I have quoted the article below.

According to the report, "The state ended the budget year in mid-2009 with a preliminary general fund budget surplus of \$392 million, or nearly \$23 million more than the legislature had projected."

So we were curious, how many other states has a surplus. As it turns out, exactly one other state has a surplus. Montana's neighbor to the east, North Dakota. The website, www.statehealthfacts.org provides a wealth of data on all 50 states on more than 500 health topics.

Back in June, we reported that 19 states were hammering out their fiscal 2010 budgets, to the tune of a \$121 billion shortfall. Now that gap has grown to \$167 billion. Not surprising, California tops the list of states with

the largest shortfall, followed by New York, Illinois, New Jersey, and Florida. For the record, it is estimated that the federal fiscal 2009 deficit will reach \$1.6 trillion.

As we said in June, let's hope our children and grandchildren don't end up "working for the government" their entire lives. Our governmental leaders, all of them, federal, state and local, need to diligently focus on the harm these deficits are doing to the future of America. It won't be easy, but our country is worth it!

October 2009

SUN

MON







TUE

WED

THU

FRI

SAT

				1	2	3	
4	5 NO SCHOOL	6	7 6:30 pm City Council Meeting	8	9 7:30-10:00 Community Coffee @ Senior Center	10	
		FIRE PREVENTION WEEK					
11	12 NO SCHOOL 	13	14	15	16	17	
18	19	20	21	22	23 NO SCHOOL 	24	
25	26	27	28	29	30 NO SCHOOL 	31 	

Denise Olsen
Economic Development Director

212 E. Broadway
Box 457
Randolph, NE 68771

Ph. 402-337-0142
Fax: 402-337-0571
Email: topcity@cableone.net

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Web!**

www.ci-randolph.ne.us

REMINDER

If you have an article or calendar event that you would like to have in the newsletter, please let me know or drop it off at the City Office. This can also include a follow-up article on an event that was held. Thank you.

Phone: 402-337-0142

Email: topcity@cableone.net



**Randolph
Economic
Development**



The mission of the Randolph Economic Development Group is to promote the attraction, retention, and expansion of businesses and to enhance the quality of life in Randolph and Cedar County.

Is Every Customer a Good Customer?

Be candid with a difficult customer; let the customer know the impact he or she is having on your company. Try to develop solutions. Keep in mind, the customer might know that he or she is challenging. Sit down and walk through the issues, which might resolve the problem. Perhaps you can agree on a procedural change or an increase in fees that will help compensate for the extra work the client is causing. If you can't work out an arrangement conducive to both parties, it may be time to part ways. Take a gentle but firm approach so that you both walk away feeling it's a mutual decision. Providing advance notice and a plan to work through the transition will help maintain your credibility and a

level of customer satisfaction.



The immediate impact of losing a customer might be a financial drain, but the increase in your productivity and that of your staff could make up the difference. Also, the costs associated with handling the customer go away.

The best way to avoid bad customers is to avoid

bringing them aboard altogether. Have a clear understanding upfront what the customer is looking for from you as a provider. In turn, be honest about how you can meet (or not meet) his or her needs. Find out why the prospect left a previous provider, if there was one.

At some point, preferably before you start your business, spend an hour or so with an attorney to explain your business. This can help determine when a customer contract might be necessary to avoid legal problems down the road if you need to fire a customer. Depending on the job and the requirements, having a contract in place might help make the departure a smoother transaction.