

# So you think you bring value to your clients?

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## The simple truth about Profitable Growth

The future of any organization depends on clients acknowledging their value to them. Not just today and tomorrow, but over and over again. Added value is nothing, perceived value is everything. It's the only source of profitable growth.

It's not easy to accept that your organization is not delivering premium value or maybe even some clients perceive just average value. But there are two very clear tell-tails: client retention and margin. Will all of your clients continue to do business with you in the future? And do the prices they are willing to pay, reflect the value you bring them?

When your client retention is less than 95%, you will lose over 25% of your clients in 5 years time. They will have left you for another supplier who – in their eyes – is more valuable to them.

The second tell-tail is when retention is high, but your clients are not willing to pay you more than they would pay your competition. This actually means your clients don't perceive more value from working with you, than they would with your competition. Or at least they do not acknowledge the difference in value.

Value perceived by your clients is the key to both retention and margin, which lead to profitable growth. 'Money flows to perceived value.'

When you yourself are closely involved with accounts, it is hard to imagine there could be different, not yet discovered ways in which you can dramatically increase your value to them. Especially since your competitors seem not to be doing anything different. But the clients that left you, did see more value in an offering from a competitor.

You may feel price was the main reason. And often clients actively use this argument. But ask yourself: What is the relation between value and price?

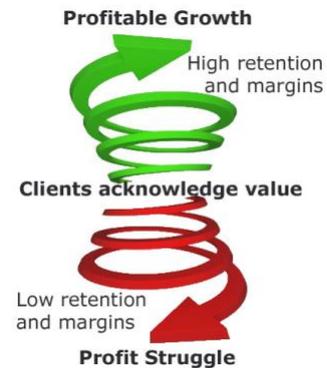
When we would interview your clients as an independent third party- and we have done so hundreds of times for our clients – you would learn 80% of your clients were looking for more value. Price is just the easy answer to a sensitive question.

As a senior manager, you need to have access to the right information, without the obvious filters of good intentions, blind spots, cover up's and sugar coatings.

The basics of profitable growth are simple. When you are losing clients or you struggle to keep up your margins, not all your clients acknowledge your value to them.

So, what can you do about it? You have two options; lower your prices, or improve the value clients perceive from working with you, thus leading your organization to profitable growth.

Delivering more value and creating sustainable profitable growth may sound as long-term goals that require large innovations and completely new services. In most cases it really isn't like that.



First you need to know something else about value. Clients perceive value in many things. Of course, in the service you provide, but often that is more or less a hygiene factor. Most of your competitors can do that just as well, and maybe even cheaper.

Decision makers have many other expectations on what you should accomplish. Their expectations go beyond operational issues. They expect you to play a valuable role as their business partner. Value is in the eye of the beholder, just like beauty.

Improving your ability to deliver value starts with understanding in detail why clients left and for what value they would be willing to pay a price premium. Once you have real understanding of the problem – the solution becomes clear.

It's your job as senior manager to understand what your clients are really saying.

Are they looking for more value than you are currently providing? When you experience pressure on margins or retention, chances are they do. Let's get the insights you need and together define your strategy! It is the first thing we do for all our clients.

Tenacity's clients have taken millions of dollars straight to their bottom line by increasing client retention and stopping margin erosion. Often their ability to retain accounts improves with at least 50% because their clients perceive and acknowledge relevant value from their partner.

If you like to read more, [just click here](#). Temporarily we give away a [free copy](#) of our best-selling book 'What you client's won't tell you... and your managers don't know'.