

What Prevents Us from Retaining our Clients and Protecting our Revenue?

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This is an article by my fellow Tenacity Principal [Pat Weimer](#), from the USA.

Everyone wants to keep the clients they have, right? It is a pretty simple concept. If I keep the clients I have, I can use that revenue as a base for growth. The opposite sounds a little crazy. Who wants to keep losing their clients and starting over to build their revenue? I am sure the answer is no one. That is why we all say we have a plan to retain our clients. Who wouldn't? An organization wants to make sure they care for their clients by exceeding their expectations and building a long professional relationship. It is a matter of an organizations reputation going forward and a sense of pride! We all want to do what is right by our clients. Even more basic it just makes simple fiscal sense.

I have spoken with executives from all aspects of the service industry and they all are quick to say they want to keep their clients. The next few questions get more interesting. I often say, "Sounds great, what are you doing to insure you retain those clients?" A hand full have a plan they can say, but most say something more general like great customer service or a good relationship with the key people. A select few have a plan that is written down and one they can point to and show me. However, when I ask the next question, how do you know it is being executed and how do you know it is what your clients are asking for? The number drops even more.

How can that be? How can something we all agree is so important and basic be taken so lightly?

Let me put it another way. The majority of us want to lose weight, eat healthier and exercise, right? It is a pretty simple concept. If we just lose a little more weight, eat better and exercise it will hopefully help us live longer and have better self-esteem. It is not as easy as we expect, life gets in the way. The same goes for corporations. Everyone wants to keep their clients they worked so hard to get but "*life*" gets in the way. Put a different way, the speed of business gets in the way. There is the prospect that needs an RFP by next Friday, the irate client that received the wrong order, the employee that just left that now needs replaced, and the software that is not working correctly. There is always something! We all have the best intentions but it takes more.

There are very simple and positive steps that you can take to turn the tide. However, it will take commitment. Just like losing weight, saying it is not enough.

First, you have to show you are committed to client retention. Everyone looks to the CEO and leadership team. Who has not been to a yearly meeting where the CEO stands in front of everyone and says he is committed to keeping the current revenue and growing it. He or she might even say we are going to do all we can to retain to current clients. Then the year goes on and the plan that was put in place is slowly pushed to the side. Executives get busy and they focus on, the now, on “*life*”. Everyone else notices that leadership moved their priority away from client retention as well and before you know it client retention is again riding in the back seat.

Second, you have to have a formalized process, a real thought out retention process. Almost every company invests heavily in a strong selling process. And it is indeed critical that you have a great go to market strategy and a solid sales model. But how much time and effort are you investing in a strong client retention strategy? If you invested so much to get the business, shouldn't you invest in insuring you keep the business? You should have a strong retention process that is tested and proven. The key is it has to be formalized and one everyone can share if asked. It has to become part of the culture.

Third, there has to be a champion who is accountable for client retention. I am sure the CFO will be accountable for retaining the revenue at the end of the year. I am talking about someone who makes things happen on a day to day basis. It is best if this person reports directly to the CEO. It will show everyone the importance and priority of client retention. This person will also make sure that the formalized plan is being implemented and carried out. He or she will *make good* on the leaderships commitment of client retention.

Finally, you have to measure performance. There are many ways to make goals and metrics. They are often customized to the business you are in. However, whatever metric you use to measure success has to be specific and measurable. It also has to be shared and updated. The organization has to see the progress of the plan that was implemented.

The real proof will be when the CEO stands up at the year-end meeting and is able to show strong results on not just new business, but retained business. What a better thing to celebrate! I can think of few things that will give such pride as clients not just saying they want to work with you but that you showed enough value that they want to stay with you.

Much like my earlier premise of losing weight, it is not easy, but it is rewarding. These are just some insights on client retention. Tenacity[®] Inc. has spent over 30 years focusing on client retention. If you want to learn more please click on the link below for a [free copy](#) of the landmark book “[What Your Clients Won't Tell You and Your Mangers Don't Know](#)”.