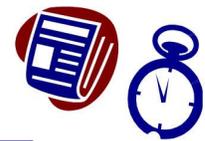




# MONEY MINUTE

Business news you can really use...in 60 seconds or less!



## Recession Proofing YOUR Business – Part 3 September 2008

This summer I've been outlining low-cost and no-cost ways to recession proof YOUR business, so your business can have a steady supply of customers, rain or shine, economy up or economy down.

I began relating a story in the August edition on my recent experience with an air conditioning vendor who was busily turning his repeat sales business model into a once-through model that can only survive by constantly recruiting expensive new, one-time customers.

### **Recapping...**

I was visiting my mother in southern Florida in August when her air conditioning went out the last night of our visit. From my previous experience I was able to isolate the problem to an easily replaced, fairly inexpensive part.

The technician/salesman told me that the problem was very serious; a highly specialized part had failed that would require special ordering and at least one day's delay to install...at a cost of \$660! He also said the price quoted had been heavily discounted because of my mother's current service contract with their firm. After I declined to proceed, he responded with 3 minutes of non-stop techno-speak designed to intimidate me and justify the price.

After I declined to authorize repairs the third time, the technician/salesman prepared an invoice for \$48 to cover the cost of the call (to a home with an active service contract, no less), whereupon I invited him to bill me, but that I would also pursue a complaint with the Better Business Bureau.

### **The Sales Experience – Round 3**

The third knock at the door, three minutes later, same technician/salesman – Good news! The part was in stock and if I gave the OK it could be installed within one hour...and at less than half the original quote! Clearly this company needed the business or they wouldn't have made such an offer.

The new quote was still on the high side, but I was scheduled to return home that day and I had to get on the road. So, I (very reluctantly) accepted their offer after assuring myself that there would be no further charges and everything necessary was included in the work order.

The technician/salesman promptly handed me the work order and asked for payment in advance "in order to commence work". I declined and promised payment after I was satisfied with the repairs. The technician/salesman protested that he had to collect payment immediately because the work order said "C.O.D." I responded that I knew very well that meant cash on delivery.

The technician/salesman's final attempt was asking me to sign the work order "so the installer can begin work". Again I refused; the first sentence above the signature line said "I certify that repairs have been completed to my satisfaction." I said I would sign when the A/C was back in service.

In the end, the technician/salesman left in an angry huff, asking me to hold the work order until their installer arrived. The installer arrived shortly, installed the part, and Mom's A/C came back to life.

### **The Fallout**

I will make sure that Mom never spends another dime with that vendor. The company is destroying itself, turning what should be a repeat, service-oriented business model into a once-through model that obviously survives only by constantly trolling for very expensive, one-time customers to prey on. They finally made a one-time, half price transaction with me, but at the expense of forfeiting a long term relationship that would have generated repeat business, steady income, and referrals from me.

Unfortunately, my experience is all too common in today's market; rip the customer for immediate, short term sales, look for a new customer, repeat. But practices like this also present the perfect opportunity for you to stand out and differentiate yourself from your competition.

Friends and neighbors constantly ask for recommendations from those they trust. People tell others about their marketplace experiences and seek to do business with companies with a good reputation.

Can you imagine the result if every major step in the experience I described had been positive? What kind of experience will be related now?

### ***Reviewing - How to Ensure Your Customers Come Back***

Be willing to love your customers. View them as your source of income (because they are!). Remember that they can and will go elsewhere if their experience with you is bad. By the same token, they'll probably stay with you if they're delighted with how you solve their problems.

Monitor your sales force and anyone else who interacts with the public. The technician/salesman that represented this vendor is destroying the company's customer base. If the owner doesn't already know what's going on, he will probably find out too late to avoid going under.

Routinely collect feedback directly from your customers. Do it both in person and with an uninvolved third party. Continue doing what your customers like and fix what they say is wrong. It's just that simple. Even better, expand your services into the areas they suggest!

### ***Flourishing in a Recession***

Your business can actually flourish in a recession by consistently solving your customers' problems in a way that delights them. Now is the time to vacuum up all the dissatisfied customers your competitors' shoddy practices are generating. And grow while the others are wondering what to do!



### ***Now It's Your Turn***

Successful businesses thrive on feedback, so I'll look forward to yours. Do you think I hit the mark or do you think I am hopelessly off target? Share your thoughts with me at [bgnewsletter@bellsouth.net](mailto:bgnewsletter@bellsouth.net) or via one of the ways you feel comfortable with, below.

Maybe you know you have a problem, but you're not sure why your sales are down or expenses are up. Or maybe you just want a "second opinion" with a fresh pair of eyes to find out why long time customers aren't coming back and new customers have stopped coming in the door.

We can help! Get growing again! **Call us today at 912.538.0746** for a discreet, confidential consultation at no charge, if you really want to flourish. Be sure to ask about our complimentary marketing and sales effectiveness assessment when you call. Let us show you how to grow in a recession and double your profits in the next 12 months. You'll be glad you did.

Warmest regards, ☺

Dan Elder, principal consultant

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