

February 2005

Customer Strategy

- ◆ Focusing on the right customers.

Past Issues

Problem Solving

- ◆ Means to improving productivity.

Sales Planning

- ◆ Minimizing the risk.

Target Accounts

- ◆ Developing key customers.

Competition

- ◆ Their value to you.

Sales Performance

- ◆ An equal measure of expectation and accountability

Skip Flinn

I send this letter out to all my clients as a reminder to address the basic questions and issues on a regular basis. If you'd like more information about this topic, or would like to receive this newsletter on a regular basis, contact me at: skip@flinnassociates.com

"Chasing two rabbits, you catch neither" Chinese proverb

It is easy to picture an individual running in circles trying to catch two rabbits. But what about your staff, are they "chasing" all your customers without knowing which ones are really vital to your success?

Consider this:

- ◆ Treating all customers equally limits potential growth and requires an equal expenditure of resources regardless of customer size.
- ◆ The assumption that all customers are equally important does not provide your employees with the knowledge of those customers who are truly important.
- ◆ Opportunities to add sales may be overlooked. Your organization may lack the focus or insight of the specific needs of your customers.

Where to start?

- ◆ Create categories of customers based on criteria which make sense to you; perhaps sales volume, channel, or product lines.
 - The top category may be those whom are absolutely critical to your success and for whom you are willing to do most anything.
 - A second category may actually be the bulk of your customers, solid in the market and steady growth continues to be possible.
 - A third, include the target accounts you have determined that at some point in the future, they will become part of the first tier.
 - The final category contains those customers who are simply not profitable to continue to serve – at least at the current level.

Why?

- ◆ Creating customer segments creates a clear map of all customers and their impact upon your organization.
- ◆ Your entire organization, regardless of level of responsibility will know which customers have been designated as vital to your future success.

Summary

Focus on the right customers; creating customer categories is a necessary task which results in the alignment of your products and services with the needs of your customers. Concurrently, your staff becomes more aware of the customers who are vital to your continued success.