

Have You Hugged Your Clients Today?

By Stephen A. Saenz

In a recent article, [The Discipline of Market Leaders](#), we discussed the importance of having a value discipline. In reviewing the three basic models used by market leaders to gain a strategic advantage over their competition, we suggested that customer intimacy was the one that made the most sense for investment professionals. This month, we look at specific ways investment management consultants and money managers can implement this marketing strategy to win more business.

In the last 200 years, or so, American companies have managed to industrialize, unionize, capitalize, modernize, reorganize, globalize and computerize. Ironically, few have learned how to effectively create and keep new customers. One reason might be that traditional corporate structures simply do not place the customer where he/she belongs- at the top of the organizational chart! Instead, this box is reserved for the one corporate executive who possesses that unique set of skills that qualifies him/her to run the company. Directly below, are other highly qualified individuals who have worked hard and “proven” themselves over the years. And so it goes in the typical American company. The best and brightest are promoted up through the ranks, farther and farther away from the boss that matters most, the customer.

Companies that employ the value discipline of customer intimacy see the world a different way. The customer is at the center of the universe and everything they do revolves around him/her. Everything! Their goal is customer service excellence and they pursue it with a vengeance. When they get close to achieving it, they raise their sights. They are constantly searching for ways to improve what they do and how they do it.

If this sounds like a lot of work, consider what happens when *you* are the target of one of these over-zealous providers of customer service. Your first reaction is probably one of shock. You can't believe it because it is so rare to be treated this way. Your second reaction is one of joy. You think to yourself, “I really like this. These guys know what I want and are willing to do whatever it takes to make sure I get it.” As your interaction draws to a close, you are already thinking about the *next* time you will have the opportunity do business with this outfit. You are, by your own admission, a loyal customer. The best part comes when you see someone you know. The first words that come out of your mouth go something like this, “You won't believe what happened to me...” The rewards of providing excellent customer service are many. Few, however, are more gratifying than the referrals you will get when your clients feel *compelled* to tell others about you.

Implementing a service-based marketing strategy is really quite simple. The difficult part is employing it on a *consistent* basis and getting *everyone* in your company to “buy in” to it. The closer an employee is to the customer, the more critical it is that they understand the meaning of customer intimacy. This means that sales assistants and receptionists are among the most important people in your organization.

The first step is to *identify* the needs and wants of your customers. What is important to them? Start a list of anything your customers could possibly need or want from someone that provides the type service you provide. Make sure you know who your customers are first. A client with \$1 million to invest probably has a different perspective than one with \$100,000 to invest. Likewise, a senior consultant with a large number of managed accounts has different needs than one just beginning to do the business. If you think in terms of fewer but larger accounts, you will find it easier to maintain a high level of service over time.

The next step is to *prioritize* the list and to identify those needs and wants that you are prepared to fill. What is most important to your customers? What can you honestly deliver? In reviewing your list, try to identify specific needs and wants that are not being met by your competitors. This can be done by simply asking existing clients and prospects what they like about the service they are currently receiving. Also ask them to identify one or two things they wish their current provider would do more of. If you ask, they will tell you.

The final step is to take action! Incorporate what you learn about the needs and wants of your customers into everything you do. Communicate this to prospects in your presentations and other marketing activities. Now that you know what the “hot buttons” are, push them.

At the end of the day, nothing does more to promote customer intimacy than CARING about them. In the early 1970's, a curious bumper sticker asked us if we were hugging our kids enough. In a business world grown numb, we might want to re-examine our *customer* relationships and consider the profound meaning of that simple reminder.