

DEVELOPING CUSTOMERS FOR LIFE

By:

**Theresa Jordan, Staffing Industry Specialist
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The fight is on to retain clients in today's highly competitive marketplace. It is difficult enough to finally penetrate new accounts, let alone the frustration of losing them after working so hard to acquire the business. This is a major concern for most staffing business owners today.

Staffing firms are spending so much time focusing on bringing in new business that it is common to neglect their existing customers. As quick as a staffing firm brings in new business they may be loosing existing customers. There is a wash in sales as a result. They never seem to get ahead!

This is something unfortunately that I see in the staffing industry that is happening at an alarming rate. I refer to this as the "Leaky Bucket Syndrome" -- where a staffing firm is losing their client base to the competition. They are working hard and pounding the sales force to grow sales and are having success at gaining new business to fill their "sales bucket", all the while there are holes in their company's Customer Retention Strategy and they are losing market share from their overall profitability bucket.

A loyal customer is defined as one who spends the largest portion of its staffing budget dollars with your company. A disloyal customer significantly reduces its staffing budget dollars spent with your firm.

In my opinion, there is absolutely no excuse for losing clients to the competition. Other than, if the company is no longer using staffing due to company policy, project being completed or they moved from the area.

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This is uncontrollable and not a factor in customer retention. It is all part of doing business in the staffing industry. However, It is the “controllable” loss that I am referring to, when the business goes to the competition.

The business impact of controllable lost business is the gap between the staffing firm and the competition in sales growth and market share. Think about that... what does this mean to you and your business? If you were to calculate the lost business and add it to your current sales you would probably be well over budget! Now that hurts!

WHAT IS THE VALUE OF KEEPING A CUSTOMER?

- Reduced operating costs - 10% of revenue is cost of sales typically – It costs money to get customers! Sales representatives commission, recruiting, salary, gas expense, advertising, etc.
- Ongoing streams of revenue that you can count on each month!
- Referrals and references come from servicing clients in your territory – this translates into increased business!

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HOW DO YOU KNOW IF YOUR CUSTOMERS ARE AT RISK?

If you do not have answers and a strategic plan for all of the following questions, then your customers are at risk! Following are **five key questions** to help you measure the level of risk in retaining customers:

- 1. What is the usage or potential usage trend?** Simply stated -- do you have all of the business? If not, how is it split and why? What is your plan to gain more of the business?
- 2. How well are you meeting their service requirements?** Are you tracking turnover, service delivery, time to fill, etc. – the quality metrics should be whatever is important to the client. There should be regularly scheduled Service Review Meetings to report on the service your company has been providing and to suggest areas of improvement.
- 3. Do you have solid relationships with all decision-makers and influencers?** So many staffing firms miss this important point and only have relationships at one level in an organization. This is a high risk factor because if that person leaves the company, the staffing firm loses their advocate and may jeopardize the sale. The new decision-maker contact does not have a track record and loyalty with the staffing firm and may elect to use another vendor, regardless of service provided! You must have relationships at multi-levels in your customers. The various levels should be included in the Service Review Meetings that your company conducts.

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- 4. How is the competition perceived?** You must understand the competitive environment. It is critical to know their strengths and weaknesses so you can develop a solid competitive strategy to lock them out of your accounts! It is just as important to know your own strengths and weaknesses too. This is so you can develop a plan to ensure that accounts are not lost due to your own company's situation.

- 5. How solid of an understanding of present and future needs do you have?** What is your quality service delivery and strategic sales strategy? If you don't have a plan you will never achieve your vision for this account. You must write it down and hold people accountable for achieving the plan. For instance, if your vision is to have an on-site and be the sole vendor, then you better have a documented plan with action steps to be taken with dates and names of people who will be responsible to achieve the objectives. Don't beat yourself up if you haven't gotten to this place with your top accounts. Just do it! Begin now with writing a vision and then develop the plan to achieve the goal! Remember to review the progress to ensure that action takes place!

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Most companies are capable of delivering average levels of service by using common sense. But companies that deliver noticeably better service and have a solid Customer Retention Strategy have a clear advantage over their competition. It should be a staffing firm's goal not to just make the customer satisfied, but to "delight the customer".

By successfully building and implementing a solid Customer Retention Strategy for your staffing firm, your customers will have a positive service experience. This will build customer loyalty and improve retention. Bottom line it will help your staffing firm be more successful in meeting and exceeding financial goals!

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Theresa Jordan is owner of the staffing industry consulting, coaching and training company Jordan Staffing Resources, LLC. With over 20 years staffing industry and management-related experience, Theresa is a veteran staffing industry consultant and trainer. The process she uses is completely unique and customized based on individual staffing company needs and goals. The results are that companies and individuals will have a structure and process in place that will have a positive impact on increasing profitable market share. You can contact her for more information at 248 719-0078 or email her at info@jordan-staffing-resources.com. Visit our web page at www.jordan-staffing-resources.com for a complete list of our affordable staffing industry products and services available.

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