

## Common Sense Retention

There are many facets in regards to the all-important issue of employee retention, but perhaps none makes as much sense as the one that we'll explore in this article.

**The reason?** Because it benefits you in ways that go beyond simply retaining your best employees. (And that, all by itself, would be enough.)

There is a crucial mistake that many companies make when they're delegating tasks to their employees, and even when they're considering which ones to promote and how to promote them. That mistake is tied to a golden rule of corporate productivity, which is this:

***Make sure that everybody in the organization does what they do best.***

Simple, right? Well, you'd be surprised at how easily "simple" becomes "complicated."

### **An example from *The Office***

Let's use an example from the hit television show *The Office* to illustrate this point.

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***Do You Have A Customer  
Loyalty Strategy?***

## Customer Loyalty: Your Best Strategy for Creating A Competitive Edge

***Why are you in business?***

***To Make Money!***

***To Make a Profit! Right??***

***Wrong!!***

If that was your answer, you're not alone. Money or profit is usually the first response. When questioned further, we hear ideas like 'provide high quality products' or 'to make a difference.' If that's what you're

thinking; you're getting warmer, but you're not hot yet!

YOUR organization (sole proprietor to Fortune 50) and every other organization (for-or not-for-profit, service or product based) exist for essentially the same purpose... ***to serve customers***. Money and profit are the rewards you get for providing something your customers value. Taken a step further, once customers associate you with consistently positive emotional experiences it becomes ***a competitive advantage***. The secret lies in creating exceptional relationships that lead to repeat business and referrals. The simplest, most effective success strategy goes beyond customer satisfaction and focuses on creating CUSTOMER LOYALTY.

Easy, right? The concept may be simple, but application is not always easy. Making certain that your customers get what they want and come back for more makes sense. It's critical to the long term success of every organization.

Like any strategy, it takes time to assess, think creatively, plan, and THEN implement.

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Consider EVERYTHING that helps you drive toward Customer Loyalty.

A successful strategy includes identifying, and correcting any factor that negatively impacts the customer, i.e., unfriendly policies, processes, untrained employees, etc. Doing so allows you to compete most effectively and profitably both in the short run and over the long haul.

**What can you do differently in your organization?**

Start by finding better ways to create and sustain a loyal customer base. The advantages will be enormous to customers, employees and investors. Revenue increases for improved service quality tend to be 10-20 times the costs associated with fixing the problem.

As a business leader, entrepreneur or corporate executive, your organization's healthy future depends on your ability to get and keep customers. One of your most important functions is determining how to best relate to them. Develop appropriate customer-oriented strategies. Design and implement customer friendly policies/processes. Develop your employees to create and sustain customer relationships. Constantly monitor and continuously improve your progress for those issues that are most important to your customers.

**How do you measure customer loyalty?** Begin by defining the economic value of a loyal customer. What is a loyal customer worth? How much will they spend over time? Compare the value of a loyal customer to a one time client.

Your balance sheet is not necessarily the best way to measure success. Considering only the balance sheet can lead to the erroneous assumption that relationships are irrelevant. This may cause you to deal with customers based on current profitability rather than what is right and may result in some being lost in the shuffle. Develop, measure, communicate and reward based on specific activities and outcomes that consistently lead to retention and repeat business.

**How do you create and execute a customer loyalty strategy?** To create loyal customers, you must provide positive emotional ties during every Point of Connection (POC) even if it seems to be a small insignificant detail. Consider not only interactions, but also things like invoices, voice mail, packing envelopes, website navigation, office environment,

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your car, the quality of your business cards, etc. All are Points of Connection. A positive experience is critical at EVERY customer touch point.

Customers consciously and unconsciously filter a barrage of impressions at each POC in the form of experiences. They automatically organize these experiences into sets of perceptions, some rational and others emotional. If it can be seen, smelled, tasted, or heard, it is a POC. Your people, as well as your physical environment, provide measurable POC's. To effectively manage POC's you must identify them. Once identified, you must clearly understand what value your customer desires and focus all effort on creating that value.



**You get what you measure.**

There is a direct link between customer retention and profit. Even insignificant changes in retention trigger extraordinary improvements in profitability. One survey found that a 5% shift in retention consistently results in 25-100% profit swings. This powerful force, your emotional connection to your customers, needs to be well understood and strategically managed.

If a Loyal Customer Strategy is right for your organization and successfully implemented, you can expect:

- ▲ Increased profits
- ▲ Reduced costs
- ▲ Greater employee retention and loyalty
- ▲ Improved team culture
- ▲ Motivated and productive employees
- ▲ Enhanced growth potential
- ▲ Greater competitive strength

Isn't that what we all want? Simple? Yes. Easy? No. Realistic? Absolutely! To compete in today's ever changing, increasingly global marketplace, savvy leaders are aligning their Strategy, People and Process Development activities with their customer loyalty goals to create a significant competitive edge. Is it time for you to do the same?

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*Here is a simple but powerful rule - always give people more than what they expect to get.*

– Nelson Boswell

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The show is a “mockumentary” about a paper company by the name of Dunder-Mifflin, located in Scranton, Pennsylvania.

The manager at this particular branch is Michael Scott. Prior to becoming manager, Michael was a salesman at the Scranton branch. In fact, he was the top salesman at the branch, which is the main reason he was promoted to manager.



That, in a nutshell, was a mistake. Anybody who has seen the show can attest to that. What the Dunder-Mifflin brass did is something that’s actually quite common in the corporate world: they put Michael in a position that does not play to his strengths. What he does best is sell, **not** manage. Their attempt to “reward” Michael with a promotion clearly backfired. However, Michael occasionally turns his attention away from managing to sales, and when he does, he enjoys success.

Michael Scott should have been promoted to a *sales* manager position, if he was promoted at all. That would have been best for him and also best for the company, especially his co-workers. Many times within a company, a key employee is moved from what they do best to something else they don’t do nearly as well, and this is often the result of a promotion. It even happens when a candidate is first hired.

Because the candidate has an expanded skill set (and there are more than one openings available), the company might be tempted to bring them in for a position that’s outside their range of expertise, a position that’s perhaps more managerial in nature. Unless this is truly an exemplary individual, the strategy is almost certain to backfire. Below are the two main reasons why it will:

- **As a general rule, what people do best they enjoy the most.** If the employee is not able to pursue their passion, they will eventually become disenchanted.
- **The company is hurt on two different levels.** First, the employee isn’t doing what they do best, so the company loses productivity. Second, the employee is becoming disenchanted, which means they’ll lose their drive and motivation, further causing productivity to suffer.

### The Silver Lining

Despite all the doom and gloom portrayed to this point, there is a silver lining. By ensuring that everybody within the organization is doing what they do best and playing to their strengths, you can raise your retention rate drastically. When a person is doing what they do best—what they truly love to do and have a passion for—there’s practically no way to tear them away from it. Even money won’t do the trick, unless they can be convinced that the new situation will be identical in every way to their current one.



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*Because Success Is A Journey, Not A Destination*



# ONE MINUTE IDEAS

## Not All Jobs Are Alike

### Why Behavioral Interviewing Must Be Job Related

One of the most important aspects of behavioral interviewing is keeping the questions job related. However, “job related” doesn’t mean that the question relates to just ANY job. **For the behavioral interviewing technique to be effective, the questions must relate to specific areas required by the job for superior performance.**

Not all jobs are alike. In a customer service position, communicating with others and customer orientation may be the most crucial areas to success. Meanwhile, an executive level position may require competitiveness and a sense of urgency. A thorough job benchmark and an unbiased assessment of the job will quickly reveal the key performance objectives that are required for superior performance.

By connecting the questions you ask to those specific performance objectives, you can get to the root of an applicant’s behavior in areas that directly affect success on the job.

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And this is a classic “two-for-one” bargain, because it also means that these employees will be infinitely more productive, as well. So not only will your retention rate increase, the company will make more profit and continue to grow for the foreseeable future, since your best candidates are locked in, happily doing what they love to do. That truly is the best of both worlds.

This type of “common sense retention” falls under the category of “can’t see the forest for the trees” syndrome, and some of you might be saying to yourself, “*Of course that’s the best way to retain employees!*” However, the hustle and bustle of the corporate world has a way of clouding even the best of intentions, to the point of distraction. So review every member of your team, and make sure that you can identify the **one thing** that they do better than anything else. Once you’ve done that, then make certain that their role within the company fully embraces that one thing.



Because as funny as Michael Scott might be—intentionally or not—his situation is better left to television and not the real world.

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*The victory of success is half won when one gains the habit of setting goals and achieving them. Even the most tedious chore will become endurable as you parade through each day convinced that every task, no matter how menial or boring, brings you closer to fulfilling your dreams.*

– Og Mandino, 1923-1996, American Motivational Author, Speaker



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