

How Do You Fire a Customer

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How do you fire a customer? I have some long-time customers who were doing more harm to my business than good. Parting ways with them is way overdue, and I don't want there to be any hard feelings. I recently informed two customers that I wouldn't be able to handle their accounts anymore, and they both got very nasty.

We've all had the black hole customer who just isn't worth it. Letting them go is a good idea. Finding a way to do it with grace and respect is an even better idea. Your customers' reaction tells me you've probably built strong relationships with your customers, supplying them with something they truly value. Finding a peaceful way to separate is the next phase in relationship building.

Think about someone you know who was really good at dating, and then, when the relationship cooled, they turned former boyfriends or girlfriends into just plain friends. That's the model to think about. At the same time, keep in mind that your soon-to-be-former customers may or may not have had positive separation experiences in their past.

First, figure out where "nasty" is coming from. The customer you served needs, or needed your services, and they're not happy about some part of the separation. The last thing you need is an unhappy former

customer, but you also need to get this customer to move on in a reasonable way.

At the point of separation, the customer probably isn't thinking about anything more than their own needs. So focus there. Don't expect them to take your needs into account. That may be one of the reasons you probably want to get rid of them. But it's not worth discussing at this separation point.

Explain the change from a perspective they'll understand - them. Suggest there are vendors out there who are likely to be a better fit to their needs. Tell them you'll be happy to help them find other solutions. Remember that you'll usually get further with sugar than vinegar.

If there's a disagreement about who owes what to whom, pull the contract out and read through it. If you owe them a refund, write the check. If they owe you money, tell them politely how you want to solve it. If it's not clear, offer a middle ground. Recognize that if you're telling them to leave you may not get paid in full. Be prepared to compromise, and let them go. Prolonging the discussion about who owes what to whom just keeps them hanging around.

Customers who resist going often don't understand how to value the working relationship they have with their vendors. Or they may

not understand how their vendor's business has grown and changed – and they haven't. You may be able to see that, even if they don't. Now is NOT the time to get into it. Instead, take ownership of the situation and keep relating it back to their needs.

If it's a cost or cash flow problem, explain that you know others who may be able to help them out. If it's a misunderstanding about services or deadlines, tell them you can help them find a vendor who is a better fit. If they are just difficult to deal with, tell them you want them to find a solution that's right for them. Offer to help them through the transition. Keep expressing it in terms of their needs, not yours.

And then do something to help them move on. You've worked with them. You understand their needs. You know how they operate and how they need to be handled. And you probably also know a fair bit about your competitors.

Think about which vendors will be a good fit in terms of style of managing, price points, quality, and ability to meet the customer's demands. Refer this client to several other vendors, and warn the vendors to be clear about price points, service timeframes, what's billable and not billable, etc. Pick vendors who you know are good at managing clients with similar personalities or demands. Or, go the payback route of



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referring your worst customers to your worst competitors. Just remember that what goes around comes around.

Providing a little advice costs nothing. If you're letting the customers go because they're unrealistic in their demands, think about how you could prepare them for better future interactions. Tell them you know they'll be happier once they find a good fit for their needs. Give them suggestions on how or where to compromise as they search for a new vendor.

Looking for a good book? Try *Co-Opetition: A Revolution Mindset That Combines Competition and Cooperation: The Game Theory Strategy That's Changing the Game of Business* by Adam M. Brandenburger and Barry J. Nalebuff.

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