

i3

INDIVIDUALS. IDEAS. INFORMATION.

ON COMPENSATION 44
 ON CLIENT RETENTION 46
 ON BOOKKEEPING 53
 ON OFFICE SPACE 54

If it costs less to keep a client than to get a new one, why are so many companies falling short when it comes to retention? Especially in this economy, it is more important than ever to

maintain existing relationships with the customers who already know the value of your product or service. But how do you show your customers how much you care? In this month's i3, *SmartCEO* asked local CEOs to explain how they keep their clients satisfied and coming back for more.



With so many investments competing for your limited dollar in this economy, it is tempting to write off office space improvements as a frivolous spend. However, some companies view their company offices as more than just a place to plug in a computer. They see their space as a physical manifestation of their brand, a place that imbues employees with the company culture and speaks to clients about your values. *SmartCEO* asked business leaders to explain the return on their office space investment.

BUSINESS LEADER	COMPANY	PAGE
Sid Banerjee	Clarabridge	47
Larry Blue	High-G-Tek	47
Jeff Brouse	The Tower Club	54
David Campbell	Optimal Networks	47
Dennis J. Chapman	The Chapman Group	48
Detria Courtalis	Celebree Learning Centers	50
Christine Epps	Epps Consulting	48
Jeffery Goldscher	Havit Advertising	46
Stacy Hayes	DS3 DataVaulting	48
Jacqui Higgins	Accents by Design	54
Greg S. Jones	Bookkeeping Express	53
Heidi Kallett	The Dandelion Patch	47
Richard Kane	International Limousine Service	47
Woody Kay	Arnold DC	54
Sheila Laderberg	Punk's Backyard Grill	50
Heinan Landa	Optimal Networks	47
Karen Lehr	Clear Management	44
Scott Levitan	Forest City Science + Technology Group	54
Michael MacNair	MacNair Travel Management	46
Lisa Martin	LeapFrog Solutions	50
Valentia McVey Mundell	FatCat Studios, Inc.	48
Scott Mikolajczyk	Havit Advertising	46
L. John Pearson	Baltimore Life	48
Gary Pick	Connectus	50
Steve Ridenhour	ServRight	54
Robyn Sachs	RMR & Associates	50
Christian Sullivan	FedConcepts	50
Ryan Telle	CloseCall America	48
Crystal Uppercue	EU Services	50
Greg Van Allen	CloseCall America	48



"You have to recognize how your clients are growing, and if you can become part of a solution for them, you'll keep them. We polled our clients about what else we could do to help them and we found they wanted to use us in other cities, so we created a network that covers 600 cities. We turned one reservation into four, and that has dominated our growth."

RICHARD KANE, president and CEO, International Limousine Service



"Feedback from your customers is a gift from them and you need to acknowledge it and make good use of it. That means making sure you create listening posts in your organization so you can pick up on that feedback and incorporate that into the way you do business."

SID BANERJEE, CEO, Clarabridge

"Don't make any presuppositions and chalk it up to the economy. You



have to start with a blank slate and then go to your clients and get the feedback, and get it from your internal people, as well. Are you focused on customer service all the way through the organization, or are you just expecting your front line folks to be service-oriented? It starts at the top."

HEINAN LANDA, president and CEO, and DAVID CAMPBELL, COO, Optimal Networks



"We've had a number of customers that have asked us to extend credit terms. We are typically a net 30 business, and in a few cases have extended a net 60. If your cash flow can handle it, it certainly shows good will in difficult times and most companies will remember that for a long time to come. A broad client retention strategy doesn't work. The strategy is personal. You can't take one and apply it the same way to everyone you have. Each client has a different set of challenges."

LARRY BLUE, CEO, Hi-G-Tek



BY HEIDI KALLETT **Thank You** THE OLD-FASHIONED WAY

OK, I'll admit it. I have been optimistically trying all the new social media outlets to try and improve our business. From blogs and Facebook, to Twitter and YouTube – we've just about covered them all. But most of these mediums haven't done a darn thing to increase how frequently our cash register rings. As a stationery store owner, a traditionalist at heart, and a small business entrepreneur, I hereby issue an alternative and a challenge to other business professionals that I believe is an affordable and more impactful way to increase sales: write a handwritten thank you note.

Seriously. That's it.

True story: Last year, I proposed this same challenge to a group of fellow small business owners. I asked all of us to commit to writing 52 thank you notes in a year. There weren't any hard and fast rules. Some wrote their notes once a week and others wrote their notes in one month. Some of the group wrote to clients and prospects, while others wrote to employees and vendors. The fact is that after one year, we found that while some of our businesses were up year over year, all of us had posted better sales than our competitors. Additionally, our best clients spent more, our employee turnover dropped, our relationships improved, and overall we unanimously felt that we had improved our quality of living by focusing on being grateful. All for the cost of a 42 cent stamp and some nice stationery.

Here a few tips of the trade so you can get the most ROI for your effort:

1. Yes, you must handwrite the letter. Sure, I understand the temptation for e-mail. But then again, everyone is doing that. Stand out from the crowd and become a pleasant distraction from the bills.

2. You are a professional. Write the part! You know how your mom told you to dress for the position you want to be? Same for your stationery wardrobe. White and ivory may sound dull. But unless you work as a graphic designer, those choices are always safe bets.

3. Remember: less is definitely more. Now is not the time for a long story. Keeping it short and sweet will have the greatest impact. To maximize success, use this simple template:

- Name the giver
- Say something nice about the "gift" or "act"
- Say why you think the "act" was nice or what you will do with the "gift"
- Sign your name

4. Beware of TMI! If you wouldn't say certain comments in person, trust me, they won't go over well here either. Leave the casual tone and banter at home.

So far, I'm not convinced that social media can provide the same outcome and contribution to my own P&L as the social grace of the written word. I've learned that sometimes doing things the "old way" and sending a message via "snail mail" is worth the wait.

Heidi Kallett is the President and CEO of The Dandelion Patch. www.thedandelionpatch.com



Alleviates aches and pains associated with common CMMI approaches, including:

- **Headaches** from lost productivity
- **Bloating** due to cookie-cutter processes
- **Fever** as a result of high costs
- **Indigestion** caused by bad advice

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