

# Improving Results

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*By Facing Our Challenges, We Discover Our Potential*

**STRATEGIC SOLUTIONS 510-432-7596**

## *Important Tips to Build and Retain Customer Loyalty*

Being successful in business relies almost completely on obtaining and retaining a steady customer base. Successful companies usually have 80% of their business dealings through approximately 20% of their customers.

In all actuality, too many businesses are neglecting this pursuit of customer loyalty in order to obtain new customers. Any effort to obtain customer loyalty is worth it in the long-run and will pay off substantially down the road.



*The best ways to build customer loyalty include:*

- ✓ **Communicate:** Reach out to reoccurring customers through such things as e-mail newsletters, a holiday greeting card, monthly fliers, etc.
- ✓ **Customer Service:** Go the extra distance to meet customer needs. Even though the saying “The Customer is Always Right” doesn’t really apply anymore, a good solid customer relations process is highly important.

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## *Exceptional Leaders... Are Open To New Ideas*

Exceptional Leaders know that their reaction to new ideas will either encourage or discourage innovation and creativity.

Some leaders respond to new ideas in ways that turn off others. They become negative when new ideas are presented. “*It won't work.*” “*We tried that before.*” Or they instantly come up with other ideas that shut down the presenter. Worse yet, they may take credit for new ideas when they initially responded negatively.

Exceptional Leaders respond to new ideas in ways that support others’ innovation and creativity. A good example is the President of HEB Grocery who did not think that the Central Market concept would work, but allowed them to go ahead and open a pilot store.



He found out that he was wrong. Central Market has become very successful.

When leaders discourage innovation and creativity, people tend to check their brains at the door. Exceptional Leaders are open to new ideas and foster creativity and innovation at every opportunity.

### **Thought Provoker**

- How do you respond to others who suggest new ideas? Do you facilitate and encourage their creative thinking, or do you ignore, discourage or dismiss them?

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*“Do something. If it doesn't work, do something else.  
No idea is too crazy.”  
~ Jim Hightower*



# One Minute Ideas

## Communicating Criticism

Many managers are eager to compliment but often neglect to criticize. It is so hard to tell another grown-up when they have done something incorrectly. But managers are responsible for helping others grow and need to help mentor their employees.

**Here are a few guidelines to follow to help employees gain new skills:**

1. Specify the behavior and criticize the behavior – never the individual.
2. Be specific in your criticism – don't generalize.
3. Say something positive about the person.
4. Show how you can work on the problem behavior as a team.
5. Understand how the employee feels and show your empathy.
6. Show your confidence in the employee.



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- ✓ **Employee Loyalty:** In effect, loyalty works from the top down. This means that loyalty shown to employees makes for happier employees and they will pass that happiness and loyalty onto customers.
- ✓ **Customer Incentives:** Customers need reasons to return to a company for repeat business.
- ✓ **Reliability:** Be reliable and do what you say you're going to do. If problems arise, though, be up front with customers immediately.
- ✓ **People over Technology:** Customers are not fond of machines and, therefore, the more difficult it is to speak with a human when it is necessary will end up making the customer shy away from doing further business.



Obtaining new customers is the first step to a successful business. Retaining those customers by following some of the tips above will allow a business to remain successful for the long term. ♦

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- Do you have a new idea generation engine in your organization?
- What processes and systems are in place to foster new ideas?
- Do you hire and nurture leading edge thinkers to insure that you innovate when the time is right?

In today's era of accelerated change, new ideas are truly the engine that drives an organization's survival and success. ♦

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## FUN ~ The Salary Theory

Dilbert's "Salary Theorem" states that *"Engineers and scientists can never earn as much as business executives and salespeople."*

This theorem is supported by a mathematical equation based on the following two postulates:

As every engineer knows: **Power = Work / Time**

Since:

$$\text{Knowledge} = \text{Power}$$

$$\text{Time} = \text{Money}$$

$$\text{Knowledge} = \text{Work} / \text{Money}$$

$$\text{Solving for Money, we get: Money} = \text{Work} / \text{Knowledge}$$

Thus, as Knowledge approaches zero, Money approaches infinity, regardless of the amount of work done.

**Conclusion:** The less you know, the more you make. ♦

