

## DANGERS OF SKINNY DIPPING

*Rob Brickle explains what swimming naked has to do with surviving the recession.*

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**Rob Brickle: survival is not mandatory**

It's only when the tide goes out that you realise who has been swimming naked!

I forget where I heard that expression but it struck me as being very apt in the environment we find ourselves today. Who could have predicted the degree to which the global financial crisis we are in would have impacted every aspect of our lives – let alone our businesses?

So what's the relevance of the phrase above to this month's little piece of evocative thought?? Simple really, and I am certain few of you need reminding. Those companies that keep and strengthen the relationships they have with their customers now will be those that survive and expand once we come out at the other end – the ones who will not be found to be swimming naked!

Forget expansion for the moment – it is all about what can be done to retain and increase the value of existing business. When all the taps are being turned off on cost, to consider spending the sort of sums involved in customer acquisition and the short-term return on investment associated with that would be crazy.

Of course, if you don't agree with that sentiment then save yourself some time and don't bother reading any more of this article. Good luck with your business and, unless you have a complete monopoly in your particular market, I hope you manage to make a lot of money and retire before it hits terminal decline!

For the more enlightened of my readers (assuming I still have any) read on...

It never ceases to amaze me how organisations believe they can have a remote and transactional relationship with their customers. Fine, that may work for you and me as individuals in a business-to-consumer situation, but when we are talking about big-ticket business-to-business relationships, it is highly inappropriate.

Organisations that manage their customer relationships effectively recognise the lifetime value of their customers and acknowledge that in order to grow, and for the relationships they have with their customers to flourish, they have to:

- Understand the requirements of the customer, not as a product vendor but from a customer perspective, as if they had stood in the shoes of that customer.
- Add value, and be able to demonstrate this to their customers – though it is the value the customer recognises, sometimes downstream, that is the real benefit.
- Be competitive. In an increasingly cut-throat environment, the relationship you have with your customer may be your differentiator.
- Understand who the customer perceives as your competition and why they may consider them to be better than you in aspects of your relationship.
- Acknowledge that customer intimacy is key to their existing and future business.
- Be prepared to change and adapt in order to maximise the return both parties get out of the relationship.

This last point to me is particularly important. W Edwards Deming, management guru and recognised as being largely responsible for bringing the Japanese manufacturing capability back on track post-World War II, said: "It is not necessary to change. Survival is not mandatory."

To recognise what needs to change, you need to look outside, not inside. You cannot do this in isolation from your customers.

It is not about market research or customer satisfaction or even technology (though clearly that has a part to play). You have to have an intimate relationship with your customer that enables you to understand where they are heading, and an appropriate mechanism for capturing and managing that information corporately.

All this is more about culture, leadership and process. This is what will help you drive appropriate change in the business that enhances the relationship, inspires confidence and improves the bottom line.

Observe your own organisation and others around you. Has your company taken the necessary steps to ensure you will keep and grow your customers? Don't forget, whilst you need them, this is also the time they most need you to be working with them for the future.

We are all in the same boat. And with luck, when the tide eventually turns, it won't be you that is found to have been swimming naked...

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