

Previous Dilemma: How do we recover from losing a large customer?



Recovering from losing a large customer

I work in a company where things move along at a nice, even pace. We make the most out of our resources and focus on keeping current customers happy. At least we did, until the day the worst happened.

A client called to tell me his company is dumping us for another services company. After I stopped reeling, I started feeling like a failure, angry and dejected. I've calmed down, but I wonder, should I have pushed the customer to stay with us? Or should I just learn from the experience?

— Customer loser

Summary of Advice Received

How to Deal with Losing a Client

Turn the bitter pill into a cure

by Meryl K. Evans, Editor, *Professional Services Journal*

Losing a client, especially a big one or a long-time customer, hurts like swallowing a horse-sized pill. It's OK to feel upset after the loss. It's human nature to feel bad, and don't be surprised if you think about it often. The pain will subside, especially after you land a new client or two.

You most likely lost the client long before its employees said their farewells. Such decisions don't happen overnight. "The fact that your client called to essentially announce the decision means that something clearly was missing in the relationship if you weren't given the opportunity to resolve whatever issues existed that caused the client to leave," says Kevin Antler, chief operating officer with [KnowledgeBank, Inc.](#)

"It's important to understand that when a company loses a customer, 70 percent of the time, it is because the customer feels taken for granted," says Terry Corbell, [CMS Associates LLC](#). "Regarding the other 30 percent, it could be one or two factors: inferiority in products or concerns about cost."

Maybe you can get the client back or maybe not. Work through the following, and you may just put your company in a better position with current clients in the future.

- Ask the customer for feedback.
- Review what you can do better next time.
- Let it go.

Ask the customer for feedback

By far, the most popular recommendation is to talk with the client. Without asking, you can't learn what caused the client to switch, and fix it so it doesn't happen again. Or you may find the competitive advantage your competitor has. "Ask for candid feedback on why they have chosen one of your competitors over your company. Realizing many people are not comfortable providing feedback, you might want to prepare a brief questionnaire and ask the customer to fill it out. The focus should always be about 'improving,' not on making the customer feel bad for choosing another company," says Janet

Boulter, business advisor with [Center Consulting Group](#).

If the client hired another company, there's always a chance the client won't be happy. Asking for feedback shows you care, and maybe the client will come back. Consider writing a note to the client covering these points. "Thank the customer for past business, let management know that if they aren't satisfied with the new provider to please give you another opportunity and ask for suggestions on how the company can improve its service to help earn back that business if the new provider doesn't work out," says Ilene Davis, owner and financial advisor of Financial Independence Services.

Have you considered that maybe the client switched because of rates or something that your company won't change? "In other words, there probably was not much you could do about it — either there were unfixable problems or you were undercut on price — and pushing people to stay with a company rarely works; it just poisons any chance of a future relationship," says [Ruth E. Thaler-Carter](#).

John Z. Wetmore has worked with companies that did a great job on the product, but failed to deliver on schedule. In addition, other companies lost clients that wanted to save money or do things in-house, only to come back after learning that it's worth paying for high-quality products and services.

Most of all, stay away from acting defensive. Besides, you never know if the company will decide to switch back to you. Defensiveness will destroy that opportunity.

Review what you can do better next time

Bring the team together to review the client's feedback, if you have it. "As a consequence of losing the client, it is a great time to reexamine what else you could do to better retain your client(s), especially if this client was what you consider an ideal client," says Jeff Diercks, managing director of [InTrust Advisors](#).

Has your company looked beyond just ensuring clients are happy? "What about your client's company? Is your firm working to determine how it can serve the client's company in the future? Many of your clients are watching their own marketplaces change, and they have to adapt. Too many professional service firms don't go far enough to anticipate these future shifts. Is yours one of them?" says Suzanne Lowe, [Expertise Marketing LLC](#).

Plan for losses, recommends John Reddish, president of [Advent Management International, Ltd](#). "In deciding what business to take on, consider the size and commitment every prospect requires, before committing to take on the client. This helps the company recover more quickly in the event of account loss. If a large client opportunity presents itself, take it on and implement a new business acquisition program to reduce the client's percentage of profit as quickly as possible.

"No, you never stop selling," Reddish continues. "When you do, the losses are devastating."

After reviewing the lessons learned, work on business development. "Beef up your business development and client-feedback systems," says Lisa Nirell, chief energy officer with [EnergizeGrowth LLC](#). "Relying on one large client for a large percentage of your revenue is verboten for ANY type of company."

With business keeping everyone busy, sometimes companies take their clients for granted, thinking they're satisfied. "If they leave, don't assume you know why. Having a firm handle on the 'voice of the customer' will greatly reduce your chances of being blindsided in this manner in the future," says Helen Cooke, managing director of [Cooke Consulting Group, LLC](#).

Let it go

After gathering all the information to understand what happened, move on. "We've all lost customers for a variety of reasons, but dwelling in the failure and dejection of the loss is not only a waste of time, it will affect your ability to support other clients," says Kevin Antler.

It's very easy to take it personally and blame yourself. You can do that, but not for too long. "Keep your mindset straight at all times to avoid feeling like a failure. Frequent level-setting will allow you to keep your finger on the client's pulse, says Brandie Young, managing partner with [MarketingTBD](#). "Providing a service is like dating: It may or may not lead to a long-term relationship. Given that, sometimes you do get dumped. Windows close, but doors open."

If the client went for cheap over quality, it just might come back. In the meantime, let go and change your focus with a little data inspiration. "Eighteen percent of all Americans will only buy the cheapest product, so it's important to target the other 82 percent of people. They have five value perceptions that motivate them to buy. So learn about the five value perceptions and plan strategically," Terry Corbell says.

One takeaway from all of this — check in with your current clients. Make sure they're happy, or see how you can do better before you get another bitter pill. "Seek out learning from the experience in equal proportion to the pain you've gone through. That way, no bitterness or bad taste remains, and the slate is wide open for the next good thing," says Barbara Bouchet, president of [Contact Point Associates](#).



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