

Hello everyone. This is Wayne Rivers at The Family Business Institute. Thank you as always for tuning in.

This week I want to talk about, is the customer always right? So, I grew up poor and I had to work, mowing lawns and then delivering newspapers and all that stuff as a kid. And then I had to put myself through college and I did that working in retail. So, if you can imagine, if you can imagine me with my flinty personality waiting on people in a retail store to sell them shirts and neckties and stuff, that's what I did.

So, is the customer always, right? That's a fair question. Back then we just took it as gospel. Now in 2021, it's a fair question. Is the customer always right? And I'm going to go ahead and say no. And I think in your experience, you would have to agree with that. The customer isn't always right. And if the customer isn't always right then, is it okay from time to time to fire a customer? And I'm going to say, yes.

Now why am I even talking about this? What about this is important to you? Well, sometimes your customers get a little too comfortable with you. And sometimes contractors get a little too comfortable with their customers and you begin to take each other for granted. It's like a poor marriage. When you take each other for granted, bad things happen.

So, under what circumstances would it be advisable to actually fire a customer or a client? Now, do we take our own medicine? Yes. In my 30 years, I can only think of one specific example, no, two specific examples, where we fired a customer. One was in a one-on-one consultation with a contractor. And the other was in our peer group program. And some of these things manifested themselves and we felt like we didn't have any choice but to part ways.

So, under what circumstances then? Abuse. If your customer's abusive to you, your employees, to other people on job sites or in the chain of execution. Uh-uh (negative), nope, they can't stick around. Second thing, if they don't pay you. You got to get paid. If it's always pulling teeth to get paid, that would be grounds for firing a customer. If you can't make money with a customer, consistently find that you can't make money somehow.

We were doing a consultation, golly, 20, 25 years ago now. And the advisor, the customer's lawyer, was advising that our fees were too expensive or something. And the CEO said, "No, no, I want them to make money. I want them to make money because if I need them in 5 years or 20 years, I want them to still be around. So, I don't want to beat them up on their price. I want them to make money." And the lawyer didn't want to hear that, but I did. And we were very happy that our customer had our backs.

Ethical issues. If your customer is cutting corners and behaving in unethical or ways that you just don't respect or ways, more importantly, that aren't consistent with your values as a company, then it's time to part ways. Trust. If you can't trust them for whatever series of reasons, some of those things that came before, if you don't have two-way trust... it's like a marriage. People think, well, I'll put in 50% and my wife will put in 50% and that's 100%. No, no, no. I have to have 100% trust in Lisa. And she's got to have 100% trust in me. It doesn't work otherwise. And it's the same thing with your customer. If you're kind of always wondering and looking over your shoulder about this customer's behavior. Yeah.

All right. The next thing. Somebody that just consumes a lot of your time, too much of your attention, just always problems, always drama, always something. Golly, they're just sucking your time or sucking the time of people on your staff, and you can't get away from... they're energy vampires. Those people, you can get rid of those people. And then finally, for me, this is a big one, people that are not ready, willing, and able to make decisions. It's more information, more information, more information. They're, what is the term? Oh, golly, they have analysis paralysis. Analysis paralysis. They can't make a decision. They need more and more and more and more and more, and it's never enough. And at some point, come on, decisions have to get made or nothing happens.

So, we have parted ways with two members over the years. In 30 years, that's not so much, but there are appropriate times where you do need to say goodbye to a customer. Now, the best way to do that is to say, "I just don't think we're

getting the job done for you the way we could. I think you're going to be better off with another contractor," or maybe your friend is trying to start a construction company and trying to achieve lift off, and they're willing to take what for you is a bad customer, but for them might be a survival customer. So that might be another way to do it.

What are your best customers look like? They share risks with you. They understand that construction is a very risky business. They share risks with you as partners, as peers. They partner with you on projects. They appreciate the work you do for them. When we did our cloneable client exercise, and we repeat it periodically, but it goes back a number of years. And that was one of the things that we really wanted in our best customers, is we appreciate them. We respect them, but they appreciate the work that we did for them. And there's no more money in it when somebody appreciates the work, but there's a great deal of professional satisfaction in it. So, I think you can relate to that.

Customers pay us on time. That's a good customer. There's a mutually respectful relationship and they're willing to listen and learn, and it's got to be a two-way street. We have to be willing to listen and learn. They have to be open to it, as well. That's your best customer set right there. Risks, partnership, appreciation, pay you on time, willing to listen, and there's a mutually respectful relationship.

Now the customer's not always right. We've established that. If the customer doesn't come first... and the customer always doesn't come first in modern business... who does? And I'm not sure I have a perfect answer for that, but I think it's probably your employees. I think your employees come first. So, we did a blog a few weeks ago and a consultant chimed in, and she said, "But if you put your employees first, won't that ultimately harm your customer service? Won't that take away from your focus on customer satisfaction?"

And my answer to her was no, no. If you hire great employees and you put your time and love and attention into those employees, they're going to be motivated and inspired to do the right things for your customers. So, your customer satisfaction will go up, not down, by focusing on your employees. So, employees first, customers second. And I think it can work. It can work like a charm if you actually implement that system.

I'd like to have your thoughts and comments, and don't forget Boot Camp coming up this October on the 21st. This is Wayne Rivers at The Family Business Institute. Thank you.