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Northpoint Directions are developed to help business leaders stay informed on new and unique approaches and ideas to improve their business performance. This publication is produced by Northpoint Advisors, LLC.

► Today's Topic

Customer satisfaction is extinct.

► Why Topic is Relevant

While many CEOs pour their efforts into developing and measuring customer satisfaction, the fact is that "satisfaction" does not result in customer retention. Customer *success* does. Indeed, those with customer satisfaction scores in the high 90s continue to lose 15 to 20 percent of their customer base each year. Customer success metrics, on the other hand, deal with sustainable loyalty indicators that will better assure continued retention. It is seven times easier to grow a business with existing customers than to find new customers, so businesses need real measures of what it takes to retain these customers for the long term. We are not advocating that you stop seeking new business, but we are proposing some new ways of thinking and new approaches to managing the core base.

► Sample Questions in Customer Success Surveys

- How has my company helped you improve your productivity?
- Has doing business with my company helped you add new customers in the last year?
- Has my company taken steps out of your workflow and helped you focus on your core goals?
- Are you a stronger company because of your relationship with us?
- Do you view us as a partner or a vendor?

► The Solution Set

Revisit your current feedback loop to determine how you can ask customer success questions. Look at how your top 10 customers view you in terms of customer success questions? Analyze top customer retention on a year-over-year basis and determine the root-cause for any turnover.

► How Can Northpoint Help?

Northpoint is an independent third-party expert that can help companies quickly assess and introduce the vital measurement system that will enable them to retain core accounts while seeking new ones.

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