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CUSTOMER ADVISORY BOARDS

Making the Most of Your Customers... For Marketing, Management and Beyond

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When it comes to marketing, most small business owners make one fundamental, yet fixable mistake; they do too much talking and not enough listening. I would venture to guess that 95 percent of them underestimate the importance of truly understanding their customers, although it is a prerequisite to any effective marketing program and could prove to be the most lucrative investment they ever make.

Insightful business leaders realize that there are three stakeholders in every company: owners, team members (employees) and customers. They embrace the premise that each stakeholder is equally vested and responsible for the organization's success or failure, essentially viewing the company as a tripod; if one "leg" collapses, the business simply can't stand.

Easier said than done. That's why so many small to medium sized enterprises plateau after five or 10 years, unable to expand its market share or revenue beyond a certain point. The reason is that one of those stakeholders is no longer satisfied, or "buying in"— and it's often the customer. Many companies build their businesses around what the owners need and want, while losing focus on the very people they serve.



This is particularly evident in the realm of marketing, which is one of the most powerful tactics for business growth. The problem is that many companies jump into marketing without solid grounding, basing their efforts on perception versus reality. In other words, their marketing is driven by what they think their customers want rather than what they actually want. That can be very risky

for companies that don't have the luxury of mass marketing; they have to target and strategize to optimize their limited budgets. And in order to do that successfully, they must respect and fully appreciate their clientele.

It's all about listening to what your customers have to say — the good, the bad, and yes, sometimes the ugly! This assertion is based on

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20 years of experience counseling small businesses, most recently as a partner at Bartolomei Pucciarelli, LLC. I've seen what works and what doesn't, and the common denominator of all prosperous companies is their ability to stay in touch with their customers, whether formally, informally or through a healthy combination.

An excellent tool for obtaining feedback is to hold a customer advisory board (CAB), a roundtable discussion including a cross-section of about eight to 10 clients and often facilitated by an objective third party. Participants are encouraged to speak candidly and share perspectives on several aspects of a particular business and industry, such as service, quality issues, pricing, and ultimately what attracts them to that company over others.

These insights harness a wealth of valuable information for small business owners, empowering them to develop marketing plans that are centered around their company's most desirable selling points and thus ensuring a better return on their marketing investment. More importantly, the results are a springboard for improving the business itself, identifying opportunities to enhance service, fulfill needs and boost sales.

Bartolomei Pucciarelli is among a handful of business advisory/CPA firms in central New Jersey, if not the only one, to conduct CABS on behalf of its clients. Before introducing the service, we felt it imperative to turn the looking glass on ourselves. We've held two CABS in two years... and I can assure you they've both been eye-opening experiences!

Of the many things we uncovered, the most compelling was that our customers didn't know a whole lot about what we do! Several participants were unaware that our company has expertise in more than accounting, and were interested in learning about the firm's breadth

of services. That prompted us to develop a detailed "menu of services" that summarizes each service and their various applications. This document has evolved into a uniquely designed, multi-purpose marketing tool, highlighting the notion that marketing to your existing customers is just as important as marketing to prospects. You can't overlook the low-hanging fruit; potential sales are sometimes closer than you imagine. This initiative led to an additional \$75,000 in annual revenue and a 50 percent increase in new client conversions.

Another local and progressive business that has greatly benefited from the CAB approach is Princeton Computer Support, Inc. As a full service information technology company, the organization wanted to explore all avenues for improving customer service and maximizing their growth potential. So they asked Bartolomei Pucciarelli to facilitate a CAB with about 10 of their valued customers. The session revealed that while their clients' overall needs were being met, there was opportunity to enhance communications and exceed their expectations. As a result of the findings, Princeton Computer Support designated and trained a customer service representative, instituted a more user-friendly telephone system, and implemented a new exit interview procedure for each service transaction. By listening to their customers and responding to their feedback, Princeton Computer Support took their company to an even higher level; within one year, they significantly expanded their client base and raised revenue by over 15 percent.

Interestingly, a recent CAB participant remarked that it was really "gutsy" for the company in focus to engage in this experience – gathering its customers in one room to talk about its strengths and weaknesses. From my point of view, it's far more dangerous when you don't know

what your customers think about you. How else can you learn and grow? Having the courage to take an honest look at your business may be difficult, but the truth is you have nothing to lose... and everything to gain!



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