

Are there secrets to a successful business? Most businesses thrive when the founder knows which areas of the business to prioritize and put focus on. Technically, every business has the potential to stand out and succeed if the person running it doesn't lose sight of the goal. And that means focusing on customer retention, meeting KPIs, keeping employees happy, and more. In this month's newsletter, we want to help your business succeed. Starting with the secret to customer retention.

SECRET TO CUSTOMER RETENTION

What is the secret to happiness? Money? Friends? People of all backgrounds have been struggling with the answer to this question for centuries, and for almost as long, marketing leaders have been pondering the secret to customer happiness.

Unfortunately, most are still stumped.

Keeping your customers satisfied with your product or service is non-negotiable. If customers are unhappy, they won't just leave you, they'll add salt to the wound, leaving you for one of your competitors, and the last thing any business needs after a blow to the wallet is a bruised ego.

The role of marketing today is as much about delighting existing customers as it is attracting new ones. You want to make sure customers have a great experience using your product or service so they not only buy again, but ideally, spread the word through referrals or social media. Customer loyalty is your goal, but that can only be achieved if you are in good standing with them.

Live Chat

Offering live chat support on your website is a very efficient way to provide customer service and a very popular one. Unlike a phone call, you can help several customers at once on live chat, and unlike email, you can also ask questions and troubleshoot in real time, instead of waiting for responses on the other end.

There are many chat providers for your organization to choose from, but most have built-in analytics

dashboards to help you track response times and keep logs of all interactions with customers.

Customer Referrals

If you're not already tracking customer referrals, you need to start. Your best customers are also your best salespeople. When they are happy, they will provide testimonials, leave reviews, and most importantly, refer their friends, family, and coworkers to your brand.

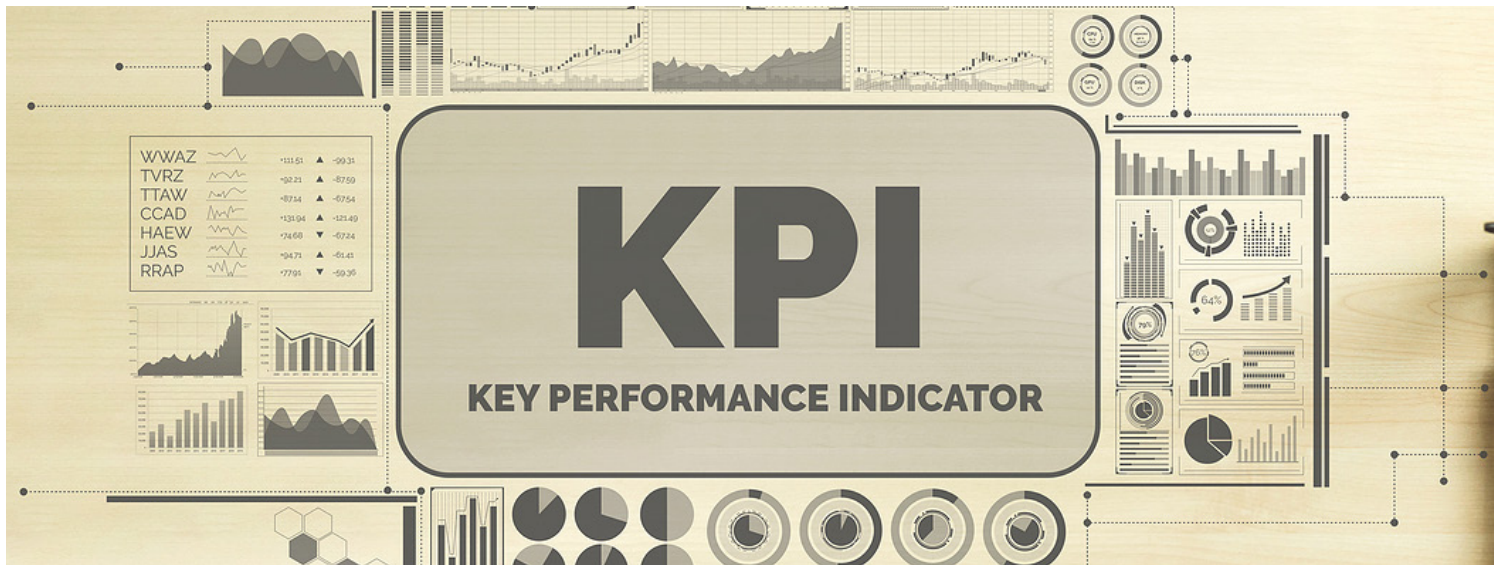
Having a lot of customer referrals indicates that customer satisfaction is very high. If your customers aren't telling their friends and family about you, it doesn't necessarily mean that they aren't happy with your product or service. It just means there might be room for improvement.

Repeat Purchases

If you offer a service, such as a SaaS, customer retention is measured by how long someone stays subscribed to your service. People are either a customer currently or they are not. Businesses that sell products, however, have a harder time measuring customer retention.

How can you know if they're still a customer or if they've moved on to another business when your customers aren't subscribed to your product? The answer is repeat purchases. While some of your customers may voice their love or dissatisfaction of your product on social media or on your website, most people will tell you how happy they are by continuing to buy your product time over time.

THE IMPORTANCE OF KPIs



A prominent term in today's corporate cosmos, one could easily assume they only apply to the big rollers, however KPIs or Key Performance Indicators, are a powerful tool for a business of any size.

KPIs are a measurable value applied to business objectives and can be used in all areas of a business. For example, a company may set indicators on sales figures, purchases or return on investments (ROI) such as marketing activity, to name a few. The world has come a long way since 300 AD, in the 20th century the use has grown in alignment with the development of powerful computer systems, advancing from intermittent use applied to individual workers to the valuable business tool now used every day.

Why should I use KPIs?

Quite simply, KPIs will tell you whether your business is moving forward or backward. The use of them will be invaluable in the decision-making process and help to drive forward the growth of your business. You plough time, effort and money into the running of your business, surely it makes sense to measure the performance or 'health' of that business on a continuous basis.

Key Benefits:

- **Clarification** – KPIs help to clarify the current business position and performance expectations
- **Benchmarking** – KPIs provide a point of reference for making future or past

comparisons

- **Focus** – KPIs outline the important aspects for attention within the business
- **Consistency** – KPIs enable a consistent approach to achieving business goals
- **Motivation** – KPIs engage employees with company goals
- **Accountability** – KPIs will highlight both good performance and under performance
- **Elimination of waste** – KPIs help identify inefficiencies within the business

How to implement KPIs

Modern businesses churn out huge volumes of data, known as metrics. Business metrics range from sales and productivity figures to web traffic and social media followers, they may be financial or non-financial. The challenge is working out which metrics to monitor, and how to monitor them, which is where KPIs come in.

KPIs are individual to every business. Think about where you are now and where you want to be in the future. Which figures must you track to ensure you reach your goal?

Select metrics that are relevant to your business type. For example, a commercial vehicle dealer such as myself will measure the number of vans sold per month and average profit per unit, a call center would follow the number of outbound calls made in a certain timeframe and number of those that converted to sales.

LEVELING UP YOUR EMPLOYEE EVALUATIONS



Employee performance evaluations may seem like a lot of work for very little payoff. Your HR department spends hour-after-hour at least one month each year making sure your managers turn in their employee performance evaluations on time. Why?

We can all agree that it's important to reward employees who meet or exceed performance standards. By acknowledging their contributions, you are showing their value to the team, department and company, but you need some acceptable established basis for this reward. An effective recognition system is simple, appears fair and equitable to all involved, and encourages continued, similar behavior from that person and other employees. On the other hand, no one sets out to be a bad employee — deep down, everyone wants to do a good job, learn how to improve if they have missed the mark, and earn a reward the next time around. So, an employee performance evaluation gives employees who aren't meeting expectations a baseline to learn how to improve in order to be viewed as successful in the future.

Employees want to do well and be appreciated for their hard work. The employee performance evaluation is the tool that provides the measurement for creating a pay-for-performance culture within an organization. This practice will go far in creating a workforce that is engaged, productive and loyal.

Reward high-performing employees

Employee performance evaluations allow the manager to meet with his or her employees to go over actions and behaviors of the previous year and map out future goals and expectations concerning the employee's performance. By opening up the lines of communication, you are creating a situation where there should be no surprises in regard to expectations further down the line. This is also a good time to go over established job requirements and update if necessary.

With an employee performance evaluation, a manager has the tools at-hand to measure individual performance throughout his or her team, identify top performers for further development and establish a pay-for-performance compensation plan.

Reduce employee turnover

Reasons often given for employee turnover include the following: an increase in pay, better work conditions, more interesting work, opportunity to learn new skills, and a feeling of a lack of respect or recognition in the current job.

Many companies use employee performance evaluations as a snapshot of the employee that includes a listing of past achievements, current projects, skill sets, and measurable behaviors. This information can be used to find new ways to motivate employees to live up to their full potential. Addressing everyone's needs in the organization will create a highly motivated workforce that strives for the best. This process leads to greater job satisfaction, improved morale and employee retention because your organization is staffed with a workforce of people who are highly productive, continually learning new skills and being challenged to do their very best.

Identifying areas for improvement

One of the key objectives in an employee performance evaluation is to address any of the areas that are most closely related to the employee's ability to reach his or her personal goals and contribute to the team. You may discuss the causes of any problems achieving goals, work together on proposed resolutions and emphasize problem solving and concentrating on future actions. The employee evaluation should be focused on the key success topics to avoid potential negative feelings and defensive reactions. If any of the obstacles relate to a skill gap, you can provide a skill development or training plan or identify additional resources available for the employee to overcome the difficulties and become more successful.

KEY TO A SUCCESSFUL STARTUP



Humans are unpredictable. As a startup founder or leader, you're not only tasked with building a successful business, but also being the best startup manager you can be to all of the people working to make your small business dream into a reality. In the past, there might have been a blueprint for how to build a successful business—but in the technology ecosystem, change is so rapid and disruptive such a given that startup leaders simply must get used to uncertainty and living in the grey.

So, what can startup founders and others in leadership positions do to create a culture of cooperation and productivity from the outset?

Self-awareness is key

Bad leadership can happen to anyone. The leaders who create fear, toxicity and information bottlenecks (AKA, communication breakdown) in their organizations don't wake up thinking, "I want to ruin my team's day today." Being a strong leader is constant work and it starts with self-awareness.

Understand how to receive feedback

Creating those checks and balances extends to fostering a healthy working environment where feedback is openly communicated within your team.

By modelling what it looks like to be open and responsive to feedback, others will feel safe to have tough conversations.

That might be easier said than done.

If someone gives you feedback, you're unsure about, a good next step is to solicit more feedback from people whose opinions you respect — but be careful about confirmation bias. It's important to find people who are both like you and very different so that you can get a balanced picture and be challenged in the right way on how you perceive yourself.

Take Responsibility

When a team member makes a mistake, it can be easy (and gratifying) to point fingers and play the blame game. But all that does is create toxic work environments, encourage bad habits, and shut people down. Individuals with strong leadership skills recognize that when there are problems in their startup or company, it's a reflection of their own management and leadership.

By taking responsibility for outcomes, you will also show others that making mistakes is part of the trajectory toward success. Further, by acknowledging issues up front, nothing gets swept under the rug.



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