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11 Tips for a Successful Service Business

Service-oriented home businesses are flourishing. From virtual assistants, Internet marketing experts, freelance writers to financial analysts, and many new business owners are offering their skills and talents, instead of producing products. In fact, latest data showed that service businesses, both big and small, achieved nearly \$3 trillion in revenue in 1998 in the U.S. alone.

If you are running a service business, the success or failure of your venture will depend on your ability to reach and maintain the right customers. However, it differs in the sense that you are primarily selling yourself - your skills, your talents, and your capabilities. You are your own product. More than any other business, your success will greatly depend on how you deal with your customers and how you package yourself.

Here are 11 tips to make sure that your clients will love and value your services:

1. Learn to identify who your customers are. The key to good client relationship is leveling-off of expectations. Before taking on a client's business, ask them what they expect to get out of your service. Then explain how you may be able to respond to their need. It is good policy to investigate your client's needs by asking simple questions such as "How do you want this done?" If you are a hairstylist, for example, ask the client how she wants her new hairstyle to look. Unless you are the "best hairstylist" in the country with a reputation for doing-what-you-want-to-do-with-no-questions-asked, your customers will appreciate you more if you ask them first if they want a radically short haircut before proceeding to cut their long tresses.

If it will be helpful to you, keep a record of your client's needs and wants, as well as their little idiosyncrasies. If they have previously used a service similar to yours, probe their experiences and learn from what they have to say in terms of what they want and don't want. As you work with a client, express an interest in your client's work. Listen to what your customer does, take a moment to learn something personal about them, and listen to what they need and expect from you.

2. Treat your customers as you would want to be treated. Treat your customer well. The work you are doing is extremely important to your customers so you have to assure them that it will be done professionally and on time. The customer is the reason for your business success. Treating people with respect and building those personal relationships are one of the most effective ways of providing your business with a solid foundation. You must believe in this statement completely! Your clients are your means of income and the best people to spread the word about you and your work. Keep them happy!

Making your customers feel important is one of the best ways to ensure continued business. You want to remember how each client likes to have his or her work done.

3. Your service must be dependable. If you agree to complete a project by a certain date, you must be prepared to meet that deadline even if it means sacrificing personal activities or money. Offer to go the extra mile at no additional charge. Thoroughness is part of being dependable; your clients will soon realize that they can count on you to catch their mistakes. If you build a reputation for dependability, you can rely on repeat, as well as referral, business.

4. Also respect the confidentiality of your customers. It is best to consider all work confidential. This means that you do not discuss your client's business with anyone - even your mother. Make a habit of clearing papers from your desk before you go away. If ever you decide to use your work for them, maybe as part of your client list or testimonials, be sure to seek their permission first. If they refuse, honor their decision.

5. Your customers must know you and your rules. There's the maxim that the customer is always right. But the customer must learn to play by your rules. Right at the very beginning, set your guidelines and parameters as to what you can and cannot do. Being straightforward with customers is critical. Why should they buy from you if they know you are not telling them the truth?

Discuss your rules, and set the groundwork for working with you. Talk to them about your rules when the project deviates from the original agreement, its costs implications and procedures in dealing with new tasks. Don't be shy to discuss your fees and payment schedules. It is best to clarify these things at the onset; after all, nobody likes surprises.

6. Insurance is a good idea. As a business owner, you must make sure that your business is protected from losses resulting from fire, liabilities and other hazards such as a client slipping and falling in your office. Call your insurance agent to ask for the right kind of insurance that will protect your business. If you have equipment like computers, fax and printers, don't assume that all your expensive equipment is covered by your home insurance policy. It may not be unless you buy an add-on policy or rider.

You must also safeguard your business against professional liability. While no one wants to think of lawsuits when starting a business, you may be liable if your business causes harm to individuals and businesses. You could be sued for their losses, and as a result, your entire business and even personal assets could be at risk.

If you are operating in the United States, an insurance premium is deductible as a business expense, whether you work at home or in rented office space, so you do not lose by having it.

7. Don't' do work you are not able to do. During the start-up phase, chances are you will try to accept as many jobs as you can. When you say yes to a client, be sure that you can deliver the service requested by the time the customer needs it and within the cost budgeted for it. Only accept accounts that you think you could do a solid job. Never accept assignments that are way beyond your head in your eagerness to prove yourself. If you feel it might not be possible, say so and request more time or suggest another alternative. It is worse to be late with a project than to ask for more time. If your clients are willing to take a gamble on you, make sure that you are on the same wavelength in terms of expectations as so what can be accomplished. Under promise and over deliver. This is the fastest way to grow your business.

8. Don't' be afraid to say "No." Like most entrepreneurs, I am sure that you never want to refuse a particular kind of work if you can help it. However, if there is a job you absolutely do not want to do for some reason, it is better to say that your schedule does not permit it rather than saying that you don't like that kind of work. Or you can also be honest with a client and say that their project is beyond the scope of your expertise and they may be better off with someone who has the skills they require. You may want to suggest another service provider that you think will match their requirements. They will value you more for your candor, rather than take on the job and deliver a sub-

standard service. If you really have to say "no," say it politely and never, ever criticize a client.

9. Discuss problems with your customers immediately. Despite your very best intentions, you sometimes slip up and fall behind a project's deadline. If you find yourself in that situation, don't act as if everything is ok and hope that the client will not notice your delay. Talk with your client and offer your apologies, with the promise that you will complete the project as soon as possible.

By showing initiative and ensuring you have the right information for the project, your clients will see that you are professional and, even if you are late with a project, they will understand that you are trying to make the end result the best you possibly can thus keeping them happy.

Telling lame excuses or blaming this or that is not the way to deal with this situation. Simply apologize and assure the customer it will be done ASAP and maybe throw in a little discount or something for free. Let the customer know that you care about getting the job done and doing it correctly.

Schedule a meeting with your client to discuss any stumbling block that is hindering the completion of the project. Maybe you have an unresolved question to one of the client's demands, or some factors beyond your control are making your assignment difficult to complete. Keep the client abreast of what is happening with their projects or accounts. One cardinal rule you shouldn't forget: don't tell them that your reason for being late was because of your work for another client. No client would want to hear that his or her business is of less importance to you. You don't want to be put on a spot where you have to explain why the business of client B is more important than that of client A!

10. Understand the Big Picture. At the end of the day, you must ask yourself the important question: "Does this client's business contribute to the growth of my business? Do I want to continue working with this client?" You accept an account for various reasons, maybe for profitability, exposure, or the learning opportunity that it provides. During the start-up phase, you may think that you have no choice; after all, beggars can't be choosers. But as you go along, you will have a better sense about the true value of a client's account. While an account may generate a sizeable cash flow for you, but if your client wreaks havoc on your mental state with her demands and

attitude, you may have to rethink the long-range potential of the account. There are some accounts that are simply not worth it.

11. Promote yourself. Don't be afraid to toot your own horn. Be sure the customers know what you did and the effort you took to ensure that your service was perfect. Behind the scenes work is fine, but if your customer doesn't know everything you did, you won't get the credit for doing it. Keep your customers up to date on progress of projects and do it often!