

Status Calls

by Debbie Frakes

Status calls occur when a customer calls asking for an update about a promised or expected delivery of parts, service or equipment. For most customers of equipment dealers, the expected turnaround time for a parts delivery, completion of a service request, or delivery of in stock equipment is 24 to 48 hours. If the delivery date will be longer than this timeframe, it's important to advise the customer of the expected date for delivery. Proactively contact customers to keep them informed of progress as often as possible to avoid status calls.

Any status call is extremely costly*

- They take 3 to 5 times longer to address than the time required to update customers proactively.
- They occur most often at peak times, blocking time better spent on new orders and service opportunities.
- They also generate negative feelings from the customer. The result is that one-third of these customers are lost over the next 12 months. An average customer for most dealers generates over \$5,000 to \$10,000 in annual revenue, so the cost of losing one is high.
- The average equipment dealer loses 51% of their customers over a rolling 12 month period. The number one reason for a lost customer is mismanaged expectations—not keeping the customer informed.

*Note: Data is derived from over a 10-year period by Winsby, Inc., tracking dealer customer transactions (parts, service, rentals, machinery sales) from the experiences of over 100 machinery dealers managing more than 500,000 customer relationships.

How to avoid status calls

- Make sure you have the customer's cell phone, email, name and delivery location.
- Confirm the promised delivery time immediately after you receive the call to order or whenever an order is transmitted via email or text.
- Keep the customer informed about both good news and bad news. Any delivery or service that is 24 hours or more overdue from the original promised date must be contacted on a regular basis with updates until the delivery or service is complete. Most dealers contact all outstanding orders and service early each morning.

How to track status calls and measure their impact on customer retention

- Statapile.com with Chatrhub offers a low cost Artificial Intelligence tool that tracks all inbound and outbound calls, texts and emails. The tool scores the call and the employee for training.
- Zintoro.com begins with an evaluation of your company's trends by analyzing the past three years of invoices. This evaluation provides customer retention results, along with

rolling twelve month numbers for customers lost and gained, revenues, and average order size. It also forecasts future growth in transactions, customers and revenue. The analysis includes a breakdown by department, location, and sales representative, with a confidence level that is greater than 95%.

The cost of using these tools monthly is insignificant, compared to the increases you see in customer retention and revenue growth from the information that is provided. Dealers who focus on customer interactions have seen their customer retention rates climb to 98% (which is a 24% loss rate on a 12 month rolling basis) from 94% (representing a 72% loss rate on a 12 month rolling basis). Every year you retain a customer, their transactions and revenues double for the first three years.

For a demo, call Zintoro 847-772-4610

See other best practices for equipment dealers:

<http://blog.winsbyinc.com/best-practices-for-equipment-dealers/>

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