

Firm management

Three reasons why clients leave, and how to win them back

By Howard J. Wolff, May 2, 2017



ARCHITECTS ENGAGE IN CONVERSATION OVER PROJECT PLANS AT THE BONSTRA | HARESIGN ARCHITECTS OFFICE IN WASHINGTON, DC.

How do you keep the clients you've worked hard to win?

Do you know why a client is no longer working with you? My advice: pick up the phone and ask. You'll find that clients leave for three primary reasons:

1. They feel you screwed up and never dealt with it satisfactorily.

2. They feel neglected.
3. They no longer need your services.

The danger of ignoring unhappy clients

According to the [Research Institute of America](#), the average business will not hear a peep from 96 percent of their unhappy clients. That sounds like good news, but it's not. For one, these folks aren't communicating so you have no clue what the issue is or how to address it. Worse, you've not only lost their business but tarnished your reputation in the industry.

Dissatisfied clients don't just go quietly into the night. They tell at least nine other people about their unhappy experience. And 13 percent of disgruntled clients tell more than 20 people, according to a [study conducted](#) for the White House Office of Consumer Affairs. The potential damage from negative word of mouth via social media is even more staggering.

Why is it better to know if there is a problem?

[Seventy percent of clients](#) who complain will do business with you again if you address the issue. Even more impressively, that number goes up to 95 percent if they feel the problem was resolved promptly. Ironically, having a problem and addressing it immediately can be even better for building trust and respect—and repeat business—than never having had a problem at all.

Often, it's not a single performance issue that causes clients to go elsewhere; it's an overriding feeling about the quality of care. A [survey by Harris Interactive](#) suggests that 82 percent of clients leave because of the perception of poor service. RightNow Technologies, in a [related study](#), found that dissatisfied clients most often cite rude, indifferent or incompetent staff as their reason for going elsewhere.

While inattentiveness to a client in the course of an engagement is inexcusable and costly, it's even more common for clients to feel ignored after your work on their project is completed.

What's the impact of not communicating between projects?

Whether you simply got busy with other clients or didn't think to stay in touch, your old clients interpret your lack of contact as a lack of interest in them. By contrast, your eager competitors are contacting them, asking about their interests and needs, and sending them information of value. Who is going to be top-of-mind when those clients are ready to select a firm for their next project?

Satisfied clients do not automatically become repeat clients, especially if they sense that your interest in them ends when your paid work does. So, express interest. Demonstrate that you care. Stay in touch without a hint of selling. And learn about their industry, their business, and their issues, so that you can speak their language and offer them something of value.

You become relevant to clients only when you can find a way to help them, solve a problem of theirs, suggest an innovative way to solve an issue, make or save them money, or help them look good. A [Rockefeller Corporation study](#) revealed that 68 percent of your clients leave because they think that you don't care about them. The most-cited complaint clients share with me about architects: "I only hear from them when I have a project coming up."

What part does price play?

It's easy to believe a client will be lured away by a competitor offering a lower price, but most clients will tell you that it's not just about money. They know the dangers inherent in getting burned by a firm that's low-balling a fee to buy their business.

A savvy client will not leave you for price alone. If he or she is jumping ship, take a hard look at your relationship as well as your fee. Consider how you can enhance your value, improve the quality of the experience of working with you, or adjust your scope while still providing great service. A loyal client will stick with you and—while trying to negotiate the best deal—acknowledge your right to make a profit, so you can stay in business and continue to be a viable provider of professional services.

According to a study by the [PIMS Strategic Planning Institute](#), firms that are rated high in client service, on average, charge a 7 percent price premium over their competitors and are 12 times more profitable. There's a compelling business case not only for providing great service but also for keeping the clients you have. If you can cut your client attrition rate in half, it has the same effect as increasing your sales by the same percentage. And re-activating a lost client relationship is much more cost effective than cultivating a new one.

What can you do to win back lost clients?

- **Reach out to inactive clients and talk to them.** Give them a call or invite them to lunch and ask how they're doing. Even if you can't win everyone back, you can learn a lot about what past clients liked and disliked as well as ways in which you can improve your service.
- **Stay in touch.** Send information of specific interest and value to your past clients.
- **Solicit input in the course of a project and address issues immediately.** You can't fix a problem if you're not even aware of it; but, if you are, you can prevent clients from leaving you in the first place. Check out the [Client Feedback Tool](#) for gathering input at project milestones.
- **Share this advice with your staff.** Reinforce the importance of client service and consistent communication. Reward the behavior that you want others to emulate.

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