

purchasing and Supply Managment

Level----- II

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Acronyms

CRM Customer Relationship Management

GDPR Data Protection Regulation

CSS Customer Satisfaction Score

NPS Net Promoter Score

CES Customer Effort Score

CX Customer Experience

BATNA Best Alternative To a Negotiated Agreement

CEO Chief Executive Officer

VP Vice President

Establishing and conducting Business relationship

MODULE DESCRIPTION : This module covers the establishment, justification, and costumer needs requirements to achieve required procurement objectives. It includes defining and justifying the need searching potential impact and securing organizational problems to proceed with procurement activity.

The unit is suitable for any personnel who identify the need for procurement, and would not necessarily apply to procurement specialists whose role would typically begin as a result of procurement need being established and maintain business relationships.

Module units

- **Establishing contact with customer**
- **Customer Needs**
- **Providing information and advice**
- **Maintain business relationships**

Learning objectives of the Module

At the end of this session, the students will able to:

- Establish costumer contact
- Understand and Identify costumer needs
- Provide information and advice
- Solve costumer compliant

Module Learning Instructions:

1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below.
3. Read the information written in the information Sheets
4. Accomplish the Self-checks

Unit one: Establishing contact with customer

This learning unit is developed to provide the trainees the necessary information regarding the following content coverage and topics:

- Creating Effective Service Environment
- Introducing and welcoming customers
- Maintaining customer database
- Maintaining Regular contacts with customers

This unit will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Create Effective Service Environment
- Introduce and welcome customers
- Maintain customer database
- Maintain Regular contacts with customers

1.1. Creating Effective Service Environment

Introduction

Excellence in customer care cannot happen on its own. It is up to you as manager to create the environment or culture for your reports to truly flourish and be motivated not only to be competent and add value wherever they can, but also to contribute more in terms of ideas for improvement. This could be in relation to operational matters, the service offered or the products you produce. This will involve a review and awareness of attitudes, behavior and work methodologies. It involves everyone in your team or department – including you – and needs everyone’s commitment. However, as the manager, you can create a motivating environment for your reports where everyone is heard, nobody feels rejected or left out, and everyone’s opinion is valued

1.1.1. Creating the Environment for Customer Care

In your team or department there will be certain occasions when you need to put together a project team or task force. This could be when you want to introduce a new service or, if pertinent, a new product or revised documentation. You cannot base your throughput of work solely on this form of activity. There also needs to be evolutionary activity going on, based on continuously examining work flows, quality improvements and problem-solving activities. The Japanese, who excel at this form of activity, call this Kaizen. The word literally means ‘change and good’, which in business terms translates as ‘continuous improvement’. A person can make improvements once if they try. They will only make improvements continually if they care. So it is your job to create an environment where team members feel needed, supported and valued as individuals. You cannot force people to be customer focused, add value and come up with ideas for improvement. You need to create an environment where people can have a sense of pride in their work, where they can feel that their ideas and suggestions are listened to, that feedback is given, not only for those ideas that are implemented but also when they are not. Reward and recognition are obviously part of the equation, but so also is the right to take risks and experiment without fear of retribution if things go wrong. Personal development and multi skilling are other vital ingredients that make people feel that your organization cares about them as individuals, and which in turn will encourage them to want to contribute more. Your style of leadership and the creation of a framework to monitor and measure performance can make all the difference.

1.1.2. Effective Customer Care

In less charged situations than these your style of leadership should be far more consultative and involving of others. Your role should be to coach and facilitate those reporting to you to come up with their own ideas as to how to tackle their workload or problem solve. In a snapshot you will see in the illustration below the key foundation skills that are required to be an effective manager.

Looking specifically at how to motivate your team, it is vital that your leadership style encompasses the following:

1. Visibility and openness

We have already explored the need for customer-facing staff to offer not only value-for-money service, but also to go that extra mile whenever they can. For you to be constantly up-to-date with the marketplace you should be out there in your department or team, seeing and hearing what is happening, being a visible manager. This is not to find fault and endlessly check what front-line staff are doing, but to be there to encourage and support them in offering the best possible service. You will also be able to see at first hand where problem areas might be occurring, and bring these areas to people's attention at team meetings, if others have not already flagged the problem areas themselves.

Needless to say, this approach would not encourage openness. So what do we mean by this word? It is about removing fear, causing everyone's opinion to be valued, including minority views. There should be an open acknowledgement that in everyday working activity, problems exist. It is important that they are not swept under the carpet or simply put through the 'rumor network', which will result in them being addressed in a firefighting way.

Openness is about removing fear, causing everyone's opinion to be valued, including minority views.

2. The creation of a customer-focused environment

Let's move on to looking at what you personally can do, and the techniques you can use, to flag to your team that they need to be customer focused. If you work on a shop floor or at front of house or in a public area where you interface with members of the public, should a customer approach you for advice while you are talking to one of your team, stop what you are doing and give the customer attention. We have all experienced the frustration of being in a shop, approaching a manager or supervisor who is giving instructions or talking to a member of their team, for both parties to completely ignore us as a customer until they have finished their

conversation. This does not make you feel wanted as a customer. The same applies on the telephone.

If you are in conversation with a work colleague and a customer calls, they get priority. Even if you work in a department that does not directly interface with the customer, you need to be aware of the key customers of your organization. So mention who these are at team meetings, what they buy from your organization, and emphasize that these are the people who pay your salary!

Visual aids – such as posters or flyers – emphasizing the importance of the customer should be put on display in prominent positions. And if you have a notice board, any press cuttings about your customers or news about developments in your business with them could be displayed.

Circulate customer success stories via e-mail to those people you regularly have contact with in other parts of the organization, to keep them up-to-date with customer developments and news.

3. The robustness of information you supply

Who you are as an organization and where you wish to be in the future – in other words, the vision and strategies of Creating the Environment for Customer Care to flourish organization – need to be communicated on a regular basis, and must excite people by connecting to their values. The word ‘inform’ does not just mean to tell people information, but to put it into context. It is important to ensure that your team members not only understand the facts but also the implications and the context of the information that you are supplying. Should you, for example, be presenting facts and figures, then your team may need to have been given basic financial training in order to be able to interpret the information. Bear in mind that information is rather like a lift. It only works well if it goes up as well as down. It is the manager’s responsibility to ensure that the information does not come up through filters and down through megaphones!

4. The development of a learning environment

Learning is not compulsory. Neither is survival. (W Edward Deming)

The development of a learning environment covers many of the factors we are exploring in this checklist. The old business world was about productivity – doing the same thing over and over again, but more cheaply. The new business world is about giving Effective Customer Care people in-depth knowledge to do their job, and about maximizing imagination, asking the questions that your competitors have missed and exploiting the answers creatively and fast. So to get your team to think more creatively you need to expand their tasks and activities, and in doing this enable and empower them to make decisions for themselves. On certain occasions, if they do

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not know what they have to do, communication from you is sufficient. If people are a little hesitant, then motivation certainly comes into the equation. In various instances people do not have the skill sets to take on a task, so they need to be developed and trained. Let's explore how you can go about developing others. There are many ways of learning, developing and growing. Personal development should not be considered as something that happens only on a training course, for in reality some of the most effective ways of learning can come from undertaking day to-day activities. Your team members' training-need requirements will result from the appraisal and coaching process, and other ad hoc performance-related issues.

1.2 Introducing and welcoming customers

Introduction

A costumer desk is a person employed to greet telephone callers, visitors, and clients. A



costumer desk is a professional who manages the front desk of an organization. They are usually the first point of contact for customers.

A costumer desk duties and responsibilities include greeting visitors, helping them navigate through an office, and supplying them with refreshments as they wait.

1.2.1 Acknowledge and greet customers

Acknowledging and Greeting customers when they enter or come to your workplace shows them you value their business and are willing to help them. Greetings give you the chance to make a positive first impression and set the tone for their business activities. Here are a few more reasons why acknowledging and greeting customers is important:

- Establishes a personal connection
- Gives you the opportunity to highlight specific merchandise and promotions
- Helps customers feel comfortable
- Increases the chances of a purchase
- Provides opportunity to upsell specific items

When you greet the customer

- **Refer to them by name if you know them** -This helps to establish familiarity.

- **Tell the customer your name** - This demonstrates that you are accountable and that you want to help them. It also gives the customer a reference if they want to call back or visit again.
- **Make sure you smile** - It is important that you create a good first impression. Observe their behavior and try to work out their needs and moods as quickly as possible.

A customer is an individual or business that purchases another company's goods or services. Customers are important because they drive revenues; without them, businesses cannot continue to exist.

Customers may include:

- Contacts from other organizations
- External customers
- Internal customers
- Members of the public
- Service users

1.2.2 Qualities of a good customer handling

A good first impression helps the organization to run smoothly: that is the aim of a good customer handler. Every customer handler should have the skills mentioned below to offer quality services to customers. These may include

- Communication
- Multitasking
- Social skills
- Organization
- Technical skills
- Resistance to stress
- Problem solving
- Empathy
- Reliability
- Visitor management

1.2.3 Personal Dressing and Presentation

For any business, reception is the first area that the public sees and your receptionist is the first person they will come into contact with. As the 'face' of your company, your reception team is whom your clients will base their first impression on. It is essential for them to dress to impress.

This means dressing smartly, being clean and having good personal hygiene, and carrying yourself well. Presentation means making a strong first impression and appearing professional. Whilst employers shouldn't judge you on how you look, appearing neat and confident is important to show that you've made an effort.

Presenting a positive representation of yourself is a key component of experiencing professional success. What you wear, along with how you communicate with others both verbally and nonverbally, can impact the image others form about you. Creating a professional look can help you command attention and serious consideration at work.

Ways to improve Personal presentation skills

1. Set your goals. Ask yourself what you want to achieve with your presentation and how it's going to benefit your audience.
2. Show some passion Use personal stories
3. Add some humor
4. Include take-home points
5. Ask questions
6. Be prepared
7. Practice - then practice again

1.2.4 Establish rapport with customers

Customer rapport is about establishing and maintaining a positive relationship with consumers. It entails understanding and communicating well with your audience. Developing rapport with clients can go a long way toward building customer trust and improving satisfaction rates.

Ways of building rapport with customers

- Ask people their names. This is basic – but building rapport with customers starts from the ground up

- Remember trust is key to building rapport with customers
- Be honest
- Make recommendations
- Be accommodating
- Be empathetic
- Be a good listener
- Learn to say sorry
- Find common ground
- Ask questions
- Mind your body language
- Reserve judgment

Building rapport is a critical component of successful client relationships, as this process promotes open communication, develops trust, and fosters the client's desire to participate in an exercise program. Understanding your clients and what they want to achieve is your key to success.

1.2.5 Genuine interest in customer needs

People with experience in sales tend to reuse the same successful approach for all customers. In doing so, it is easy to forget that every business partner is an individual and should also be treated as such.

So, take a real interest in your customers. After all, empty phrases alone won't help you achieve your goal. People quickly realize whether they are being taken seriously or being treated as just another figure on the balance sheet. So, approach your customers the way you would someone you know well.

The customer will see that you have a genuine interest in them and don't just want to start selling your product/service right away after only three or four questions.

Tips for approaching customers:

- **Address your customer by name and be friendly and honest with them.**
- **Listen to them carefully and respond openly without shifting the focus of the conversation to you.** If the customer starts talking about the stressful day they had at work, for example, don't interrupt them so you can start your sales pitch as quickly as possible.
- **Don't rely solely on words, which carry just 10% of the overall message:** Make greater use of gestures and facial expressions, and adopt the right tone of voice.

- **Don't worry about the amount of time you are taking.** A satisfied customer who feels that they are in good hands with you, and keeps coming back, is more important than a quick conclusion to a single set of negotiations.
- **Memorize some details of the conversation** so you can relate back to them in your next meeting.

If you remember yourself how pleasant it was to feel a genuine interest during a conversation, then you will understand exactly the positive effect this has on the other side.

Ways of express genuine interest in your customers:

- Engaging communication
- Offer personalized greetings
- Use names
- Practice assertive hospitality
- Ask questions
- Cosset/treat carefully
- Anticipate needs
- Remember preferences
- Pay attention to details
- Display a sense of urgency
- Solicit/ask feedback
- Offer personal farewells
- Follow up on service

1.3 Maintaining customer database

A **customer database** is a collection of information that includes lead contact details like a person's first and last names, phone numbers, email addresses, etc. It can also include the following data:

- Demographic characteristics: age, gender, marital status, household composition
- Profession-related characteristics: job position, mutual contacts
- Buying behavior: shopping preferences, past purchases, the average sum of bill or invoice, previous cancellations
- Firmographics (for B2B clients): industry, number of employees, ownership, etc.

How complete your customer database is depends on your goals, the type of data you collect, the leads you have, and how your company is going to use this information. Descriptive fields for unqualified leads and **loyal customers** may differ significantly, right?

While the first ones can consist of only name, email, phone number, and gender, the second ones can include more substantial information. Say, the address, information about kids/spouses/parents (if any), previously ordered goods, or the responsible account manager's contacts.

1.3.1 Use of Customer database

Customer databases have many uses. On a strategic level, they can be used to create **buyer personas**, key account profiles, customer journey maps, and sales funnels. This way, the company gets a 360-degree view of:

- What drives customers' choices?
- What are the key factors that influence decision-making?
- What reasoning pays off the most?
- What can distract customers from closing the deal? etc.

However, a client database is not only a high-grade information source. It's a handy tool for employees who directly interact with leads or act on their behalf, for example, sales representatives or trustees who provide turnkey solutions. They can use it to:

- Accelerate their sales pipelines
- Provide leads with appropriate offers

- Personalize messages, emails, and shopping rewards
- Respond to inquiries quicker
- Provide clients with more helpful support, etc.

If customer data is structured and coordinated proficiently, the company will benefit from more comprehensive selling decisions, and the pre-selling groundwork will be completed way faster.

1.3.2 Keeping your customer database accurate

Data hygiene - the principles and practices that serve to maintain accuracy in computer data - is crucial for an effective customer relationship management system. It is a good idea to 'clean' your database regularly.

Your database can become inaccurate when your contacts:

- move between job roles and organizations
- change their email address or phone number
- move house
- change their name, e.g. after marriage
- have changes in circumstance that mean they no longer have an interest in your product or service

Customers that receive marketing communications that are inaccurate or not of interest may find it annoying. This can affect your reputation. Sending materials to the wrong person or address is also a waste of budget.

Updating your database

Updating and organizing your data enhances your ability to communicate to the right customer. The Data Protection Act also requires you to update personal information you hold on databases. Email bounce-backs and undelivered mail are a sign of out-of-date information. You should take steps to update or remove these contacts straight away.

It is also good practice to remove a contact who hasn't interacted or responded to your communications in a long time. This indicates they aren't interested.

Advanced data tagging and enhancement technology and services can provide the highest possible standards of data accuracy and consistency.

By adopting such methods, you can:

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- Improve efficiency - businesses that do not employ **data capture tools** often have records that are misspelled, incorrect or missing important details.
- Ensure compliance with your legal obligations, particularly those relating to the Data Protection Act and electronic marketing. You need to consider your options for **opt-ins** and **opt-outs**. Consumers can opt out of being contacted by telephone, post or email, and it is important that people who have opted out are not contacted from your database.
- Improve campaign effectiveness - inaccurate data can result in the proposed message not reaching the targeted recipient, although you will still incur the cost of delivery.

If the information you have on record changes frequently, you might consider **automating** your update procedures, perhaps by means of integration with other systems.

1.3.3 Create customer database

It's up to you to decide on the contents but to make your life a bit easier, we've collected a few recommendations about getting and formatting the data:

1. Plan for the future

As your business grows, the number of customers will increase accordingly. So, even when starting with a single worksheet or SQL table, one must think of ways to manage data flow in the future. It's better to stick to common data storage principles from the very beginning:

- Use neat tables — avoid merged cells or too many macros
- Distinguish static data, the one entered only once, from business process-related data, such as the number of orders, totals, etc.
- Enumerate information
- Use correct formatting for numerals: percentage, currency, accounting, number, or scientific
- Add attributes to existing entities, and others.

2. Don't overload the database with irrelevant information

The less is more when it comes to daily data usage. Excessive datasets have many disadvantages:

- They cost more (high server load, more expenses to maintain accuracy, etc.)
- They complicate the search process
- They cause scattered attention and make it difficult to see essential details.

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To avoid these inconveniences, don't start with adding all the information you can collect. Instead, consult with those who are going to work with the user database and ask them what data they need.

3. Foresee or launch the autocomplete of data fields

This is an important step, especially if you plan to use multiple data sets or third-party software, like marketing & email automation tools, etc. In this case, copying and pasting tables manually from one place to another isn't an option. Hire programmers to write a code to automatically merge or transfer data.

4. Write the policy for interacting with the database

What you develop will most likely be viewed and utilized by several users. So it's a good idea to create a README file or list of "how-to" rules in some corporate wiki space, say, Confluence. Pay attention to:

- Description of column and row names
- Version control procedure: rights, systems, change approvals
- Connected or related documents
- Security issues: access restrictions and sharing rights.

5. Appoint the owner and editors

A customer database is not something remaining unchanged once and for all. There should be a clear distribution of roles:

- Who is the file holder
- What employees or job roles are approved to make edits
- Who can "view only?"

These may be needed to resolve issues with maintenance or permissions.

1.3.4 Customer database software

If truth be told, manual data management, e.g., Excel tables only, is rarely reasonable. Specialized software has undeniable strong points:

- Built-in widgets, templates, formulas, and common indicators
- Vast opportunities to incorporate all sorts of data

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- Dashboards, diagrams, standardized reports
- Affordable licenses.

1.3.5 Types of customer data

Here are four types of customer data with details on which aspect of the customer experiences it entails:

1. Basic data

Basic data refers to the data you can use to create a database of customer profiles. This can include basic demographic information, like a customer's name, gender, location and contact information. Another aspect of basic data includes financial information, such as their occupation, what industry they work in, their income and even their annual revenue.

Depending on how you plan to use the data, basic data can include more specific aspects of a customer's life, including children, pets and annual spending. You can use customer relationship programs to streamline the collection and organization of this information. Some other examples of basic data about customers may include their:

- Email address
- Driver's license number
- Passport number
- Date of birth
- Phone number
- IP address
- Race and ethnicity

2. Interaction data

Interaction data includes the variety of methods customers use when they engage with a business. This can include information about your products, like usage, purchasing habits and popularity. You can also get interaction data from marketing campaigns by tracking how users engage with your ads, social media accounts and website.

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Support engagement can also give you worthy interaction data by showing you the most common subjects your customers use your support platforms for. You can use various customer engagement data platforms to quantify and sort this data easily. Other forms of customer interaction data are:

- Website visits
- User flow
- Native video views
- Email open rate, forwards and bounce rate
- Post likes, shares or replies
- Click-through rate
- Cost per click
- Conversions

3. Behavioral data

Behavior data can be similar to interaction data, but it covers the direct engagement with a brand. This can include information about how users use your services, including free trial sign-ups, user account logins and account deactivations. You can even gain behavioral data through email newsletter interaction, such as how many users subscribe and unsubscribe.

Another form of behavior data comes from how users interact with any shop feature your website includes. These can be aspects such as the most popular products, abandoned shopping carts and how many customers create an account to finish the shopping process. Website analytic tools can give you an easy method of quantifying behavioral data, so you can use it to improve the customer experience. Behavioral data about your customers also can include:

- Subscription details
- Average order value
- Previous purchases
- Devices
- Feature usage and duration
- User attention

- Heat maps for mouse movement data

4. Attitudinal data

Attitudinal data gives you information on a customer's direct opinion of a company. This can help you gain insight into how well a product or service in the business is performing, including the public opinion of the brand. You can gather this data using direct methods like customer interviews, focus groups and online surveys. Another method of gaining this data can come from offering the option for online reviews on your website.

There are methods you can use to organize and quantify a customer's opinion clearly to simplify the method of data collection, including the Net Promoter Score (NPS), which is a metric many businesses use to help measure customer experience and brand loyalty. NPS measures how likely a customer is to recommend the brand or product to someone else, which businesses also can use to predict growth. Some other examples of attitudinal data about customers include:

- Customer satisfaction or sentiments
- Preferences
- Purchase criteria
- Product desirability
- Motivations and challenges

1.3.6 Build a customer database

As online sales increase in frequency, making the most of the online traffic will be crucial for driving your business forward. By focusing on building a customer database, you'll gain valuable insights about your customers to then leverage into sales decisions. For example, you might find that one of your products is particularly popular with the 18-29 year-old age group. You could then look to promote the product with links to buy it on social media where younger consumers are more likely to visit. The database insights will give you a clearer plan for upselling and improving your business performance.

A customer database also provides an opportunity to build rapport with your customers. You can inform them on product updates, new services, and communicate your strategies to keep them informed. It also offers an opportunity to show your human side, interacting with your customers

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and showing them that you care. Effective and honest communication leads to loyalty and brand affinity — just be careful not to spam your customers.

There are a range of different strategies to collect customer information. You can ask customers to set up an account to purchase online for future engagement. Use this to offer a discount or voucher on their birthday, delighting your customers and adding an extra sale at a discounted price. Apps such as **Square** can store this information when a purchase is made online to sync your data. Utilize sign-up forms and pop-ups to engage with new users on your website.

You can use your customer list to contact customers at unique stages in the customer lifecycle, using digital marketing applications like **Mail chimp**. Send electronic direct mail (eDM) to promote a product, service or event using easy-to-use **templates** in Mail chimp. Sending eDMs is a great way to drive awareness of your business, offering something to your customers in return, while the integration takes care of building out your potential customer list.

You'll then need to look into a system to house your customer database. Your customer details need to be secure, manageable, and accessible, so your system should facilitate this. The first piece of the puzzle is a customer relationship management (CRM) software. **Hub spot** is CRM software that tracks new leads, automates workflows, and tracks email campaigns to customers. You can use this to create an email marketing campaign, and then send communications through to your customer list. This can drive repeat sales and propel positive, human engagement with your customers.

1.3.7 Maintaining database Privacy

Maintaining the privacy of your customers' information must be a critical consideration when setting up your customer database. It's essential to work with companies that have strong data policies to ensure customer privacy from the get-go.

As a minimum, you can ask for consent to store customer data and let them know what you'll use it for. Transparency is key. Being upfront will increase the quality of your data, with a little human interaction going a long way to cement the relationship. Providing an unsubscribe option at the bottom of your emails will also allow you to watch unsubscribe rates. This will help you share relevant information with your customers.

Make sure to check out the guidelines and requirements in your region to adhere to best practices and avoid potential fines. For example, those operating in Europe need to adhere to the General Data Protection Regulation (GDPR), which has clear guidelines on handling customer data.

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Customer databases are important — make sure that yours protects and loves your customers as well.

1.4 Maintaining Regular contacts with customers

According to a recent Square study, 63 percent of customers said the number one thing that keeps them loyal to a business is great customer service. Since customers are your greatest asset, it's important to ensure they're happy.

A five percent increase in customer retention can boost profits up to 95 percent, according to a study by Bain & Company. So, satisfied, loyal customers equal a healthy business. One of the best ways to do this is to use a customer directory that keeps track of customer data, notes, and feedback (good or bad). If you integrate this with customer engagement tools, you can provide customers with a more personalized service and communication. Of course, it's not enough just to have the right tools. You also need solid strategies and tactics.

Square's study

Included conversations with consumers nationwide, and focused on their experiences with the businesses in their community. This resulted in powerful customer service practice insights that can be used to keep you in your customers' good graces and help you to grow as a company. Square study forwarded the following suggestions to foster better customer contact.

- **Provide great service**

Your employees interact with customers on a regular basis. To ensure everyone has a positive experience, employees should be encouraged and empowered to treat customers well. (And, in turn, your team should be happy and motivated.)

The customers we spoke with listed customer service as the most important reason why they're loyal to a business. "They treat each customer as if they were family," one customer said. And another: "You are not paying for a product, you are paying for an experience."

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- **Make it personal**

Remembering details like a customer's favorite bottle of wine or a hard-to-find snack can mean a lot, and it ensures that customers feel valued, known and understood. With Square's Customer Directory notes and reminders, you and all of your employees can easily manage relationships with each customer. This comes in handy for prompt follow-ups, like when a product is back in stock.

- **Stay in touch**

Everyone wants to feel like they're being kept in the loop. This means that it's important to send newsletters, event invitations, and specialty emails. With the right email marketing tools, you should be able to segment customers by behavior and provide more personalized offers that get them in the door more often.

- **Offer rewards**

Reward your customers for coming back with a loyalty program, be it a with a digital software program or an old-school punch card. Loyalty programs serve as encouragement to return, and are especially helpful to differentiate your business from similar ones in your area, respondents said.

- **Celebrate your customers**

Honor loyal customers with special events, like an evening with private shopping and discounts, or a preview party of a menu or new cocktails you're testing. It's an easy way to make your loyal customers feel appreciated and special. You might even start a friends and family day with discounted shopping for loyal customers, so they can bring someone special and spread the word.

- **Give back to your community**

Getting involved in your community gives you a chance to form beneficial relationships with nearby businesses. Support your neighbors and consider having a block party with stores and restaurants in your area, offering special discounts or samples. You can even create a punch card program that offers discounts or loyalty incentives with other businesses.

“It’s a mutually beneficial relationship and I like that,” a customer said of the local businesses that work together.

- **Don’t forget the little things**

While big gestures are nice, it’s the little touches that stand out and keep customers returning. A special holiday treat, an extra dessert, or a simple thank you card at the end of the year takes a small amount of effort but has a lot of impact.

One customer recounted, “Sometimes we’ll get an extra soup or extra fortune cookies. They’re little things, but they keeps us loyal.”

1.4.1 Importance of Regular Contact with Clients

When you spend time creating a product or service, you would think it could sell itself. Simply add it onto your website, sit back and watch it sell out with no further intervention from you, right? Wrong!

Regardless of how popular your product or service may be, sales will only be as good as your communication with your clients. Maintaining open communication with clients benefits both parties. Regular contact ensures your customers feel comfortable with you while opening doors for suggestions and feedback that could lead to more sales.

Whether it's a one-time or repeat purchase, when customers buy your goods, you enter into a relationship with them. Like all relationships, the key to success is effective communication. Engage in regular communication with your customers, via email marketing, E-newsletters and blog posts. This will keep customers apprised of your company's latest products and specials, with an air of exclusivity.

Communicate with your customers all throughout the purchasing process and beyond and you will earn their trust while increasing positive word-of-mouth, which may equal greater sales.

Although it is a business relationship, it does not necessarily have to end at the point of sale. After all, repeat purchasers and positive word-of-mouth is the lifeblood of most any business. Therefore, ensuring your customers are comfortable with you is a must. Engaging in regular contact with customers through emails, newsletters, or blogs is the perfect way to show them you value their business. Sustained communication with customers increases their awareness of your brand and, therefore, increases the likelihood of repeat purchasing.

While we are all increasingly connected in the digital world, consumers often feel isolated when buying goods or services online. It's the ultimate catch-22 for business owners. Consumers crave the convenience of online purchasing, yet miss the personal touch of face-to-face contact. Regular newsletters and emails allow you to bridge this gap, giving your customers the best of both worlds. Through regular contact channels, such as emails and newsletters, you can further educate customers about your business while offering value for money.

From a competitive standpoint, maintaining regular contact with customers makes good business sense. Through blogs, emails and newsletters, you can create your point of difference, placing you ahead of competitors in the minds of your customers.

Not only is this desirable, but in an increasingly competitive market, it is essential. In the digital arena, there are countless companies vying for your customers' attention. So, if you don't stay in regular contact with your audience, your competitors will.

So, as you can see, regular contact with customers holds mutual benefits for both parties. Customers will feel at home with you, and thus more likely to continue business with you, as well as recommend your services to friends and family.

By offering value for money through regular communication, your business will stay at the forefront of consumers' mind

1.4.2 Steps to Building Long-Lasting Client Relationships

For professionals who work and thrive in industries that have long sales cycles, creating long-lasting client relationships is critical for sustainable (and repeat!) business. But with an ever-growing to-do list and a full calendar, how do you make time to build those lasting relationships? Strengthening the relationships you have with your clients will make for a very smart investment as well.

Here are a few tips for truly connecting with your clients to keep them coming back for more:

1. **Communicate, Communicate, Communicate**

Your clients need to know what's going on. Whether you're a real estate agent and the property your client wants has multiple offers or you're a loan officer and a mortgage looks like it might not go through, tell your clients as much as you can as regularly as you can — and do it proactively. When you're in an active sales process, err on the side of too much communication. Reach out and update them about what's going on, what their options are and what you

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recommend they should do, so they don't have to constantly track you down to understand what's happening.

2. Tell the Truth

Sometimes you will hit snags. Clients won't always get what they want. Financing falls through. Credit scores aren't high enough. Another person has put a bid on their dream home. The insurance coverage they want will be a bit more expensive than they thought. Life happens, and you need to be upfront about any challenges or snags you hit along the road. It's better to face the music than risk further negative consequences by delaying bad news. Once trust is broken with your client, it's very difficult and time-consuming to earn it back.

3. Empathy

Understand your clients. Show **empathy** towards their needs and try to see the situation from their perspective. Know what they want and help them get it. Take notes and make sure you have a system to keep track of them so that when your client comes back in five years, you remember who they are. Needs evolve, of course, but don't start from zero if you can possibly avoid it. Investing in a CRM tool can be a big help with keeping track of each individual client's history and details so you can serve them better.

4. Make Their Lives Better

Fundamentally, if you add value to people's lives, they will remember you and recommend you to their friends and family. You are obviously providing a service, but acting as a guide and sharing your industry expertise will also help them remember you as a trusted, valuable resource. Your clients should know they can turn to you with any questions related to your area of expertise, even if it's not directly about your transaction. An effective way to do this is to **create** and send helpful, relevant content that educates the client.

5. Reward Your Loyal Customers

Once your customers become repeat clients or have referred friends and family, **make sure to thank them**. Whether it's a special offer, a thoughtful gift or even a handwritten note, make sure you're thanking your VIPs and not only contacting them when you're trying to sell something.

6. Stay In Touch

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When the transaction is over, the last thing you want is for the relationship to end. That's why it's crucial to keep the conversation going. But how do you do that when there's no longer a sale to discuss? **Two ways:**

- Keep track of important milestones and dates (like the anniversary of their close date, or their birthday, or six months since your last communication) and **reach out with a personal note**, a card or a phone call. This is where you'll really get value out of your CRM.
- In between those personal touches, **send them helpful, engaging content via email and social media**. These points of contact serve as reminders that you gave them great service and that you're still available as a trusted expert to answer any questions they might have. By reaching out with interesting content rather than explicit sales messaging, clients are less likely to tune you out and more likely to think of you when they need your services again, or when a friend does.

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Self-check 1

Instruction choose the best answer

1. Visual aids such as ----- emphasizing the importance of the customer should be put on display in prominent positions.
A/ posters B/ flyers C/ banner D/ all
2. It is the manager's responsibility to ensure that the ----- does not come up through filters and down through megaphones!
A/ information B/ Purchase C/ Sell D/ All
3. Here are a few more reasons why acknowledging and greeting customers is important except
A/ Establishes a personal connection
B/ Gives you the opportunity to highlight specific merchandise and promotions
C/ Marketing
D/ Helps customers feel comfortable
4. Basic ----- refers to the data you can use to create a database of customer profiles
A/ data B/ idea C/ inform D/ need
5. Excessive datasets have many disadvantages:
A/ They cost more (high server load, more expenses to maintain accuracy, etc.)
B/ They complicate the search process
C/ They cause scattered attention and make it difficult to see essential details.
6. Crucial things a customer needs one is different to others
A/ A fair price B/ A good service C/ Supply D/ A good product

UNIT 2. Customer Needs

This learning unit is developed to provide the trainees the necessary information regarding the following content coverage and topics:

- Identification of Customer Needs
- Assessing and documenting of Customer Needs
- Negotiating with customers

This unit will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Identify of Customer Needs
- Assess and document of Customer Needs
- Negotiate with customers

2.1 Identification of Customer Needs

We are all customers in our daily lives. We might be customers at places such as: train stations, gas stations, supermarkets and banks. As a customer, what qualities would you be like to see in the people and the organization providing services to you?

Recognizing customer needs includes deep research across your industry and asking your customers lots of specific questions. It is very important to gather in-depth details from your customers through regular communication and be sure you can deliver on their individual needs.



Figure 2.1 Customer needs

Understanding customer psychology can act as a catalyst for your business to deliver better customer service, build long-lasting relationships, and maintain a consistent source of revenue.

The key way to anticipate is via a thorough analysis of the needs and wants of customers.

Customer Needs Identification has two major goals:

1. To keep the product focused on customer needs
2. To identify not just the explicit needs of the customer, but also the latent needs

These customer requirements should be independent of any particular product or potential solution. After all, it's only *after* identifying Customer Needs that one can begin to meet them.

So with that in mind, the goal is to find out precisely what the customer wants. Here are the steps for identifying Customer Needs:

1. Gather raw data from customers

2. Interpret the data in terms of customer needs
3. Organize the needs

7. Gathering Raw Data

Intuitively, the first step must be to gather data from the customers. Without their input, it would be impossible to identify their needs. “Gathering needs data is very different than a sales call: the goal is to elicit an honest expression of needs, not to convince a customer of what he or she needs”

There are three recommended ways to gather data, and there is one common trap that usually provides deceptively shallow data. First, the three robust methods for collecting information:

- **Interviews:** Interviews are one-on-one meetings with potential customers, usually 1-2 hours in length. Frequently they take place in the customer’s own environment, as they are more comfortable there and there is a chance to see a problem in action.
- **Focus groups:** Focus groups are like expanded interviews. They are about 2 hours long, and they involve about 8 to 12 customers. The group is lead in a discussion by an interviewer. It is very common for the group to be watched by some number of unseen observers who take notes on the proceedings.
- **Observation:** Seeing someone struggle with a problem is an easy way to get a general understanding of the issue. And frequently you are not the first person to identify that problem, so “watching customers use an existing product or perform a task for which a new product is intended” is a perfectly reasonable way to identify customer needs, as well as ways in which successful companies are attempting to solve them. Observation can either be passive, where one simply watches a customer work in their natural environment, or observation can be active, where one works side-by-side with the customer and gain and understanding of their problems from their perspective.

All three of these options are excellent ways to get information from customers. If there is one pitfall of data collection, though, it would have to be written surveys. Surveys are extremely popular, but they are extremely limited. Surveys generally have very little data on the environment in which the problem is occurring, and they are fairly terrible at picking up on unanticipated needs. It’s rather difficult to write a question about a need that hasn’t been thought of yet.

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These interviews and focus groups are the primary means of learning about customers, so make sure to conduct interviews as effectively as possible. Here are a few suggestions that will lead to successful interviews:

- Prepare questions, but don't be afraid to deviate if appropriate
- Use visual stimuli and props
- Suppress preconceived hypothesis about the product technology
- Have the customer demonstrate the product and/or typical related tasks
- Be alert for surprises and the expression of latent needs: pursue surprising answers with follow-up questions
- Watch for non-verbal information

As a final comment on conducting interviews, note that there are several ways one can document the process. All interviews should be documented so that the information in them can be fully recovered. Depending on what kind of information is being sought, there are several options for documentation. Some of the more well-known choices involve audio recordings and handwritten notes, but video recordings or still photography are also acceptable.

8. Interpreting Data

After the interviews it is usually necessary to translate the vague statements of the customers into a useful list of needs. As this is a relatively subjective process, “multiple analysts may translate the same interview notes into different needs” (Ulrich & Eppinger, 2012, p.81). For that exact reason, it is beneficial to have multiple people work on the interpretations.

So how, exactly, does one transform what the customer says into something you can work with? Here is a useful process with several helpful constraints and suggestions for expressing the data.

- Write the needs in terms of what the product has to do, not how it might do it.
- Express the needs as specifically as the raw data
- Use positive phrasing
- Express the needs as an attribute of the product
- Avoid the words must and should

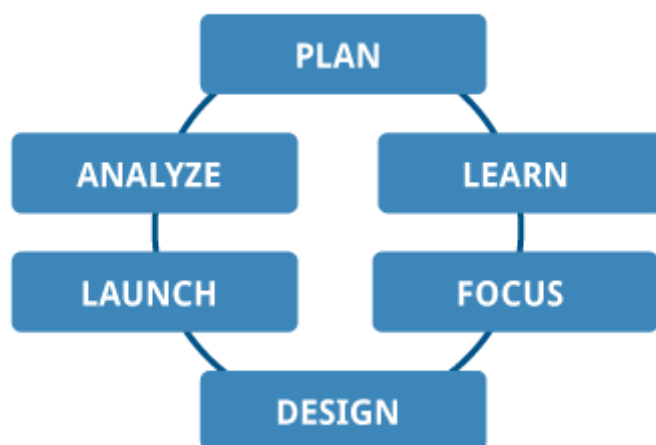
9. Organizing Needs

After interpreting the data, organize them. Group similar needs together, prioritize them, etc. Decide what is truly important to the customer. Define the “critical needs,” those needs which absolutely must be met before the product can be considered successful.

In the 1980's Professor Noriaki Kano developed a categorization system called the Kano Method, which helps to organize needs. The essence of the Kano Method is the five Qualities that product features can have.

1. **Attractive Quality:** when these product qualities are met they provide satisfaction, but when they are not met they do not cause dissatisfaction. For example, when a backpack has a separate compartment for a laptop.
2. **One-Dimensional Quality:** when these qualities are met they provide satisfaction, and when they are not met they create dissatisfaction. For example, when the shoulder straps on a backpack are padded, they provide comfort, but when not padded they are painful.
3. **Must-Be Quality:** these product qualities are assumed to be met, and they cause dissatisfaction when they are not met. Backpacks are expected to be able to hold books.
4. **Indifferent Quality:** these qualities are neither good nor bad, and they do not increase nor decrease customer satisfaction when met or not met.
5. **Reverse Quality:** The qualities cause either satisfaction or dissatisfaction when met, but it is customer dependent. For example, backpacks with a lot of compartments and pouches. Some customers really like the wealth of storage options these spaces provide, and other customers actively dislike how excessive or unmanageable those same spaces are.

Steps for Innovating with the Customer



With technology-market-competition speeding ahead, it is imperative for companies (small-medium-large) to differentiate and get a competitive advantage to solidify their position among the top leaders. Start with the customer, have an internal multi-functional approach for

innovation and take advantage of strategic collaborations, are key to accelerate growth and returns. The *Innovating with the Customer*© model is a practical approach that has proven effectiveness to transform “silo, inside-out, commodity” thinking, to a “high margin, specialty” thinking. The model is based on how customer centered companies identify unmet needs and the best solution available before “developing with the customer” the best imaginable, proprietary solution. The model consists in a “*Plan – Learn – Focus – Develop – Launch – Analyze*” cycle to become customer driven and to develop breakthrough solutions and value:

1. Planning Strategic choices

The most important strategic decision is how you identify attractive Market / Applications / Customers. Segmentation and evaluation of market segments determines the business strategy or model, the choice of customers, the platforms needed to succeed, the compelling value propositions and a sound business case.

Enabling tools: Segmentation, Technology Road mapping, Innovation Assessments, Business Models, Business Plans.

2. Learning your Customer Needs and Compare with the best solution.

Identifying the word of the customer and its requirements, needs, trends, potential, dreams and wishes, will allow you to focus the development that will lead to the best imaginable solution (product/service). Having the customer on-board is key, as well as having competitive comparisons with the best solution available to empower a price per value approach.

Enabling tools: Understanding customer’s process and benefits, Developing superior value propositions, Discovery interviews and follow-up, Pricing by the benefit.

3. Focus and Alignment of Capabilities.

How to focus and prioritize attractive market segments is the foundation to align your internal competencies or platforms and to allocate resources via multi-functional teams. The identification and establishment of strategic collaborations and partnerships to develop proprietary product/process/services require a robust definition and agreement in the management of intellectual property and contracts.

Enabling tools: Align and allocate capabilities with strategic fit, Collaborations win-win for proprietary solutions design.

4. Multi-functional Design.

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The heart of the innovation process is the development of the best imaginable new product / process / service, with the customer in multi-functional teams. The best practices recommend to establish a Stage-gate process, Project Management with a clear Patenting and IP strategy.

Enabling tools: Translating needs into Specifications, Staging Development, Patent Strategies and Mapping.

5. Launch and Value Capture.

Effective launch a new product or service to the world, demands to have a superior value propositions for the different market/applications segments, to be able to resolve problems in a systematic way, and to manage your costs to serve customers.

Enabling tools: Technology/Market Product Launch Guidelines, Confirmation of economic benefit to price per value. Troubleshooting.

6. Situation Analysis.

Sharp definition before development, and learning from project success and failure are vital to create an innovation culture. You need to start analyzing your strategic position, to manage an effective product portfolios and project selection, in order to maximize the R&D investments.

2.1.1 Importance of Identifying Customer Needs

Businesses are taking strides to understand customer needs and meet them as early as possible to align with internal teams. **76% of customers expect companies to understand their needs.**

With business operating under a cyclical process of anticipating, and meeting customer needs, you can have quick and positive results. Prior to your business promotions or product launch, it is vital to know your customer needs and wants. Conducting market research can greatly help you to understand your potential customers.

The more you know about your customers, it helps you define your brand positioning around their needs and help your business in the following ways:

- **Provide faster solutions** – One of the common things customers want is real time support. By identifying the needs of your customers you can provide faster and effective support.
- **Improve your products & services** – Customer research helps understand the motives behind the buying process. You can learn about the areas you are missing out and create

an effective USP. The insights can be used to enhance the products or services to satisfy customer needs.

- **Reduce the number of support tickets** – Building the product and services considering the needs of the target customers ensures effective solutions to customer issues.

2.1.2 Key customer needs

We often think that all we have to do to meet customer needs and expectations is to provide our product or service and they'll be happy.

The aim of any ecommerce store should be to have loyal, trustworthy customers who continually use your product or service. But to achieve this, you need to ask yourself: What do customers want? Of course, there are many different types of consumers. And, as unique individuals, they are likely to have varying expectations. But as a general rule, the four crucial things a customer needs are:

- A fair price
- A good service
- A good product
- To feel valued

But identifying customer needs is only half the battle – you also need to know how to meet those expectations.

- **Fair price**

Pricing should be important to you for revenue, but it's also important to your customers. They need the pricing to be **fair**.

When deciding on your price structure, you'll benefit from looking at your competitors' ecommerce stores so you can gauge the customer needs and expectations. While we agree that price anchoring is not always the smartest way to decide on a strategy, it's important to know where you stand in comparison to your competition.

If you are charging significantly more than your rivals, think seriously about whether your offering is better than theirs.

The key thing with pricing is to be transparent. A consumer needs to feel that they can trust a brand. So, whether you're above or below the market rate, let your customers know why this is the case and exactly what they get for their money.

Good service

Good customer service has been proven time and time again to allow businesses' to charge more. It's about meeting customer needs, and sometimes exceeding them, by offering timely solutions with minimum fuss.

Customers continually suggest they would be **happy paying more for a product if it meant it would improve the level of customer service**. So, you need to think about how you can meet your customer's needs and expectations.

Having a strong customer support team increases the level of trust your consumers have for you. They understand problems will be addressed and fixed in a timely manner and they're more receptive when things do end up going wrong. You could even reward customers with loyalty points if they have a problem post-purchase. [Learn more ways to build post-purchase trust here](#).

Although good service is a key consumer need, it's not an excuse to increase your prices. If you can keep your products affordable and provide excellent customer service, even better.

A good product

When it comes to determining customer needs, creating a solid product is obviously a major priority. There is no point in excessive manufacturing costs if no one is buying your poor product.

Be confident in your product, be open to suggestions to improve, and always aim to **give the customer exactly what they need**, not what you think they need. To work out what customers want, conduct appropriate research with market analysis and customer surveys. This will help you to identify your consumers' needs and tailor your product development around them.

To feel valued

Feeling valued is the one customer need that most ecommerce stores overlook. Some companies seem to forget that without your consumers, you would have no business.

A great example of this was when UK supermarket chain Sainsbury's who, upon receiving a letter from a three-year-old child, changed the name of one of their products.

2.2 Assessing and documenting of Customer Needs

Most of the businesses focus on innovations and fail to align their brand with customer needs.

Customer-centric companies are 60% more profitable than companies that don't focus on customers. Being customer-focused help in understanding customers better and align products

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and services to create great value. You cannot persuade consumers without knowing what they are looking for. Identifying and meeting customer needs should be the focal point of every business to build a solid customer base. Once you have a clear knowledge about the same, you can further use it to persuade your customers. We have outlined the techniques of identifying customer needs and wants as well as using the information to win more customers.

2.2.1 Effective Methods to Identify and Meet Customer Needs

Customer needs are defined as the influential factors that trigger them to buy your product or service. In order to identify customer needs, it is important to understand the reasons behind their decision making.

In order to understand customer needs better, it's very important to know who your customers are. By defining your target audience and segmenting them based on their industry or other attributes, you not only get a clear view of what's your selling proposition but also identify their needs.

Steps to follow in order to meet customer needs successfully

- **Identify** – Follow customer needs analysis via surveys, interviews, focus groups, or social listening.
- **Distribute** – Once identified the needs, you can distribute it across the right teams and departments.
- **Create** – Tailor product features, create detailed content that speaks about customer needs.
- **Collect** – Obtain customer feedback regularly to learn how your efforts meet their expectations.

Note: *Customer experience is a very important part of meeting customer needs. Learn more about how you can build a successful customer experience strategy to achieve your goal.*

2.2.2 Customer needs analysis

It refers to a comprehensive analysis that can benefit your business to understand what value your customers want from your products or services. It provides valuable insights about your target audience that can be inculcated within the brand positioning to make sure that delivers great customer value.

Effective customer needs analysis depends mainly on two factors. Firstly, to create customer personas and identify what customer inputs are needed to create breakthrough products and the second is to know how to capture customer inputs and feedback.

Conducting customer research to understand the factors that influence purchasing decisions can be done by:

- **Customer interviews** – It is the direct way of collecting customer inputs. You can interact directly with customers who are using your product or who have chosen to buy it. It is considered to be reliable over other ways of acquiring inputs.
- **Focus groups** – Focus groups comprise a small group and focal point is a specific product or topic. The groups emphasize qualitative or quantitative surveys because it provides more opinions and motivations.
- **Surveys** – The analysis done through surveys help businesses to get a picture of their position in the market in terms of fulfilling the needs of their target customers.

2.2.3 Good Examples to Meet Customer Needs

Addressing customer needs is critical for any business that focuses on customer retention in order to create good examples. Because, as important as the discovery phase is, knowledge about what your customer needs from you is only as good as the way you use it.

Let us discuss the best practices of how to meet customer needs and build stronger relationships.

Deliver quality customer support

Not always “good product quality” is what customers look for. Customers prefer brands that offer real time support. So, your support teams should focus on providing frictionless service experience and improve customer handoff. 66% of customers believe that valuing their time is the most important thing in any online customer experience. Resolving customer queries faster is a cornerstone of good customer service.

When customers get what exactly they need, there is an increase in the satisfaction rate. If you focus on putting extra effort towards exceeding customer expectations, it will certainly be worthy. You are able to delight your customers with excellent service.

How can you enhance your customer support quality?

- **Provide real time support** – You can connect with your customers with [live chat](#) to deliver real time assistance for sales and support queries.

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- **Use live assistance solutions** – By using tools like co-browsing and video chat, you can provide faster solutions by reducing the number of touchpoints.
- **Automate your customer support** – Use a chatbot template for information collection to engage with customers 24×7 and answer their simple queries promptly.

2.2.4 Map your customer journey

- A great way to meet customer needs is by understanding the different customer touchpoints and how they interact with your business across these contact points. You can map your customer journey to get a visualization of the process they go through when engaging with your products or services.
- Mapping journeys include multiple phases and touchpoints the customer goes through, right from prospect to loyal customers. It helps you to streamline fragmented efforts and identify points of friction and opportunities for improvement.
- Identifying and meeting customer needs in the whole journey are all about providing a delightful experience that will further cultivate loyalty.

2.2.5 Measure customer satisfaction regularly

To know how happy your customers are with your overall business you need to measure it on a regular basis. Choosing the right communication channels and customer satisfaction metrics is crucial.

The key KPIs are customer satisfaction score (CSS), net promoter score (NPS), and customer effort score (CES) help in measuring performance, monitor, and analyze satisfaction level in the overall customer journey.

How does measuring customer satisfaction help to meet your customer needs?

- It provides deep insights into your overall business performance. Based on that you can improve on the areas you are doing well and having loopholes.
- CSAT scores can help team leaders identify coaching opportunities to improve agent performance, give agents visibility into their individual performance to encourage self-correcting behavior.

Based on the inferences, you can restructure your product and services in order to reduce the customer churn by boosting the satisfaction rate.

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2.2.6 Be consistent in customer communication

Inconsistent customer service is among the top frustration reported by customers. If your representatives are unable to deliver consistent assistance, there are chances that consumers feel confused and alienated.

It takes no time to create a negative impression on your customers and shows that your business strategies are not organized. You can meet your customers' requirements if you make the right efforts to understand the goals and capabilities of the company.

Use every possible strategy for effective customer service communication.

Here are some strategies to you can follow:

- Focus on building an Omni channel customer service strategy to deliver consistent support across all channels.
- Train your support team with customer service etiquette to meet customer needs effectively.
- Provide real time assistance to your customers with live customer engagement tools.

Note: When communicating with your customers make sure your brand voice and brand image are consistent. In case you are communicating with your customers across multiple channels you have to retain your unique voice so your customers will understand your message thoroughly.

2.2.7 Develop a customer centric culture

One great way to meet your customer needs is to create a company culture that is focused on customer experience at every touchpoint.

The customer experience (CX) is the major differentiator for every business, but creating a great CX isn't that easy. It includes visualizing interactions through every touchpoint from the customer's perspective: What are the expectations, what makes sense, and where do you have a chance to surprise and delight someone?

And all these moments won't happen all at once.

What can be done to build a customer centric culture?

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- Align your company culture to focus on the customer experience first. Your employees make or break most customer touchpoints, so be clear on your brand's values and what makes the experience delightful.
- Empower your support representatives to be proactive, thoughtful, and creative in making it practically happen.

2.2.8 Enhance the USP of your product

Every business needs a reason for its customers to buy from them over their competitors, which is known as a **Unique Selling Proposition (USP)**. Your USP can change depending upon the changes in your business and for different types of customers.

A good product is anything that can be offered to a market for attention, acquisition, or consumption satisfies customer needs. Product quality is the characteristic that bears on its ability to satisfy implied customer needs. The USP of your product can be effective to differentiate your brand when the customers are making their buying decision.

The product quality speaks for itself. If your products are built across helping customers to resolve their issues faster, it will attract them and keep them coming back.

In order to maintain the smooth process you need to follow certain tips:

- Conduct customer research on identifying customer needs and analyzing them to serve them much better.
- Ask customer feedback after and categorize it further to implement for improving the brand value to match with customer needs.

Ask customer feedback

Customer feedback is a vital ingredient for the success of every business. It helps to enhance your products and services to better suit the needs of your customers. This will then raise the chances of the purchase of your improved products or services.

You must always choose the right time to ask for honest customer feedback like after the chat session of a successful transaction. Further, the feedback can be analyzed to generate valuable insights. The insights can help to recreate better products as per their needs.

Essentially, once you receive customer feedback you need to follow certain steps that give opportunities to know your customer needs.

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- Analyze the data according to internal & external customers' needs and expectations and enhance it.
- Figure out the gaps between your business and customers. Set new plans and strategies to reduce the gaps.
- Make all the team members part of the discussion and give a view about customer needs and wants.

2.3 Negotiating with customers

The term negotiation refers to a strategic discussion that resolves an issue in a way that both parties find acceptable. In a negotiation, each party tries to persuade the other to agree with their point of view. Negotiations involve some give and take, which means one party will always come out on top of the negotiation. The other, though, must concede—even if that concession is nominal.

By negotiating, all involved parties try to avoid arguing but agree to reach some form of compromise. Negotiating parties vary and can include buyers and sellers, an employer and prospective employee, or governments of two or more countries.

Phases of a negotiation are:

Phase One – Exchanging Information

Phase Two – Bargaining

Phase Three – Closing

These phases describe the negotiation process itself.

Before the process begins, both parties need to prepare for the negotiation. This involves establishing their bargaining position by defining their BATNA, WATNA, and WAP. It also involves gathering information about the issues to be addressed in the negotiation.

After the negotiation, both parties should work to restore relationships that may have been frayed by the negotiation process. It is essential to pay attention to all the phases of negotiation. Without the first phase, the exchange of information and the establishment of bargaining positions, the second phase cannot happen in any meaningful sense because no-one knows where they stand.

It sets a scene for demands to be manageable and reasonable. Negotiations are, after all, about the art of the possible. Without the third phase, anything that has been decided during phase two

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cannot be formalized and will not take hold – leading to the necessity for further negotiation or an absolute breakdown in a relationship.

2.3.1 Steps of Negotiating with customers

Know what you want

Clients and friends come to me all the time and ask, “Kelly, how much base salary do you think I should ask for?” or “Do you think this is a fair offer?” My standard response is typically, “Well, what do you want?” Surprisingly, they usually don’t know what they want but they’re worried they will be offered something which undervalues them. Without a goal in mind, it’s like getting into your car and starting to drive before you even know where you’re going. Maybe it’s that you want to be compensated fairly and in line with your peers. Perhaps, you’re not interested in making more money but want to work a four day work week instead. Whatever it is, get crystal clear on what will ultimately satisfy your needs. Otherwise, how will you be able to measure the success of your negotiation?

Ask lots of questions

A great negotiator asks lots of questions so she can learn what the other party is thinking. Leading off with a question is a fantastic strategy. For example, “Do you think I deserve a raise?” “Do you think it would be fair to ask for a base salary of \$130K?”

Be patient and quietly wait for their answer. You may learn some very interesting information. From there, you can ask more questions. As children, we probably all had the annoying habit of asking “why” repeatedly. It forced our parents to supply us answers until they made sense to us, right? Try taking a similar approach when negotiating. Ask one question, then ask a follow up question and so on, until you unearth what’s happening on the other party’s end. If you don’t get much of an answer or even a hostile one, simply say, “Ok, is there anything else?” Asking questions give you the opportunity to learn their goals too and keeps you from blindly stabbing in the dark in hopes of hitting something.

Persistence pays off

Often times, it can take asking for what you want three or more different ways before reaching an agreement in a negotiation. If you walk away or give in after the first “no” then you may miss a crucial opportunity. In preparation for your negotiation, think ahead about ways in which you can meet your goal.

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Figure 2.1 Phases of Negotiation

Phase 1: Investigation

The first step in negotiation is the investigation, or information gathering stage. This is a key stage that is often ignored. Surprisingly, the first place to begin is with yourself: What are your goals for the negotiation? What do you want to achieve? What would you concede? What would you absolutely not concede? Leigh Steinberg, the most powerful agent in sports (he was the role

model for Tom Cruise’s character in *Jerry Maguire*), puts it this way: “You need the clearest possible view of your goals.

During the negotiation, you’ll inevitably be faced with making choices. It’s best to know what you want, so that in the heat of the moment you’re able to make the best decision. For example, if you’ll be negotiating for a new job, ask yourself, “What do I value most? Is it the salary level? Working with coworkers whom I like? Working at a prestigious company? Working in a certain geographic area? Do I want a company that will groom me for future positions or do I want to change jobs often in pursuit of new challenges?”

Phase 2: Determine Your BATNA

One important part of the investigation and planning phase is to determine your BATNA, which is an acronym that stands for the “best alternative to a negotiated agreement.” Roger Fisher and William Ury coined this phrase in their book *getting to Yes: Negotiating without Giving In*.

Thinking through your BATNA is important to helping you decide whether to accept an offer you receive during the negotiation. You need to know what your alternatives are. If you have various alternatives, you can look at the proposed deal more critically. Could you get a better outcome than the proposed deal? Your BATNA will help you reject an unfavorable deal. On the other hand, if the deal is better than another outcome you could get (that is, better than your BATNA), then you should accept it.

Think about it in common sense terms: When you know your opponent is desperate for a deal, you can demand much more. If it looks like they have a lot of other options outside the negotiation, you’ll be more likely to make concessions.

The party with the best BATNA has the best negotiating position, so try to improve your BATNA whenever possible by exploring possible alternatives (Pinkley, 1995).

Going back to the example of your new job negotiation, consider your options to the offer you receive. If your pay is lower than what you want, what alternatives do you have? A job with another company? Looking for another job? Going back to school? While you’re thinking about your BATNA, take some time to think about the other party’s BATNA. Do they have an employee who could readily replace you?

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Once you've gotten a clear understanding of your own goals, investigate the person you'll be negotiating with. What does that person (or company) want? Put yourself in the other party's shoes. What alternatives could they have? For example, in the job negotiations, the other side wants a good employee at a fair price. That may lead you to do research on salary levels: What is the pay rate for the position you're seeking? What is the culture of the company?

Greenpeace's goals are to safeguard the environment by getting large companies and organizations to adopt more environmentally friendly practices such as using fewer plastic components. Part of the background research Greenpeace engages in involves uncovering facts. For instance, medical device makers are using harmful PVCs as a tubing material because PVCs are inexpensive. But are there alternatives to PVCs that are also cost-effective? Greenpeace's research found that yes, there are (Layne, 1999). Knowing this lets Greenpeace counter those arguments and puts Greenpeace in a stronger position to achieve its goals.

BATNA Best Practices

1. Brainstorm a list of alternatives that you might conceivably take if the negotiation doesn't lead to a favorable outcome for you.
2. Improve on some of the more promising ideas and convert them into actionable alternatives.
3. Identify the most beneficial alternative to be kept in reserve as a fall-back during the negotiation.
4. Remember that your BATNA may evolve over time, so keep revising it to make sure it is still accurate.
5. Don't reveal your BATNA to the other party. If your BATNA turns out to be worse than what the other party expected, their offer may go down, as PointCast learned in the opening case.

Phase 3: Presentation

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All phases of the negotiation process are important. The presentation is the one that normally receives the most attention, but the work done before that point is equally important.

The third phase of negotiation is presentation. In this phase, you assemble the information you’ve gathered in a way that supports your position. In a job hiring or salary negotiation situation, for instance, you can present facts that show what you’ve contributed to the organization in the past (or in a previous position), which in turn demonstrates your value. Perhaps you created a blog that brought attention to your company or got donations or funding for a charity. Perhaps you’re a team player who brings out the best in a group.

Phase 4: Bargaining

During the bargaining phase, each party discusses their goals and seeks to get an agreement. A natural part of this process is making concessions, namely, giving up one thing to get something else in return. Making a concession is not a sign of weakness—parties expect to give up some of their goals. Rather, concessions demonstrate cooperativeness and help move the negotiation toward its conclusion. Making concessions is particularly important in tense union-management disputes, which can get bogged down by old issues. Making a concession shows forward movement and process, and it allays concerns about rigidity or closed-mindedness. What would a typical concession be? Concessions are often in the areas of money, time, resources, responsibilities, or autonomy. When negotiating for the purchase of products, for example, you might agree to pay a higher price in exchange for getting the products sooner. Alternatively, you could ask to pay a lower price in exchange for giving the manufacturer more time or flexibility in when they deliver the product.

One key to the bargaining phase is to ask questions. Don’t simply take a statement such as “we can’t do that” at face value. Rather, try to find out why the party has that constraint. Let’s take a look at an example. Say that you’re a retailer and you want to buy patio furniture from a manufacturer. You want to have the sets in time for spring sales. During the negotiations, your goal is to get the lowest price with the earliest delivery date. The manufacturer, of course, wants to get the highest price with the longest lead time before delivery. As negotiations stall, you evaluate your options to decide what’s more important: a slightly lower price or a slightly longer delivery date? You do a quick calculation. The manufacturer has offered to deliver the products by April 30, but you know that some of your customers make their patio furniture selection early

in the spring, and missing those early sales could cost you \$1 million. So, you suggest that you can accept the April 30 delivery date if the manufacturer will agree to drop the price by \$1 million.

“I appreciate the offer,” the manufacturer replies, “but I can’t accommodate such a large price cut.” Instead of leaving it at that, you ask, “I’m surprised that a 2-month delivery would be so costly to you. Tell me more about your manufacturing process so that I can understand why you can’t manufacture the products in that time frame.”

“*Manufacturing* the products in that time frame is not the problem,” the manufacturer replies, “but getting them *shipped* from Asia is what’s expensive for us.”

Phase 5: Closure

Closure is an important part of negotiations. At the close of a negotiation, you and the other party have either come to an agreement on the terms, or one party has decided that the final offer is unacceptable and therefore must be walked away from. Most negotiators assume that if their best offer has been rejected, there’s nothing left to do. You made your best offer and that’s the best you can do. The savviest of negotiators, however, see the rejection as an opportunity to learn. “What would it have taken for us to reach an agreement?”

Recently, a CEO had been in negotiations with a customer. After learning the customer decided to go with the competition, the CEO decided to inquire as to why negotiations had fallen through. With nothing left to lose, the CEO placed a call to the prospect’s vice president and asked why the offer had been rejected, explaining that the answer would help improve future offerings. Surprisingly, the VP explained the deal was given to the competitor because, despite charging more, the competitor offered after-sales service on the product. The CEO was taken by surprise, originally assuming that the VP was most interested in obtaining the lowest price possible. In order to accommodate a very low price, various extras such as after-sales service had been cut from the offer. Having learned that the VP was seeking service, not the lowest cost, the CEO said, “Knowing what I know now, I’m confident that I could have beaten the competitor’s bid. Would you accept a revised offer?” The VP agreed, and a week later the CEO had a signed contract (Malhotra & Bazerman, 2007).

Sometimes at the end of negotiations, it's clear why a deal was not reached. But if you're confused about why a deal did not happen, consider making a follow-up call. Even though you may not win the deal back in the end, you might learn something that's useful for future negotiations. What's more, the other party may be more willing to disclose the information if they don't think you're in a "selling" mode.

Self-check 2

Give short answer for the following questions

1. Write the steps for identifying Customer Needs:
2. Discuss focus groups are like expanded interviews.

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3. Explain customer satisfaction?
4. Closure is an important part of negotiations. Justify?
5. How to identify customer needs?

Unit Three: providing information and advice

This learning unit is developed to provide the trainees the necessary information regarding the following content coverage and topics:

- Product/service recommendations for customer needs
- Providing information and discussing with customers

This unit will also assist you to attain the learning outcomes stated in the cover page.

Specifically, upon completion of this learning guide, you will be able to:

- Recommendations customer needs
- provide information and discuss with customers
- Give advice to costumers

3.1 Product/service recommendations for customer needs

The following methods can be used for providing product recommendations for customers' needs.

Relieve your customers from the burden of choice

Did you know that nearly half of the customers have left a store because it had poor recommendations? Make your brand and products more relevant to your customers through personalized recommendations with our sophisticated algorithms.

Product recommendation boxes & carousels

Curate a personalized selection of product recommendations for every customer - with the help of customizable machine learning algorithms - and take your user experience to the next level.

Product listing personalization

Become more relevant by showing a personalized listing page, where every customer sees the products in order of their personal preference, with the help of algorithms and automation.

Turn data into powerful **user** journeys. Convert **customers** Powered by machine learning, Product **recommendation service**, Powered by machine learning Expert **customer** support.

3.1.1 Providing information and discussing with customers

Modern means of business communications give you more ways to find and retain customers.

Not so long ago, if you wanted to directly communicate with your customers, there were only three ways to go about it: by phone, by mail, or face-to-face. But the explosion of new technologies has dramatically expanded business communications. Now, you can reach your customers—and your customers can reach you—on a variety of platforms. While some may seem basic, each serves an important purpose in a company's overall communication strategy. Here are eight of the most effective ways to communicate with customers.

3.1.2 Effective Ways to Communicate With Customers

1. E-mail

These days, e-mail seems practically old-fashioned, but it remains one of the best ways to connect with your customers because it's convenient, cheap, and swift. If you have a new product or offer, you can use e-mail to send out newsletters and/or personalized

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messages. In addition, your customers can use e-mail to get in touch with you about everything from complaints to new orders. It's an essential component of any business communications platform.



2. Website

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A website is a business necessity. Customers rely on websites for information and, in many cases, expect websites to allow them to order products and check on order delivery schedules. If you don't have a website, you are missing one of the key ways to communicate with customers.

3. *Phone Technology*

Modern phone technology allows you to use automated menus to provide answers to customer questions and/or ensure customers reach the right person in your organization. While some customers complain about such technology, it can help you connect with the most customers in the least amount of time. New callback technology can even help you save your customers from sitting on hold. Instead of making them listen to elevator music, you can call them back when a representative is free. This helps eliminate hang-ups and improves your ability to speak to every customer who contacts you.

4. *Text Messaging*

No matter the size of your business, text messaging can be a great way to connect with customers. If you're a smaller business, text messaging is a convenient way to quickly communicate with clients about meetings, orders, delivery schedules, etc. If you're a larger business, you can allow customers to opt-in for text messaging about offers and deals. You can also have a dedicated texting support number that allows customers to text, rather than call, with issues.

5. *Web Chat*

Not every customer wants to pick up the phone to ask a question. That's why it can be effective to include a chat option on your website. With web chat, all a customer has to do is type in a question to start a conversation. Web chat applications can allow you to automate answers to common questions and bring in a representative for more complex ones. It makes it easier for customers to reach you and for you to help them.

6. *Social Media*

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Social media has created a whole new way to interact with customers. On one level, you can use your accounts to promote your products and brand. But you can also use your accounts to engage in one-on-one communications. On Facebook, customers can interact directly with your representatives. On Twitter, you can use dedicated service hashtags so that customers can tweet their issue and you can respond directly. If you want to take it further, you can also monitor every mention your business receives, note the ones with complaints or questions, and then respond with an offer to help. Social media allows you to be more responsive than ever before.

7. *Video Messaging*

Consider it the modern way to conduct a face-to-face meeting. Video messaging platforms such as Skype allow you to connect with a customer via video, which can help you build relationships and make certain transactions easier.

8. *Handwritten Notes*

Technology has changed our lives and business communications. But a personal touch can still go a long way. One of the most effective ways to reach out to your customers personally is to occasionally send a handwritten note in the mail. Even if it's just a simple thank-you card, it can help you build stronger business relationships.

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Self-check 3

Give short answer the following questions

1. Modern means of business communications give you more ways to find and retain customers. How?
2. Write methods can be used for providing product recommendations for customers' needs.
3. Phases of a negotiation are:
4. Write Effective Ways to Communicate With Customers?

UNIT 4 Maintain business relationships

This learning unit is developed to provide the trainees the necessary information regarding the following content coverage and topics:

- Pro-active Approach to maintain sound business relationships
- Maintaining agreements with customers
- Effective interpersonal communication

This unit will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Understand Pro-active Approach to maintain sound business relationships
- Maintain agreements with customers
- Effective interpersonal communication

4.1 Pro-active Approach to maintain sound business relationships

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Introduction

Proactive Approaches. The proactive approach **attempts to understand a system even before it fails (unacceptable quality) in an attempt to identify how it could fail in the future.** Measures can then be put in place to prevent the failure or failures that have been anticipated.

4.1.1 Foster and maintain business relationship

Pro-actively seek, review and act upon information needed to maintain sound business relationships. Honour agreements within the scope of individual responsibility. Make adjustments to agreements in consultation with the customer or supplier and share information with appropriate colleagues and nurture relationships through regular contact.

4.1.2 Performance Criteria for Proactive Elements

- A. Maintain sound business relationships
- B. Honour agreements
- C. Make adjustments and share information
- D. Nurture relationships through regular contact

A) Maintain sound business relationships

Research is also needed to maintain relationships:

- **Talking to established network of industry contacts** – to identify what ‘the other party’ is up to – other suppliers and certain guests/customers can provide valuable insight
- **Keep an eye on the news in the media** – for details about relationship partners are doing
- **Be observant about media advertising that is undertaken by the other party** – what does it indicate they are doing?
- **Obtain relevant annual reports** – and read them
- **Visit relevant web sites and opposition properties** – to see what is new.

Benefits of fostering business relationships:

- **Peer support and a network** – to bounce ideas off
- An opportunity to learn from others and share personal experiences

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- Increased business opportunities for the enterprise
- Chances to keep more up-to-date and better informed about the industry
- Increased access to relevant information that is sometimes denied to those who are not ‘in the know’.

It is vital to use all information obtained about those with whom a business relationship exists too, for example:

- **Contacting them to congratulate them on something they have done** – such as an award they have won, a contract they have secured, milestones they have achieved
- **Contacting them to say you have noticed them in the newspaper, on TV or on the radio** – their ‘public’ appearance is a good and legitimate reason for making contact and growing the relationship
- **Contacting them to say you were talking to someone who mentioned their name** – this indicates a common link between you and them and indicates the value you place on them
- **Revising previous offers or suggestions made to them** – to accommodate the new information you have obtained
- **Providing them with new/different materials** – to reflect the new or different offers and suggestions made
- **Making contact with a new person** – who has joined the other organization, been promoted to a new position or who has moved into a role where they may need the services your business provides
- **Updating internal records and files** – this may include:

Changing telephone numbers, email addresses as required

1. Modifying personal details of contacts – for example, recording their date of birth if it is identified (so a Birthday card can be sent); changing family details if they have a child (so conversation can include this fact)
2. Including news about products and services they have bought from other businesses into in-house files – as this nonetheless contributes to an overall understanding of their needs, wants, preferences, and experiences

B) Honour agreements

Honour all agreements within personal scope of authority, which will be:

- Be explained to you when you join a business
- Be relatively small, to begin with
- Grow as your experience grows.

In relation to the individual scope of authority:

- **Fully understand what limits and parameters** – clarify any ambiguities, talk to management and ask for workplace examples of what is allowed
- **Never act outside the personal scope of authority** – ever: if there is need to act outside the personal scope of authority:
 1. Refer the matter to a more senior person for their consideration and action
 2. Ask a more senior person for direction, guidance, and advice

Failure to adhere to the existing scope of authority guidelines can result in all scope of authority permissions being revoked – in some cases, exceeding the scope of authority can be grounds for dismissal.

Failing to honor agreements may result in:

- **Reduces levels of satisfaction** – creating negative sentiment; more complaints; reduced repeat business
- **Harms the trust and rapport that has been established** – because the business is seen to be lying and untrustworthy; once this is damaged it is very difficult (impossible?) to repair
- **Creates the impression the business is only interested in their part of the agreement (the cash, the booking)** – and not focussed on fulfilling agreed requirements

- **Can give rise to legal action** – such as damages and or enforced undertakings
- **Can result in adverse publicity** – where the matter is raised in the media or otherwise made public
- Destroys the potential for ongoing relationships.

C) Make adjustments and share information

Where there is a need to adjust an existing arrangement or agreement:

- **Apply appropriate interpersonal skills** – be flexible, polite, friendly - when advising or seeking to make changes
- **Be clear about the changes required** – be aware of the facts, know the (revised) outcome to be achieved, be aware of the constraints and parameters
- **Many changes can be successfully negotiated without the need to formally revise written agreements** – this means there is often no need to formally re-write contracts or agreements. A handshake can be all that is required
- **Never make changes without consulting with the other party** – these changes can be illegal, and will certainly engender a negative response

Keys when making changes to agreements or arrangements:

- **Clarify revised arrangements** – so there is genuine, mutual agreement and understanding
- Obtain approval for changes
- **Determine if extra charges (or refunds) need to be made** – to reflect the revised agreement
- **Advise others (as necessary) about the revised arrangements** – so they can plan and deliver as required

D) Nurture relationships through regular contact

Relationships must be nurtured, fostered and cared for – keys are:

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- **Regular contact** – using the preferred contact options identified for each relationship; following a structured schedule of calls or visits
- **Effective communication** – using language the other party understands; saying something worthwhile (as opposed to communication which wastes their time and devalues them).

Tips to ensure you nurture business relationships:

- **Prepare a contact schedule** – and implement it
- Set aside time each day or week to make contact with important customers
- **Diaries promises made** – for follow-up calls and action
- **Stay polite and respectful** – in all conversations and contacts
- **Ask for permission** – to call in, telephone, make contact, provide a quotation, supply information
- **Use a variety of contact options** – telephone, email, face-to-face
- Respect contact preferences identified or requested by the other party
- **Be prepared to call back and or try again** – an attempt to contact someone that is unsuccessful is not an actual contact
- **Talk about non-work related topics** – spend some time talking (as appropriate) about their career, general business, their family
- **Thank them** – for making an inquiry, for taking your call, for responding, for making a purchase, for making a booking
- **Meet with people in ‘out of work’ situations** – such as industry events and social occasions
- **Follow-up** – after the other party has made a purchase, attended an event or taken a trip make contact and enquire how things went
- **Focus on the important things** – for example: Spend more time with more important clients or bigger accounts, Spend time fixing problems; problems never fix themselves and Keep all promises made.
- **Share the load** – introduce the other party to other workplace staff. This: Demonstrates the value you place on the other party, Allows someone else to handle the other party if you are unavailable

- **Review personal performance and adjust as required on the basis of feedback and or reflection** – what should you do differently or better? What should you spend more or less time on? Where should your focus be?

When fostering and maintaining business relationships:

- Understand the need to be proactive – never wait for the other party to make contact or nurture the relationship
- Undertake research into identified important relationships to discover new or revised information
- Use information discovered as the basis for making contact with other parties and communicating with them
- Contact others outside a strictly work context
- Keep all contacts professional, polite and respectful
- Honour agreements made
- Adhere to individual scope of authority when dealing with others – or involve others were needed to make decisions/ and take necessary action as required
- Know the contents of all contracts and agreements so you know what customers expect and are entitled to Seek to meet (or exceed) customer expectations and Apply standard business ethics in all dealings
- Be prepared to make adjustments based on issues arising and changes to customer circumstances
- Make regular contact
- Use clear and effective communication
- Review personal performance and adjust activities accordingly.

4.2 Maintaining agreements with customers

A contract is a legally enforceable agreement between two or more parties that creates, defines, and governs mutual rights and obligations between them. A contract typically involves the transfer of goods, services, money, or a promise to transfer any of those at a future date.

Essential terms a client agreement should contain:

Services

Your client agreement should describe the services you provide and how these services will be provided to the client. This ensures that both parties have a clear understanding of what is and what is not being provided. This will reduce the chance of a dispute arising in the future.

For example, if you need to hire a subcontractor to complete parts of the services offered, then this should be made clear in your client agreement. Otherwise, your client may be unaware of the subcontractor and may later argue that they did not permit you to subcontract the work. This scenario could have been avoided if you had a client agreement which sets out your business arrangements.

Payment Terms

A client agreement should set out your business payment terms, including:

- your service fees;
- when payment is due; and
- the accepted payment methods.

Failing to provide clear payment terms to your clients may result in disagreements, particularly if the payment is late or if the client fails to pay for your services. For example, if your business only accepts payment via BPAY and direct deposit, this should be included in the client agreement. If you do not include these terms, how will your client know that cash is an unacceptable form of payment?

Client Milestones

Your client agreement should set out what your client must do before you can provide the service. For example, your client may need to provide you with specific information before you can complete the job. Therefore, it is important that your client agreement contains what

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information your client will provide and when it will be provided. Defined milestones sets expectations between the parties and provides a working framework for your business relationship.

Dispute Handling

No business wants to be in dispute with a client about their service offering. However, business disputes can happen. A client agreement should outline how you will handle disputes. Ideally, this should be a method such as **mediation** that allows you to resolve the dispute without escalation. This may lead to faster and cheaper resolutions.

Termination

The client agreement should state how each party can **terminate** the agreement. Otherwise, there may be confusion over when you can terminate, leading to claims that you did not do the work. A clear termination clause allows you to get out of a bad business relationship.

Liability

Before offering any services to your clients, it is important to ensure you protect your business by limiting your business' potential liability within the scope of the law. Without a client agreement, it is hard to define what your business will be liable for and the limits of business' potential liability.

4.3 Effective interpersonal communication

How would you define interpersonal communication? It's simple, really. The most straightforward, basic interpersonal communication meaning is "face-to-face communication." But there is so much more to effective interpersonal communication.

In fact, there is a whole range of interpersonal communication skills, and we're about to explore the topic at length. You will see how **communication and interpersonal skills** make up a valuable part of success in the workplace, especially for positions like **Project Managers**. We'll even supply you with a few interpersonal communication examples while answering "what is interpersonal communication?"

4.3.1 Interpersonal Communication

Interpersonal communication involves the information, ideas, and feelings being exchanged verbally or non-verbally between two or more people. Face-to-face communication often involves hearing, seeing, and feeling body language, facial expressions, and gestures.

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In other terms, Interpersonal communication is exchanging information, meaning, feelings, and opinions between two or more people via verbal and non-verbal means. Although we mentioned “face-to-face” communication previously, today’s technology compels us to expand its definition to include media such as phone calls and online messaging.

You may have heard the term “intrapersonal communication” and wondered if it’s related to interpersonal communication. The words are opposites, actually. “Inter” refers to dealings between people, groups, or other entities (e.g., intercontinental, international). “Intra,” on the other hand, describes actions within a person or a group. For example, an intranet is a private digital network that exists solely within a company or organization.

Intrapersonal communication describes how we communicate with ourselves, including an accurate idea of our perceptions, expectations, and concepts.

4.3.2 Types of Interpersonal Communication

The first step in answering “what is interpersonal communication?” is breaking it down into four distinct types.

- **Verbal:** In other words, speaking. This term covers the words you use, how persuasively you speak, the language you use, which words you emphasize, and even the use of affirmative sounds and short phrases like “Yup” or “Uh-huh.”
- **Listening:** You can make a good case for listening as the most important interpersonal communication skill. It covers the ability to listen attentively, whether you’re using your ears to listen “in-person” or some other means, say, over the Internet. Listening also includes special techniques like reflection and clarification. The best listeners are people who can focus their attention on the speaker to make the latter feel like they're the sole and most important person in the room.
- **The Written Word:** Thanks to the Internet age and situations requiring isolation (e.g., the pandemic), good written communication skills have become an asset. Whether you're on social media, in the workplace, or even texting on your phone, you must know how to get your point across in writing. This type includes emojis, grammar, clarity, tone, and even punctuation. After all, there's a vast difference between "Let's eat, Grandma!" and "Let's eat Grandma!"

Non-Verbal: This final type covers body language, facial expressions, tone of voice, and gestures. Again, it's essential that the listener picks up and correctly interprets non-verbal cues.

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4.3.2.1 *Elements of Interpersonal Communication*

Now that we’ve established the types of interpersonal communication, we can take the next step in understanding this concept by breaking it down into six separate elements to answer “what is interpersonal communication?”.

- **The Communicating Parties:** There’s no communication without a sender and a receiver. However, many people mistake assigning only one speaker and one listener to the conversation. Effective interpersonal communication requires all parties to assume both roles, sending and receiving the message at the appropriate time.
- **The Message Itself:** This element covers the information in all possible forms, including speech and non-verbal communication.
- **Extraneous Noise:** Noise includes anything that interferes with, distorts, or overpowers the message. This element comprises everything from physically-based noises (e.g., traffic sounds, a screaming baby at the next table over) to more abstract difficulties such as cultural misunderstanding, overblown corporate jargon, showing disinterest, or inappropriate body language.
- **Feedback:** This element blurs the line with the “sender and receiver” idea, but it’s distinct enough to be considered separate. Feedback is limited to immediate reactions to a sent message. Feedback could be anything from verbal (e.g., “I agree,” or “I’m confused; what do you mean?”) to non-verbal (e.g., facial expressions, changes in body language/stance).
- **Context:** Have you ever heard the phrase “Read the room!”? That means the speaker should be paying attention to the general mood and atmosphere of the listeners and where they are. Context includes physical location, the mood/emotional climate of the audience, and social context.
- **The Channel:** This element covers moving the message from the sender to the receiver and refers to vision and speech.

Self-check-4

Directions: Answer all the questions listed below

1. Compare and contrast proactive and reactive approach.
2. What are Performance Criteria for Proactive Elements?
3. Write Types of Interpersonal Communication?
4. Write Elements of Interpersonal Communication?
5. Discuss customer satisfaction?

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