

The Top 10 Key Benefits of Building Business Relationships

Most people realize the benefits of “building business relationships” with their customers, yet how many people really design their organizations to build a core competency from the practice of “building relationships”? In today’s world, relationships have become a sustainable competitive advantage and a core capability that can be nurtured and leveraged. This list gives the reasons why an enterprise needs to develop their capacity to build and maintain business relationships with their customers.

1. MARKET INSIGHTS...

When enterprise establishes relationships with their current customers and prospective customers, the enterprise has a crystal ball. Relationships provide a door into the underlying reasons why customers do what they do and react to the market in the ways that are beneficial to enterprise.

2. FUTURE FORWARD...

Relationships give enterprise the advantage of fast forwarding into the future. Customer needs are not always known by the market and the dialog that takes place in a relationship creates an “express lane” for the enterprise.

3. KING’S X...

Remember playing those games when you were a kid and how you could have a King’s X once in awhile to regroup? Enterprise needs a King’s X once in awhile when they make market errors or business mistakes. When the enterprise has taken the time and spent the effort to build solid relationships with its customers, King’s X is often available from those we disappoint in the marketplace. They know us and they know we can do better so they give us another chance to right the wrongs rather than disappearing without saying anything about their dissatisfaction.

4. INTERDEVELOPMENTAL DIALOG...

Customers will teach us how to serve them if we are open to learning from them. As we provide them with goods and services, they provide us with market intelligence, satisfaction levels and feedback on the transaction. We can learn and they can teach us how to serve them better which increases switching costs for the customer and leverages our relationship with them.

5. SHARE OF LIFE...

The amount and diversity of products and services over a customer’s lifetime is likely to increase with the quality of the relationship. People like doing business with people who they know and who know them. Consequently the opportunity for leveraging the relationship in both cases increases with the power of the relationship.

6. INNOVATION TIPS...

Customers help us fix things! They lead us to try new products and services when we are unsure about whether we even have a market for them. There have been countless times when new products or services were designed by customers in response to unknown needs.

7. IDENTIFY OUR WEAKNESSES...

Customers with who we have strong relationships point out why we’re not succeeding in the marketplace. They let us know what the limits and constraints of our present action are creating to get in the way of increased sales and success. Great relationships are key to marketing success.

8. WIN MORE CUSTOMERS...

It's a fact that more promotion is done through word of mouth advertising than any other method. Clearly satisfied customers represent our greatest advantage. Even more than that are the customers who have turned evangelist and represent our enterprise to their family, friends and acquaintances because they believe in what we do. Taking the time to design enterprise functions to build relationships is a key bifurcation point for leadership. WHY IS THERE NO CHIEF RELATIONSHIP OFFICER?(CRO)

9. IMPROVE EFFICIENCY...

If we have taken the time to really get to know our customers then we will know who to serve more and who to serve less. This increases the efficiency of our organization as we spend more time with the most valuable customers and less time with those customers, which drain our staffs and provide low returns.

10. REDUCE UNCERTAINTY...

A key factor in business today is uncertainty. With increasing levels of complexity and widespread ambiguity, customer relationships are like the lighthouse to our ship—the ENTERPRISE. Relationships reduce uncertainty by providing all the things listed above and a safety net when things get really unclear. If we will listen to our customers, build and maintain strong relationships, we have the opportunity to turn uncertainty into emergent success and create the space for mutual gain!