

The RARE Manifesto:
How Building Better Relationships
with Your People and Your
Customers Can Deliver Sustainable
Growth

Adrian Swinscoe

*I have a few ideas that I would like to share with you about creating a RARE business.
First of all, however, I want to define what I mean by RARE.*

If you look up the word RARE in the dictionary, the most common definition of the word is something that is “seldom seen.” There is another meaning that refers to something of “uncommon quality” or something that is “unusually great,” and it is this second definition of the word that I refer to in the title.

The “Fix the Holes in My Bucket” Syndrome

A pet peeve of mine is when companies forget or mistreat their existing customers. It happens in a number of ways. Here are four quick ones:

1. Poor service
2. Always giving the best deals to new customers
3. Not doing what they say they will do
4. Changing the rules without telling their current customers

This got me to thinking: **What if we lived in a world where all companies took care of their existing customers as well as new customers, where companies were trusted and liked, where doing business with a company was a good experience, where companies and their employees cared about their customers and each other?**

What if we lived in a world where companies like that were the rule, instead of the exception?
What kind of world would that be?

I believe that it is a world we can achieve, a world worth striving for.

To understand what it would take to create it, I believe we must first understand a little more about the world that we live in now.

We Live In a Changing World

While there may be great examples out there of companies and brands that treat all of their clients very well, I believe that the majority of companies are stuck in, what I like to call, “The Hole in My Bucket” Syndrome.

Do you remember the song?

There's a hole in my bucket, dear Liza, dear Liza,

There's a hole in my bucket, dear Liza, a hole.

Then fix it, dear Henry, dear Henry, dear Henry,

Then fix it, dear Henry, dear Henry, fix it.

And so on...

In the song, Liza advises Henry that to fix his leaky bucket, he needs straw. To cut the straw, he needs an axe. To sharpen the axe, he needs a stone. To wet the stone, he needs water. However, when the song asks how to get the water, the answer is “in a bucket!” This implies that the only bucket available is Henry’s leaky bucket. Of course, if Henry’s leaky bucket could carry water in the first place, it wouldn’t need repairing! Consequently the song gets stuck in an infinite-loop.



When we think about this in the context of our businesses, is the solution really more “water” to replace the lost “water,” or to be more specific, more customers to replace lost customers? Should the focus not, in the first place, be on fixing the leaks before adding new water?

Is the solution really more “water” to replace the lost “water,” or to be more specific, more customers to replace lost customers?

I believe that this is the first step to creating a sustainable business and platform for growth.

Fred Reichheld, in his book *The Ultimate Question* (2006), had it right when he talked about good and bad profits, and how the pursuit of good profits was the route to sustainable growth.

To quote Fred:

Too many companies are addicted to bad profits, profits that come at customers’ expense and drain the value out of customer relationships... Bad profits come from unfair or misleading pricing. Bad profits arise when companies save money by delivering a lousy customer experience. Bad profits are about extracting value from customers, not creating value... A company earns good profits when it so delights its customers that they willingly come back for more and not only that, they tell their friends and colleagues to do business with the company. The right goal for a company that wants to break an addiction to bad profits is to build relationships of such high quality that those relationships create promoters, generate good profits, and fuel growth.

Further, I believe that businesses that pursue bad profits do so by employing huge amounts of traditional marketing strategies, where the belief is he who shouts the loudest to the most people in the most places will get the most customers.

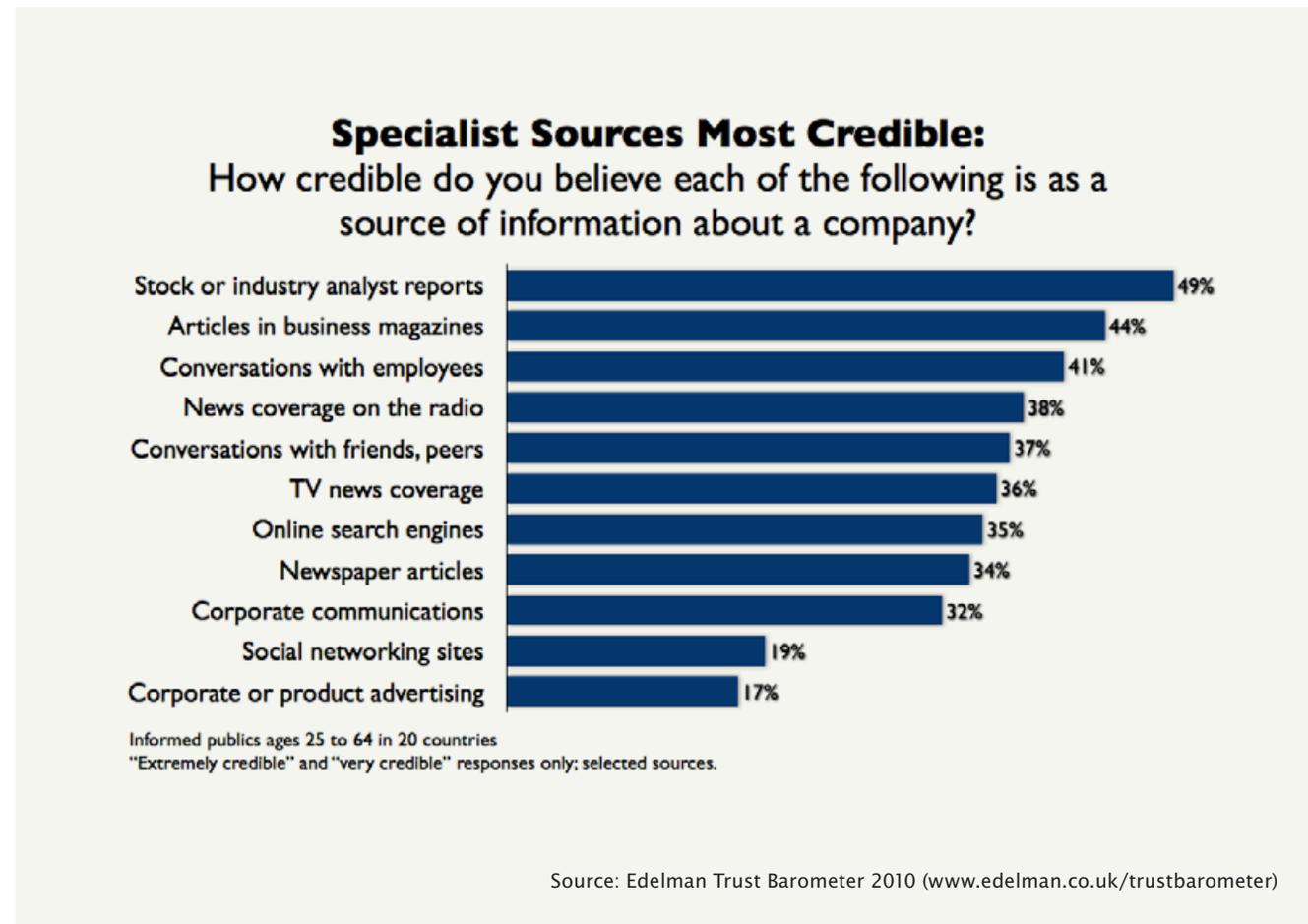
That may have been the winning strategy of the 20th Century, but not any more. In 2006 Chris Anderson, in his influential book *The Long Tail*, argued that technology was fundamentally changing the way companies do business and how they are viewed by their customers. To quote Chris:

We're entering an era of radical change for marketers. Faith in advertising and the institutions that pay for it is waning, while faith in individuals is on the rise. Peers trust peers.

This is borne out by many surveys. An influential one from Edelman, a global PR firm, in 2009 and 2010 showed that trust in companies' communications is going down and competition for our attention is going up.

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Their survey found that the most trusted information from a company comes from the following areas:



All of these things present huge challenges to the way that we currently do business. It questions the way that companies find, engage and communicate with their marketplace, as well as calling into question the traditional methods for marketing and growing our businesses.

So, let's look at the overall situation of our changing market place:

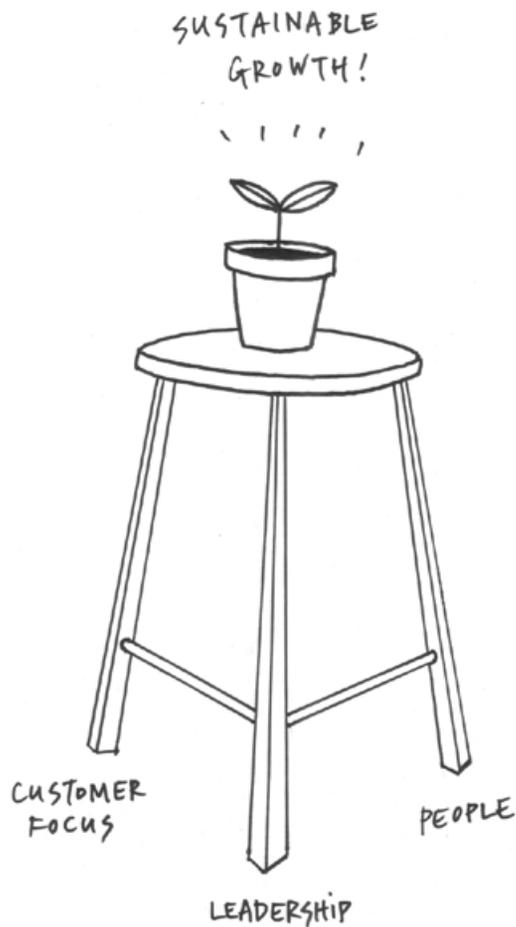
- The effectiveness of traditional marketing methods is going down.
- Trust in company and brand communications is going down.
- The voice of the customer is being amplified by the use of new technology, the internet and social media.
- Service levels seem to be going down, or is it that we are demanding more?
- Competition is ever increasing.
- Despite the data, companies are still largely customer acquisition focused due to an over-riding focus on short-term results and bonuses.

However, in the face of such compelling data and a changing marketplace, why are companies not changing their ways to ones that are dedicated to pursue sustainable growth or, what Reichheld called good profits?

I think there are a number of reasons:

1. Traditional marketing methods and their supporting departments are deeply embedded in our existing business modus operandi.
2. There are deep cultural, behavioural, management, leadership and knowledge barriers to change.
3. There is too much focus on short-term markets, results, announcements and bonuses rather than on longer term sustainable growth and customer relationships.

So what next?



While the challenges may look tall and the road long, I believe the objective is eminently achievable. It will take leadership, vision, teamwork and guts to overcome these challenges, but it is an objective that I believe we should strive for.

Now, while many companies talk a good game of being customer focused, in real terms they are just talking good strategy but not delivering on the ground. I believe this is due to the fact that all good, sustainable growth strategies are enabled by three things: Customer Focus People and Leadership.

Before going further, let me define what I mean by each area:

1. **Customer Focus** is all about ideas and strategies that will help companies build customer retention, loyalty, service, experience and their brand. If you do these things correctly, referrals and great word of mouth will flow naturally.
2. **People** is about ways to help build the team and culture, develop innovation, improve communication and increase engagement with employees.
3. **Leadership** is about how to develop vision, strategy, and leadership style, while also cultivating innovation and managing the change that you will need to create the sustainable business that you want.

Good, sustainable growth strategies
are enabled by three things:
Customer Focus, People and Leadership.

The ABC Building Blocks

That's all very well and good, I hear you say. But, where do we start?

Well, let me tell you about a conversation I was having the other day where I was asked the same question.

I was talking to a roomful of business owners about growing their businesses through their customers and better service, and during the presentation we talked about the changing nature of doing business and the number of reasons why customers leave. According to my research, one of the main reasons that customers leave is not due to price and quality issues, but due to poor service or a perceived indifference on the part of the companies to them, i.e., their customers didn't think they cared enough about doing business with them.

In order to manage this I suggested that businesses should pay more attention to their customers and build better relationships with them if they wanted them to stick around for longer. Simple stuff, right?

Then, someone spoke up and said that while they understood the reasons they should be building better relationships with their customers, they didn't quite get how they could do it. Now, the how would have to depend on a number of factors, including their type of business, their customers, and the sort of relationship that they want to build. But I can say that I believe that if every business was to go back to basics, the ABC's of building relationships both internally and externally, and operate under some simple basic principles, then I would wager they'd see a marked improvement in service levels and customer retention and loyalty.

Here are some very basic principles that we get taught growing up as children, ones that we often lose sight of when we grow up and enter the world of business.

Those principles are

- 1. Be more courteous/polite towards each other.** I think there is truth in the saying “manners maketh the man” and that we all like to be treated with courtesy and politeness. Even in the age of the “Me generation,” this type of treatment still stands out. Also, it’d make your Mum proud.
- 2. Give everyone your respect.** Whether someone is your customer, a potential customer, a teammate, superior or subordinate, giving someone your respect is one of the highest honors that you can give someone and it can bring out the best in them.
- 3. Do the things that you say you will do when you say you will do them.** I think we all like reliability and trustworthiness. Even if that means saying you will call back and you can only do so with bad news, at least the person on the other end of the line knows where they stand. In the absence of information the mind can do funny things and can tend to make stuff up that’s worse than the bad news.
- 4. Be more punctual.** This is quite a personal one, but one that I think deserves a mention, as time is one of our most precious resources and seems to be becoming more and more precious. So respecting someone’s time and making sure something happens when it is supposed to can speak volumes about how much you care about and respect the other person’s time.
- 5. Be honest.** I believe that most people just want others to be straight with them. Trust us and tell us the truth. Most of the time we can handle it. Even if we can’t handle it or it upsets us, we’ll respect you for being honest with us.
- 6. Be open.** Great ideas can come from anywhere and we do our customers, our people, and ourselves a great disservice by not building our businesses on this principle. This is probably one of the hardest principles to put into practice as it can go against many business and corporate control structures, but if you have the courage to pursue a set of relationships that are receptive to new ideas and arguments, it is a great way to build trust and drive creativity, innovation and productivity.

I would argue that each of these on their own cannot be argued against. Put together and implemented I think they become a powerful foundation for better relationships with our people and our customers. They are the cultural building blocks of a RARE Business.

This all sounds too simple, I hear you say.

Perhaps.

But as in life and nature, we know that sometimes the simplest solutions are often the best.

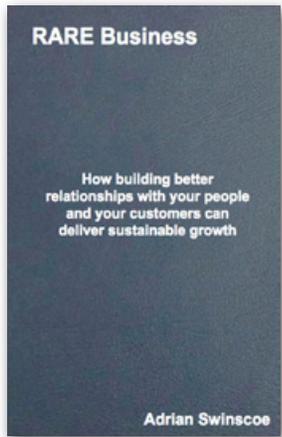
Is it easy to build this type of culture?

No, not always. It will depend on you as a leader, the business you are in, the relationships that you have with your team and with your customers.

Is it worth it? Definitely!

Just imagine if every business, or maybe just even the ones that care enough to make a difference, made a 1%, 5% or even a 10% improvement in the areas that I mentioned above. Then I believe that would put them head and shoulders above most of their competitors and, at the same time, create great places to work. Just think of the benefits for customer retention, customer loyalty, word of mouth marketing, referrals, employee retention and your ability to attract the right sort of talent for your business.

And, it may even change the world into a better place. 🌍



BUY THE BOOK

Get more details or buy a copy of Adrian Swinscoe's [*RARE Business*](#).

ABOUT THE AUTHOR

Adrian Swinscoe is an author, speaker and consultant. He helps companies large and small “fix the holes in their buckets” by developing and implementing customer-focused, sustainable growth strategies. His latest book, *RARE Business*, is a straightforward and practical guide to building a more sustainable business in these challenging times. Further, it has been designed in a hybrid book/notebook style that makes the content both bite-sized and more engaging than regular business books. You can find out more about Adrian and catch up with more customer retention tips and strategies on his blog at adrianswinscoe.com.

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