

Focus on Your Customers' Success: Strategies for Retaining B2B Customers in Turbulent Economic Times

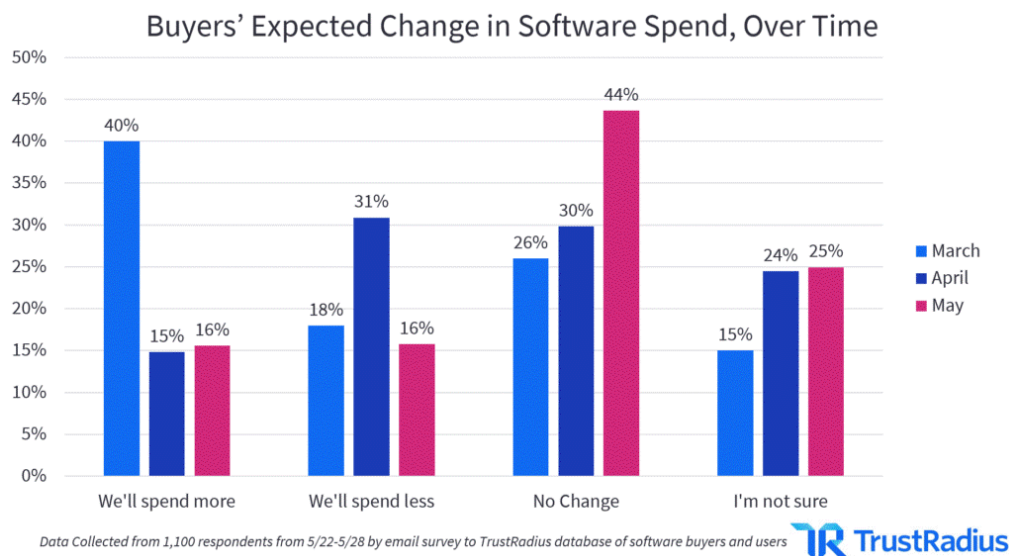
Robert Johnson - July 1, 2020



This decade has begun with economic uncertainty. From COVID-19 to political and social movements, businesses of all types have been impacted by these events resulting in major fluctuations in consumer trust.

Research indicates that companies geared up for a spike in churn during Q2, and while it has proven to be not quite as dramatic as they thought, increasing retention and reducing churn or downsell is a top priority going into the second half of 2020, according to a [recent industry survey](#) of CXOs. This proves particularly important with B2B (business-to-business) relationships using an MRR (monthly recurring revenue) model since those customers tend to be higher value, thus more critical to retain. The buying cycle is typically longer as well, which makes it more difficult to fill a revenue gap if a customer is lost.

There is an indication that the intent to purchase B2B software might be settling out according to a recent survey by TrustRadius.



Not all businesses are freezing spending. A recent [report by McKinsey & Company](#) indicates that some are *increasing* spend, offering hope that acquiring new customers now is still possible.

This article explores strategies to build stronger B2B post-sale relationships with new customers to create a strong foundation for moving forward even during uncertain economic times, and how to retain current, even long-term customers when the going gets rough.

Build stronger relationships with new customers

How can you get off on the right foot with new customers?

Assure the customer that they made the right choice

Even as the ink dries on the contract, it's time to begin preparing a newly-cemented customer relationship for success. To make a customer feel like the choice was the right move, get started on a positive note. Maybe there's a hurdle that matters to them such as implementing a software integration and an engineer can help get that set up in a day or two. What might seem a small gesture to your team can be a big win in the eyes of the new customer, reaffirming that they made the right choice to work with you.

Provide excellent onboarding to a larger audience

In uncertain economic times, training more people than less is a good idea, even if it takes a little more time. Spread out all of the information from training and onboarding among a larger group. This way if one contact

leaves the company, there are others with knowledge of your solution or product at the customer level who can pick up the relationship and keep going. The more advocates that see the value in your solution, the less likely that any doubt will sneak in.

For example, a San Francisco-based logistics company with locations across the country was adopting our B2B customer support software solution. The users, who mainly dealt with warehousing and inventory, were not as proficient with using technology systems in their day-to-day operations as in other industries. We sent an onboarding specialist to the San Francisco facility to do training and onboarding with the power users, who were then able to train users at other locations. The investment helped demonstrate our commitment to the customer's success, getting the company off to a good start with a solid understanding of how to use their new system.

Be flexible with the terms of agreement

Just because the customer signed a two-year contract a month ago doesn't mean that this has to be an ironclad document. For example, maybe the customer signed up for 20 seats with your software, but after onboarding they need to downsize to 15 for a few months due to economic reasons. When the potential spend over the life of the customer will reach into the thousands or even tens of thousands, foregoing a few hundred dollars demonstrates that you value the long-term relationship.

Be readily available for consultations and check-in conversations

This is more of a general strategy and becomes particularly important when customers are uncertain about their future and the future of the companies they are doing business with. Tell new customers you're available to chat on a wide array of topics, including your company's strategies for working in times of economic instability. If sincere, this tactic will only help to strengthen the relationship you are building with a new customer. It also helps solidify you as a true business partner, rather than simply the transactional vendor-customer scenario.

It's also a smart business strategy. Gallup [research](#) found companies that engage their B2B customers by "becoming a trusted adviser" and "delivering customer impact" see 50% higher revenue/sales, 34% higher profitability, and 63% lower customer attrition.

Maintaining relationships with established customers

In an uncertain economic environment it is easy to focus on how to win new business when it seems that no potential customer wants or is too afraid to buy—especially in the monthly recurring subscription model, such as with many SaaS (software-as-a-service) firms. But don't neglect current customers or assume that because someone has a longstanding relationship with your firm that it will continue in turbulent times.

It can be difficult to pinpoint exactly which businesses will be impacted the most and to what level they will need to alter budgets. One respondent to the aforementioned CXO industry study voices the concerns of their peers,

“We believe that Q3 and Q4 will have the most pressure for downsell as budgets are reset based on COVID-19 FY21 revenue impact. With increased customer focus on budgets, the results have been smaller (10-20k) downsells that add up quickly.”

Here are some strategies for working with current B2B customers during uncertain economic times:

Reach out and check in on each customer

Every company is different, and it may have been a week, a month, a quarter, or even a year since you have spoken to a specific customer. After all, some customers contact you frequently with various questions or issues or are willing to speak up more than others.

Similar to how you would reach out to new customers, take time to contact each established B2B customer individually and make yourself available to chat on a wide array of topics, including your company's strategies for dealing with economic instability. Remind them of the tools and resources available to their customer support agents. Start with the ones that you haven't spoken to for the longest time. This can be a heavy lift for companies with hundreds or even thousands of customers, so divide and conquer as needed.

Reassure customers of the health of your own company

One way to go about this is setting up some time with certain customers to promote your own employee metrics, financial stability, and industry recognition. The transparency of some of these metrics will depend on whether a firm is privately held or publicly traded.

Avoid coming off as reselling the customer on your business. Instead, approach the conversation from a stance of confidence and stability. Having an executive sit in on conversations as needed to share their thoughts provides added affirmation.

Check in more often than usual and prioritize communication

If your customer success team was only providing quarterly updates, move them temporarily to a monthly basis with customers you identify as at-risk of churn. Ensure the relationship remains strong and offer to go the extra mile to help in these unique situations. For example, if a customer is frustrated because their resources have become limited resulting in an inability to do certain projects or tasks, such as administrative configurations in your system, offer to set up a short call and make these changes for them.

Work together to find creative financial solutions

The last thing any business wants is for a good customer to leave because they have hit a rough patch financially due to unforeseen circumstances. Instead of saying goodbye, come to the table with flexible solutions to allow them a few months to get their finances in a better place. If a customer is asking for a price break, see if they are interested in reciprocating by serving as a voice of a customer in a webinar, online event spotlight, customer testimonials, and more.

This type of reciprocal arrangement will feel more like a collaboration and may even reignite a stale B2B relationship.

Uncertainty and frustration with the economy doesn't mean you should transfer these feelings over to your existing B2B customer relationships. Be the rock your customers can rely on and work with them to create avenues of mutual success.

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Robert C. Johnson is the co-founder and CEO of TeamSupport, a cloud-based B2B software application built to help customer-facing support teams serve clients better through stronger collaboration, superior teamwork, and faster issue resolution. A seasoned executive and entrepreneur who has founded and invested in numerous software and high-tech companies, Robert's industry experience as a business leader and a customer inspired him to create TeamSupport to give support desk teams the tools and best practices to enhance customer loyalty and positively impact product sales.

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