

THE
10
COMMANDMENTS
OF CLIENT
APPRECIATION

THOU SHALT CREATE LOYALTY

A STEP-BY-STEP GUIDE TO NO.1 POSITION

Foreword by Michael Stillwell

DARRELL HARDIDGE

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Dedication

There are those who step up to be counted. These are the leaders; they take risks while others stand on the sidelines. Observers play it safe while leaders move forward where no path exists. Leaders understand that client appreciation is the future; they discard client satisfaction. Why? Satisfied clients are prone to defect; appreciative clients have a higher probability of remaining loyal.

This book is dedicated to the great leaders. Those who believe in going beyond the competition and making a stand for their reputation and commitment by showing the way. Never lose sight or belief that going the extra mile isn't worth the journey, it always is.

Trust in your values and intuition. Being of service to your clients will always be appreciated and rewarded.

Acknowledgements

To my awesome team at [Saguity](#). I am continually amazed at how we keep getting better. Your belief in our mission and values to educate the world on the benefits of mastering client appreciation is what drives our innovation and discovery. I am so grateful for your commitment.

To our clients who place enormous trust in our integrity. We will never stop finding ways to innovate and implement your market-leading edge.

To the special few who have been so generous with your time and patience. Your commitment and support with reviewing the manuscript is greatly appreciated.

To Michael Stillwell and Steve Psaradellis, thanks again for being such a positive disturbance with this manuscript. Your insight and ideas are always so valuable and powerful.

To Sue, thank you for being my greatest support and for your extraordinary patience and belief in this new discovery. Together we are better.

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ABOUT THE AUTHOR

Foreword

Today, business leaders are faced with fast-changing markets, ever-tightening budgets, and customers who demand ever-increasing levels of satisfaction. Given these challenges, where do manufacturers, retailers and professional service providers turn for effective measurement, helpful insights and wisdom?

In our monthly CEO Institute syndicate meetings, members constantly grapple with issues and topics focusing on people management, systems, processes and business structures accompanied by regular discussions around the challenge of effective and productive business development strategies and tactics. Once again, the question is ‘Where do we turn to for insights?’

Like Moses descending from Mount Sinai with two carved stone tablets providing guidance to the masses on how to live better lives, perhaps we can look to Darrell’s book for insights on how to effectively measure and understand Client Appreciation. It enables us to understand how to create a real and enduring sense of loyalty amongst our clients to build strong and lasting repeat and referral bases, and to develop step-by-step strategies to drive our businesses to the number one positions in our chosen markets.

From our perspective as business owners, Darrell’s methodology provided our family business with greater insights into the client experience journey — how each of the touchpoints throughout that journey contribute to the overall client experience, level of satisfaction and appreciation. We gained an understanding of what we do that keeps clients coming back and referring friends and colleagues to us for their vehicle purchases and servicing requirements. It also gave us insights into the where and how we sometimes get it horribly wrong, and the damaging consequences that such actions inevitably generate.

For larger businesses, especially those operating from multiple sites and locations, Darrell provides a methodology and insights into how we might utilise client research and responses to understand our outliers, our high-performing achievers who demonstrate consistent levels of client experience

and retention. You don't need to be told that extreme client loyalty of this magnitude drives consistently high levels of sales performance and business profitability. Knowing who our outliers are and the behaviours that they demonstrate provides a benchmark to lift the balance of our business up to. That has certainly been our experience and is mirrored through Darrell's research and experience with [Saguity's](#) long-term and appreciative clients.

I commend Darrell's book to you. The approach articulated will challenge traditional concepts and thinking around client appreciation measures and methodologies. However, the proof is in the outcomes — our business, like many of [Saguity's](#) clients, has improved from the experience.

Michael Stillwell

Chairman Stillwell Motor Group, CEO Institute Syndicate Chairman

Chapter 1

Introduction

A scroll with a grey, textured border and a white center. The scroll is unrolled at the top and bottom, with the sides showing a rough, torn edge. The text is centered on the white background.

INTRODUCTION

YOU MUST KNOW THE
10 COMMANDMENTS
TO OPTIMISE
YOUR SUCCESS.

Who are the people in your life you truly appreciate? How important are they to you? Consider the significance they have been in some of your critical decisions.

Who are the people in your life that you are just satisfied with? Are these people significant in your day-to-day success? How do they differ to the ones you truly appreciate?

The people we appreciate are highly relevant to us. Their existence makes our life better, more meaningful and we have a heart connection to them. The people we are just satisfied with are not so significant. They haven't done anything wrong; it's just more of a head connection. They're not a vital part of our day to day activities; if you didn't see them for a while, it wouldn't bother you.

Business is the same. We deal with businesses we appreciate and businesses we are satisfied with. The 10 Commandments of Client Appreciation are about understanding the emotional connection businesses have to their market. It's also a 'how to' book to ensure all business processes operate in such a way to guarantee client appreciation.

You are holding the proven methods of mastering client appreciation as practised by leading companies and rated by their market. This book is the bible of client experience appreciation. With over half a million real-time client experience interviews conducted by my company, [Saguity](#), we thought it was time to share the results with a wider audience.

While many businesses strive for satisfaction, those reaching for appreciation are experiencing extreme client loyalty, client referrals and repeat spending. It isn't luck or the economy to credit for leading businesses being where they are. It is carefully engineered processes covering all parts of the operation that are geared towards achieving client appreciation. The 10 Commandments of Client Appreciation are for every business and are the foundations for fostering an appreciative client base.

Upon hearing I was planning to share these commandments publicly, there was some concern within my circle. Some people in my own life said, 'Why

would you do that? Why not keep it for your clients exclusively to have a point of difference.’

I was surprised by this reaction at first, but they were forgetting the one critical factor that’s not present in this book.

There’s a distinction that’s missing here that we can’t help you with; you either have it or you don’t. It can’t be taught, yet all leading businesses have it.

The distinction is: Your drive and desire to enhance yourself and your business in every respect to operate at an optimal level to be No.1.

The path to market dominance is never made by those who accept the status quo or who are content with ‘satisfied’. Only those with drive and desire even attempt it. With the commandments in this handbook, the path is clear; it’s in a series of foundations that you are holding in your hand *right now*.

How do we know this works? The results speak for themselves; our clients are leading in their respective industries. We discovered a predictable pattern that, when followed, will produce profound results in a company’s bottom line.

The size or form of your business doesn’t matter — single location, franchise, dealership, multiple site, large sales team or small. This book is highly relevant to every company.

Essentially, by following a very precise and strategic protocol, we have a process of understanding WHY clients act the way they do in regard to their loyalty.

We have the privilege of interviewing on behalf of the best businesses in Australia — companies that have defined themselves on who they are rather than what they do.

From our research, we know these great businesses implement a combination of business distinctions (The 10 Commandments of Client Appreciation). They are consistently being innovated and reviewed. This pursuit of

optimising client experience is what keeps them No.1.

Unless you innovate and work on connecting with your market, *you'll suffer during the shift in client experience disruption that's occurring now*. There is more change happening in the way you can connect with your market than ever before. The few points of difference left to any business are in *their client experience process*.

Leading companies know this and are acting differently. They are asking better questions and using experts to help them understand and design their client experience process. They invest in high-quality research and powerful analytics to help them better understand their market. They do not use generic online survey tools that blast their clients with spam emails and annoying SMSs. They understand the importance of mastering client experience and the critical role CX plays in their business.

They understand the need to uniquely define their market relevance and how-to optimise their heart connection to their market. They measure their success by client appreciation.

If you believe engagement with your market is critical to your success and you wish to operate above your competitors and enjoy the fruits of client relevance and extreme loyalty, congratulations — you now have the bible to get there, and we look forward to supporting you on your journey to greatness.

**Different isn't always better, but better
is always different.**

The 10 Commandments of Client Appreciation teach you how to be both better and different.

Chapter 4

Commandment III

PLAN THE FIRST 15%

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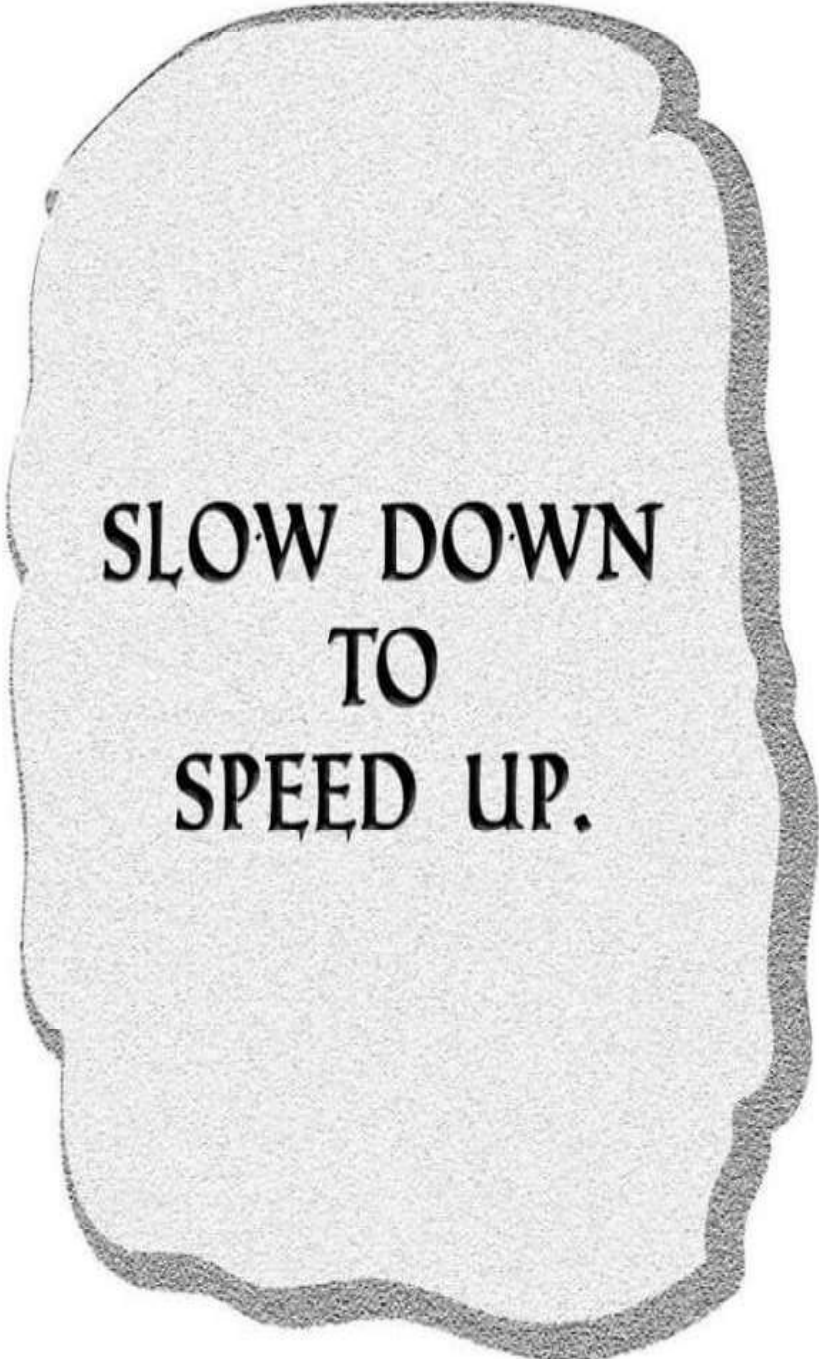
COMMANDMENT
III

PLAN THE
1ST 15%

THOU SHALT SLOW
DOWN TO SPEED UP

Planning the first 15% will cause great disturbance and despair for some. It will have you unpack so many parts of your business that some of you won't know where to start. For those who have their touchpoints well documented and honed, this will take your process to the next level.

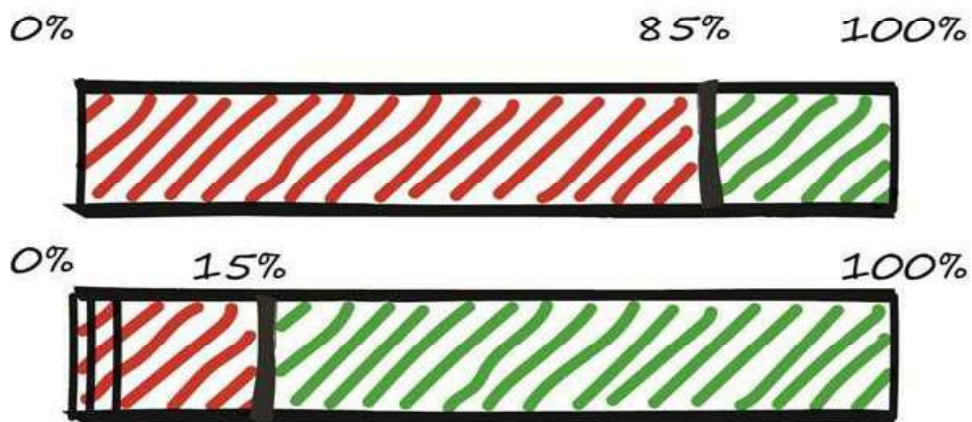
The commandment of the first 15% was developed by Dr W Edwards Deming, the founder of the quality systems we use in everyday life like Six Sigma, Lean Manufacturing and the Just-In-Time (JIT) process. Dr Deming was the founder of the Japanese standard of quality. He developed the quality systems for Toyota, Cannon and Honda, to name a few. The highest business award you can win in Japan is the Deming Prize for excellence. Dr Deming is known as the ninth hidden turning point in world history. His innovations have impacted our day-to-day world to an extraordinary degree (search W Edwards Deming to learn about his impact on the world).



**SLOW DOWN
TO
SPEED UP.**

This commandment is also known as 'the first 15% process'. From the many thousands of people I have presented to, this commandment hits hard for some and permanently changes the way they think about their business. The following diagram has two pathways to 100% completion. One has the first 85% in the red and the last 15% in the green; the other has the opposite. They both relate to exactly the same project. The defining difference is the approach to the planning and the thinking of optimal effectiveness within the first 15%. We see this a lot when we look at data where companies have multiple sites or dealerships/franchises to coordinate. This commandment defines the issues that many have around service standards and have not previously seen the problem. Get the first 15% right and the remaining 85% will follow the pattern. If you don't, then the first 85% will be full of waste and the last 15% will hopefully work.

The 1st 15%



Must get the
1st 15% correct

Slow Down
to
Speed Up

The easiest way to describe this process is to think about your own experiences. Think about a project that went really bad. It caused major stress, upset and a cost overrun. It's the one you wish had never happened. Yet the truth is, it was a defining moment and a great lesson for you (if you choose to see it that way).

Think back from the 100% point and unpack what happened. There will be significant errors that occurred along the way. Maybe at the 65% mark you realised you didn't have the resources you needed to deliver the timeline; or at the 40% mark you could see there was a budget blowout coming. At the 30% mark, the planning was wrong with suppliers, or at the 20% mark your team weren't briefed properly, etc. It's possible to unpack this project and determine where the errors were made. If you had to do it again, you would do it differently. Perhaps you realised you should never have done it in the first place as it was beyond your capabilities. This situation is often what sends companies broke.

Now think about your greatest project. One that you wish you can replicate and is often the benchmark used for the ideal scenario. I bet you can unpack this from 100%, and as you mark 80%-60%-40%-20%, you will confirm it was all on track and well-coordinated with very tight communication. This may even reflect the skills of key people and suppliers who created the result.

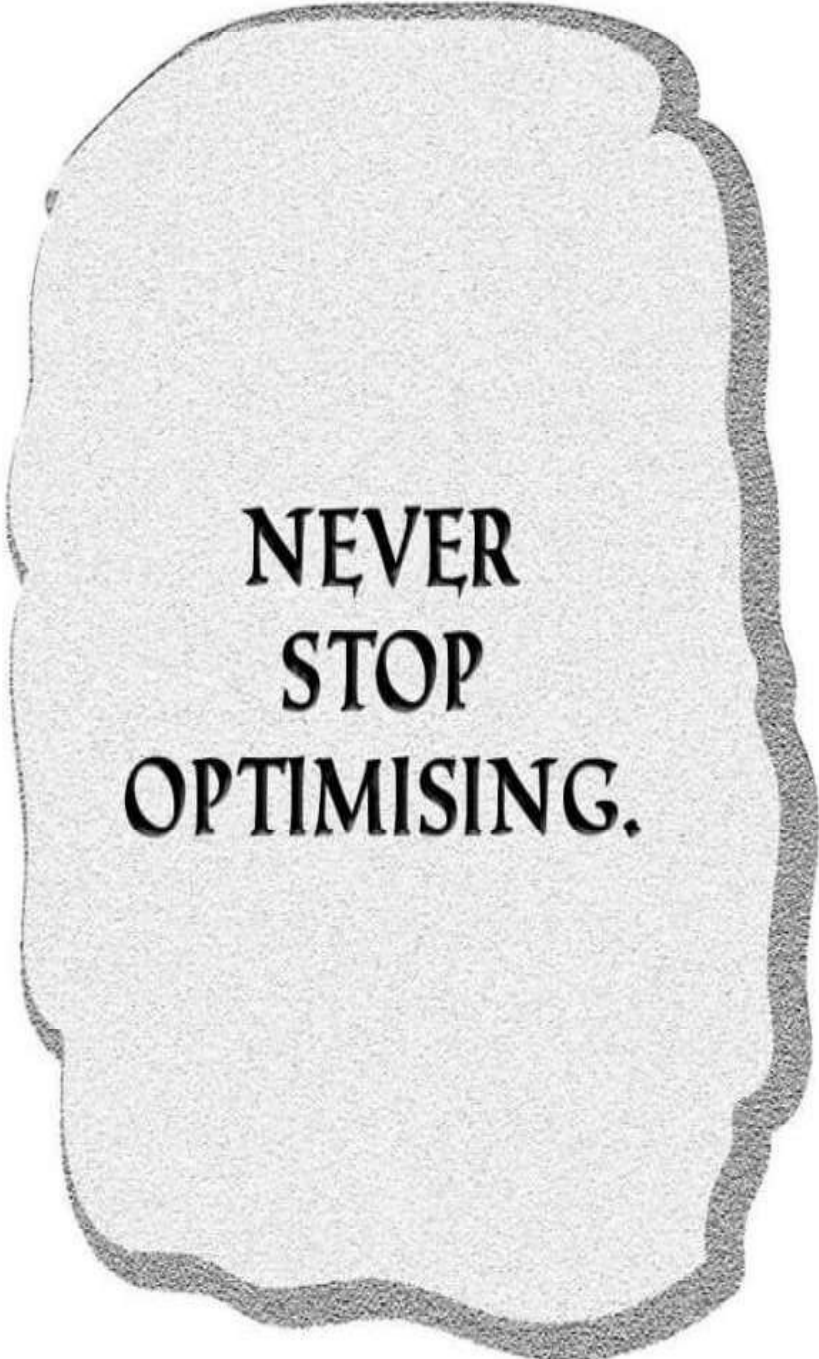
What really made it work? Discuss this with your team and you will find that by the 15% mark of the project, it was all coordinated and planned in detail. Everyone knew their responsibilities, suppliers were confirmed, clients were updated and educated. When things went off track they were quickly corrected; everyone was highly focused on their role and project updates were constant. Am I correct? This is what the first 15% is all about: getting the first 15% right will ensure the 85% follows easily. It is making sure your project is planned and time-lined.

Fifteen per cent still has a lot of waste, and No.1 companies know how to go two levels deeper. Apple don't make 100,000 iPhones and throw out 15,000 of them. Dr Deming had two further steps that defined this principle to a deeper level. The first 15% of the first 15%, which equals the first 2.25% of

the project. This must be identified to ensure the 15% mark is totally predictable and on track. This breaks the project down even further to the structures that support the essential parts.

Getting the first 15% right is like seeing this point at the 100% mark and then breaking it down again. This may sound complex but it's pretty simple if you get your team together and work on it. Make it visual on flip charts with post-it notes and map out all the steps. What would have to be done at the 15% mark to ensure the next 85% just works.

When you have this completed, start again at the initial 15% mark and work out what the steps would be to have all this sorted at 2.25%. You will be amazed at what you identify — all the simple things that when left out become big things later. These are always costly and ultimately impacting your CX process.



**NEVER
STOP
OPTIMISING.**

There is another step in the Deming process where precision is achieved in major manufacturing operations. It's the first 15% of the first 15% of the first 15%, which equals the first 0.34% of the project. Seems hard to grasp. For example, this means 340 iPhones out of 100,000 would be discarded. This is where the highest levels of process operate. Aviation is an incredible example. There are literally thousands of flights daily, yet rarely is there a fault. Qantas Airlines apply this principle even tighter, they have the highest safety record and have never had a death from a crash. This proves the principle of checking and re-checking with the correct process. However, the first thing to master is the actual process and then manage it.

Where do you think one of the first areas a company will cut costs that impacts the first 15% in their business? Their Client Experience process. They cut labour and reduce costs of delivery, and take the human relationships out of their CX process. It doesn't show up for a while but when it does, it's like turning a big ship. Sometimes this poorly thought out strategy (usually made by people who just focus on number crunching) cannot be resolved as it's too late and many clients have left for good.

A key reason this goes unnoticed until it's too late is because the KPIs are incorrectly represented. Very few companies have the correct metric for measuring CX and client retention. Most use financials which reflect the history of the business and are not a measurement of client retention. It's like driving your business forward while only looking in your rear-view mirror. **You must have a metric that measures the future intentions of your clients. This way you get to test the impact of your current internal operations on CX.**

[Saguity's](#) 'Client Appreciation Index' (CAI™) produces a KPI that measures your current CX and scores it on a scale of 10/10. We measure repeat business, referrals, value for money, wallet share with competitors, your competitors' scores, your heart drivers (emotional connection), your head drivers (business processes), and how you manage significant requests, to name a few. Anywhere you score 0 to 8 out of 10, we go three levels deep (first 15% of the first 15% of the first 15%). We can clearly define what you missed in your CX process, what the No.1 area of service variation is, and the

impact this has on your market. When we talk about understanding your CX and its impact on your market, this is what we mean.

Online, SMS and paper-based surveys will never give you the precise data you need to define your CX process to the No.1 position. It will tell you a whole lot of **what** but it will never tell you **why**.

This is the secret weapon No.1 companies have over their market — they are using the right metrics to know the WHY.