

SMALL TALK

Some business owners say no to customers and even fire them

The Associated Press

The idea of saying no to a customer or client may seem unthinkable for a new small-business owner. Turn down business? Get rid of a big account?

Yes, say veterans who have learned that trying to take care of a difficult customer or one whose needs don't mesh with those of the business can be costly in terms of money, stomach lining and future revenues.

Business owners often turn down a client or customer request, or even take the more drastic step of ending a business relationship, because the customer is too demanding given the size of the project or contract.

Abusive behavior toward an owner or his staff is another reason. And sometimes, it's because a business has to be honest and say the company just can't do the work that the customer wants, and so maybe it would be better for the customer to go elsewhere.

Chris Carmon, chief executive officer of the executive recruiter The Carmon Group Inc., said owners and also employees need to consider not only the revenue that a client can bring in now, but the overall impact this account will have on the company.

"People see a big company name or the ability to generate revenue in the short term and they jump on that bandwagon," said Carmon, whose company is in Independence, Ohio. "Great sales people are the ones who see how that will impact them not just now but in the future."

For example, will trying to serve one customer's needs distract the owner and other employees from developing other business or serving other customers? Or, Carmon noted, sometimes the problem is that the customer needs something from a company that it's

just not set up to handle.

"We've had to discuss this with the client," he said. "It's a difficult conversation to say, 'This is not a good fit for us, and this is why.'"

But Carmon said having to tell a client no in such a situation is more likely to turn out to be positive in the end.

"The business has grown dramatically because we have the better client base that fits us," he said.

And, some of these clients, appreciating the fact that his company didn't want to deliver unsatisfactory service, came back later when they had other projects more suited to his line of work.

Business owners agreed that saying no or firing a client is hard to do. But Michael Frenkel, owner of MFC PR in New York, said a little perspective is called for.

"It's not the last client on earth and there's something to be said for peace of mind at the end of the day," he said. "It helps to take a step back and say, there are more clients around the corner."

Frenkel has ended relationships with clients who were verbally abusive, and when a customer's demands escalated to the point where the contract was going to hurt the rest of his business.

"It's not fair to you and it's not fair to your other clients," he said.

Some business owners don't wait until there's a problem to broach the idea of this isn't working.

Mike Paul, president of New York-based MGP & Associates, included a clause in his public-relations firm's contracts that allows him to cancel the deal if he feels the client isn't working out.

If he doesn't get the cooperation he needs from a client, he said, "I don't care if a million dollars is on the table, I'll walk away."