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SBDC-SCORE Start-up and Business Planning Workshops The Ultimate Client Satisfaction Question

“*The Ultimate Question*” of client satisfaction, according to the new book of the same name by Fred Reichhold, renowned business consultant of Bain & Company, is the “would recommend” question. It is simplicity itself: “How likely is it that you would recommend this company to a friend or colleague?” The metric it produces is the Net Promoter Score (NPS).

NPS is based on the fundamental principal that every company’s customers or clients can be divided into three categories: *Promoters* are loyal enthusiasts who keep buying from a company and urge their friends to do the same, *Passives* are satisfied but unenthusiastic customers who can be easily wooed by the competition, and *Detractors* are unhappy customers who will “bad mouth” your products and services.

On a scale of zero to ten, those who answer the “would recommend” question as a 10 or 9 are promoters, 8 or 7 are passives and 6 to 0 are detractors. The NPS is the percentage of customers who are promoters (P) less the percentage who are detractors (D). Thus, $NPS = P - D$.

Net Promoter Scores are different from conventional measures of customer satisfaction that tend to be long-winded, complex and increasingly irrelevant. Not only is the NPS score a simpler, more easily understood, and more actionable measure than other customer-satisfaction ratings; it also has been linked directly to the economics of business growth.

Jeff Immelt, chairman and CEO of General Electric, said in the 2005 company management conference, “This is the best customer-relationship metric I’ve ever seen.” GE uses it in all 500+ of its worldwide business units.

Other champions are those with the most efficient business growth engines—companies such as Amazon.com, eBay, Costco, Vanguard, Dell, Harley-Davidson, and FedEx. They operate at NPS ratings of about 50% to 80%. In other words, promoters barely outnumber detractors. Many firms, and some entire industries, have negative NPS ratings, meaning they are constantly creating more detractors than promoters.

“The average firm sputters along at an NPS efficiency of only 5% to 10%. “

New Workshop Series Scores High Satisfaction

The partnership of the Kutztown University Small Business Development Center (SBDC) and Eastern Pennsylvania SCORE “Counselors to America’s Small Business” chapters have reinvented their popular workshops series and are now actively conducting this workshop series in your local market. SBDC-SCORE offer a low cost, six part workshop series, combined with free personalized counseling, covering the basics of how to start a business, personal assessment and business planning, coupled with one-on-one free counseling.

The first two segments of this workshop series show clients all the parts that need to come together to start a business and gives them a personal “readiness” assessment of their strengths as well as their areas for improvement in running a business.

The remaining four part workshop series gives the new startup owner the chance to get to a “Go--NO GO” decision on their business idea and provides them with the fundamentals of a business plan that they can use for management purposes and to approach banks and investors for funds. Also, this series gives existing business owners an opportunity to validate and see the financial impact of a new growth strategy, plus a business plan that will provide them with a direction for implementation.

The workshop process uses the latest methods for “adult learning.” The materials, including free software, are presented by the most experienced counselors for small businesses in the nation. Each series is backed by SCORE and SBDC counselors who have, collectively, over 1,000 years of experience. The Kutztown SBDC is considered by many to be the best SBDC for entrepreneurial educational services in the nation, and Eastern Pennsylvania SCORE is the premier small business seminar provider in the nation. All of these services are provided at only a minimum cost to cover material expense. The workshop resources and one-on-one counseling are provided FREE of charge.

Intrigued by the concept of NPS and following the close of the recent BP 4 workshop in Lancaster PA, I asked the client participants to write down on a slip of paper their answer to the question:

"On a scale of zero to 10, how likely is it that you would recommend our overall four part Business Planning Workshops series to your friends or colleagues?"

After they all wrote down their scores, I then explained the concept to them.

Our Net Promoter Score was 100%...!

Calculated like this:

Promoters: 20 people gave a 10 rating
6 people gave a 9 rating

Passively Satisfied: No one rated the series 8 or 7

Detractors: No one rated the series 6 to 0

Net Promoter Score = Promoters 100% less Detractors 0 = 100%

We are proud of our strong client satisfaction score.

Join us at a future SBDC-SCORE workshop series near you and let us help you pursue your entrepreneurial dream.

Lou Davenport
SBDC General Business Consultant
SCORE District Director-Eastern PA