

## Are Your Policies Hurting Your Business?

A customer's purchase is overcharged by \$10.00. The store policy is clear... "No cash refunds" so the sales associate refuses to issue the refund even though the mistake was hers. The customer was told he would have to accept a store credit or wait for a cheque to be issued by head office.

A customer wants to exchange a sale item she bought three hours earlier but the store policy states, "All sales are final." The employee adamantly refuses to exchange the item for the customer.

What is the likelihood that these customers will buy from those stores again? I think it would be safe to say they won't.

We all know that policies are instituted for a reason – to protect the company and reduce the risk and liability. However, in many situations, policies are put into place to manage a tiny portion of the business – people who look for ways to exploit your business or who try to get something for nothing. Unfortunately, these policies are designed to control the minority rather than the majority. And, as a customer, I highly doubt that you like being told, "That's our policy."

There is no question that some people will take advantage of liberal and flexibly policies. However, my experience has taught me that these individuals are far and few between.

Case in point; when I published my first book, I offered an unconditional money-back guarantee to anyone who did not feel the concepts would help them improve their business. My publisher was distraught about this decision, telling me that I was setting myself up to be taken advantage of. Later, I extended this policy to the products I started selling on-line. In the last four years I have sold over 7000 copies of my book and thousands of dollars of other products but I have only issued 2 refunds. Was the risk worth the reward? Absolutely!

In another situation, a participant in one of my public workshop expressed his disappointment because the program did not address his specific expectations even though full details of the program were provided before he registered. While I considered the possibility that he was trying to take advantage of me, I still offered a refund because it made good business sense.

The easier you make it for someone to do business with you, the more business they will generate, providing of course, you offer a good product at a fair price. I firmly believe that flexible policies can help a business increase their market share.

Here is something else to consider. When your policies change (which is not uncommon), don't force existing customers to adhere to the new policy immediately after it has been implemented. Give

them a grace period to help them adjust to the new procedures.

I also think it is important to give employees some latitude. I'm not suggesting that you allow everyone to make their own decision but I do know from experience that most people will make good business decisions if given the opportunity.

Many people are hesitant to do business with someone they have not purchased from in the past. And for good reason, they have been sold goods and services that have not lived up to their expectations. Reduce their concern and hesitation by making it easy and risk-free to buy from you.

One of my first clients expressed concern about doing business with an unknown vendor (me). When she asked what would happen if she wasn't satisfied with the program I was going to develop for her, I told her that she wouldn't pay. I even agreed to include this in my contract with her. Several years later, her company is still a client and I have since extended this policy to all new clients.

Another aspect to consider is the fine print you include in contracts. Why force your customers to review paragraph upon paragraph of text that can only be read with a magnifying glass. State your terms up front and believe that the more fine print you have, the more you are trying to hide from your customer.

I remember my wife talking to a computer company we were leasing from after we discovered that we had made two extra payments even though the lease had ended. She was told, "Your contract clearly states that you are responsible for contacting us to terminate the lease." I have also seen this type of clause for extended warranty programs. Some companies offer a rebate on the warranty if you do not use it. However, the caveats usually require the customer to submit the original receipt within 30 days of the warranty expiration.

Evaluate the policies you have implemented over the years and look at them from a customer's perspective. They may be costing you business.

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