



# Customer Relationship Assessment (the 5 Cs)

a One Page Business Briefing

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**MANY** organisations and particularly their salespeople, believe customer relationships are mostly a function of inter-personal relationships between the salesperson and the buyer. Whilst sales can fail if these two key players do not get on, their inter-personal dealings are only one element of a larger supplier-customer relationship, and over-reliance on this single link would be folly!

This approach applies even in 'retail' sales where retailers should always be considering strengthening relationships with key customers ... the banks call them high-value customers or clients.

This is the philosophy behind One-to-one Marketing (see articles at Peppers and Rogers [www.peppersandrogersgroup.com](http://www.peppersandrogersgroup.com)), who recognise that in both retail and commercial sales it costs 7-10 times as much to generate a new customer than it does to retain an existing one.

No-one knows this more than retailers, including Sainsbury's who use previous purchase data to individually tailor offers to every single loyal customer.

There are five key elements (I call them *The 5 Cs*) that should be regularly assessed to ensure high quality supplier-customer relationships with key customers:

- **Coverage:** How well do you and your customer know each other?

- **Communication:** What are your patterns of communication with your customer?
- **Consumption:** How much does the customer buy?
- **Collaboration:** How do you and your customer work together?

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- **Conditions:** How well are you performing for your customer?

Each of these elements can be explored in both quantitative and qualitative terms to assess the real strength of the relationship between a supplier and their key commercial

and/or high-value retail customers. It is a good idea to use some kind of standard assessment tool for this purpose to both facilitate the (often quite extensive) process and also to provide for comparison across customers.

You can make up your own assessment tool or download the **GMCL Customer Relationship Assessment template and spreadsheet tool** [[www.sales-assess.com/tools](http://www.sales-assess.com/tools)].

Customer Relationship Assessment can be quite a sizeable process but the rewards can be equally sizeable. In my experience, even the attempt by suppliers to better understand their customers by assessing the strength of the current relationship in such a way creates sufficient goodwill and communication to make the exercise worthwhile. Aim to do a thorough assessment of your 'key' top level customers and if necessary apply the principle on a more limited basis with lower level customers. **b**

