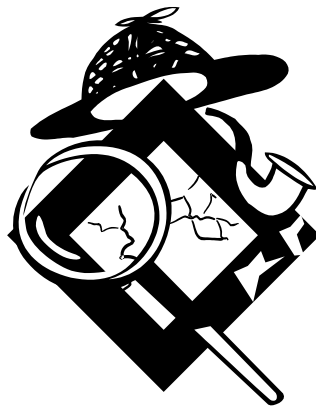


Customers Can Offer the Best Clues

Don't we wish we could know the future. Know when to buy, when to sell, when to hold 'em and when to fold 'em. We don't even need to know it all, just give us a clue here and there. But the reality is that clues are few and far between and it is up to us, each and every day, to search for the clues and try to piece the mysteries together.

As business owners, anticipating the future is a priority. Budgeting is a staple of a well managed business and doing a correct budget is based on a lot of assumptions about the future. We need to not only anticipate sales in dollars, but in type. Some businesses can respond to changes in customer's demands very quickly, but for others, the decision of what product to purchase or manufacture may be months and even years before the customer actually makes the purchase. The risk of having the wrong inventory is much higher when the lead time is long and the investment price is high.

So, how as a business, do we gather the clues that will let us anticipate the future. We can listen to the daily new, review the economic reports, watch for trends and trust in our suppliers. But really, the ultimate decision to purchase comes down to the customers. Maybe actually gathering the clues from them is the best way to address our mystery.



There are many tried and tested ways of gathering consumer opinion. How many times have you purchased an electronic item and had the registration card ask you what other products you may be interested in. How many times have you opened up a web page and had a consumer survey pop up.

These methods are excellent, but not necessarily utilized by our small businesses. Small business owners many times go more on instinct and trust. We trust that when we go to market, that the vendors know what will be hot. We trust that if we offer a big enough selection, the customer will be knocking on our door. Or we trust that because our competitor is doing something, that it must be right. Trust is great but can be very risky.

The best opportunity to gather data and understand our customer's needs is just by talking with them and documenting activity. I personally am a very conservative consumer. Early in December, I made the decision to purchase an item that would cost several hundred dollars. I was looking for a very low end, efficient version of the product that would fulfill my need, not the high-end, glamorous, does it all version. I found a suitable product at the right price on display at one store, but

when I ask to have one brought up to purchase, it was actually out of stock. The clerk was nice, but the store missed the target when it came to having the right product available. It happens.

I don't tell this story so much to lament my failed shopping trip, but to address the clues that this store failed to gather. I ask for a product, the clerk dutifully checked the stock room, returned with it unavailable. Helpful, but he gathered no clues that the store could use. The buyer for the store does not know that there was unmet demand, and probably does not know that the consumers are requesting that economy model more frequently than the deluxe. They only know what inventory is moving,

not what inventory is being requested.

There was no effort to find out if it could be back-ordered and still fulfill my need. There was no effort to find out why I had only shown interest in the one model. No policies for engaging a customer into discussion. Just the "Can I help you?" and "Sorry, that is unavailable."

So, the message here is to learn to engage your customer in a conversation that helps your business understand what they are looking for and why. Gather those clues. It doesn't have to be invasive, just showing an interest and strategically gathering information that lets your business know what the consumer is really looking for.

Then have a method established that gets all those clues pulled together. Have the employees write messages in a notebook, set up your computer software to document merchandise requests that could not be fulfilled, have staff meetings and involve everyone in solving the mystery. Certainly, we cannot read the crystal ball that tells all, but we can know our customers and target our inventory to the changes in their demand.

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