IT Glue

What is the **True Cost** of **Customer Loss?**

Hint: It's a lot more than you might think.

The cost of customer loss extends far beyond lost MRR. It causes a ripple effect throughout an organisation, negatively impacting cash flow, time, and resource optimisation. By understanding the four key pillars of effective customer retention, you can mitigate the significant impact customer turnover has on your business.

The Four Costs of Customer Loss

The true cost of customer loss is made up of four key cost factors: direct costs, acquisition costs, social costs, and operational costs.

Direct Costs

Direct costs encompass the impact a lost customer has on your revenue both now and in the future. It includes the often overlooked cost of lost potential account growth.

Acquisition Costs

Did you know that it costs up to 25X* more to acquire a new customer than to retain an existing one? Even if you replace each customer you lose, you significantly hinder your profit growth potential.

Social Costs

According to a Zendesk survey**, 95% of people share bad experiences with others, and 45% share those bad experiences over social media. Among those who share bad experiences, they tell an average of 5 people. So, a lost customer can quickly snowball into additional loss - both with your current and potential customer bases.

Operational Costs

When offboarding a lost customer, you need to ensure all property has been returned and client details are shared with the new provider. This operational cost comes after the point at which you'll receive no additional revenue; it's just deadweight cost.

*HBR, 2014, **Zendesk, 2013

IT Glue & the Four Pillars

So what's the answer for minimising customer loss? There are four crucial pillars for ensuring consistent customer satisfaction, and increased retention across your entire customer base.
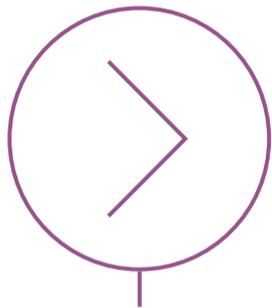
Action

It's important to take the right action at the right time.

1. Set expectations from the start to ensure you consistently deliver on your commitments.
2. Take preventative action to make sure your customers know the value you've delivered to them.
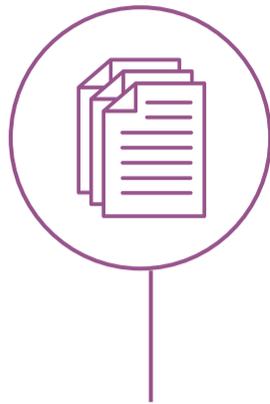
Information

*Document and monitor information.*

1. Ensure all relevant customer information is up-to-date and immediately accessible.
2. Establish processes for updating information checking for accuracy, and tracking amendments.
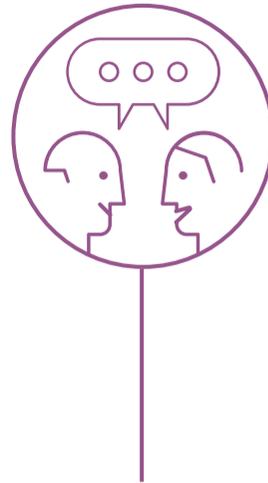
Communication

Be proactive, personal and regular with your customer communications.

1. Verify and reiterate your value.
2. Demonstrate the work that is going on 'behind the scenes' with summative, personal-ized communication of issues, risks and fixes.
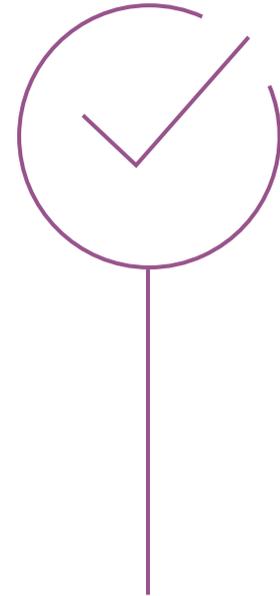
Resolution

Focus on issue resolution both internally and for the customer.

1. Make sure the right people are dealing with the right issues and every asset required for a swift response is readily available.
2. Enforce and practice a solution vs. problem oriented mindset.

IT Glue and the Four Pillars

How can IT Glue help you build the four pillars of customer retention? By bringing all of your information together in a secure and intuitive platform, IT Glue empowers your team to deliver the highest standard of service at a lower cost of provision.

Adopting IT Glue into your MSP allows you to reduce your time waste by up to 50% and reduce the true cost of customer loss through a number of key features:

- ✓ Asset Management
- ✓ Auditing & Version Control
- ✓ Dynamic Relationship Mapping
- ✓ Domain & SSL Tracking
- ✓ Flexible Asset Tracking
- ✓ Password Management
- ✓ SOPs
- ✓ 20+ PSA, RMM & Other 3rd Party Integrations
- ✓ Comprehensive Library & Knowledge Base
- ✓ Document Export & so Much More

To Learn More About How IT Glue Can Help Reduce Your Organization's Cost of Customer Loss,
Sign up for a Free Demo: itglue.com/demo