

Beware of Consultants Bearing Software

By Del Birch
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We're on the mailing list of a web newsletter from a well-established national economic development consulting organization. While it's clear that their main focus is marketing themselves, this organization also promotes proprietary software applicable to business retention activities.

Based on the self-generated hype, this software is billed as the panacea for any business retention program. Yes, the name of the software is cool and futuristic – almost like the title for an upcoming Stars Wars episode. Yet, the hype leaves us a little cold given our dual role as economic development practitioners and consultants.

Our perspective is admittedly different: our day-to-day activities in managing and conducting a comprehensive retention program provide the basis for our emerging consulting work around the nation. This is substantially different from this firm's objectives of consulting and selling software.

As practitioners, we have a problem with consultants bearing software billed as a cure for any community's retention woes – especially when the software, as noted in the hype, directs retention efforts to private-sector opportunities. It leads one to wonder: Who wants to get involved with mundane and time consuming customer problems anyway?

Unfortunately, the software – and the consultants – ignores a basic fact of life: economic development professionals address and solve problems for existing customers every day.

It's Time for a Reality Check.

Business retention is all about solving customer problems in a professional, timely and seamless manner.

While uncovering latent opportunities is wonderful, this is usually not the reason that a private-sector firm migrates from one area to another. The root cause – as any economic development practitioner knows from experience – is more fundamental. It



involves real or perceived problems that are not being addressed by local and state government officials and economic developers.

Problem solving is not glamorous... it's not the stuff of high-powered consultants. It is getting close to the customer... getting one's hands dirty, in essence...listening and responding to a CEO's request for assistance by those in a position to help. Yes, these problems can lead to opportunities – but opportunities almost never materialize if the CEO is, first and foremost, dissatisfied with the response to day-to-day problems.

How do we know this? We're business retention practitioners. Our knowledge is based on experiences with 3,000 CEO interviews over the past two years – interviews that provide an opportunity to discuss past problems... current problems... anticipated challenges... and, yes, opportunities. Frequent customer outreach – when done correctly – builds positive relationships that create opportunities such as the retention and expansion of existing business.

News Flash: It's Not the Technology.

While we are strong advocates of technology, no piece of software (or hardware) – no matter how powerful – can replace the use of a trained, professional outreach staff and strong economic development teams in creating a successful and sustainable business retention process.

It's simple: technology is not the driver of a “best practices” retention program – it merely augments the process. It's the icing on the cake – not the cake itself. There are no technology-driven shortcuts to business retention.

A singular emphasis on technology ignores best practices critical to customer satisfaction: How is outreach being conducted? Who is conducting the outreach? How are the questions being asked? How quickly are customer needs being addressed? How is the information being used? Is there a customer-focused service delivery system?

There are other software related questions to ask as well: Does this software allow users to easily share information from a common database? Does this software foster communication and collaboration among multiple economic and community development organizations on behalf of the customer? Does this software offer project tracking capabilities? Is it intuitive and cost effective?

We already know the answers to these questions. The proprietary software with the Star Wars name is expensive. It's programmed in Microsoft Access – the very same product that most of us already use as part of Office 97. Based on our experiences in



software development, Microsoft Access has serious limitations. It is not user-friendly; it requires specific training; and, most important, an Access database cannot be easily accessed simultaneously by even a small number of users.

Serious Business.

Business retention is serious business in communities large and small. Data from economies as diverse as Ohio and South Carolina underscore the importance of business retention and expansion activities.

Our advice to economic development practitioners who work hard on a daily basis to retain and grow existing business: don't be seduced by consultants bearing software. Technology isn't the answer to creating an effective and sustainable retention program. Gee-wiz software can only enhance the process (but, before you spend valuable budget dollars on software, make sure the software really is gee-wiz).

The real key is building positive customer relationships through frequent outreach and a highly responsive, customer-focused team of service providers that seeks to maximize customer satisfaction.

After all, satisfied customers typically don't leave.

About the Author Del Birch is a founder and principal in ExecutivePulse, Inc., a consulting firm specializing in business retention and customer management for economic, community and workforce development. Del is a long-time BR&E practitioner, having conducted hundreds of BR&E visits with business owners of large and small firms, manufacturing and non-manufacturing firms, and firms located in urban and rural areas in Northwest Pennsylvania. He works with clients throughout the United States and Canada; he provides business retention training for the professional certification program sponsored by the International Economic Development Council (IEDC).

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