

SelfInformed

Published by the National Association for the Self-Employed

August 2012



NASE Member Ellen Bruseau benefits from word-of-mouth marketing from happy clients.

Want To Win The Competition For Customers?

Wowing Clients Can Be Your Best Strategy

By *Mindy Charski*

Neil Kratzer wants patrons of his shop, The Wine Room in Williamsville, N.Y., to leave happier than they were when they arrived.

But if customers choose not to walk through the door, that's fine, too. They can simply park outside, call a number on a bottle-shaped sign, and place an order for wines or spirits that will be delivered by Kratzer or one of his two part-time employees.

Kratzer has made customer service a priority since opening in 2006, and as he sees it, it's a way to differentiate value for what is essentially a commodity product controlled by the state.

"I can't add a pretty ribbon to it or add another product to it that would make it different than the other store down the street," he says. "The only thing I can basically do is treat you with more care, more respect and more thankfulness for choosing my store versus someone else's store."

Kratzer's good service has helped him build stronger bonds with customers and has inspired many of them to tell family and friends about the shop. So in this way, treating people well has also played a marketing role.

Indeed, for all micro-businesses, customer service and marketing no longer need to exist in separate silos: Given the high costs of finding new customers and consumers' widespread use of digital media to both communicate with companies and spread tales of glee and woe, it's time to make customer service a successful marketing strategy.

View Customer Service With A Wide Angle

Businesses have multiple opportunities to generate satisfying experiences—many of which they may not recognize.

"Every single interaction with a customer is either helping or else it's hurting their overall customer experience with your company," says Andrew Jensen, chief executive officer of the business consultancy Sozo Firm in Shrewsbury, Pa.

Those interactions occur before, during and after a purchase, he says, and include:

- Educating a customer about a product or service
- Offering training on how to use a purchase
- Following up to gauge satisfaction

"All too often small businesses look at an individual customer and say, 'I made the sale, I'm done,' and they move on to the next customer. But they fail to realize it's not just one sale, but it's a relationship," Jensen says.

Handling complaints properly can strengthen that connection, but resolving issues isn't always done one-on-one anymore.

When people post negative comments on review sites like [Yelp](#) or [Angie's List](#) or on social media like [Twitter](#), business owners must reply publicly to private grievances.

There is, however, an upside.

"If you very kindly, calmly respond to that user and maybe offer a coupon or their money back, then future customers who see the interaction are impressed. You took a complaint and turned it into a customer service selling point," Jensen says.

Alternatively, when you fail to respond to a bad review or do so in an unconstructive way, you risk turning off prospects who come across the comment and don't investigate your business further.



Your company can only deliver top-notch service if your staffers are willing to carry out the vision.

Build Customer Service Into Your Culture

One way to potentially reduce broadly-aired complaints is to create good feedback mechanisms.

“The easier you make it for customers to reach you directly, the less likely they’ll complain in public on social media,” says Micah Solomon, author of “High-Tech, High-Touch Customer Service” (AMACOM, 2012).

Provide a contact form online, for instance, and routinely respond to comments. Likewise, establish a presence on [Facebook](#) and [Twitter](#) to genuinely engage with customers who want to ask questions and share thoughts about your products or services.

Of course, your company can only deliver top-notch service if your staffers are willing to carry out the vision, and it starts with hiring the right folks.

When interviewing potential employees, Kratzer tells them, “I don’t care if you don’t know anything about wine—that I can help you learn,” he explains. “What I really care about is that you actually like that person who came through the door and you said, ‘hello.’”

With those kinds of employees onboard, he says, offering good customer service is easy. It’s also important to continually reinforce the message about service to employees, Solomon says.

Sometimes the strongest customer service gestures are the most personal.

Kratzer, for instance, purchases wine and spirits products with specific people in mind and invites them to come in for a try. This kind of “anticipatory customer service,” in which companies figure out what customers want before they ask for it, is a level beyond customer satisfaction. And it helps people start to feel a great sense of loyalty, Solomon says.

Lisa Wells, the sole proprietor of WMSE Elite Concierge Services, has delivered a personal touch by sending handwritten thank-you cards on Thanksgiving and regularly checking in with clients.

“They know they’re not my only customer, but I don’t ever want anybody to feel like I’ve forgotten about them because I’m busy,” says Wells, who is based in San Diego, Calif.

She’ll also act as a liaison to help clients find resources for services she doesn’t offer.

Promote Your Top-Notch Customer Service

Wells is able to convey her dedication to the customer through printed testimonials on her [website](#). Her site also features a badge showing she won a 2011 Small Business Award from the San Diego Regional Chamber of Commerce for excellence in customer service.

Those inclusions lend credibility, she says.

Some companies generate video testimonials, which they broadcast on their websites or on social media, including [YouTube](#).



The NASE Can Help

ADP Payroll Services

Want to hire the right employees who can deliver top-shelf service, but don’t want to deal with all the payroll headaches? Turn to ADP Payroll Services.

NASE Members receive discounts of up to 40 percent on services such as:

- W-2 processing
- 940 and 941 tax filing and deposits
- Direct payroll deposit
- And more

NASE Succeed Scholarships®

Seminars and workshops could help you find new ways to use customer service as a marketing tool. And an NASE Succeed Scholarship® might pay your way!

NASE Members can apply for a scholarship of up to \$4,000 to help pay for:

- Conferences and seminars that will help you grow your business
- Continuing education through university or college courses
- Training courses for business licensing and certification

You can apply online today for an NASE Succeed Scholarship®. But hurry!

Applications will only be accepted through Aug. 31, 2012, for courses to be completed between Jan. 1, 2013, and Jan. 1, 2014.

Succeed Scholarships® are awarded at the sole discretion of the NASE. Unfortunately, not everyone who applies will receive a scholarship. The NASE has the discretion to make no awards or present a higher or lower amount than requested. Decisions of the selection committees are final and are not subject to appeal. No application feedback will be given.

Sometimes the strongest customer service gestures are the most personal.



Learn More

These four NASE resources offer great ideas for profitable ways to market your business. They're free exclusively for NASE Members. And they're available online right now!

1. Lasting Impressions: NASE Members Know How To Wow Customers
2. Customer Relations Is Profitable Marketing
3. Fast Ways To Market Your Startup
4. Online Marketing: How To Take Your Message Beyond Your Website

Others may ask satisfied patrons to post positive reviews online.

Another option is to actively plug aspects of customer service in advertising taglines, such as "Same-Day Service" or "On-Time Arrival." It's a strategy that might attract new customers, but comes with responsibilities.

"There's a challenge with making promises because ultimately you need to make sure the things you do associated with your tagline actually support the entire business," says Ross Kimbarovsky, co-founder of Chicago-based **crowdSPRING**, an online marketplace for custom creative services like graphic design and writing.

"If your tagline is, 'We Treat You Like Family,' and you're a small business, you need to do the kinds of things that would definitely prove to your customers time and time again that you treat them like family." ■

Dallas-based freelancer **Mindy Charski** tells others about a dry cleaner who remembers her name, has a drive-through window, returns all her clothes and jokes with her son.



"Excuse me, does anyone in first class have an extra bag of peanuts, and Broad Financial's 800 number?"

Broad Financial®



We're on your side.

Creative Solutions for the Self Employed.

www.broadfinancial.com/selfemployed



Ask The Experts

Q: *My friend and I have decided to open an Internet marketing consulting company. I would like to make sure everything is in order before going into business with someone else. We also have no money to invest, and we'd like to do as much of the startup work as possible. I've noticed that there are many partnership agreements online. Can you please recommend one that we should use and advise us about any other steps we should take? We are thinking of incorporating when we start making money.*

A: There are only two options I suggest for your business legal structure.

The first option is a limited liability company in which you file taxes as a partnership. The second option is forming a corporation.

I strongly advise against anyone operating as a general partnership because of the joint individual liability for the acts of the business and your partners.

As for the choice between an LLC and a corporation—that's not a simple question to respond to without more information about your revenue and profit projections. Put simply, nobody can suggest which entity is best without knowing what your financial situation will be.

However based on the description you gave about your business, my gut reaction is to suggest you begin by forming an LLC. That will likely be an appropriate starting point for you if you think your taxable profits will be less than \$35,000 or \$40,000 in the first year or two. After you pass that mark, a corporation might be more advantageous. If so, you can convert the LLC to a corporation.

To set up either the LLC or corporation, my first suggestion is for you to purchase a book on how to form your own LLC (or corporation as the case may be). I like one published by

GET MORE ANSWERS

The NASE's small-business experts are here to help you understand the ins and outs of operating a successful small business. And access to these professionals is free with your NASE Membership!

Just go online to the [NASE's Business Learning Center](#) where you can ask the experts questions about:

- Taxes
- Marketing
- Financial issues
- Employee relations
- Accounting rules
- And much more

The experts are available 24/7 and ready to help!

Nolo Press. This will give you all of the forms and information you need to set up the entity. Even if you use an outside service, this will give you the knowledge to properly administrate the entity.

The legal documents you will need are determined by the type of entity you choose. If you become an LLC, you will need a membership agreement (which in essence is the partnership agreement) and a buy-sell agreement (which can be incorporated in the membership agreement). If you incorporate you will need bylaws, a stockholders agreement and the buy-sell agreement.

To learn more about choosing the right business legal structure, you might want to check out these NASE resources:

- [Biz Filings: Save up to \\$60 off business formation services](#)
- [Is Forming An LLC Right For Your Business?](#)
- [What's Going On With Single-Member LLCs?](#) ■

Member Spotlight

Construction Zone

Ellen Bruseau has been an NASE Member since 2008. She owns Handy Human LLC in Manassas, Va.

Tell us about your business.

Handy Human LLC is a fully licensed and insured company offering exceptional service in painting, tile and flooring for residential properties. After leaving academe, I started doing things in my own home. Soon neighbors and friends began asking me to paint, tile, build things and lay flooring for them as well. The business grew out of those grass roots. Besides basic home improvements, I also reupholster and refinish furniture and do basic handy human-type jobs.

Do you have a favorite type of work?

I love clients that want to do creative things in their homes, whether it's a cool paint and molding job on a ceiling, custom built-in solutions for storage, or a fancy tile job.

What's the most effective way you've found to market your business?

Word-of-mouth from happy clients. Referral work most often lands me the contract. Angie's List is a decent source of jobs as well.

What's your biggest success as a business owner?

Remodeling a small master bath for a client, which I took down to the structural bones and rebuilt to her specifications with a barrier-free shower, very modern fixtures and unusual materials.

How has the NASE helped your business?

The advice and motivation in *the magazine* are reassuring and helpful, especially concerning the steps necessary to start up and negotiating less fun tasks, like bookkeeping.

What's the greatest reward you get from your work?

Happy clients who can't wait to tell their friends about me because I've kept them informed about their home, completed the job down to the last details, helped them find solutions to problems and left their home cleaner than I found it.

Any advice for your fellow NASE Members?

Pay attention to what is going on in Washington. We need *advocacy* to protect our ability to remain a vital sector of the American economy.

What's the best compliment you've received from a customer?

That I would make the perfect husband! ■

GET PUBLICITY FOR YOUR BUSINESS!

Your business could be featured in SelfInformed's Member Spotlight or in another NASE publication. Let us know you'd like to be featured and tell us more about your business on our [Publicity Form](#).





SURVEY:

Self-Employed Divided On Support For Health Care Law

By Kristie L. Arslan

In the wake of the Supreme Court's final ruling on the Affordable Care Act, the self-employed are concerned about the impact it will have on their health care budgets when the law goes into full effect in 2014.

Nearly 900 micro-business owners responded to an NASE survey that was released within hours of the court's ruling. With the law moving forward into the implementation stage, the self-employed are, *once again*, looking for more information from the federal government regarding issues of affordability and cost of care.

"While business owners were divided on whether they supported the law or not, one message is clear—the self-employed are still worried about rising health care costs and they want Congress to act," said NASE President Kristie L. Arslan. "Members of Congress should come together in a bipartisan fashion to address these concerns by fixing the health care law this year. But I have to admit, I'm not holding my breath waiting for that to happen."

When asked how acquainted respondents were with the health care act, a staggering 71 percent had some familiarity with the new law. Just under half (44 percent) said they were generally familiar with the law, and 33 percent said they were very familiar. About 14 percent said they were extremely familiar

Overall, the majority of the respondents disagreed with the Supreme Court's decision to uphold the law, though 36 percent indicated that they agreed with it. In light of the ruling, 87 percent of survey respondents said that Congress should repeal the entire law, voicing concern that the law's reform measures do little to address the cost and affordability of purchasing and maintaining health insurance.

In a nod to November, two-thirds of respondents said the court's decision and their viewpoint on health care reform (positive or negative) would influence their vote in the upcoming election.

Comments from the survey reflected the thoughts of many micro-business owners:

- "I don't think the reform does anything to cut health care costs."
- "At this time we do not have health care insurance because it's so expensive. My hope is that with the new law there will be more options and cheaper rates so everyone has an opportunity to have health coverage."
- "Something has to be done to control the cost of health care and health insurance."
- "This opens the door to more government intervention in our personal and business lives."
- "I currently have a HSA with a high-deductible health insurance plan (catastrophic care). My fear is that this will no longer be adequate as the new law is introduced, and I will be forced to pay more for coverage I don't want."
- "I am in favor of the law and would like to see more done to make health care universally affordable and accessible."

On behalf of the self-employed, the NASE will work aggressively to ensure that affordability and coverage requirement concerns are at the forefront of implementation. We believe continued efforts to enact further reforms will allow the self-employed to use more tools to purchase and maintain affordable health care.

You can see the full survey results [here](#). You can also review our [Supreme Court ruling FAQ](#) to learn more about the NASE's health care reform implementation priorities. ■

Kristie L. Arslan is president and CEO of the NASE and provides critical insight to policymakers on issues affecting our nation's self-employed. You can contact her at advocacy@NASE.org.



For inquiries:

**National Association
for the Self-Employed**
Communications Office
325 7th Street, NW, Suite 250
Washington, DC 20004
(202) 466-2100
editor@NASE.org