How a Three-legged Stool Can Help Your Business

We all search for balance – whether it is balancing a budget at the office or managing the constant struggle between work and family. In the midst of all the business decisions that are made on a daily basis, we often forget that it is important to view these decisions in a balanced way. The three-legged stool method means viewing your business as a three-legged stool with one leg representing your customers, one leg representing your employees and one leg representing the company itself. In order to find success, the stool must be supported and balanced across each of these entities.

The Customers
All companies struggle with taking the time to truly listen to their customers. Listening and anticipating their needs can gain a tremendous amount of value. Growth requires knowing your audience.

It’s easy to say that “our customers are always important” but we often forget to recognize how your company’s decisions affect the customer. Sure, your route representatives may hear the customers’ feedback, but their responses may not always reach the ears of the management team.

Take for example a price increase. The general approach in our industry is that when the company needs to increase it’s pricing, it just appears on the customers’ invoice. Unfortunately, sometimes the RSR will not even know in advance about scheduled price increases. Communication is vital to both customers and to employees. It may be a difficult conversation, but being transparent improves customer relationships and trust. In a three-legged stool scenario, if a price increase were needed, customers would receive advance notice of changes and would understand how the increase in fees would contribute to added value for them. The RSR would mention that the additional revenue would go toward reinvestment in the company, quality control, customer service, etc.

The Employees
Employees are often the most overlooked leg of the stool. Management must remember that those “worker bees” are actually the ones running the production, interacting with customers and making new sales. To each of these employees, it’s not just about the numbers or the bottom line; it’s about job satisfaction and being happy to walk in the doors every day.

As we mentioned in The Growth Pyramid – Easiest Path to Maximizing Profitable Growth, satisfied employees are the best employees. They work harder, bring in more business and keep your customers happier. An investment in your employees is an investment in your future.
To use the same example of raising prices, it’s vitally important that your route representatives not only know about these increases, but also that they have been trained and prepared on how to explain them to their customers. It is possible while putting a new price structure or new programs in place to turn a potentially negative experience for RSRs into a balanced one.

Not only should the employees be trained on how to explain how the increase will benefit their customers but they themselves should also understand how the increases would help them. Explain how the new revenue will go to pay for new technology that saves them time or gets them new trucks, etc. For big program introductions, you can offer an incentive program or a contest to see who can have the best program retention rate or who can get all their customers signed up first. Take the time to celebrate the wins – both for individuals and for the company as a whole.

It is important that your employees feel like they are part of the team – that they feel empowered to communicate ways for company improvement. The most important thing you can do is to make sure that your employees know that you appreciate them.

**The Company**

From a management perspective, it is typical to make business decisions solely based on what is in the best interest of the company as a whole. Obviously, the company needs to be fiscally secure and the decisions that are made need to be in the best financial interest of the company, but make sure that you are not only looking at the short term cash flow but also at the long-term financial stability of the company.

When management decisions are made, think about how those choices will be perceived by your employees and your customers. Look at ways to empower and incentivize employees. Seek ways to provide and communicate value to your clients.

An unbalanced stool is wobbly, unpredictable and distracting. By using the three-legged stool method to evaluate your decisions and weigh your options, your customers, your employees and your company can all find success.