



## How to Retain Customers After the Deal Closes

By JoAnn Lombardi, President VR Business Sales/Mergers & Acquisitions

When a company is acquired, its loyal customers may feel uncertain about the new owners - uncertain enough to take their business elsewhere. It's important, therefore, to start making customer-retention plans early in the acquisition process to help allay customer fears, thwart predatory competitors and ensure post deal profitability.

Even if you don't have the budget for a large-scale marketing campaign, you can make a good first impression and build a positive relationship with your acquisition's customers by implementing these simple strategies:



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### Do Your Research

It's imperative that you know why customers do business with the company you're buying. Is it price? Quality? Customer service? And will your combined organization still be able to meet customers' needs? Conduct adequate research into these customers' needs in advance of the deal's close so you can devise a strategy for meeting them.

### Keep Key Employees Onboard

What would happen to your acquisition's customer base if a marketing director, key product developer or lead salesperson resigned? It could result in the loss of valuable customers. Develop appropriate incentive plans to retain important employees through the transaction and after the deal closes. But be wary of employees who stay onboard physically, but check out mentally. If they have frequent contact with customers, unmotivated and disgruntled employees can undermine your new organization.

### Put The Sales Team to Work

Make a plan that details how the combined company's sales force will promote the new organization and sell its products and services. Implement it as soon as possible after the deal closes - delays provide opportunities for competitors.

### Keep Lines of Communication Open

Ensure that customers are at ease with the transition by, as soon as feasible, explaining to them your merger plans and what they can expect in the near and long term. Customers want to know who will handle their accounts and what changes will affect them - particularly those relating to pricing. Also, give customers an opportunity to provide feedback and voice concerns, through, for example, conference calls or customer satisfaction surveys.

### Add Value

One of the best ways to retain customers is to offer them better value. You might offer anything from product discounts to streamlined billing to frequent-customer rewards programs.

Effectively retaining your acquisition's customers can mean the difference between a successful acquisition and one that's doomed to fail. Determine early on how you'll meet the needs of these customers, and you'll be more likely to keep them.

