

## Keeping Customers And Shareholders Happy

A market downturn can take the luster out of a growing business and end any glory days it may have experienced but even more devastating to any business is the effects they reap when they try to make the wrong segment of its fans happy. While privately held companies often struggle for funding, going public may not be all that it is cracked up to be either. Once the shift has been made to a publicly traded status, there is another bunch offer the business owners can advice on how to run the business. They are called shareholders and to many businesses can be dark cloud blocking the sun on their future. When things are going good and shareholders are earning good returns, they tend to stay in the background silently collecting their dividend checks. When an even occurs that may cause a loss of revenue, some shareholders are the first ones out the door, placing blame on everything and every body. Earnings expectations are the darling of the investment community and companies that meet or exceed their earning are praised regularly. They may escape massive criticism for failing to meet one quarters earning projections, but two in a row can be a death knell for a business. Unfortunately, the fallout from missed earnings and the wrath of the investors usually fall on two places that have the least amount of control over the business operations and they affect most customers and employees. As unwise and unfair as it may be, when companies are struggling to turn a profit, the logical step is to cut expenses, to bring them inline with income to maintain the profit margin. One of the quickest ways to reduce expenses is by cutting payroll or benefits, leaving the business short staffed with unhappy workers who have to work harder for possibly less benefit. When a business lack the manpower to properly take care of the business, customer service suffers. This circle can be likened to a buzzard circling dying prey in the desert. Sales have gone down, expenses have been cut resulting in fewer workers, resulting in less customer service, resulting in fewer customers, resulting in even fewer sales. Sometimes businesses need to just bite the bullet and live with a small loss over a short period, depending of course on the circumstance that caused the downturn and continue to give customers a reason to visit their business. If the customers remain and sales can improve, the earnings will return and the growth path continues. However, in some cases the business may deserve to die, if the leadership of the company is not taking care of business when they have the chance. As a business owner it is important to recognize the needs of the customer and the employees as opposed to always looking after the wants of the shareholders. The owner needs to consider how pleased the shareholders will be if the customers stay away in droves and the business closes. Keeping customers happy should be their main concern, as well as the concern of the shareholders.

## About the Author

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