***Who are our best customers?***

This is an interesting question to ask people. Ask it quite widely: ask directors; sales people; production people; etc.

As an alternative ask what your 5 best products are.

Most people will quickly tell you the 5 biggest customers or best selling products.

But we don’t want to make sales, we want to make a profit. Our 5 biggest customers and 5 best products may not be the ones where we make most profit.

So follow the question up with ‘Which 5 customers (or products) do we make most profit from?’ People will probably struggle with this one. If they do struggle, that could mean that your company doesn’t really know where it makes its profit – which is concerning! Or it could mean that your people are more focussed on making sales than on making profits – which is also concerning!

It’s also really important that our customers pay on time. So ask ‘Which 5 customers pay the slowest, and give us the biggest cashflow headaches?’ Again, people will probably struggle with this one. As the most common cause of business failure is cashflow problems, often caused by late customer payment, this question could highlight real dangers for your company.

The answers to these questions often highlight the fact that our people understand sales, but don’t understand the importance of being profitable, and getting paid on time.