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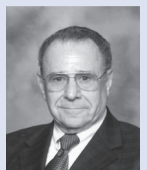
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Dividing the Family Pie – Are Equal Slices Best?

While it has been said that life is not always fair, perhaps a more apt description would be that life is unequal in how it spreads the wealth. That same inequality may carry over into your family, with children of different ages, talents / skills, interests, needs and degrees of material success.

When considering how best to divide your assets, you may believe a policy of “share and share alike” is the best solution. This is perhaps the easiest method, and often the way to avoid conflicts and complaints of discrimination, but does equality necessarily equate to fairness?

A more practical approach to division of assets may be one in which you recognize and compensate for differences in the abilities and needs of your children, even at the risk of producing some conflict. Through your estate plan, you have a chance to provide a measure of fairness that your children may not have found in their own lives.

The process is a delicate one – it is certainly more complicated than dividing a pie into equal slices. However, bringing about family fairness through an estate plan may be the last chance you have to give your children an equal footing in life

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Customer Service Critical in New Economy

An Interview with Trudy Shay Petty

Trudy Shay Petty is owner of Petty and Associates, a Dallas-based management consulting firm founded in 1989. Their website is www.pettyandassociates.com. For the past fifteen years, she has worked with the construction industry helping successful companies become even more high-performing and customer-focused. A speaker on the national conference circuit, Petty's "standing room only" presentations are testimony to the growing importance of a new paradigm for customer service in the construction industry.

In this time of enormous economic turmoil, what role does customer service play?

Customer service is critical in these tough economic times because it will help a company retain its current customers and attract new customers. Customer service does not just enter the picture when the project is won and being delivered. Customer service starts in the marketing, estimating and preconstruction

phases of a project. How well you take care of the customer's needs and pay attention to what is most important to them early on, will be indicative to customers of what they can expect once the project is being built.

Sometimes contractors demonstrate excellent customer service on the front end but the same high level of customer service is not maintained once the projects are being executed. Construction is a schedule-driven business. What makes project managers and superintendents successful is their ability to be task and schedule driven. However, failing to demonstrate a high level of customer service in the project management phase means the customer might be less than satisfied with their experience. This will have a tremendous impact on the contractor's ability to win the next project with this same client.

Customers expect a seamless, flawless service experience where someone is paying particular attention to their needs and expectations. Now

more than ever is the time for contractors to engage in conversations with their customers about what is most important to them and what they expect in the way of service. Just having these types of conversations lets the customers know you care about them and helps build more loyalty to you.

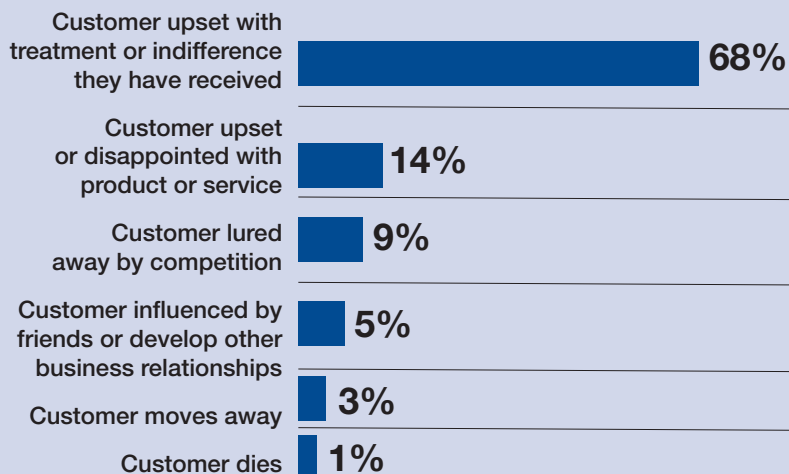
As you get more feedback from your customers before, during and after a project, it is important to do something with this feedback—make sure it gets back to the employees involved and helps drive operational improvements at the company.

Who are the "customers?"

Customer service applies to both internal and external customers. Mostly we refer to external paying clients but customer service also applies to the architects, other design team members, suppliers, subcontractors a general contractor works with, etc. Customer service also applies to internal customers such as coworkers who depend on you to get something done in order to smoothly deliver value and services to external customers. Service gaps occur not just with external customers but also with internal customers. The goal is to have what is called smooth "service handoffs" from one employee to another. When the handoff is not smooth or there is a "service drop," this can cause a ripple effect of poor service.

We can agree customer service is important at all times and especially in these tough economic times, but just saying so doesn't make it happen. You have put an infrastructure in

Why Companies Lose Customers



Customer Service

place at your company to insure a consistent, well executed delivery of customer service.

Why do companies lose customers?

Research shows that 68% of companies lose customers because the customers are upset with the perceived treatment or indifference they have received. "Perceived" is the key word since just like quality is defined from the "eyes of the beholder," so is service. In other words, if a contractor thinks they have treated a customer exceptionally well but the customer thinks they have been treated in a mediocre way, it is what the customer thinks that is most important here.

What do you mean by "perceived treatment" or "indifference?"

Usually this has to do with how people are made to "feel" – for example when you study some of the feedback a contractor receives on customer satisfaction surveys at the end of projects, customers write responses like, "Could have been more attentive to my needs from the start," or "I saw the top folks at the initial presentation to win my work but never saw them again." Clearly, the customer felt that something was missing or needed more hand holding than the contractor realized.

The best way to capture feedback from a customer about how they feel about the level of service they are receiving is to have a conversation with them. There is an art to doing this and people need to be trained in asking the right questions and responding properly to the feedback received.

Recently I called a general

Quality Work Doesn't Mean Quality Service

Technical Quality + **Service Quality** = **Customer Satisfaction**

Technical Quality

How good is the work delivered by your firm? (bricks and mortar)

Service Quality

What kind of "experience" does the customer have with your firm? (focus is on the service and relationship)

contractor's top five customers who had received a nice note asking them to help him improve his customer service by giving me honest feedback. These were his "best" customers who did repeat work with him so the contractor assumed his company was doing everything right to take care of these customers' needs and expectations. Mostly, that was the case. However, when I asked, "What words come to mind to describe the experience you are having with X contractor?" I received answers he didn't expect. Along with compliments, I also heard phrases like "He's distant," "He didn't ever understand what was most important to me," and "When I come to the jobsite for a meeting the project manager and superintendent don't look up from their computers to say hello." While these customers didn't use the word "indifferent" this is certainly how they were feeling.

Another one of these top five customers I interviewed was a manager who oversaw a construction project for his employer which was a major foundation. He was very satisfied with the contractor's work but wished aloud that the contractor had done a better job explaining how all the manager's change orders would

create delays. Unbeknownst to the contractor, the most important factor for this inexperienced manager was to be seen by his board of directors as credible and capable of completing the project on time. While the contractor thought he was being responsive by accommodating the manager's changes, the manager felt the contractor could have helped him act in a way that would have facilitated the project being completed on time.

What is your "Leaking Barrel Theory" of Marketing?

The goal of most companies is to increase market share by adding new customers to the barrel while at the same time retaining the customers you have so the barrel gets bigger. While contractors work very hard and expend a lot of resources trying to put new customers into their barrel, I'm not seeing the same effort going into taking care of existing customers to insure they are not dissatisfied with their experience in any way.

It costs six to eight times more for a company to get a new customer than it does to keep an existing customer, so it makes good business sense to minimize and eliminate service gaps. Without continually talking to their customers to discov-

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Family Pie

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or to help them compensate for misfortune or adversity.

Consider the following scenarios:

1. Disparity in age: Assume you have two children, ages 22 and 14. Should you split your estate in half, even through the 22-year-old has been through years of private school education and university and the 14-year-old has just started public school?

2. Income and net worth: Assume your daughter becomes a partner in an investment banking firm and quickly builds up considerable assets, while your son becomes an English teacher and lives on a small salary. Should you leave your estate in equal parts to your son and daughter?

3. Previous giving: Assume you have given your 24-year-old daughter stock in your business as an inducement for her to work with you. You have not, however, given your 18-year-old son a similar gift. Should you divide the assets in your estate on an equal basis?

4. Investment results of children: Assume you have given one child stock in Company X

that has risen substantially in value. You have given another child stock in Company Z that has gone bankrupt. How should you then allocate the balance of your assets?

In each of the preceding examples, an equal division of property has the potential to create or perpetuate unequal results. This is not to say you cannot choose an unequal result, but it does point out the need for financial and estate planning that leads to reasoned decisions about how you leave property. Fortunately, there are ways for you to achieve fairer results.

Listen First

The first step to take is to talk with your children. You might do this on a one-to-one basis or through a family conference. Help them to verbalize their hopes, dreams and expectations, as well as their worries, concerns and frustrations. By listening first, you may gain valuable insights into how you can divide your estate constructively without causing hurt feelings and resentment.

The decisions may be difficult to make and carry out. Insurance can help provide additional reserves and flexibility for achieving your objectives for each child's share. In the long run, your family will appreciate your actions in trying to reach an arrangement that addresses each child's individual circumstances.

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Customer Service

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er what is important to them, a contractor is operating blindly and taking a risk that a service gap is occurring.

To successfully define customer service requires a tremendous amount of due diligence on the part of contractors. Just throwing out some words like "customer service is about meeting and exceeding customer needs and expectations" becomes meaningless unless there is a real dialogue about what this means from the customer's perspective and how it is to be implemented by employees.