

Lesson 6: Overcoming the first abuse from a customer

 By Alon Raiz

1 Dec 2020

In the startup years, the adage "the customer is king" remains fresh and deliberate in your mind. You have probably convinced your customers (and yourself) that by using your company they will receive much better service than from the "big guys." You get a little thrill every time you provide them with a solution to an out-of-the-ordinary request. They are, of course, the king (or queen) and you are here to serve.



Photo by Mbose Photos© from [Pexels](#)

This is the ideal narrative but, experience tells me, every business at some fairly early point in the journey attracts a client who is abusive. It's an important experience and a rite of passage, and how you manage this first abusive relationship will pretty much determine your business journey going forward.

The concept of dual directive

When working with entrepreneurs, a key concept I like them to understand very early on is the concept of dual directive. As an entrepreneur, you have two main directives ... The first is to provide value to your clients, and the second is to receive value from your clients. The value you receive can come in multiple forms – money, experience, bragging rights (portfolio pieces) and entry into new markets, among others. Of course, the most important of these, especially for a startup business, is money – the money to pay your overheads and, hopefully, even yourself.

Understanding the power differential and perhaps even smelling your desperation, some clients will take advantage of and squeeze the relationship to such an extent that it creates massive value for them and little or no value for you.

The bottom line is that it's hard to say no to a client, especially if they are your biggest. It's also hard to pick up the phone to a client who took a chance on you and ask them to pay their outstanding bill of 120 days. The idea of ceasing to provide further services until the money is paid is frightening as it may result in the customer simply saying they will take their business elsewhere. But I would argue that losing a customer who hasn't paid you for 120 days for work you've done may be better than staying in a one-sided relationship.

Set boundaries

This rite of passage is the time for entrepreneurs to develop a sense of boundaries as well as their assertiveness. When you understand the dual directive and deeply believe that you deserve to be paid for the value you provide, the idea of losing a client who doesn't respect – or pay – you become easier to accept. Abusive clients at some level know they are being abusive and, when confronted with an assertive yet respectful demand to be paid, will in most instances process the payment expeditiously. But, until the point where you put your foot down, in a respectful way, clients are likely to continue their abuse, whether conscious or unconscious.

If the startup entrepreneur is unable to set boundaries based on a sense of deservedness, they will no doubt become victim to the next abusive relationship and the next until, finally, there is no more money and energy to carry on.

It is important to note the fact that many entrepreneurs knowingly enter into abusive relationships. How often do we hear the chorus of "the government takes so long to pay that it's killing small business"? Yet small businesses, knowing this is the case, still enter into these contracts only to join the chorus a few months later. When dealing with large and inefficient bureaucracies, you should either price or financially plan for the delay in payments or don't do business with that entity.

The business failure statistics are filled with those who never negotiated this very important phase. Choose not to follow the dual directive at your own peril!

ABOUT ALLON RAIZ

Allon Raiz is the CEO of Raizcorp. In 2008, Raiz was selected as a Young Global Leader by the World Economic Forum, and in 2011 he was appointed for the first time as a member of the Global Agenda Council on Fostering Entrepreneurship. Following a series of entrepreneurship master classes delivered at Oxford University in 2014, 2015 and 2016, Raiz has been recognised as the Entrepreneur-in-Residence at the University of Oxford's Saïd Business School.

- What it takes to go from side hustling to successful entrepreneurship - 7 May 2024
- Learning to pitch better: The value of feedback from investors and financiers - 19 Apr 2023
- Want to grow your business? Get rid of the 'fax machines' - 15 Dec 2021
- #PolishYourPitch: Pitching Tip 9: The simpler, the better - 20 Jul 2021
- #PolishYourPitch: Pitching Tip 8: Be specific - 13 Jul 2021

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>