

# What is NPS®?

Let's begin with unpacking those three letters. "NPS" is an acronym that stands for "Net Promoter Score." It's a term — and a system — that was created by a man named Fred Reichheld. **Think of it as a score for client service.** A high NPS is better than a low one, and business managers can monitor this score to see how well they are doing at building client relationship.

## ARE OUR CLIENTS HAPPY?

Let's imagine a business called Roboy. A small company, they build and supply helper robots to other businesses. They have 200 clients today.

The president of the factory — Mr. Smith — wants to know how his clients are feeling about Roboy.

There are three ways he could do this.

### Ask the Sales Team

Mr. Smith's sales team is full of optimists. When he asks his team how happy their client is, he always gets a very optimistic answer based on about two weeks of client interaction.

OR

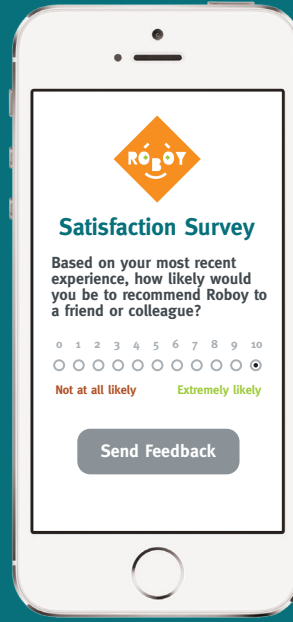
### Call 200 Clients

While Mr. Smith enjoys developing a personal relationship with his clients, he can't be the President and a telemarketer simultaneously. In addition, his clients are not always willing to tell him the truth to his face. Like most of us, they prefer to avoid conflicts when possible.

OR

### Survey Clients

Like many companies, Mr. Smith chooses to do a client satisfaction survey out to his entire client list on a regular basis. This short (less than 10 questions) survey is emailed to clients. It's quick to administer, and painless for his clients. He gets actionable feedback in real-time to help retain and grow his accounts and his clients can respond anonymously if they wish.



**But Our Business is Widgets!**  
We Don't Need This Touchy-Feely Stuff!

Businesses run on their clients. That much seems obvious. What is less obvious is that clients breed clients. A great experience with your company will lead to your clients telling their friends and colleagues — more referral business. Similarly, bad client service will lead to less future business for you.

Client retention and referrals are the reason top companies focus on providing remarkable client satisfaction.

## Just How Happy Are Our Clients?

In the NPS methodology, clients are divided into three distinct groups based on their response to the question, "How likely are you to recommend Roboy to a friend or colleague?" **They rate us on a 0-10 scale.**

Dividing clients into these groups will allow Roboy to respond to each in a way that makes sense for their current attitude. Promoters might be good sources of referrals, while Detractors need immediate proactive attention! This division is also at the heart of determining their Net Promoter score.

### Promoters

rate Roboy a 9 or 10.

80 of Roboy's 100 client survey responses fall into this group, or 80%. They're fans!



**FOLLOWUP:** These are Roboy's greatest fans! Keeping these client happy are top priority for Roboy. This is the group Roboy will be asking for referrals from and offer additional products to.

### Detractors

rate Roboy a 6 or less.

10 of Roboy's 100 client survey responses fall into this group, or 10%.



**FOLLOWUP:** Quick! Roboy should make changes immediately to the way this client is being handled if they would like to keep these customers' business. They are at risk of leaving Roboy AND will likely spread ill will in the larger community.

### Passives

rate Roboy a 7 or 8.

10 of Roboy's 100 client survey responses fall into this group, or 10%.



**FOLLOWUP:** Passives are neither happy nor unhappy. Roboy could raise their happiness level with some additional personal attention, or making some extra effort on their next project. Create a plan to move passives to promoters.

### Calculating the Net Promoter Score

80% of clients are Promoters. (80 of 100).

—

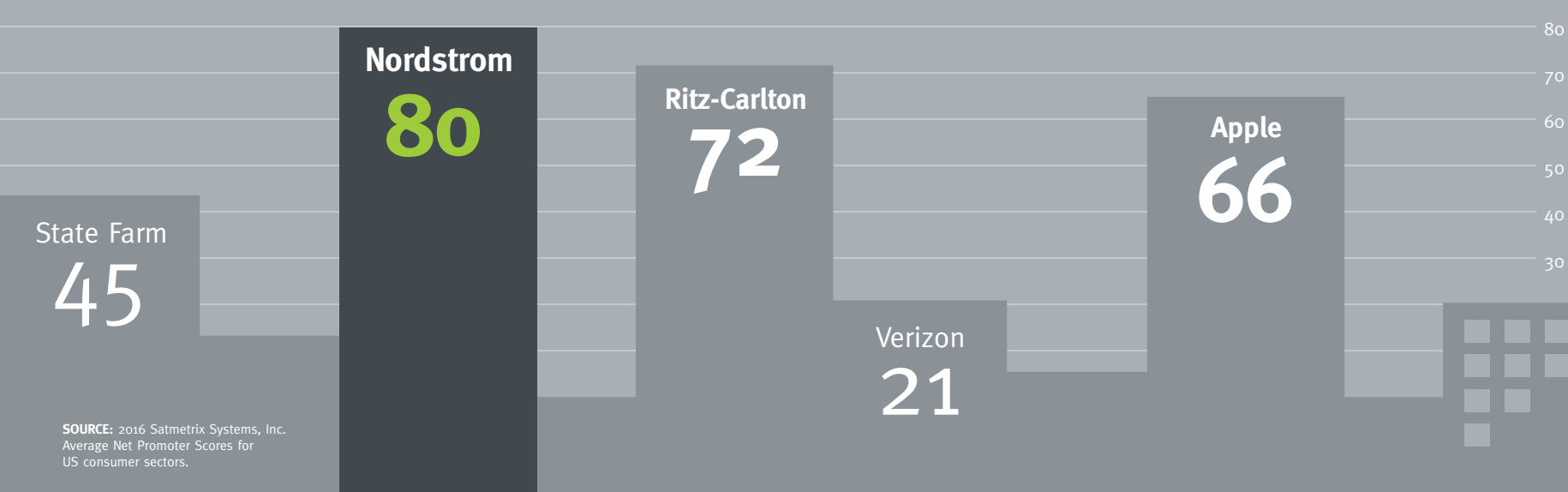
10% of clients are Detractors. (10 of 100).

=

**70 NPS**

## What's a Good Net Promoter Score?

Many companies use their NPS as a way of promoting their world-class service reputation. As such, we're able to compare Roboy's score to those of many famous companies. Where do you rank?



### NPS Averages by Industry

In a perfect world, you could compare your business' satisfaction score to those of your direct competitors. Unfortunately, that level of data is not publicly available. Data is available at an industry level, and it can be useful to compare your performance to that of the industry as a whole using the data below.



## Ready to get serious about client satisfaction?

ClearlyRated is the leading provider of satisfaction surveys for staffing and accounting firms. Our software provides the operational value of a **Net Promoter®** satisfaction survey to improve retention and account growth. The best firms earn a credible, industry-specific satisfaction award used to differentiate, close more business, and improve their online reputation.



1-(800)-921-2640  
sales@clearlyrated.com  
www.clearlyrated.com