AFFILIATED CORPORATE SERVICES, LLC

ACS RESOURCE CENTER

LOSING A CUSTOMER ACCOUNT — PREPARE, RESPOND & LEARN

A practical guide for recognizing account risk, handling a departure professionally, and improving what comes next

A customer account can weaken before a formal notice arrives. Some losses can be prevented through attentive service and an honest recovery plan. Others result from budget changes, leadership decisions, a different business need, or a poor fit. A disciplined response protects the relationship, fulfills obligations, and turns evidence into better decisions.

THE CENTRAL QUESTION

What can we learn early, do responsibly now, and improve after the decision—whether the account stays or leaves?

PREPARE → LISTEN → ASSESS → RESPOND → TRANSITION → LEARN → MONITOR

HOW THIS DIFFERS FROM #11

#11 Service Recovery Guide addresses a specific customer-facing failure. This guide addresses the broader account relationship, possible nonrenewal or termination, orderly transition, and portfolio learning. A service failure may be one cause of account risk, but the account decision requires its own review.

1. Prepare before an account is at risk

- ☐ Know the account's scope, commitments, decision makers, and renewal dates.
- ☐ Track service quality, complaints, corrective actions, and unresolved promises.
- ☐ Meet with the customer at a reasonable frequency to review changing needs.
- ☐ Know which relationships depend on one employee or executive.
- ☐ Understand account economics and capacity without treating revenue as the only measure.
- ☐ Identify customer concentration risk and material dependencies.
- ☐ Maintain current contacts and an appropriate backup relationship.
- ☐ Keep a usable record of important service decisions and changes.

Account owner / backup: _____

Renewal or decision date: _____

2. Notice early warning signs

- ☐ Recurring complaints or the same problem raised more than once.
- ☐ Reduced responsiveness or engagement by the normal contact.
- ☐ A new decision maker, procurement contact, or ownership structure.
- ☐ Requests for competitive bids, benchmarking, or contract files.
- ☐ Unresolved service issues, disputed invoices, or delayed approvals.
- ☐ A change in customer priorities, budget, locations, or volume.
- ☐ Reduced use of the service or a request to narrow scope.
- ☐ A competitor's active involvement or a request for transition details.

SIGNALS ARE NOT A VERDICT

A warning sign is a reason to ask thoughtful questions and verify the situation. Do not assume a lost account from a single event or pressure a customer to disclose a decision they have not made.

3. Listen and assess the actual risk

- ☐ Request a candid conversation with the right customer contact.
- ☐ Ask what is working, what is not, and what has changed.
- ☐ Clarify decision criteria, timing, and who will decide.
- ☐ Review evidence, commitments, and recurring service patterns.
- ☐ Separate fixable performance issues from price, strategy, or fit issues.
- ☐ Identify the business impact of losing the account.
- ☐ Assess whether a proposed remedy is feasible, authorized, and sustainable.
- ☐ Record what the customer said without rewriting it as an internal defense.

Customer concern / evidence: _____

_____

Decision timing / criteria: _____

4. Decide whether and how to respond

An account should be retained through a credible plan, not through promises the business cannot deliver. The response may be a service recovery plan, a revised scope, a leadership meeting, a bid, a transition proposal, or a respectful decision not to pursue unsuitable terms.

- ☐ Identify the decision the customer is asking the business to make.
- ☐ State a specific remedy or proposal with owner, timing, and verification.
- ☐ Confirm any pricing, credit, or scope change through proper authority.
- ☐ Address root causes when service performance is the issue.
- ☐ Test capacity and margin before committing to a new arrangement.
- ☐ Avoid blaming individuals, criticizing a competitor, or arguing with the customer.
- ☐ Give the customer time and information needed for an informed decision.
- ☐ Document the offer, customer response, and any open conditions.

Concern / change	Proposed response	Owner / due	Customer response

A RESPECTFUL RESPONSE

“I appreciate your candor. I want to understand the issue and the decision ahead. Here is what we can do, when we can do it, and how we would verify the result. If you choose a different direction, we will meet our obligations and support an orderly transition.”

5. When the account is lost, respond professionally

- ☐ Confirm the effective date and relevant written notice requirements.
- ☐ Review the agreement and outstanding commitments with appropriate advisers as needed.
- ☐ Assign a transition owner and a single customer-facing contact.
- ☐ Agree on a transition plan for work in progress, access, equipment, information, and records.
- ☐ Protect customer property and confidential information.
- ☐ Communicate accurately with staff and vendors who need to act.
- ☐ Resolve final invoices, credits, or disputes through the agreed process.
- ☐ Avoid public blame, speculative statements, or a rushed request for reconsideration.
- ☐ Thank the customer for the relationship without implying future work is assured.

CONTRACT AND LEGAL BOUNDARIES

This is an operational guide, not legal or accounting advice. Review the governing agreement and consult qualified professionals about notice, data, employment, payment, and other obligations that apply to the account.

6. Run an orderly transition

Transition item	Owner	Due	Confirmed with customer
Work in progress			
Site / system access			
Property and records			
Final service / handoff			
Billing and closeout			

Transition lead / customer contact: _____

Effective end date / final check: _____

7. Learn without rewriting the story

- ☐ Invite feedback where the customer is willing to provide it.
- ☐ Compare the customer's reasons with service records and business changes.
- ☐ Separate confirmed reasons from internal assumptions.
- ☐ Identify what the business controlled, influenced, or could not control.
- ☐ Look for recurring patterns across other accounts.
- ☐ Assign improvements to a process, person, vendor, control, or capacity plan.
- ☐ Verify changes are actually implemented and effective.
- ☐ Decide whether and when future contact would be welcome.

FIVE QUESTIONS WORTH ASKING

1. What did we know before the decision, and when did we know it?

Timing shows whether early signals were missed.

2. Which reasons came from the customer and which are our assumptions?

Keep the record evidence-based.

3. What could we have changed in time to matter?

A late offer may not repair years of experience.

4. Did retaining the account require promises we could not sustainably keep?

Some decisions protect long-term performance.

5. What change would protect the next customer relationship?

Convert learning into an owned, verified action.

THE ACCOUNT LESSON

The goal is not to explain every lost account as a service failure. It is to respond with professionalism, understand the evidence, protect obligations, and improve the systems within the business's control.

Account loss review record

Account / service / review date: _____

Account owner / review participants: _____

Decision and effective date: _____

Customer-stated reason (quote or faithful summary): _____

Other evidence / unresolved uncertainty: _____

Factor	Evidence observed	Control / response	Owner
Service performance			
Price / value			
Changing customer need			
Relationship / communication			
Competitive or external factor			

Most important lesson: _____

Action to protect other accounts: _____

Follow-up owner / date: _____

Management decisions after a loss

- ☐ Update the forecast, staffing, and capacity plan.
- ☐ Review receivables, equipment, or inventory tied to the account.
- ☐ Identify customer concentration exposure and a practical diversification action.
- ☐ Determine whether similar accounts show the same warning signs.
- ☐ Close or reassign system access and account-specific resources.
- ☐ Capture useful customer feedback without circulating confidential details unnecessarily.
- ☐ Recognize staff contributions while discussing improvements fairly.

Connect the ACS Resource Center

A specific customer-facing failure → #11 Service Recovery Guide. A recurring internal deficiency → #6 Corrective Action Quick Guide. Vendor performance involved → #7 Vendor Performance Evaluation Scorecard. A broader annual pattern → #10 Small Business Annual Operations Review Checklist.

Want an independent look at your service systems?

ACS offers eligible businesses one Complimentary Introductory Assessment. A customer account and service performance review can identify practical gaps in expectations, service delivery, communication, training, inspection, or follow-up.

There is no fee, no obligation, and no requirement to purchase an ACS service.

acsllc-nc.com/assessment

EXPECTATIONS DEFINED. PERFORMANCE MEASURED. RESULTS MANAGED.