



THE LOYALTY EFFECT

Implementing NPS

What is NPS?

Net Promoter Score (NPS) is based on the theory that if a client is truly pleased, they will recommend you to their friends and colleagues. It measures the level of satisfaction based on the response to the question:

“On a scale of 0 to 10, please indicate how likely you would be to refer this firm to friends, acquaintances, or business associates.”

This question is supplemented by additional questions that gauge the client experience. Based on the “Ultimate Question” answer from clients, you will gain the knowledge of which clients are:

- **Promoters (9 or 10)** – Loyal enthusiasts who will buy more and recommend your firm to friends and colleagues.
- **Passives (7 or 8)** – Clients who appreciate what you do, but see your services as a commodity that could be traded for a competitor’s lower fees.
- **Detractors (6 or below)** – Clients who are currently caught up in a bad relationship and are just waiting for someone to come along and make it easy for them to switch.



How is NPS measured?

NPS is a simple calculation. The percentage of Detractors is subtracted from the percentage of Promoters to calculate the NPS score for your firm.

$$\text{NPS} = \text{Promoters} - \text{Detractors}$$

For the purposes of the calculation, the Passives group is ignored. The firm’s NPS could be as high as +100 or as low as -100.

Who is using NPS?

You will recognize the names of leading brands who are also using NPS to support their client service objectives. These include Apple, American Express, Amazon and accounting firms including PwC, KPMG and Deloitte.

Next Steps

Using Fred Reichheld’s NPS methodology and our online satisfaction and loyalty survey, we can help you measure the degree of loyalty among your best clients, and actively manage any relationship that requires attention.

Would you rather know how a client feels before you get notice they have moved on? Implementing a client survey system is the best way to keep a thumb on the pulse of your most important relationships! Contact Andrea Gabrisch or Jeffrey Pawlow today to set-up a demo of our online survey system.

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