

# 5 Warning Signs You Should Turn Down a Potential Customer



Turn down a customer? That's crazy, right? Well, not always. While it seems ludicrous to turn down business, it's actually in a company's best interest to do so sometimes. After all, getting into bed with a "bad" customer can drain resources and your bank account. Below are five warning signs that a potential customer may turn out to be a bust:

## **1. Demands Too Much Too Early**

If you have to significantly slash your price, throw in numerous freebies, and go to great lengths to get a client to commit, then consider yourself warned. Let's face it: You're going to be faced with demanding and difficult clients, but you can often tell early on in the sales process whether a customer is the right match for your business.

## **2. Financial Data is Suspicious**

The last thing you want to do is onboard clients who won't be able to fulfill their financial obligations. Luckily, there are several warning indicators that a company won't be able to pay. For example, the client has no line of credit or secured financing; the business's credit references were provided by previously confirmed high-risk businesses; the company has a high number of suits, liens, and judgments against it, and payment summary indicates that the business has no payment data.

### **3. Not the Right Fit**

It's important to be flexible; however, sometimes what you offer simply won't fit a client's needs. Instead of making concessions or promising things you can't deliver just because you want business, walk away. Forcing a relationship will only hurt you in the long run, as you won't be able to meet the client's expectations or, worse, fulfill the contracted deliverables.

### **4. Can't Communicate Needs**

After numerous conversations, if a prospective client cannot clearly explain what their business is about and is incapable of articulating business needs, the client is probably not a good fit for your offerings. After all, what can you do to help a company that doesn't know what it needs?

### **5. Hurts Your Image**

Often, a client will come to you for help on a project that's simply not a good fit for your company's image, vision, or mission. Don't jeopardize your company's integrity. If you find yourself in this type of situation, communicate to the client that the project conflicts with your mission and you'd be happy to make a referral.

As a business owner, you don't want to turn anyone away; however, sometimes it makes more sense to do so when it comes to the welfare of your business. Avoid onboarding "bad" clients by looking out for the five warning signs above.