

# Protecting your most valuable asset

Is your business vulnerable to an employee stealing customers? **By Leonard K. Samuels**

In our instant gratification society, loyalty is often less prevalent than in the past. Customers tend to be less loyal absent very careful and continuous quality service.

Similarly, employees tend to be less loyal absent strong programs engendering loyalty. Whenever these two forces intersect, a business is vulnerable to an employee leaving for a competitor and taking valuable customers with them.

Your business protects its cash from theft. Similarly, it should be protecting one of its most valuable assets — its customer base — from theft. Companies focused on this issue generally use a combination of three strategies to protect themselves:

■ **Institutionalize customer relationships.** Are your most important customer relationships institutionalized? Or does a single employee hold the keys to the relationship?

You reduce the risk of customers leaving when there is more than one person supporting your most important customer relationships.

Not only do you reduce the risk of a disloyal employee absconding with a customer, you also reduce the risk of customer dissatisfaction going unnoticed by your rep.

Assign senior executives to backstop every important customer relationship.

■ **Make your company a great place to work.** Employees are not likely to leave and attempt to steal your clients if yours is a great place to work. Employees whose tangible and intangible needs are being met by your company are decidedly less likely to leave for a competitor, thereby putting your customer base at risk.

Make your company widely recognized as a great place to work.

■ **Use a mosaic of agreements as a safety net.** No matter how successful you are with regard to the previous two factors, your business is at risk with regard to the unscrupulous competitor



who woos an employee with the specific intent of ripping off your key customers.

You may also be vulnerable to the unscrupulous employee who decides to try to profit by selling your customers to a competitor.

Because of this risk, all companies should consistently utilize a safety net of relevant agreements (think beyond just employment agreements). Such agreements must effectively deal with the host of issues by which an employee can wreak havoc on your business.

This area of the law is constantly evolving. Therefore, it is prudent to have the full panoply of agreements related to your employees periodically reviewed by a lawyer specializing in this area.

Every single business is vulnerable

to losing major customers due to the deleterious actions of a disloyal employee or unscrupulous competitor. Smart executives will employ a holistic approach to both customer and employee retention so as to minimize risk.

No one factor can provide assurance against theft of your customers, but prudent actions on the three fronts described herein can greatly reduce the risk to your business.

**LEONARD K. SAMUELS** is an employment and dispute resolution lawyer at Berger Singerman. Read more about how Samuels' team is helping companies to protect their customer relationships and other valuable intellectual property from employee theft online at [www.bergersingerman.com](http://www.bergersingerman.com).