



Strategic Alliance

Building Business Values

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A Special Report on

The Four Fundamentals to EXPLODING the Growth of Your Business

The Four Fundamentals to EXPLODING the Growth of Your Business

There are 4 fundamental ways to grow your business:

- #1: Win new customers.**
- #2: Increase the number of times they deal with you.**
- #3: Increase your average sale or ‘transaction value.’**
- #4: Improve the effectiveness of each process within your business (to ensure achievement of the first 3!)**

When you think about any other strategy, such as cutting costs, it won't *grow* your business, unless you use the money you save to promote your business. It may let you control your business better and return greater profits, but it won't *grow* your business.

And what do most businesses focus on?

That's right—#1, winning new customers. And they often ignore the other (usually less expensive) ways to grow their businesses.

If you are a business owner who is almost solely focused on winning new customers, you're missing sales and PROFIT opportunities beyond your wildest dreams!

Let's look at why this can have such a dramatic impact on your business.

Let's say you have a customer base of 1,000.

And let's say you can increase the number of enquiries and therefore the number of new customers by 10%. That would mean your customer base would increase to 1,100.

Now, imagine if you increased the number of times your customers dealt with you during their lifetime by again 10%. Let's say from 1.0 to 1.1.

Next, you go ahead and, through certain techniques, you manage to increase your average sale or 'transaction value' by 10% as well, this time taking it from £100 to £110.

Now if you were to put all of these factors together, what do you think might happen to your turnover?

Assuming everything else was equal, it would make sense to say that the overall business would grow by 10%.

Right?

Wrong.

In fact, something completely different happens. Something that could mean the difference between a profit or a loss for your business, or, between a comfortable lifestyle and a wealthy one.

For a moment, look at the next calculation. It shows the numbers before any increase and multiplies them to estimate turnover roughly.

$$\begin{array}{rcccccc} \text{Number of customers} & \times & \text{Number of dealings} & \times & \text{Average } \pounds \text{ Sale} & = & \text{Turnover} \\ 1,000 & \times & 1 & \times & \pounds 100 & = & \pounds 100,000 \end{array}$$

Complete your own business figures below:

$$\underline{\hspace{2cm}} \times \underline{\hspace{2cm}} \times \pounds \underline{\hspace{2cm}} = \pounds \underline{\hspace{2cm}}$$

Look at what happens to turnover when just one area—winning new customers, for example—is increased by 10%.

$$1,100 \times 1 \times \pounds 100 = \pounds 110,000$$

Repeat the exercise for your business:

$$\underline{\hspace{2cm}} \times \underline{\hspace{2cm}} \times \pounds \underline{\hspace{2cm}} = \pounds \underline{\hspace{2cm}}$$

The same happens when either the number of times your customers deal with you or the average transaction value is increased by 10%.

$$1,000 \times 1.1 \times \pounds 100 = \pounds 110,000$$

And your business?

$$\underline{\hspace{2cm}} \quad \times \quad \underline{\hspace{2cm}} \quad \times \quad \pounds \underline{\hspace{2cm}} = \pounds \underline{\hspace{2cm}}$$

Or...

$$1,000 \quad \times \quad 1 \quad \times \quad \pounds 110 = \pounds 110,000$$

Complete the figures below for your business and calculate the results:

$$\underline{\hspace{2cm}} \quad \times \quad \underline{\hspace{2cm}} \quad \times \quad \pounds \underline{\hspace{2cm}} = \pounds \underline{\hspace{2cm}}$$

Now calculate for yourself what happens when EACH area is increased by 10% at the same time.

$$1,100 \quad \times \quad 1.1 \quad \times \quad \pounds 110 = \pounds 133,100 \text{ Turnover!}$$

That's right—increasing each area at the same time has a multiplier effect of increasing turnover NOT by 10% like you could assume, but by a staggering 33.3%!

An additional income of not 10% to £110,000 but 33.3% to £133,100! An increase of £33,100 in turnover for doing nothing else, except, improving EACH area at once rather than concentrating on just one area at a time.

This multiplier effect is caused by the combination, the momentum, of all 3 areas working together. Each begets the other, if you will. So once more, rather than a 10% growth factor, the momentum created by working on EACH one of these first key areas brings about a growth of 33.3%!

Try this calculation on your own business now.

$$\underline{\hspace{2cm}} \quad \times \quad \underline{\hspace{2cm}} \quad \times \quad \pounds \underline{\hspace{2cm}} = \pounds \underline{\hspace{2cm}} \text{ Turnover!}$$

The increase should surprise, impress, and last but not least have you jumping out of your seat with excitement. Especially, when we have a series of Special Reports, that help you to easily develop EACH and EVERY area — at once.

So you'll agree, then, that focusing on all 4 issues is the best way to achieve maximum results for your business.

We will now summarise briefly, some of the strategies that you may employ in each of the 'Four Fundamentals to Exploding the Growth Your Business'. Each of these strategies is examined in more detail in our series of Special Reports.

#1 Winning New Customers

Winning customers is where most business owners focus their marketing energy and this is where it all starts. Given that, then, it's fitting to explore this area first! (Each of the others will be explored in turn.)

There are, without a doubt, hundreds upon hundreds of ways to win new customers. Here you'll find a list of the topics which are covered in our series of Special Reports and some of the key strategies to do just that.

Part 1 – Marketing Overview

Marketing — the Bigger Picture.

- This topic gives readers an overview of marketing as a whole. You will discover what it is, how it works, and why marketing is critical to success. They'll discover that marketing opportunities abound in every area of your business.

The 'Curse of Assumption' — you must educate to motivate.

- Gives insight into the magic that can happen when businesses educate customers and prospects. If educated they'll better understand the benefits offered, quality, value, experience, and other benefits become *more* important than price.

What's your client's lifetime value to your business?

- Explains how to calculate and use a customer's or client's 'lifetime value' for marketing and management purposes. You will discover reasons why this idea is critical to success and how to implement it.

What you can measure you can manage.

- Gives an insight into how important tracking the results of marketing is to future marketing and, ultimately, profitability. You will discover some easy ways to measure and monitor results to make better use of your marketing budget next time.

Testing — making your marketing pound go further for you.

- Enlarges on the topic above and gives readers an insight into why testing is important and the concept of 'what you can measure you can manage.' You'll find out how to use testing to your advantage easily and you'll then be able to fine-tune those techniques and improve results.

Develop a Promotions Schedule to propel your sales.

- Ever notice how your sales can be up and down? Business fluctuates dramatically at times, and in many cases without apparent 'seasonal'

justification. The question is—why? Learn how to improve sales levels throughout the year here.

Part 2 - Marketing – Advertising & Letter Writing

The Power of Testimonials.

- Educates you about the power of gathering, and using, testimonials in marketing material. You'll find out how third-party endorsements are more powerful than standard marketing text and could increase the response to your marketing and sales.

Advertorials and direct response ads Vs traditional advertising.

- Gives you an insight into which style of advertising will work better for your business and why. You will be given hints and tips on how to make the most appropriate type of advertising work.

How to write a headline that really grabs your reader.

- Gives you an insight into the power of headlines. You will find out why and how to create headlines that really work. When you begin to use headlines that truly appeal to your potential customers, marketing results should increase.

Improving letter box drops & catalogues.

- Direct mail via letter-box drops involves mail outs of letters, product lists, samples, or catalogues. These can be a great source of business. You will discover how to ensure your mail drops or catalogues are a success, rather than an expense.

'Offers': a powerful tool to win new business.

- This gives you an insight into offers, what they are, why they're critical to the success of your marketing, and 7 different types of offers to generate a response—fast. And you'll see some examples.

How to create great 'offers' for your business.

- Gives readers an insight into creating offers that overcome human inertia and motivate people to act NOW. You will learn about how to create offers that really will generate a response.

Advertising in your phone directory

- You will discover 12 specific tools to make phone directory advertising really work. If that is important for you, this information could make a huge difference in the amount of enquiries, and consequently sales, you receive.

Part 3 - UCD's and Selling Systems

Perception is the reality. People buy differences they perceive and ‘Unique Core Differentiators’.

- Educates you about ‘Unique Core Differentiators’—why people choose one business over another or one product or service over another. You will discover how important it is to differentiate your business from your competitors.

Types of Unique Core Differentiators.

- If you begin to articulate what makes your business unique, potential customers will understand why they should buy from you rather than your competitors—more easily. This will increase sales and grow the business in the marketplace.

Tips on creating a great Unique Core Differentiator for your business.

- Explains why people truly buy from a business and how to create the differentiation to motivate customers. You will discover, if you begin to articulate clearly defined ‘UCD’s,’ you will stand out from the crowd and people will buy more easily.

Taking the mystery out of selling ... create a system that sells for you.

- Educates you about how to make selling a far easier process. In fact, how to systemize it to the point whereby you not only achieve that goal but also increase sales in many cases—dramatically.

Conversion Rates — why tracking is vital and how to improve yours.

- Educates you about how to track your sales conversion rates and improve them. If you begin to track conversion rates, your marketing programs should improve, as well as your sales results and consequent financial position.

Features Vs Benefits: the ultimate battle for sales.

- Educates you about how to promote ‘benefits’ rather than ‘features’. You will discover reasons why the ‘FAB’ rule is critical to sales success as customers become more aware of the differences between you and competitors.

‘What’s In It for Me?’: the Language of Sales.

- Gives you an insight into how to use another ‘language’ to your advantage – one that reaches people and generates a positive response. Called ‘What’s In It—For Me?’ it could make all the difference to your marketing and sales processes.

Part 4 - Referrals, Guarantees and the Phone

Great Ideas to Make Sure Your Business Is the Kind of Business That Deserves (Wins and Keeps on Winning) Referrals

- Educates you about how to make your business the kind of business people can and do happily refer. You'll discover how to implement this within each facet of your business to ensure an ongoing flow of new leads from your own client base.

7 Ways to gather Referrals for your business.

- Educates you about how to create a referral system. If you begin to implement these ideas, you will be more likely to create a referral system that genuinely works, providing an ongoing, steady flow of customers in an inexpensive way.

Guarantees — a sales opportunity.

- Gives readers an insight into the power of guarantees, to increase the response to marketing, and to increase sales. You will find out why guarantees are important, why being blatant about them is the key, and why the 'risk,' if any, is truly worth it.

Guarantees — a double-edged sword.

- Gives you an insight into the power of guarantees, not only as a sales and marketing tool but also as a critical management tool. You'll find out how guarantees can help you improve every aspect of your operations.

Phone answering and other powerful phone tips.

- You will discover why answering the phone to a certain standard is so critical and how to implement these phone standards so your business projects a more professional image to current and potential customers and start to improve sales.

Even on briefly reviewing these ideas, you'll probably find many ways to win new business that you haven't tried! All these ideas and strategies are dealt with in more detail in our Special Reports dealing solely with the challenge of **Winning New Customers**.

#2 Increase the number of times they deal with you.

We will now cover the second way to explode the growth of your business:

- #1: Win new customers.
- #2: **Increase the number of times they deal with you.**
- #3: Increase your average sale or ‘transaction value.’
- #4: Improve the effectiveness of each process within your business
(to ensure achievement of the first 3!)

Most business owners focus their marketing energy on winning customers. But getting your customers to come back to your business more often is more vital to the long-term health and profitability of your business.

You see, the more frequently your customers purchase from you, the greater your profits. And the greater your profits, the greater the longevity of your business.

Because you paid to acquire that customer on the first sale, every sale after that has no cost to it other than the cost of the goods itself or the labour to complete the service, both of which are covered in the price. So for every sale you make to a past customer, you keep more profits.

It’s like the icing on the cake. And it’s a huge opportunity for your business.

You see, **studies show that it costs 6 times more to win a new customer than it does to have an existing customer come back and purchase again.** As such, if you can build repeat sales for your business, you will be even more profitable again.

Once again, there are many, many ways to encourage your customers to come back. Here you’ll find a list of just some of those key strategies to do just that.

‘Client acquisition,’ that is, winning new customers, is known as the ‘front end.’ It’s the front of your business, the first time your customers meet you. The front end, or winning new customers, has been the focus of advertising and marketing for many years. Creating a ‘back end’—a reason for customers to come back to you over and over, and making sure they do—is just as critical.

This is also known as ‘customer retention,’ that is, retaining customers and increasing the number of times they deal with you in their ‘lifetime.’

Their lifetime is the length of time they deal with you. For example, your average customers might come back to you 2 or 3 times over a 2-year period.

Building relationships to build your business

To make it easier for you, we've briefly outlined some ideas to help you get your customers to come back to your business more often.

The first and foremost idea in this area is to simply **ask your customers to come back to you.**

Most businesses don't bother. They fail to recognise the profit potential this offers a business. So ask them! Invite them to come back to your business. Once happy with a product or service or a supplier, most customers want to build on that and keep returning to that business. It's easier for this to happen if customers are given some incentive to do so.

Another great way to keep customers coming back to you more often is to offer awesome service. Offer service that goes over and beyond the industry average for your business. Of course, other issues that keep customers coming back are things like having a competitive advantage or better performance than competitors.

So do what you do extremely well, offer better or faster services, provide longer warranties or stronger guarantees, give customers some points to **differentiate** you from your competitors. This will make them want to come back.

You see, 68% of customers leave you for another competitor because of something called '**perceived indifference**'—customers felt you were indifferent toward them. You really weren't too concerned whether they bought from you. Not asking your customers to come back to you, making them offers, and inviting them to do so—all can be perceived as indifference.

So it's important to nurture your relationship with your customers in the same way you would any other relationship that was truly important. Nurturing has got to be one of the most cost-efficient and easiest ways to win business from your existing customers. By nurturing your existing clients so that they continue to buy from your business, you are, in fact, saving time and your hard-earned money.

Instead of spending loads of cash on cold canvassing your potential clients, use your 'hot list,' a list of your existing customers, for direct mail and promotions.

To start with, it's vital that you collect information about your customers. Phone numbers and addresses so that you can stay in touch. In some cases, it's appropriate to

gather information about other issues, like their date of birth, buying patterns, occupation or income levels, and so on.

It's then important to place all of this information in a **database**, many of which are available for any computer system. At the very least, hard copy records should be kept, although this is usually more difficult to administer than a computer version. This database could, in fact, be your most valuable asset. For example, if maintained well, a good database can add to the value of the purchase of a business.

Once you've built your database, take the time to stay in touch by sending regular newsletters, offers, vouchers, calendars, service reminder notices, thank you notes, special articles of interest to your customers, Christmas cards, birthday cards, and much more. Each time, build on the relationship you started at the first purchase.

Remember, too, that when you do write to your existing customers, it's important to write to them in terms of benefits. And be sure to answer the 'What's In It—For Me?' question in the customers' minds. That way, they find some benefit in coming back to your business. Also, write to them on a personalised, one-on-one basis—greeting them with their name at the beginning of a letter, for example.

Complete follow-up phone calls to make sure they're 100% happy, delighted even, with what they received from your business.

Develop '**communication schedules**.' These schedules outline the dates and times of all communications, verbal and written, that you'll send your customers over 1 year, for example.

Interestingly, the more often you stay in touch with them, the more often they'll purchase from you. Hence, scheduling communication to reach your customers will bring more of them back into the business.

Offer ongoing education, advice, or support so that customers do have something to come back to and feel that you add value. This should be aimed at helping customers do, be, or have more because of their purchase. And it should build on the initial relationship you established and increase repeat sales.

Creating a 'Team Commitment' can also impress your customers enough to keep them coming back again and again. A team commitment outlines your team's very real commitment to the customers. It makes certain promises of minimum '**performance standards**' and could explain your business ethics and what you commit to do for the customers. For example, on-time delivery, answer questions and queries at any time, backup services, and more. This tool further differentiates you from your competitors.

Newsletters are another great tool to get your customers coming back to your business over and over. One word of warning though, your newsletter shouldn't be just another piece of marketing 'blurb.' This kind of newsletter is all 'us, us, us' and is merely designed to blow the company's own trumpet without giving anything of real value.

It's vital to focus your newsletter in on the customers' needs and answer the question 'What's In It—For Me?' from the customers' perspective. If you do that, your customers will look forward to every issue.

Make your newsletter interesting by offering news; hints and tips; how-to's; guest column writers; offers; latest stories and articles contributed by specialists, team members, industry professionals, and even clients. (Photographs are good, too). Your newsletter needs to add value. It must help the readers in some way.

Adding value is one the easiest and most cost-effective ways to nurture your clients and make sure they keep coming back to your business. For example, you could add value by gifting them 'soft' products or services. That is, items that have a high perceived value in the customers' eyes and a low 'hard' cost to you.

You could send them special reports or make your clients feel special with advance-notice events or a hotline service that goes above and beyond the industry standard.

You can use **offers**, vouchers, and special invitations to reactivate old customers and clients, or you could establish a loyalty program right from the start. Here, every customer is given an incentive to continue to come back and purchase from the business.

For instance, a business card could be stamped every time they buy something. After a certain number of stamps, they might receive something for free.

Or you could develop a 'customer club' that offered certain advantages to regular customers, like special promotions or privileges.

Another way to make sure the right customers keep on coming back is to **classify your customer base** into A, B, C, and D clients. A clients would be your best customers, B clients have the potential to become A's, C clients are not ideal, and D clients might be referred to your competitors! This classification process means that your ongoing communication and promotions to these various types of customers will be more appropriate for each group. Here, only your A clients might be invited to join your 'customer club,' for example.

Nurturing your customers from the very first phone call, through to thanking, offering guarantees, and reassuring them after their purchase can help you avoid post-purchase dissonance. ('Post-purchase dissonance' means that someone takes goods home or purchases services from your business and then regrets it.) In fact, you can attract those customers back to your business.

The same can be said if you have some specific techniques to turn complaints into praise. This can be done by establishing policies about how to look after unhappy customers. You and your team should agree to do everything possible to turn that customer around.

One way to do this and to avoid this kind of issue in the first place is to always ask for feedback from your customers. Asking for feedback makes them think you're truly interested in them and, as such, makes them come back to you more freely. You will come to mind before anyone else, largely because you bothered to ask their opinion! Often, your competitors won't ever have bothered and so your customers will be suitably impressed. Aside from this, people just like to be asked!

'Client Advisory Boards'—where you invite groups of clients to talk about the service they received, what could be improved, and feedback forms—can be useful tools here.

Interestingly, outstanding debts can be a deterrent to purchasing from you again. That is, if they owe you money but still need goods or services in your field, some customers will choose to go to your competitor. This is simply because they're embarrassed that they haven't paid the bill, or that they can't afford to pay the bill despite needing more goods or services.

A video store is a perfect example of this. When people rent videos, many return them late. As such, many stores charge late fees. Often, if a regular customer knows they have late fees due at one store, they will simply go to another and join up!

This issue can be avoided if you keep a tight control on your debtors, keep them at a minimum, and never let them accrue too much.

If you implement these ideas, you can achieve the greatest profits possible, and your customers will be happier, too.

#3 Increase your average sale or ‘transaction value.’

Let’s now look at the third way to explode the growth of your business:

- #1: Win new customers of the right type.
- #2: Increase the number of times they deal with you.
- #3: Increase your average sale or ‘transaction value.’**
- #4: Improve the effectiveness of each process within your business
(to ensure achievement of the first 3!)

You see, people often won’t know or won’t think about other items or services that might add to the first product or service they intend to purchase and so they’ll need you to make suggestions. Suggestions that would increase the average sale for your business.

After all, customers come to you for help and guidance. It’s important, then, to let them know about all their options, including additional services or products that can add to their original purchase.

Every time you fail to do that, it’s a sales opportunity gone begging!

You paid good money to get that phone to ring or that customer to enquire. It’s important to make the most of the effort for your customers and your business. And most businesses frequently let the customer come in, select what they want, and leave. Many do so without making any suggestions about what might be added to the original purchase.

In fact, increasing your average sale makes that transaction all the more profitable. You see, the cost of winning that new customer was already covered in the original purchase item. Anything over and above this is a plus—profit for you.

So what is your ‘average sale’ or ‘average transaction value’?

Simply, it is total value of sales divided by the number of customers you dealt with.

For example:

You might have turned over £4,286 in the last week. On checking your records, like your order book or the number of transactions recorded for the week on your register, you might have sold to 62 customers.

This would mean £4,286 divided by 62 is your average sale for that week. Therefore £69.13 is the average sale.

Consider for a moment what happens to that weekly sales figure if, by better merchandising or cross-selling additional items, for example, you could increase that figure to £74.60. That's only an additional £5.47 to each customer, not much by any stretch of the imagination. And yet it takes your weekly turnover from £4,286 to £4,625.50.

Now, this difference (£339.50 per week) might not seem like much of a difference or anything to make a big song and dance about, but think again.

Calculate that difference—£339.50 by 52 weeks—and it's nothing to sneeze at!

Go ahead and do that now. In this example alone, it means an additional £17,654 in turnover. Who knows what it could mean for your business!

This is even more important when you consider that £17,654 is almost entirely profit.

You paid to get the customer to your business anyway and you already had the staff to serve them for their original inquiry, so the only additional cost is the hard cost to you of delivering the extra product or service sold at the same time as the sale for the original purchase! Making that additional figure—just £5.47 and £17,654—a very profitable addition indeed!

Once again, there are many, many ways to get your customers to spend more when they deal with you. To make it easier for you, we've briefly outlined some key strategies and topics below. If you require more detailed information then contact us for the relevant Special Report.

Some easy ways to increase your average sale

Often the best place to start when it comes to increasing the average transaction value is to identify '**cross-selling**' opportunities.

Cross-selling occurs when you sell other products or services from your product or service range in addition to your customer's initial inquiry. Suggestive selling is another term often used here, that is, an additional item or service is suggested to the customer at the time of sale.

To help you create cross-selling opportunities in your business, go to every major product or service and ask:

‘What else can we offer the customer to go with this purchase?’

‘What else could we offer that would add value and make the use of this product or service better?’

‘What else, when coupled with this product or service, would help them get the most out of it?’

From here you can create ‘cross-selling checklists’ for each item. These checklists would give your team members guidance about what best to suggest to customers.

It should also become compulsory, a performance standard for every single sale.

For instance, McDonald’s make a point of cross-selling every single time, don’t they? They ask, ‘Would you like fries or a drink with that?’ Or ‘Would you like an apple pie with your burger?’ McDonald’s knows full well the financial value of cross-selling and is not about to take any chances. So much so that if a team member fails to cross-sell 3 times within the same shift, they’re reprimanded, retrained, or in some cases fired!

Another way to increase your average sale is to up-sell enquirers from, for example, the budget item to the middle-priced item.

One great way to do that is to offer your products or services in 3 or more tiers, along the lines of ‘good,’ ‘better,’ and ‘best,’ or ‘gold,’ ‘silver,’ and ‘bronze.’ Your ‘good’ product or service might actually be your budget product or service, the one for the price-conscious buyer. Your ‘better’ product or service is the one you actually want the majority of people to buy, and your ‘best’ will appeal to those who are happy to spend a little more for a lot more!

Or, if you have a broad range of products or services, always make a recommendation on 3 that could suit. Then go through and explain that the first is good, the second is better and probably ideal, and the third is the best in that range.

Statistics show most people will select the item in the middle.

Another way to increase sales is to ‘**package**’ together products and products, products and services, or services and services. In packaging items or services together—that is bundling them into one single purchase—usually you add value to the customer.

For example, an electrical retailer might offer 6 free blank videotapes with any purchase of a video recorder. Instead of discounting the price by 20% with any purchase, a manufacturer might offer installation valued at £245. Or a health professional service-based business might package together a health assessment and 8 sessions for the price of 6. All this is designed to make your products and services more attractive and to add value to the customers. Better yet, your average sale will increase.

Following on from that, merchandising can also increase your average sale. Signage, ticketing, presentation, and packaging; establishing particular sales points within the premises; mapping out (walking) traffic flow through stores; and having some easy-to-sell items by the register or your office can be other great merchandising ploys to increase your average sale.

Having educational information about your products, services, or business available to your customers could build their confidence in you and so increase the sale value. As could having various sales tools on hand, like a list of **testimonials** from happy customers, references, the '6 questions' test, and more.

In fact, it's a great idea to develop a **sales system**. That is, a way of selling that constantly involves cross-selling, up-selling, and packaging. In this way, you know that every single team member is following the same system.

And finally, the all-important issues of **margins and price**.

To increase your average sale, you must have a full grip on your margins and what they really mean to your back pocket. Avoiding discounting and price wars is all-important to maintain and increase your average sale.

Consider these facts uncovered by extensive research and you will have to agree.

If your present margin is 35% and you reduce your prices by 10%, to produce the same profit as you would have BEFORE the discount, your sales volume must increase by a staggering 40%. That's not to make any more money, only to get back to where you were BEFORE you offered the discount!

And let's face it, a measly 10% discount isn't going to excite an extra 40% in sales, is it?

Conversely, if your present margin is 35% and you increased your prices by 10%, your sales may reduce by up to as much as 22% to produce the same profit. Chances are this simply wouldn't be the case, either.

Let's explore why a little further.

If your business provides better quality advice and products or more detailed services than competitors, it's not apples for apples, is it?

This means you may be able to entertain the thought of increasing some of your prices. It's your higher level of servicing over a lower level available from competitors. Most times, people only shop on price because it's been how we've been trained to find what we want.

Statistics show only 15% of the market actually purchase on the basis of price.

Oddly enough, sales can sometimes increase with a price increase. Your products or services seem more valuable all of a sudden! This is particularly true if you create sales and marketing tools to educate customers about the value they'll receive.

Obviously, increasing your price could be a great way to increase your average sale and could be worth further investigation for your business.

To really increase your average sale and grow this profit point for your business, it will be critical that you really learn, understand, and implement these ideas in full.

#4: Improve the effectiveness of each process within your business (to ensure achievement of the first 3!)

This is the last, but definitely not least way, to grow your business:

- #1: Win new customers of the right type.
- #2: Increase the number of times they deal with you.
- #3: Increase your average sale or ‘transaction value.’
- #4: **Improve the effectiveness of each process within your business (to ensure achievement of the first 3!)**

It’s this step that ties it all together. Without it, it is very UNLIKELY that your business would achieve any of the first three.

Once again, there are many, many ways to improve the processes in your business to win more customers, keep them coming back more often, and spend more each time. Here you’ll find just some of those key strategies to do just that.

Issues like improving the service offered to your customers, understanding the power of being polite, using thank you notes, having fun and helping your customers have fun, too, would all help you win more customers, keep them coming back, and increase your average sale. However, without changing and improving some of the processes in your business, this simply won’t happen.

Fully understanding and finding out whether your business is suffering from ‘perceived indifference’—where you’re losing nearly 7 out of 10 inquiries because prospective customers feel you’re ‘indifferent’ toward them—is one step. Changing the processes within your business—for example, the way a customer is greeted in the store, the way the phone is answered, and training your team to understand the effects of this phenomenon—is required to take it to the second step. The step where it actually makes a difference to your sales.

‘Working ON your business, not IN it’ is another critical area. If you, as the business owner or manager, are stuck day in and day out handling the day-to-day operations of the business, the growth of that business will be slow. Simply, you won’t have time to implement the ideas you’ll discover here and improve the business. By working ON your business and establishing processes to help you do that, you *will*.

It means you'll be able to step outside of the day-to-day activities of the business, look objectively at your business as a whole, and grow your business from there.

Building a business based on functions rather than people is important, too. You see, most businesses are built around specific people rather than the jobs, or functions, those people perform. Changing your business to one that is focused on functions first and that slots the right people into those functions will help you grow your business.

Developing systems and manuals to map out specific tasks will also help you do that. Edward W. Demming (re-designer of the Japanese car industry) completed a study showing that only 4% of mistakes in business were due to human error. That is, particular people making a mistake. The other 96% was due to a lack of systems.

You see, systems clearly spell out how to do every single task your business needs to complete to serve customers and make a profit. As such, it's important they're developed and documented in manuals that can be used for training team members, delegating work, and using day to day. These systems and manuals make it clear for every single team member what needs to be done and how, leaving you more time to develop the business.

Establishing new **'performance standards'** — ideal standards of performance, required to serve your customers face-to-face, or over the phone, or to produce or deliver the product or service successfully and profitably — are vital.

Sometimes, turning your services into 'products' can improve the processes within your business, dramatically. In fact, this strategy could put you head and shoulders above your competition. Often, service businesses in particular need to start thinking about their services as products and setting up processes in their businesses to do so. That way, they'll get clear on the hard costs of delivering that 'product' and so on. They'll have to treat their business operations like a production-based business. By doing so, profits could increase significantly.

Understanding your real purpose of being in business and establishing the 'mission in life' of your business can help you build better processes to meet that purpose and increase sales with customers. It can also give your team members clearer direction.

Likewise, understanding and addressing your **'strengths, weaknesses, opportunities, and threats'** is important to your business development. It will also ensure that you maximise those strengths and opportunities to win more customers, keep them coming back, and spending more each time. And minimise any problem areas.

Completing an analysis of your industry, your competitors, and market research could help you make sure your processes to achieve the first 3 ways to grow your business are better than your competitors. And give you a leading edge.

In fact, measure your current operation performance, delivery record, customer happiness, and so on and ask this question:

‘What is the one thing I could do in my business that is impossible to do, but would completely transform my business forever?’

Your answer can help you build a competitive advantage in the processes within your business—and increase sales as a consequence.

Understanding why the word ‘team’ is so critical could improve the processes and your working environment dramatically. So much so that you could find yourself delegating more and more, giving you the free time you need to work ON your business rather than IN it.

Creating processes to help find and keep team members easily is valuable for the growth of your business too. If you don’t have a means of sourcing new team members, qualifying them, and inducting them into your business, you’ll struggle with growth, constantly trying to find the ‘right people.’ So it is vital.

Training is another pivotal area for improving the processes within your business and as such achieving improvements in the first 3 areas. You see, building team member skills is the only way you can get them to change for the better within your business. Regardless of whether it’s customer service, phone answering techniques, computer skills, or technical training, it will be extremely important to the ongoing development of your business.

Setting goals and completing a ‘**Business Plan**’ can also ensure that your business develops in every area and that your processes improve.

Improving processes to control costs is also a key leverage point in generating more profit for you.

And much, much more.

Even on briefly reviewing these ideas, you may have discovered some ideas you might not have tried in your business. To really increase your number of customers, the number of times they deal with your business, and your average sale, you must

improve the processes within your business. That way, you, your team, and your business will be able to implement new ideas and grow the profit for your business.

