

GROWING YOUR BUSINESS

5 Proven Strategies to Attract and Keep Customers Forever

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Table of Contents

Chapter	Page
1. Introduction	3
2. Step 1 - Marketing from the Inside Out	4
3. Step 2 – What Exactly Do You Do?	5
4. Step 3 – Greed vs. Reason	6
5. Step 4 – Lighting the Fire	7
6. Step 5 – Keep it Burning	8
7. Conclusion	9

Introduction:

Consistent Marketing, Inc. has been helping companies develop and implement business strategies for years. We have seen well-run, organized businesses that made impressive profits down to businesses that have been in the throes of failure. And we're always interested to know what makes these companies tick. In order to do that one must 'look behind the curtain' so to speak and watch the processes that are in place. Fortunately, we've had perspective and we want to share it with you.

The kinds of businesses that typically seek help are the ones who are already doing well and want to maintain their dominant status as well as those who are not where they want to be and realize that if they don't do something quickly then they may have to find another line of work.

Our world is changing. It's changing faster than at any time in our world's history and the change will continue at a faster rate. Companies have gotten leaner. Small businesses with improved productivity models are popping up all around us. Niches within niches are becoming populated causing intense competition. When new niches are discovered, capital quickly follows.

The good news is that no matter what you do, there is a lot of business out there. It's been estimated by some economists that there is enough active and ongoing business in the world for everyone to make \$1 million a year. The challenge though as competition heats up is that doing business must be done correctly. That is, one must follow the steps, and the steps must be redefined continuously as we're not operating in static environments. Things are changing and shifting around us and we must adapt or fail. We are living in a world now where good products/services are expected, not hoped for. If you're in a competitive field and you're putting out a mediocre service, then over time you will fare poorly.

About 20 years ago, it was not uncommon to find a business that was putting out poor products. I immediately think of the automobile industry. To compete and make money today, a business must produce a good product or service that solves customer problems. There is no option around this.

And good customer service along with the offering, at a minimum, is now standard. There was a time when companies like Nordstrom and Southwestern Airlines were touted as having exceptional customer service. Nowadays, if you don't come up with good, creative ways of interacting with your customers, then you are simply not competitive and will incur problems.

Because of the competitive world in which we live, it's no longer wise to hang a sign outside your door or put up a website. In order to compete, you must actively seek

business. This means marketing. This means going out and getting business. It used to be that one could start a business, announce it to the world, and business would naturally flow in. Not any longer. Without an active, consistent, organized marketing effort, the business will have issues.

Business owners and managers must get their head in the game and do a complete job of running a business. This involves all aspects. For this e-book, we're going to make the assumption that you're already in business and that you already have a presence whether it be a physical office or a web presence. And so, we submit for your consideration, five steps to attracting and retaining business...

Step One—Marketing from the Inside Out

What would it be like to have a friendly, active office atmosphere filled with happy customers and employees? Can you imagine an environment where prospects and customers are greeted with smiles, serviced with the highest-quality service and attention, and handled in an orderly, organized manner?

The first step in running a business properly is getting your house in order. This involves everything from designing and maintaining an organized operation to the alignment of appropriate resources to creating a friendly and helpful atmosphere. Once these steps have been taken and they're in place, you must monitor these things consistently.

This is all part of 'marketing from the inside out' and is the basis of creating the "WOW" factor about which so much has been written. When was the last time a customer was compelled to say 'Wow!' about the service they received from your business? When was the last time that a customer commented on how great your staff was?

A misconception typically develops because business owners/managers are inundated with consistent business activities. The assumption is that if you haven't heard anything to the contrary, then customers must be happy. Unfortunately, studies on customer service have shown that out of 25 disappointed customers only one will vocally complain. What do you suppose the other 24 disappointed customers do? We find that those customers quietly go elsewhere. And then when asked about your business by friends or colleagues, they speak their minds freely by talking disparagingly about your business.

Once this process starts, the word-of-mouth process essentially kills your business. And the negative impact in terms of business you *could* have had is exponential. Imagine losing two or three referrals from each customer that slinked away.

So what must you do to guarantee that your customers are happy to the point of referring others to you? In our experience, you must first organize the office and the experience that the customers will have. This includes cleaning your office and decorating it in a

warm, attractive way. This may mean hiring a professional decorator. There are many in your local area that focus on the office setting.

In order to grow, you must anticipate the resources you'll need to appropriately service the customers. I remember a few years back when trying to take a flight from Denver to Los Angeles on a major airline. It was a large flight and there were delays and questions from folks getting off the plane in Denver on where to catch their next flight. There was only one customer service rep handling about 200 people. It was a circus. There was chaos and a lot of unhappy customers. Because I've seen similar customer service by this same airline on a couple of other occasions, I made the decision not to fly with them anymore. And I told others about my bad experience.

Make sure that the correct resources include employees who are right for the job. Hire the right people in the office for the right job and pay them appropriately. Have friendly people working the front desk (this position is commonly known as the 'VP of First Impressions'). Friendly, helpful employees who have a stake in the success of the business are invaluable. In many cases they will be the only touch-point that the customer has with your organization. Make sure the experience is optimal by finding the correct people and training them.

In addition to the friendly encounter, we suggest offering customers something when they come in that they can take home (creative promo item). It doesn't necessarily have to be something expensive, but this is a good opportunity to send them home with an advertisement for your business such as a discount for a referral...something that they'll remember a week or a month or a year later, depending upon your offering. You don't want to miss these opportunities.

Cleaning the house, so to speak, is the first step that has impact on all the other steps and aspects of your business.

Step Two—What Exactly Do You Do?

We have the opportunity of working with a lot of businesses over the years. And we never stop from being amazed by how many don't have a formal business plan in place. In fact, for a lot of businesses, the only plan they had in place was right in the beginning when they needed funding. What was put together was what the creditor (family member, friend, bank, or venture capitalist) wanted to see. After that initial need, the owners didn't even know where they put the plan. It's as if some people start a business in the hopes that when it gets going, it will just 'know what to do'.

Well, we suggest not only a well-written plan up front, but a working, evolving document. We also suggest that you document employee procedures and keep a disaster plan up-to-date as well. The truth is that planning work is never done. The good news is

that once you get started and you have this planning process in place and you see the positive results, you won't want to stop.

There are five main purposes of business planning. First, it helps management clarify, focus and research the business's development. Second, it focuses the operations on specific goals and tasks so that the organization is cohesive. Third, it provides a considered and logical framework within which a business can develop and pursue business strategies over the next three to five years. Fourth, it serves as a basis for discussion with new employees as well as third parties such as banks, investors, shareholders, etc. Finally, it offers a benchmark against which actual performance can be measured and reviewed.

Make no mistake about it, businesses that have a particular vision and have organized and planned around that vision are almost always successful. This includes the specific products or services and an excellent understanding of the problem for which they're offering a solution.

If you don't already have a working business plan and its companion marketing plan in place, we highly recommend that you do it yourself by buying an off-the-shelf plan writer (\$100 or so) or find a partner to help you. Either option will pay for itself quickly.

Step Three—Greed vs. Reason

Do you have the optimal pricing strategy in place for your products/services? Are you undercharging? Overcharging? How do you know?

Our assumption as you read this is that you've been in business for some time. We're sure you already have a good feel for what you can price your services for. Still, we're amazed at times how some businesses seem to be out of touch with both the market as well as the value that they bring. And so the pricing strategy, what they think they bring in value, is misaligned.

What a customer thinks about your price is much more important than what it costs you to make or how much profit you would like to earn. Still, the cost factor is important. We encourage you to start with demand...that is, find out how much your competitors are charging and how much, based upon your offering, the customers would be willing to pay. There is a scale where fewer would be willing to pay a higher price and more would be willing to pay a lower price. Determine as best you can that particular scale. The highest price that a customer would be willing to pay is called a "ceiling".

Next, you need to determine your costs. Take into consideration all fixed and variable costs. Include overhead. And from these figures, determine a break-even price. This price defines the "bottom" or "floor" of a pricing strategy.

Once we've determined both value and cost, we can combine the two exercises to determine your optimal price. You may want to price lower on your scale to get as much market share as possible or you might want to price higher on the scale and concentrate on fewer customers. The right balance we believe is somewhere between reason and greed.

Pricing is very important to the overall strategy. You don't want to leave money on the table. Our suggestion is that when in doubt, price a little higher and see how you do. It's easier to price down than to price up. If you need help in this area, we suggest that you find it.

Step Four—Lighting the Fire

Ok, so you've got your house in order, you've planned, and you've set the correct pricing strategy. Now comes the fun part...marketing. Marketing essentially means identifying the people who can and will buy your offering and attracting them to your business. And, taking it a step further, impressing them so much that by making a follow-up suggestion to them, they send you referrals.

This is where work in the planning step pays off. By having completed the marketing plan along with the business plan, you have made a profile of your target market and you have identified specific individuals/companies that can buy your services. You may have even been able to develop a prospect list (whether on a spreadsheet or an existing database).

The marketing plan also forced you into formulating a unique selling proposition, or "USP". The USP simply means that you've identified needs for which competitors in your market have not provided a solution. And you have integrated it into your message to prospects/customers. Some questions to help you determine the USP include...how you are going to stand out from your competition? Why should people choose you over anyone else? What are the benefits of your business that no one else can deliver? If you want to stay ahead of your competition you must identify your USP.

Once these things are determined, the marketing plan should be put into play. This typically includes a mix of website promotion and exposure, advertising (such as classified ads, yellow page ads, trade magazine ads), trade show exposure, media (radio/TV), public relations, and direct contact such as direct mailers. The approach will obviously have to be within the budget and with the buy-in from all components of the business. Further, the sales department and/or customer service department will need to be advised of and trained for the project.

A marketing plan and project can be a daunting task. If you don't have the time to manage it then we encourage you to find a resource that can help you. Its importance cannot be understated. We've seen it many times...if you have no marketing plan and no way of attracting new customers to the business, then your business will eventually

wither away. In the instances we have observed, this is almost always due to the owner/manager being preoccupied with other areas of the business. Don't fall into this trap.

Keep in mind too that attracting a new customer through a referral is much less expensive than attracting one without a relationship already established. This is why getting your house in order is so important. You want to ultimately build a referral-based organization. The key to this is doing what you do so well that customers can't wait to tell others about it!

Step Five—Keep it burning

The final step is to keep all the processes going. That is, keep the planning and marketing going. Planning and marketing is like doing the dishes...it's never done. You must be diligent and consistent.

Every month, perform a check on where you are. Have you met your goals? Is the organization in alignment with the marketing project? How are the project's results? What changes could you make to the project?

A key part of the maintenance is communication with your customers. What are prospects saying about the business and the marketing program? There are two ways to go about this...through a survey card (where you can collect a lot of good information) and by simply asking them. Get into a habit of asking your customers questions such as how they heard about you, what they think about the different aspects of your offering, suggestions they might have on improving the experience, etc. You cannot allow yourself or your staff to be isolated from your customers. Encourage everyone to be friendly and curious. The secondary gain is that the staff and your customers will be happier from the experience.

Find out what your competitors are doing. What are they doing right? What are they doing wrong? What is their pricing strategy? Know the sea in which you swim. Again, you can do this through research or by simply asking around.

We've observed businesses over the years that have had good intentions initially but couldn't maintain the processes put in place. This is not uncommon. There is a lot to do in running a business. For those organizations, we have been asked to maintain for them. We recommend doing whatever it takes to keep the process going...whether that be hiring someone to come in or hiring an outside firm. We can assure you that the benefits far outweigh the costs in those situations.

Conclusion:

Good profitable businesses change with the times. If you're not changing and evolving, then you will be left behind. Make time for marketing every day. Some days may involve long-range planning as in the development or revision of a business plan or marketing plan. You may do this monthly or quarterly. This is the "big picture" view.

Take a look at the business objectives more often. You might need to adjust the plan and/or objectives from time to time. This is natural and expected.

You must keep the activities set from the goals and objectives close. These activities must be listed in your weekly and daily calendar and you must follow through with them consistently. This is the fire that lights the plans. Failure to follow through on a commitment you made to a customer or responding promptly to a request for a proposal will sink you faster than a rock with weights.

Follow through with all the necessary steps and watch as your business grows! It's an exciting time to run a business! There are so many opportunities! Good hunting, and if we can be of any help, please let us know.

Thanks,

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