

# GROW your business



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## Grow Your Business By Increasing Your Customer Base

It may sound a little simplistic, but there are really only four fundamental ways to successfully grow your business – in other words to make it more valuable. These four ways are:

1. Increase the number of customers of the type you want to have.
2. Increase the frequency with which customers come back to buy from you.
3. Increase the average value of each sale you make.
4. Increase the effectiveness of each process in your business.

It's interesting to contemplate the fact that all of the business development strategies you might implement will fall into one of these four categories. Any other strategy that doesn't appear to sit in one of these, for example cutting costs, may help you temporarily, but it won't grow your business. Cutting costs will not make your business more valuable unless you turn around and re-invest the money you save into one of the four ways.

In the next few months we'll devote a story to each of these ways. This month we deal with strategies for increasing the number of customers you have.

### DEVELOP A UNIQUE CORE DIFFERENTIATOR (UCD)

A UCD is the reason why customers buy from YOU, something you have that is of real value to them and decides their buying decision in your favor. You may in fact have several UCDs – different ones targeted towards different segments of your customer base.

Good UCDs can come out of simply reviewing the way you do business and deciding to emphasize some aspect of what you already do, or of thinking up a different way of doing it. For instance, if you ran an automobile parts business you could offer free same-day delivery of parts ordered from repair shops within your area – only you service customers who need fast delivery.

Think about how you'd finish this sentence: 'People buy from me because I'm the only business that...' If you can put in something there that only you are doing, then that's a UCD. If you can't, then its time to start creating some UCDs for your business.

### TAP THE POWER OF THE PHONE

Many marketing people consider the phone to be the single most underutilized selling resource in business today. An effective phone technique is really important in keeping prospects interested \_ there's no percentage in spending money on generating leads only to turn them off the first time they call you because of the manner in which you talk on the phone; or by handling the call carelessly and leaving people hanging for long periods; or setting up



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one of those telephone tag situations. We all know how frustrating these things are.

With the right training, your team will have the focus to handle any call, and make it work to your business' best advantage.

#### DEVELOP A SALES SYSTEM

Just about everyone in business knows of someone they'd call a 'natural' salesperson. If you observe these people you'll begin to notice a pattern to the way they do things – how they get the prospect interested, how they keep them interested, how they handle objections, how they deal with questions about price and how they finally ask for the sale. All in a way that builds trust and understanding with the prospect as they go along.

They have systemized their routine – they have a 'sales system'. Now it is actually possible to learn an effective sales system. A systemized approach to selling based on an effective sales method and shared by you and your team is a must-have for increasing your customer base.

#### RESEARCH YOUR MARKET

To improve your return on investment in marketing communication pieces such as letters, advertising, emails, and direct mail, a targeted rather than shotgun approach is very important. Your marketing should focus on a specific group of people who are the right type to purchase your product or services and give them a message they will relate to.

So it's extremely important to understand what makes your customers tick; if you are selling computers then you need to realize that the expert user with knowledge of software, hardware and all the technicalities is going to want different information to a person who just wants something easy to use for their email contact with family and friends.

To arrive at this knowledge of your actual and potential customers you need to do some homework identifying your main market segments and profiling them according to their interests – some market research. Then you can market accordingly in a much more focused and cost effective way.

#### MEMORABLE QUOTATION

A man to carry on a successful business must have imagination. He must see things as in a vision, a dream of the whole thing.

– CHARLES M SCHWAB

## Small Business Planning – 3 Myths

It's estimated that up to 70% of SME owners don't have a formal strategic plan. That means they have little idea where they are headed, change priorities constantly, have confused their employees about the purpose of their jobs and are chasing goals they have little or no chance of achieving.

There are a number of common reasons SME owners give for failing to develop this vital business tool. Here are 3 that are pure myth – and why.

#### MYTH 1: MY BUSINESS IS TOO SMALL TO NEED A STRATEGIC PLAN

From the SOHO on up EVERY business can benefit from a strategic plan. A strategic plan can help you make informed decisions about time management and budget allocations to different activities. You can use your strategic plan to help you determine whether it's worthwhile attending a particular event or advertising in a particular medium.

It can be used to outline for employees the specific set of goals you want the business to achieve so as to provide them with direction and focus for their activity. Your strategic plan can really form the basis of all measurement activity in the business and keep you informed of how the business is performing.

Doing the right things and doing them efficiently and economically are activities that every business needs to get right and a strategic plan is the basis for achieving that.

#### MYTH 2: IT WILL TAKE FOREVER TO PRODUCE

The real value of a strategic plan for your business is in taking some time out to think about your situation – to work ON the business instead of just IN it.

There will be some time involved pulling together information about your current way of operating, about what's happening in the wider market place, about your customers – but gathering and analyzing it is actually not a burdensome job, especially with the assistance of a trained advisor who can help you do a SWOT (strengths, weaknesses, opportunities, threats) analysis and draw up a strategy with an unbiased eye.

Thinking strategically doesn't involve working out all the individual tasks you will need to do to achieve them right there and then. For example, suppose a goal is to grow revenues at an annual rate of 7%. This sets

*Your strategic plan won't be doing what it is supposed to be doing unless you have regular meetings with the people responsible for making the goals in it happen and checking progress against the planned goals. When you track the results of your efforts you can make mid-course corrections to get back on track if you need to. Regular meetings give the opportunity to make the best decisions you can as you progress, and manage the plan as a team.*

off all kinds of nitty gritty task-oriented thinking about labor needs, promotional materials, space planning, etc. that can immediately bog you down; whereas the strategies work on a higher level – developing a new product to broaden the service base and decrease reliance on ageing lines for example. Only when a true strategy is decided is it time to think about the individual tasks needed to accomplish it.

#### MYTH 3: A STRATEGIC PLAN IS OUT OF DATE FROM THE TIME IT'S FINISHED

Too many small business owners treat their business plan as a closed book. That's not what they are about. A business plan should be an active document that gets reviewed and updated at least monthly.

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## HOW TO MAKE THE MOST OF YOUR NEWSLETTER

Be sure to read each article with the mindset "How could this apply to our business?" Thinking of it that way will guarantee that you get value. Better yet, take notes as you read and commit to having the ideas implemented by the time the next edition arrives. Also, make copies for each team member. To really make sure something positive happens, work with your business development specialist to talk your team through the ideas and how to set a schedule for getting them implemented. We're here to help you get started.

## AN IMPORTANT MESSAGE

While every effort has been made to provide valuable, useful information in this publication, this firm and any related suppliers or associated companies accept no responsibility or any form of liability from reliance upon or use of its contents. Any suggestions should be considered carefully within your own particular circumstances, as they are intended as general information only.

meetings give the opportunity to make the best decisions you can as you progress, and manage the plan as a team.

A plan's purpose is action. Without action, the plan is useless and the dollars invested in creating the plan are wasted.

## TREAT YOUR BUSINESS LIKE A REAL BUSINESS

SME advisors who work with different sized businesses know that those that perform at the highest level usually have some sort of formalized strategic plan in place and have implemented it well. On the other hand, those businesses that struggle usually have no plan in place and seem to flounder in their attempts to be successful.

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# Top Website Mistakes That Lose You Business

Everybody needs a web presence. But given the time and money you'll invest in building, or having a site built for you, you will want to ensure it pays its way. Here are some common, but fortunately easy to correct, website marketing mistakes.



## THINKING YOUR CUSTOMERS DON'T USE THE WEB

Yes they do! So the first thing is to create something more than a brochure site. Put some time into seeing what sort of websites your competitors have, and what services they offer off it. Then get a person with some knowledge of how Internet search engines work to take a look at your site and optimize (using the right keywords and phrases on your pages) it to get noticed by search engines. You won't sell anything from it if it doesn't turn up in search results. And don't restrict your marketing to just the web – get your website address in all your promotional materials from the side of the business vehicle to your business card.

## MAKING IT DIFFICULT TO UNDERSTAND WHAT YOUR BUSINESS SELLS AND WHAT FEATURES THE PRODUCT OR SERVICE OFFERS

People searching for products on the web tend to be impatient. They expect to be able to tell just what you sell and see where to click for details on products from a quick glance at your home page. They want that information in plain English with lots of short paragraphs and bulleted lists. And they want facts and product features as well as the benefits of buying your product so they can make comparisons.

Too often messages are written in such

hope that it's actually difficult to understand exactly what the business does.

## MAKING IT DIFFICULT TO PLACE AN ORDER OR CHECK OUT AN ITEM FROM YOUR WEB STORE

If you are selling from your site then put the necessary work into designing an easy to use shopping cart and checkout (credit card payment) process. It's remarkable how hard some businesses make this with confusing processes that leave a shopper unclear about things such as how many of an item they ordered or whether the order 'took' at all. When the navigation and checkout processes are confusing expect the customer to bail out and abandon the shopping cart.

You should be checking the site statistics to establish just what percentage of visitors are abandoning their shopping carts and at what part of the process, then using that information to work out whether you are losing sales, what changes can you make that can improve the customer experience and reduce shopping cart abandonment.

There are proprietary cart software solutions available that have met strenuous testing that may offer an off-the-shelf solution for you.

## NOT PROVIDING WAYS TO CONTACT YOU

Conversion rates vary by website and product, but on the average only about 2-3 percent of visitors to a web site will make a purchase. In other words, roughly 98% of the visitors to your site don't buy during their visit.

Sometimes that's simply because you don't have what they want. But where it is because they are just comparison shopping, impatient with your site or confused by the order/checkout process, you can improve the possibility of them making a purchase by offering them a means to contact you on each page of your site. Phone numbers, especially a toll free number, are good, but an email is better and faster. These days you can use chat software in the form of 'live help' solutions to give help in real time. Go all out to maintain contact – even a complaint can provide the excuse to ring back and try and sort out the problem and move on to a sale.

# Delegate It

Are you running your business or is your business running you?

Talk to SME owner/managers about this and you soon discover that what most of them are doing is – just about everything. Many who started their business off the back of their own specialist knowledge or skill and a desire to be their own boss ultimately become frustrated and tired as they extend themselves across two jobs – practising their trade and managing their business.

Ask why the hired help isn't doing the work, the owner wants to drop and you get answers like these:

- I'm too busy to take the time to train someone else
- I don't have the time to explain to anyone how to do it
- I'm the only person who can do it right first time

And sometimes there might be an unvoiced, but still important reason:

- If I delegate responsibility I'll lose control over what goes on

## SOMEONE ELSE CAN DO IT!

Delegation really is the only solution. What is

needed is a plan for making it happen effectively. That may mean, short term, finding the time or getting in an advisor to assist you to develop a solid plan for training up people and developing reporting mechanisms. Keep the bigger picture in mind – cost is relative. For example, if you manufacture and install pool fencing, are the installation jobs interfering with time that could be more profitably spent developing new designs or marketing. Or would you just like to be spending more time with your family? If your answer is 'yes,' then the cost of delegating is well worth it for you.

## PLANNING TO DELEGATE

Planning to delegate should be a structured process – that's why professional assistance can sometimes be a great help in making the process go as quickly and smoothly as possible. It will involve going through the following processes:

- Clearly and logically identify the goal of

the project; exactly which tasks or part thereof you want the person to be able to relieve you of

- Develop a documented description of the process to act as the teaching guide and reference manual to help with the training and so the trainee doesn't have to keep coming back to you for answers to 'frequently asked question' type issues
- Develop guides as to how long a process should take so you can measure output
- Develop an ongoing reporting mechanism of the key performance indicators of the task so you can keep overall control such as timesheets or wastage reports or even periodic personal inspection of the work

Telling someone to take over and walking away from the job yourself isn't delegating. And the results aren't likely to be pretty. Use a structured process and remember that success will depend to a large degree on how you do the actual training. Your approach should involve frequent feedback to the trainee. You'll be surprised at how many of your employees can step up to the mark under the right conditions.

*Would you just like to be spending more time with your family? If your answer is 'yes,' then the cost of delegating is well worth it for you.*

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