



## 20 Profit Improvement Insights For Serious Entrepreneurs

**Build your business and your profits  
faster than you ever thought possible!**

## INTRODUCTION

Is your business as profitable and successful as it could be? Is it providing you with the prosperity, security and lifestyle that you and your family deserve? What would it take to go to the next level?

Unfortunately, far too many entrepreneurs fail to take advantage of the exceptional benefits that objective, professional, outside thinking can bring to their businesses.

As profit and lifestyle improvement specialists, we'll help you build your business and your profits faster than you ever thought possible, while creating the workstyle and the lifestyle that you aspire to.

These 20 complimentary Profit Improvement Insights are intended to help stimulate your thinking about the true potential of your business. We'd be happy to discuss how you can take full advantage of these and many more strategies to ensure that your business provides you with the satisfaction and rewards you deserve.

Enjoy and Prosper!

Steve MacDonald  
President, Steve MacDonald & Associates Inc.



“Business has only two functions  
— marketing and innovation”

Peter Drucker

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## 1. DEVELOP A MARKETING MINDSET

- What separates brilliantly successful and profitable businesses from the rest is almost invariably superior marketing. Think about it. The subtle differences between mediocre and excellent marketing can create substantially different results. The right strategy, the right positioning, the right words, and the subtle nuances of truly brilliant marketing can easily double or triple the effectiveness of any advertisement, product pitch or campaign. However, when a marketing mindset is applied across all aspects of a business it can be truly transformational.

Developing a marketing mindset means realizing that everything counts. Every single impression and every point of contact or communication, direct and indirect, all count toward how your business is perceived in the marketplace. A marketing mindset means constantly looking for new and better ways to improve your marketing, sales, and customer service effectiveness; it means being innovative; it means perpetual testing, refining, and improving of all customer-facing aspects of your business.

**20/20 Tip #1:** If you really want your business to thrive, make marketing, sales and customer service your top priorities. Give them the time, attention and care they deserve. Understand the real meaning of marketing in all of its subtleties and details, and it will pay you dividends faster and more profitably than any other investment you can make.

## 2. FOCUS ON STRATEGY FIRST!

- The most critical element of a winning sales & marketing plan is strategy. This cannot be emphasized enough! Unfortunately, many entrepreneurs equate marketing & sales initiatives with tactics. And while it's true that the marketing plan and marketing calendar ultimately get filled with the details and timing of tactics, tactics are a completely secondary issue.

The truth is, it's entirely possible to be brilliant at execution of tactics, but fail to achieve your real business goals, because the tactics are not strategy-driven. Conversely, brilliant strategy can make you a fortune in less time and with less effort

than you ever thought possible. Thus, time spent to develop the right strategy will always pay huge dividends.

**20/20 Tip #2:** Spend serious time and effort developing clever and well thought out strategies about how to achieve your big picture goals, before getting distracted by tactics. Ask these questions:

- What are we really trying to accomplish?
- Is there possibly a better, smarter, faster, easier way?
- Are there possibilities that we haven't explored yet?
- Are we being as clever, innovative and creative as possible?
- Are we borrowing innovative ideas from other industries?
- Are we leveraging state of the art technologies?

Working smart with the right competitive and business development strategies is infinitely easier and more effective than working hard with the wrong ones. Nothing will make a bigger difference in your business success and profits than brilliant strategic thinking.

### 3. SALES & MARKETING BLUEPRINTS

- Because your sales and marketing plan is what drives your income stream, it's arguably one of the most important management documents for your business. Its purpose is to ingeniously map out the process by which you will hit your sales and business development goals. That's why the importance of sales and marketing plans cannot be underestimated.

Just as your vision of what your company will become in 1, 2 and 5 years is the driving force behind your business plan, your sales and marketing plan is the document that reverse engineers your income and business development goals. It must be detailed, methodical, systematic and realistic in its approach, because once complete, this document becomes your ongoing blueprint for revenue generation and performance benchmarking.

**20/20 Tip #3:** A clear, detailed sales and marketing plan that outlines exactly how you intend to achieve your weekly, monthly, quarterly and annual sales goals is a critical tool for profit improvement. The more granular in detail, the better, right down to projected product and service units to be sold to specific markets, via specific campaigns and sales initiatives.

It must be strategically thought out; it must also be on brand and on strategy in every aspect. Its execution must be clearly understood by all members of your sales, marketing and operational teams. Ensuring team buy-in and commitment to the plan is a critical component that will go a long way to ensuring its successful and profitable execution.

#### 4. HOW DO THEY REALLY FEEL?

- A critical aspect of strategic planning is to define exactly the position that you want to occupy in the marketplace and in your customer's mind. Positioning is how you want your customers ideally to feel about your company or how you would like them to describe your company when you're not there.

The position you hold in your prospect's or client's mind, is based on their perception of you and your business relative to all of their other choices in the marketplace. Because purchases are almost always emotionally driven, how they feel about your business is a primary determinant of whether or not they choose you or your competition. It also makes all the difference in whether or not they feel positive enough about your company to recommend you to their friends and associates.

**20/20 Tip #4:** A well defined positioning statement is essential in developing your marketing plans. Take time to clarify in as much detail as possible how you want your prospects and clients to think of you and your business. Would your customers describe you as ethical, honest, dedicated, professional, or customer focused? Do some objective research to see how close to this ideal perception you actually are now. You may also want to do some research into how they feel about your competitors.

It is essential that every aspect of your marketing and sales plan supports your ideal positioning as effectively as possible. Make sure as well that everyone in your company clearly understands your positioning and acts in accordingly.

## 5. HOW DIFFERENT ARE YOU?

- To achieve maximum success, your business must be substantially differentiated from your competition in obvious, explainable and meaningful ways. That means ways that are tangible, that intuitively make sense, and are believable, prior to becoming a customer.

Doug Hall from the Eureka Ranch suggests, you need to be differentiated in ways that actually give prospects a “real reason to believe” what you are telling them. A great example of how simple competitive differentiation turned a pizza store into a 2.5 billion dollar business was Tom Monaghan’s promise on behalf of Domino’s Pizza: “30 minutes or less or it’s free”. In a world where everyone else was just fast and tasty, that distinguishing promise with a financial guarantee created “real reason to believe” that built a fortune.

Positive and meaningful differentiation is a critical key to building and maintaining competitive advantage and serious profits. To earn the purchasing decision of a customer, a product or service only has to be a little bit better or a little more attractive or a little more believable. Clever and compelling differentiation can give you that winning edge.

**20/20 Tip #5:** Use differentiation to its utmost potential to gain competitive advantage. Start by listing all of the ways that your products and services are both the same and different from your competitors. Now cross all the ones off the list that are vague, hard to demonstrate, or not obvious, and you'll have a better idea of how difficult it is for your prospects believe that your company is the right choice.

Now drill much deeper to identify and create new and innovative ways to truly differentiate your products and services. Always ask, does this give people who haven't dealt with us a "real reason to believe" that we are really different.

## 6. BRILLIANT BRAND IMPLEMENTATION

- ▶ In simple terms, your brand is the essence of what your business stands for; it's your reputation for product, service, ethics, style and delivery of everything you do.

Although branding is typically associated with logos, tag lines and colours, brand implementation happens throughout every aspect of your business, through every customer impression, and through every point of contact or communication. Nothing is more important than building a brilliant and consistent brand that people recognize and associate immediately and distinctively with how you want them to feel about your company.

There are an open-ended number of ways that you can communicate your brand, and they will happen by default, whether you take charge of their implementation, or not. Thus you must be keenly aware of how your company's brand is being communicated in the details of everything you do.

**20/20 Tip #6:** Be vigilant in developing and defining the exact brand you want to build in the marketplace, and then ensure that every detail supports that brand. Using the right logos, colours, tag lines, style, look and feel is a good place to start, but your brand is also communicated through every single point of customer contact.

Make a list of all the ways that customers and prospective customers are touched by your brand and be certain to fully exploit every opportunity to create the right impression.

## 7. INNOVATE FOR REAL SUCCESS

- ▶ Deciding to be genuinely innovative, or at least ahead of the curve in your industry will be one of your best and most profitable business decisions, especially if the innovation is driven by research and feedback from key clients.

Successful innovation comes from always being on the lookout for new and better ways to execute every aspect of your business, from products and services, to marketing, sales and customer service. One of the keys to innovation lies in habitually searching for new trends in your industry and other industries as well as looking for ways to adapt contemporary technologies, processes or services as innovations to your business.

At the core of all companies that are successful innovators is a company-wide culture of innovation. That's because there is an amazing resource of knowledge, creativity and business intelligence that lies untapped in the brain trust of your staff, clients, partners and suppliers that must be nurtured. Smart businesses create a climate that is conducive to always bringing forward ideas for change and innovation.

Besides helping to keep the business on the leading edge of innovation, this strategy has the added benefit of enhancing team engagement and commitment to success. That win-win approach to innovation has serious profit improvement benefits.

**20/20 Tip #7:** Create a formal innovation policy that empowers, invites and rewards all of your staff, clients and suppliers for suggesting ideas about innovative ways to improve products, processes, services, sales, marketing and customer service.

Be sure to perpetually capture all innovative ideas for either immediate implementation, or for future reference in think tanks and brain storming sessions. Develop internal processes and systems that stimulate and appreciate innovative thinking from all employees, and be sure to make time for regular, high quality, formally moderated brain storming sessions. Taking prompt action to test and implement the ideas you develop will keep you on the leading edge of success.

## 8. ARE YOU REALLY LISTENING?

- ▶ There is nothing new about the idea of listening to customers, but it is rarely done as strategically, systematically, and effectively as it should to achieve maximum benefit. Properly implemented customer feedback systems are invaluable because those systems will help you design and manage your business to the ultimate satisfaction of your customers.

Research done by the Whitehouse Office of Consumer Affairs in the U.S. indicates that unfortunately, 93% of clients typically don't tell you when they're unhappy or could be better served. So the key to strategic listening is not only to ask the right questions, but to ask them in an environment or through a process that will capture the honest and uninhibited information you need.

**20/20 Tip #8:** Develop a system that regularly allows customers, prospective customers and even lost customers to provide insights into key areas of your business, service and product improvement. Don't be afraid to drill down past the platitudes to hear real problems and real opportunities for improvement. Use feedback forms, web surveys, customer service follow-up calls, or even an independent survey service or confidential feedback system to ensure that you're getting the truth.

## 9. BUSINESS DEVELOPMENT ABC'S

- As complicated as business development strategy can be, it's ironic how simple its underlying principles are. When you boil it all down, there really are only 3 ways to grow a business:
  - A. Increase the number of active clients
  - B. Increase the size of financial transaction per client
  - C. Increase the frequency of purchase for each client

The key to maximizing profits is to focus on all three activities concurrently, and the good news is there are literally thousands of ways to go about achieving success in all three areas. No matter what the marketing or sales initiative, be certain that you are constantly asking how the strategy in question will achieve success in each or all of these three fundamental objectives.

**20/20 Tip #9:** When developing every aspect of your sales and marketing strategy, determine exactly how each initiative relates to the ABC's of profit improvement: a) new client acquisition, b) increase transaction size, c) increase purchase frequency. Always design programs and campaigns that strategically achieve two or three of the ABCs concurrently and you'll be well on your way to maximum profits.

## 10. CAMPAIGN MARKETING MAGIC

- Clever marketers always take advantage of themed and limited time campaigns or promotions to create interesting and time sensitive approaches to the marketplace. It doesn't really matter what the theme or rationale is, as long as it's intelligent, engaging and well executed.

Of course, clever, creative, and well executed campaigns that are on strategy and on brand will deliver the best results, so be sure that you plan appropriately and leave plenty of time on your marketing calendar to ensure sufficient time for design and development.

One of the keys to optimal results is to create campaigns with multiple components that are all well connected by theme and strategy across multiple impression points. The cumulative impact of each additional component will enhance overall theme recognition and impact.

**20/20 Tip #10:** Look carefully at your marketing calendar to spot ideal cycles or seasons for innovative campaign ideas. Take full advantage of trade shows, product launches, holidays etc. to create compelling sales campaigns that leverage themes.

Careful planning and component integration will enhance impact while maximizing budgets by employing the same creative in multiple media. All campaign initiatives should be measured qualitatively and quantitatively to determine their effectiveness in increasing sales, profits and customer affinity.

## 11. YOUR MARKETING CALENDAR

- All too often, even well conceived marketing plans fall apart or are poorly executed because of insufficient lead time for quality preparation and execution. Properly utilized, your marketing calendar is a relatively simple, but invaluable tool that will help keep your marketing plans on track, and keep your staff and suppliers synchronized all year long.

Once your marketing plan is complete, take all of the actionable items and transfer them into a spreadsheet or Gantt chart for simplified visual tracking and reminder purposes. The ideal document will identify line item tasks with specific dates, deadlines and work details on the left vertical scale, with a day-by-day calendar across the horizontal scale.

Additional column fields can also be used to identify responsibilities and operational notes that will ensure that everyone knows what their individual, departmental and supplier tasks are. Regular review of the calendar will ensure that all critical deadlines are met with sufficient lead time to also presents a nice visual representation of what activities are planned on a monthly basis. The key of course is to ensure allow for the best qualitative execution, and best results.

**20/20 Tip #11:** Develop a detailed marketing calendar in a spreadsheet or project management software that combines a visual representation of the marketing year with a line item task list. Be sure to share the calendar with all individuals, partners and suppliers that are affected in any way by the details of the activities.

Choose one team lead to keep the calendar up-to-date. Ensure that the person in charge of the calendar has a complete understanding of all of the details and their respective time frames for accomplishment. Strive to complete as many details well in advance of deadlines as possible to save time and money, while creating superior results.

## 12. CRITICAL MARKETING MATH

- ▶ The old saying “what can’t be measured can’t be improved” holds true, especially for improving the performance and profits of your business. Your most basic performance business math comes from the financial goals in your 1, 3 and 5 year business plans. These should be translated into clear, quantifiable targets so that both sales and profit goals that can be appropriately tracked on a monthly, quarterly, and annual basis.

Your next level of business math involves doing a micro analysis of other business metrics such as campaign, advertising, and promotional results; new customer acquisition and customer attrition and sales growth with existing clients. Additional key calculations you should know are things like: the lifetime value of your clients, average sale per transaction, average sales per customer per month, quarter and year, as well as normal frequency of sales, sales by product and service, and sales by client category.

The real fun begins when you start looking at ratios, exceptions, top percentiles and bottom percentiles of clients and products, all of which is relatively simple to do in a basic spreadsheet. These types of numbers will give you interesting and valuable information not just the bottom line trends compared to your goals, but also deeper insights into opportunities to improve the critical ABC’s of growing your profits (Insight #9).

Once you’ve done the business math, you’ll want to use this information to segment clients, products and services by their relative value to your business. Pay special

attention to identifying your most valuable clients and those that appear to have the potential to become more valuable clients. Focus your energies on creating innovative new ideas for campaigns and promotions to maintain and grow your most profitable clients and business segments, and those that exhibit the most potential to become top tier clients. (We'll talk more about this in Insight #13 and #14)

**20/20 Tip #12:** Run your business by the numbers. Set up appropriate tracking of key business metrics and statistics that are relevant to achieve your goals, and then monitor them diligently. Do additional research to confirm why the results are as they are, and use this information to discover and act upon the hidden marketing opportunities they reveal with special promotions and targeted campaigns.

If your business math reveals you're ahead of your goals – fantastic, figure out how to sustain that and even further improve what you're doing. If you're behind your goals don't wait; figure out immediately how you're going to turn that trend around.

### 13. MINING FOR DATABASE GOLD

- For most companies, their prospect, client, and past client database is a veritable goldmine of opportunities and a hugely underdeveloped asset. There is simply no easier way to build your business than with existing contacts and some simple but clever marketing strategies that leverage the ABCs of business development (Insight #9).

The key is to be able to qualify each contact by a few simple points of distinction, and of course, the more detailed and up-to date your information, the better. It's also important to be able to associate key financial data to each contact in order to maximize the insights learned by doing the business math (Insight #12).

The good news is that contemporary contact management and accounting systems have made this process easier than ever to accomplish without major investments of time and money. Typically, a small amount of upfront effort to create, update and maintain a usable database, will put a goldmine of sales and marketing tools at your service with just a few clicks. The return on investment for this upfront work will pay

for itself many times over with the highly profitable ability to micro-segment your database into unique customer categories for targeted marketing initiatives.

**20/20 Tip #13:** Invest time and effort to create and keep a central database of all clients and prospects. Put some creative thinking into the kind of segmentation that you would like to be able to apply to the database in order to easily pull appropriate lists for target marketing initiatives.

Segmentation could include purchase volume, last purchase date, type of purchase, type of client, geographical considerations, etc. One of the best ways to ensure that the data remains up-to-date is to assign database management to a single administrative person who is likely a member of the sales and marketing team.

## 14. APPLYING THE 80:20 PRINCIPLE

- ▶ The Pareto Principle as postulated by Vilfredo Pareto in 1906, and later popularized by management guru Joseph Juran as the 80:20 Rule, has profound ramifications for business. The concept in a nutshell is that 80% of your results typically come from 20% of time and effort. It's an extraordinary principle that has hundreds of applications. Here are just four that may be relevant to your business:

- > 80% of your profits come from 20% of your sales
- > 80% of your profits come from 20% of your products
- > 80% of your profits come from 20% of your efforts
- > 20% of your clients account for 80% of your grief

An extremely effective tool for profit improvement is to look for the key 80:20 relationships in your business and then focus your attention on the highest priority tasks and opportunities that will deliver the high performance results you need for maximum profits with minimal effort.

This principle applies to all aspects of your business from client and prospect segmentation, to time invested in products, services, staff, and operational tasks that may not be generating the high margin return on time that you require for maximum profitability.

**20/20 Tip #14:** Apply 80:20 thinking to everything you do in order to identify the top priorities that will most rapidly move you towards your goals and provide the highest return on investment of your time. Don't let the little things that create busyness get in the way of the important tasks that will build your business and profits.

Work smarter – not harder. Focus your efforts on the premium marketing and sales propositions that will really pay off. Spend more time growing the high margin 20% of your clients. Exercise the discipline of looking for the 80:20 payoffs in every aspect of your business and you'll be amazed how quickly your profits increase and your workload decreases.

## 15. SALES PROCESS ENHANCEMENT

- For such a critical aspect of business, it's surprising how few companies have well documented sales processes, and as a result, how little time they spend methodically and strategically improving each step of that process. It therefore comes as no surprise, that when sales reps are left to their own devices to figure out the best way to prospect, pitch, present and close sales, the results vary considerably from the most successful to the least successful.

That's why smart companies spend serious amounts of time and effort determining, testing and tweaking the most successful approaches to every step of their multi-step sales process to create a system that is as scientific and effective as possible. This doesn't preclude individual sales professionals from adapting elements to their own style, or from trying new ideas, but it does provide a universal "playbook" and training resource to help ensure a consistent, successful approach to selling.

A well documented sales process will also allow you to develop your marketing resources to more strategically support and expedite every stage of the sales process. Developing process-driven tools that leverage technology will allow your sales team to serve more clients and close more business in record time. The net result will raise not only the performance of your weakest sales reps, but of your entire team.

**20/20 Tip #15:** Tested, proven and well documented sales processes are essential to improving the performance of your sales team. They're also essential to ensuring that your company and its products are being appropriately and consistently well presented in the marketplace.

- Begin documenting or continue updating your sales process
- Solicit input from your top sales reps to capture the best practices
- Learn from industry experts and leading authors
- Test new approaches, ideas and strategies on an ongoing basis
- Conduct regular sales training and skill development sessions
- Then keep your sales teams selling by the book

As an added bonus, the next time you have to recruit a new sales professional for your ever expanding business, not only will the new recruit be very impressed by your documented process, but they'll also be up-to-speed and into the marketplace in record time with well proven and profitable sales practices.

## 16. TRAINING & COACHING IS KEY

- The very best way to keep your sales team in top shape, and to keep your sales process as finely tuned as possible, is to commit to ongoing training, coaching and motivational strategies.

Top sales people, the true professionals, are constantly learning, practicing and improving their skills. They also follow regimented systems for business development, manage their time efficiently, and apply a huge arsenal of interpersonal, sales, and communication skills to achieve success.

Investing in high quality sales training for your sales force will not only keep your bottom line healthy, but it will also ensure that the front line representatives of your company present the kind of professional image that you want associated with your brand.

**20/20 Tip #16:** One of the easiest and most cost effective ways to implement ongoing training for your sales and customer service teams, is to invest in your own in-house sales training library and sales training systems. There are hundreds of excellent books, CDs, and online materials that will do wonders for sales training and motivation. These materials also provide excellent new ideas for field testing and implementation of sales process improvements as part of your sales process enhancement (Insight #15).

Perpetual training, practice and skill development, combined with motivational support and achievement recognition, is a smart investment that will pay big dividends – month after month.

## 17. DO A SALES & MARKETING AUDIT

- When was the last time you had a completely objective review of your marketing and sales materials from A to Z? If it hasn't been done recently, then it's time. This includes every single piece of communication that a prospective client or existing client might experience including: business signage, vehicle signage, point of purchase communications, advertisements, sales letters, proposal templates, recorded messages, reception, brochures, PowerPoint presentations, audio and video presentations, trade show booth, website, email newsletters etc.

If you review your communication collateral critically from an objective, client or prospective client point of view, you'll be amazed at how much inconsistency there is and how unsystematic the whole package can become over time.

Now with the benefit of your new marketing mindset (Insight #1), and a good number of the additional insights in this presentation, take another critical look to see how many places there are for improvement.

**20/20 Tip #17:** Do a complete audit/review of all your sales, marketing and branding materials and evaluate them objectively for brand consistency and sales and marketing effectiveness.

- Do they all fit and complement your defined sales and marketing process to deliver optimal results?
- Are they as powerful and compelling as they could be?
- Are they consistent with your brand and positioning?
- Are they using the right words and images create optimal impact?
- Are they leveraging the web and interactive technologies as well as they could?
- Are they maximizing the ABC goals of business development?
- Are they elegantly and consistently selling your company and your products?
- Are they engaging customers and garnering customer feedback?
- Are they generating testimonials and referrals?

If you really take the time to scrutinize your materials, or better yet, have an objective professional do it, you'll be amazed at how many areas of improvement you discover, and just how quickly those improvements will pay dividends.

## 18. GET TECHNOLOGY LEVERAGE

- Moore's Law (technology doubles every 18 months with costs decreasing by half) has facilitated incredible changes to business processes, and there's no end in sight. The Internet, email, Google, laptops, PDAs, database technologies, web video, web audio, e-commerce, and automated contact management tools have created exciting new possibilities for small business marketing, sales and customer service.

Clever entrepreneurs are now taking full advantage of Web 2.0 technologies to build their businesses by leveraging automated processes, interactive tools and online services in ways that allow them to improve literally every aspect of their enterprise – often in profound ways.

From a sales, marketing and customer service perspective, the Internet and interactive technologies provide the potential to improve and even reengineer virtually every step of your customer's experience, which clever companies are using as tools for competitive differentiation.

The decreasing cost of technology has created field-leveling competitive advantage for smaller, nimbler and more innovative companies to compete toe-to-toe in a domain once reserved for the big guys. Taking full advantage of Internet and other contemporary technologies will unquestionably pump up your profits with increased operational efficiencies that decrease costs, while substantially improving revenues through sales, marketing and customer service performance.

**20/20 Tip #18:** Be sure that you're using every possible application of interactive and Internet technology to drive your business. Make note of all the tools, technologies, services and time savers that you have seen on the Internet and try to imagine all of the ways that technology can enhance your business. You'll be amazed at how much return on investment the right tools can provide, and how inexpensive they can be to implement.

## 19. CREATE RAVING FANS

- JD Power & Associates, the world leader in measuring customer satisfaction has overwhelming evidence to prove that companies with the highest customer satisfaction indexes are also the most profitable ones.

Because the entire purpose of a business is to create and keep, happy loyal customers, it makes sense that outstanding customer service and customer satisfaction should be at the core of that mission.

- > Is your company truly customer centric?
- > Are you creating innovative ways to wow your clients?
- > Are you showing them how much you care and value their business?
- > Do you have a customer service manifesto?
- > Is your staff trained and empowered to be 100% customer centric?
- > How many unique ways do you show your clients that they really matter to you?

While doing the little things right can sometimes be all it takes to stand head and shoulders above your competition, truly innovative approaches to customer service can become very profitable competitive differentiators.

**20/20 Tip #19:** Make customer service a key differentiator and turn your clients into raving fans. Create a client service manifesto that sets the highest expectations for your clients and train all of your staff in the subtleties of making your clients feel like VIP's when doing business with you.

Create a complete list of your current customer service initiatives and then brainstorm to come up with innovative new ones that will make your customers even happier to do business with you. Above all, make sure that you are constantly asking them if they are truly happy with current service and how you might better serve them next time!

## 20. REFERRAL MARKETING POWER

- Word of mouth and referral marketing is the oldest, most powerful, and most profitable way to grow your business. The best part is that by virtue of the way they discovered you, referred customers also tend to be some of the easiest to deal with, and the easiest to maintain and grow. They also tend to be the most likely to continue to refer new customers to your business.

There are dozens of ways to grow your referral business, and they're often as simple as asking your current clients to spread the good word. However, clever timing, incentives and technology can make a huge difference in the success of your referral initiatives.

Joe Girard became the most successful sales person in the world (Guinness Book of World Records), by capitalizing 100% on simple referral systems that included a thank you card (snail mail) and a small reward for referring new clients. However, today's Internet, email, interactive and database technologies take the potential for referrals to a whole new level that can literally double the size of a business in no time at all.

In fact, if each new customer was to promote your business to just two other new customers, through a well designed referral system, your business would actually grow exponentially as the referring cycle perpetuated itself.

**20/20 Tip #20:** Be certain that you're thanking your satisfied customers regularly, and make a point of asking them to refer your business to their friends on a regular basis. Use creative ideas, rewards and incentives, and employ technology to make it as easy and rewarding as possible for them to continue to help you grow your business.

Over and above your ongoing initiatives, use special, themed, targeted and promotionally-based referral campaigns from time to time to even further boost to referral results. Tying referral marketing to customer satisfaction surveys and telephone follow-up can be extremely effective, particularly right after the customer has been delighted with their last interaction with your company.

## 21. ACCELERATE YOUR SUCCESS (ONE MORE THOUGHT)

Busy entrepreneurs often miss serious opportunities for profit and lifestyle improvement for three simple reasons:

- 1) A perceived lack of time
- 2) A lack of objectivity
- 3) A lack of resources

Hiring the right help to get you started in a new direction, with some fresh insights and strategies to overcome these three challenges, is a critical step to taking your business and your lifestyle to the next level.

We specialize in helping entrepreneurs break the routine of day to day operations so that they can focus on building their businesses faster and more profitably than they ever thought possible while making time for the lifestyle they aspire to.

**20/20 Tip #21:** Take steps immediately to determine if Steve MacDonald & Associates is the right fit to make a difference in your business.

Doing a little research costs absolutely nothing and it might just open the door to a timely opportunity that will change the course of your business and your life. Schedule a telephone consultation by calling: 613-288-8489.