

The professional approach to getting up close and personal with clients.

Are you fed up with business contacts who abuse your privacy by adding you to data bases and inundating you with unsolicited newsletters, advertising and emails? Do you seethe every time you receive another of those self-promoting missives, with patronisingly transparent sales material, that just serves to clog up your computer?

Of course, it's a given, you've said a resounding "Yes!" We all complain bitterly. But a small nagging voice of reason will empathise, saying: "How else do they get their message across?" What for instance can you do with a growing data base? How can it be used effectively without aggravating the recipient?

We'll here's your answer!

Wisdom for Wednesday

Positive messages for daily living. Pass on the good feeling – forward this to your clients so they can reap the benefits as well.

Send your contacts something they value and are free to re-use and pass on to their clients (also encouraging them to share). **Wisdom for Wednesday** is a one sheet bulletin filled with useful information about business strategies, and personal development principles. It is sent out every Wednesday (funnily enough).

How does it work?

These highly informative and valuable business management tips are ideal for: small or large businesses, and particularly suitable for self-employed people who need to stay in touch with team members and clients; and for anyone who needs to stay motivated and proactive, such as those in sales or customer relations related fields such as Real Estate Agents, Travel Agents, Car Dealers, Insurance Agents, and Banks; they are the perfect vehicle for business consultants. They are all people whose business depends on developing and maintaining strong data-bases and they require a legitimate excuse to stay in constant touch with clients.

The following are some examples designed for specific industries:

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Are all your customers equal? ...

When you are up to your ears in activity – busy with all the practical concerns of running your business, orders are coming in and at a glance cash flow looks OK, the question: “Who are your valuable customers?” sounds like a no-brainer. You’d probably answer: those who buy the most. And therein lies the trap. Perhaps the question is better posed as: “Who are your invaluable customers?” Invaluable clients are those who may have a critical (positive or negative) effect on your business performance. And you really need to know the difference.

This analysis identifies which clients are invaluable and why. It also enables you to forecast your sales and margin targets more accurately. Equally important, you will have clear objectives for building, maintaining and growing relationships with some clients, removing others from your database, and targeting new prospective. Sort the wheat from the chaff and have clear priorities.

Basic analysis: the 80/20 Rule

- 20% of your clients represent approximately 80% of your revenue.
These are your valuable clients – learn more about them.
- 20% of your clients will cause approximately 80% of your debts or problems.
These are your dangerous clients – tighten the terms and conditions immediately and consider getting rid of them.

It is essential to identify these two categories of clients as both can have a particularly strong impact on your business profitability. They have the capacity to make or break you.

More in-depth analysis: Is this client profitable to me?

Examine your (supplier) invoices (or client ledgers). Use this information to analyse the profitability of each client. Gather data that shows the range of products or services they purchase from you. Look at the margin on each item: note which are low, medium or high; next look at the volume purchased and the buying frequency. Profitable clients will be those who purchase high margin, high price items on a regular basis.

List your clients on a chart: show amount purchased, margin, and frequency – then put an asterix next to those that order regularly. These clients are a crucial part of your profitability and help maintain cash flow.

Are they a ‘low maintenance’ client?

The very best of the high margin/high volume/regular order clients will be those that are ‘low maintenance’ to service. They are accurate, congenial and communicate constructively; their requirements fit easily with your systems; you have developed a sound rapport with them and any problems are solved swiftly and to the satisfaction of all parties.

Will they remain a highly valuable client?

Make it your business to know about your high value clients. Study ways their business and yours complement each other. Maintain a win-win arrangement for both parties. If you keep your most valued clients close to you then you will be in a position to know if or when they are likely to have a reduced need for your product or service. Forewarned is forearmed – you can prepare other alternatives or adapt and move into new areas alongside them.

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Your Business Tune-up ..

You can't afford to rest on your laurels. Never allow yourself to become complacent – your competition certainly won't, and they will optimise any small opportunity you allow to open up through lack of attention.

Set aside a time (monthly would be good) to stand back from your business and work on it - not in it. It is far too easy to get ground down by the day to day routines and focus on the small issues and be blind to the very large one that is threatening to overwhelm you. Doing what you have always done will not always get you what you have always got if those around you are changing. It is important to continually review and improve if you want to stay ahead of the opposition. Take the day off or a brief break and get a fresh perspective.

Follow through the list below. Score yourself from 1 – 10 (ten being the highest) and be realistic in the margins you allow. You should, for instance, never ever accept anything lower than 6 – it shows a lack of care and commitment to the business. If you or any of your staff are prepared to accept less than six then it is time to rethink your position.

Staff

- o **Customer service:** Customers perception and staff perception – internal and external.
- o **Team dynamics:** Do they support each other and are you committed to developing them in areas where they need help?
- o **Role and responsibilities:** Does each member of your staff clearly understand what they are employed to do and what is expected of them?
- o **Succession planning:** Have you evaluated a career path and commenced appropriate training?

Cost effectiveness

- o **Limitations and expectations:** Know what you can and can't do but keep raising the bar.
- o **Profit/loss:** Have a mentor or someone you trust review your books regularly to ensure you are not missing something that could become a problem in the future.
- o **Margins:** You are not doing this for love – margins change according to wholesale prices and availability and need constant reviewing.
- o **Wholesale issues:** Stay on top of them or they will topple you. Stay close to your wholesalers so that you have clear warning if anything changes.

Branding

- o **Your message:** Be very clear – if you don't know who and what you are no one else can.
- o **Awareness:** It's irrelevant how good you are if no-one knows about you.
- o **Consistency:** Get it right and keep it right. Do what you say you will do.
- o **Advertising / marketing:** Know your market and research how to reach it.

Market positioning

- o **Perception and reality:** Use a variety of methods to get feedback from clients.
- o **Competition:** You should know your competition almost as well as your own business.
- o **Future prospects:** Are you targeting new customers? Do you know where they are?
- o **SWOT analysis:** Are you constantly reviewing each section and updating?

And don't forget to involve your team. Encourage them to set the bar; involve them in regular personal reviews and group evaluations; give positive feedback; and always reward them for exceeding expectations.

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Defining Goals ...

First you have to dream it

Make sure you have a few hours spare time, preferably when you know you will not be interrupted. Grab a pen and a coffee (or better still a glass of wine) put on some relaxing background music (classical is good for stimulating the brain) and make yourself comfortable.

We all dream – some of riches or success, or simply of spending more time with loved ones – usually we dream of attaining whatever we currently lack. Whatever the dream it can be a reality, but as the old saying goes: *‘You cannot plan for success without a plan!’*

The biggest step forward you can take is to put your goals down on paper. Until then your wishes are just loose thoughts with no power – once they have been given form they take on their own momentum. It doesn't matter how small or large your goals – just write them down. Once defined, share them with those you trust and you add another dimension by giving them verbal energy. Once stated out loud dreams move from an unformed wish towards reality.

Then you conceive it

Read each goal question. But before you write anything down test it for veracity by aligning it with your life purpose. It also helps if you can clearly differentiate between what are basic needs and what are wants (the embellishments of your life). For a reality check, first ask each of the questions listed below. By checking your goal against these points, you will be sure that it is not clashing with any other areas of your life which would prevent you from achieving it.

- Is this something I truly want to have in my life?
- Will my partner and/or family be happy if I achieve this goal?
- Will it benefit me and everyone I come into contact with?
- Does the goal go against any personal or religious beliefs I have?
- Does it meet my values and ultimately complement my life purpose?
- Am I prepared to make sacrifices in other areas of my life (if needed) to achieve this?

So now you are ready to begin. Read each statement – think about your answer – run through the check list of questions above – then write down your dreams and goals.

1. List the 5 most important areas of your life (i.e. relationships, lifestyle, success, health).
2. If there were 3 things in your life you would most like to have, what would they be?
3. If you could design your ideal lifestyle, what would it look like?
4. What is your personal definition of success (what do you consider ‘success’ to mean)?
5. Name 3 places you want to travel to – and what you would do there.
6. At work – what would you most like to achieve? And how would you measure it?

Now on a clean sheet of paper list all of your dreams. Don't stop to think about it, just write down what you want to do, achieve and experience in life.

Note: Use coloured pens and draw, doodle, scribble or write anything that inspires you.

And pin it down: Date it and file it somewhere safe but readily accessible. Refer to it frequently – at least once a month to review it but also whenever you need motivation.

Remember: *If you can dream it and believe it, you can conceive it and achieve it.*

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The scientific equation for success ...

There have been many studies over many years conducted by vastly differing sectors of society. Many, such as Personality Profiles have evolved and improved their clarity and accuracy others have been abandoned as new evidence comes to light. But some standards remain as basic formulas and only the people and places change.

It is interesting to note that one of history's greatest minds applied himself to the study of what makes one person successful and another not. Here's the gist of his conclusion (just as relevant today as it was a hundred years ago):

Einstein's formula for success

$A=X+Y+Z$ (A: success = X: work + Y: play + Z: keeping your mouth shut)

X: Work

Self-explanatory: if you don't put the effort into it - it won't happen. Don't begin anything unless you are passionately committed to making it work – input is always measured by output. And you can be equally sure that there is no such thing as a free lunch – you have to do the hard yards to reap the rewards: *no pain no gain.*

Y: Play

This might sound contradictory, but the trick to living a truly successful life is to find balance. There is no point in being rich and too ill or too old to enjoy it. It is also extremely important to be able to stand back from time to time: to work on your business not in it. It helps keep you objective, provides a different perspective and recharges your batteries. In a recent research paper top executives revealed that they always schedule a leisure or pleasure activity into their weekly calendar (and never sacrifice it).

Z: Keep your mouth shut

This might have originally been a flippant comment. But, it helps to remember the old adage: one mouth two ears – use them in that proportion. It is amazing what you learn if you listen. This also alludes to the fact that new developments or ideas need to be kept under wraps until they have been protected and marketed. In this day and age it is all too easy to avoid litigation by making a small change in the copy.

Sadly, it is also a fact of life that no-one enjoys hearing others brag of their success. As you become more successful it pays to develop humility and to enable as many of your customers to grow with you as possible. Celebrate your successes and broadcast your wins but always remember those who put you where you are.

Becoming successful is more about attitude than aptitude – it is not always the most talented or intelligent who win the race – it is the one who believes they will win and is committed to do whatever it takes to ensure it. This all requires change and change is the 2nd greatest fear in life. But the truth is we can't stand still – it is egress or regress: change or die. Remember: *If you always do what you've always done then you'll always get what you've always got.*

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Knowledge is Survival / Information is Power

Telling it how it is

Face facts: you are a salesperson. If you don't like the inference and prefer to call yourself: Consultant, Representative, Manager, Broker or Agent, then it's time to realise that if you are in business you are in sales. Treating everyone you come into contact with (internally or externally) as if they were a valued customer gets results and keeps everyone happy.

It is essential to quantify your clients

Determine what they want. Ask open-ended questions and listen carefully to their response. Good sales people sell solutions. Be sure to jot down their name immediately and then use it.

What your customers want

Service: prompt, efficient, timely, informed and professional.

Quality: in terms of your service and product.

Value for money: which is not always the cheapest. Determine their wants and needs first.

Always know the competition

Unless you know what everyone else in your field has to offer you will be stumped when clients query differences in costing. Learn the differences and find a niche.

Your greatest competition: wholesale / direct selling

Wholesale: Price is not everything – people are prepared to pay for service and follow-up.

Direct Selling / Internet: Same thing – there is no comeback if goods or services are faulty. Concentrate on what you offer that is over and above and the fact that you are a real person not just a voice on the end of a phone or an address.

Your opportunities

Delivering what the competition can't: your superior knowledge and expertise; your preparedness to source information and go the extra mile.

Adding value: upsell. Research similar products, complementary addons, or goods. Knowing your product enables you to provide depth of service, quality and added value.

Get automated fast: learn to search the internet for information so you know what you are selling. Study features and benefits and promote the benefits.

Develop a niche market: consider areas and subjects you are personally interested in or look for one that has potential for growth. Become the guru in your area of expertise.

Consider niche products: less commercial; more unique and interesting; more adaptable to individual needs (can be customised).

Attitude –attitude is everything

You may not be the best sales person, the best looking, have the best personality, but if you have confidence in yourself your knowledge and your product then your attitude will come across as professional and credible. People will want to deal with you.

Everyone is a prospect

Talk to people. Introduce yourself – ask for names, cards, show interest in what they do. Develop a simple script that summarises who you are and what you do AND USE IT.

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Sales people are service people ...

Successful sales people have made the paradigm shift. They have moved from the sleazy old style of selling: “Do I have a deal for you!” to “How may I be of assistance?”

Example:

I work in the watch department of David Jones. A customer comes in with a page torn out of a Vogue Magazine and asks for the watch in the photograph.

Sales person a) The other one: “Sorry we don’t stock that brand.”

Sales person b) My approach: “That’s a very attractive watch. Can I just ask you a couple of questions about it?” It’s highly unlikely anyone would walk away at this point - so ask: “What do you like most about it?” “What do you want it to do for you?”

His answers might include: it needs to be water resistance / shockproof / scratchproof – in other words specialised material and serve a designated purpose as opposed to just being visually attractive. Once you have a clear idea of what the customer actually needs you can address each point objectively: “We have an ABC copy of that watch for just \$190 as opposed to this DYC model which sells for over \$1000. Would you consider looking at that?”

I am not here just to sell watches – I am here to provide a service which results in the sale of a watch. I am also committed to building customer relations. **Remember:** 80% of your business comes from 20% of your customers – look after them.

We need to become problem solvers. Product knowledge is the key.

In order to solve a puzzle you need to have all the components.

- Not only do you need to know every detail of your own product **but also**
- Know what your competition offers so that you can address the differences.

Speak to needs and benefits – learn to clearly differentiate between them.

Features and benefits

- A feature is a fixed part of the product or service.
- A benefit is what it does for you. “Well Joe, these tumblers have the look and feel of glass but are made of a synthetic material which doesn’t scratch and won’t break. So you have all the benefits of glass without the constant drain on your bottom line from breakages.”

Wants and needs

- A need is an essential (eg a car)
- What you want is something over and above your needs: an added bonus (eg a new fuel injected BMW or just a new car rather than a second-hand one.)

Needs are our basic commodities and the things we mostly take for granted - the cake. Wants are the extras on top – the icing and trimmings on the cake. Once a need is met the wants become our primary drivers. In a sales capacity it is important to start with the basic need and then work your way through the wants until you find a compromise which enables both options. For example: the need is for a family car that is basically a people carrier. But, you can address the wants by upgrading to one with more safety features (the benefits are obvious when it comes to protecting your family) and bigger engine with more pulling power (to get you out of trouble when you need an extra bit of grunt) or leather upholstery (more durable).