7 Steps to Explosive Business Growth
and how to achieve it

Expert knowledge means success

Contents

Lack of Vision and Purpose

The Problem

Many business owners start their own business because they think they can and want to do it (whatever they can do) better than the person they have been working for – *"I am a great Hairdresser or Baker or Engineer or Accountant or Window maker - so why don't I go and do it for myself."*

So, they do. And they build a business around them, that depends on them, that consumes them, that gives them no life - the business becomes their life. This is described by Michael Gerber in his book as

THE ENTREPRENEURIAL SEIZURE - THE E MYTH

What happens is that many business owners have no real idea about what they are getting themselves into when they go into business. They may think they will end up with lots of money and time to play golf or whatever it is they want to do, but in reality the business consumes their life.

The Solution

Why is vision and purpose so important? It's because if you create your vision and purpose, you can drive your business and personal life to achieve that vision.

Ideally you need to do that at the outset of your business - but it is never too late. You can do it now by taking the following action. Stop, now and think:

- What do I want to achieve with my life?
- What is my primary objective in life?
- What does my business need to look like to give me the life I want?
- What do I want it to look like?
- How many customers do I want?
- How many team members do I want? (Not staff!! - see reasons for this later)
- How many outlets or offices or factories do I want?
- What turnover or profit do I want to make and by when?
- What do I need to do to achieve the above?

You then picture your business as to what it will look like when it is done, the finished article - and then every day you go to work to achieve your vision and drive towards your ultimate goal.

Do you do that now? Ask yourself are you driving towards your goal?

This has impacted incredibly on many business and you can achieve the same success.

Not Enough Time to do the "Really Important Things"

The Problem

Someone once said that time is like a snowflake – it disappears while you're trying to decide what to do with it.

And it's true, isn't it? There's never enough time just to keep the business running, let alone enough time to drive it forward, is there? Time is one of the very few things that money can't replace. Once it is lost or wasted, time is gone forever. And we don't have anywhere near as much as we think, because…

A 40 year old man has, on average, only 175,000 waking hours until he dies… so to waste a single one of them is sheer folly!

Similarly a 30 year old man has only 233,600 hours, and a 50 year old man only 116,800 hours.

We owe it to ourselves, and those who depend on and/or love us, to use that time wisely. And that means, amongst other things, mastering the art of time management.

And yet somehow, we've got to create the time to start working on the really important things.

Things that will…
…drive the business forward.
…help you to achieve your goals.
…turn your business dreams into reality.

Some Principles of Time Management

> "Those who get more done in less time get more out of life… more rewards, more success, and more free time to pursue their dreams and enjoy themselves."
> - Brian Tracy

Time is the scarcest resource – like the snowflake, once it is gone it is lost forever. So, successful people put a very high value on their time and work at becoming better organised and efficient… better and better at managing their time.

People who take a longer-term view are often more successful in life - they will plan their lives many, many years in advance. Whereas, at the other extreme, vagabonds only think as far ahead as their next drink!

Practice good time management skills. You will become results orientated – you will focus on the end results rather than the things that you do. Many people employ what David Maister calls the 'Donkey Strategy' for achieving more, i.e. working longer hours to earn more money. But with good time management you will work smarter – not harder. You will achieve more out of life.

But… to be good at time management you must make a commitment to become expert at managing your time. Time management is a skill to be developed with practice. You need to keep practicing good time management skills – 21 days of repetition is needed before something becomes a habit.

Key Time Wasters

Brian Tracy identifies the 7 key time wasters as:

1. Telephone interruptions
2. Unexpected visitors
3. Meetings
4. Fire-fighting
5. Socialising
6. Indecision
7. Procrastination

The Solution

Here are some simple ideas for dealing with 7 key time wasters:

Telephone interruptions

- Use the telephone as a business tool – not a social tool. Get on it and off it quickly.
- Have periods of the day where you put calls on hold. In other words, don't take calls during your prime time and make sure your receptionist is aware of this.
- Get and give call back times. If the person you are trying to ring is not in, find out the best time for you to call back. If you are not in or you are not taking calls make sure that your receptionist knows when any callers can call back. Note: if you or your receptionist promise to call a customer back by 4.00p.m - make sure that you ring them before 4.00p.m. (Remember… under promise and over-deliver).
- Batch your calls – make all of your calls at the same time.
- Plan your calls in advance – create an agenda before making the call. A written agenda will ensure that you cover all the important points.
- Take careful notes – you never know when you will need to refer back to notes of telephone conversations. Use telephone message pads rather than scraps of paper – scraps of paper have a tendency to get lost!
- Screen your calls – a word of warning: although this is a good time management tip, screening calls is not customer friendly. Our telephone training will show you a better alternative to screening calls.

Unexpected visitors

- Specify quiet times – these are times when you don't want interruptions.
- Stand up when someone walks into your room… they will be unlikely to sit down. If a visitor does sit down in your room you know it will be a long conversation.

"*People who take a longer-term view are often more successful…*"

- A great way of bringing a conversation with an unexpected visitor to a close is **to say, "One more thing before you go…"** then lead them to the door.

- Arrange specific convenient times to see people – get into the habit of making appointments to see people. Once again, keep your prime time free.

- Avoid being a drop-in visitor on others. **Get into the habit of saying, "Is this a** good time, or should we get together later?"

Meetings

- Before arranging a meeting ask yourself: **"Is this meeting necessary?"** Would a memo be more appropriate?

- Establish a purpose for the meeting and write an agenda. Distribute the agenda at least 24 hours before the meeting so that everyone is prepared for the meeting.

- Start and stop the meeting on time - **don't wait for the latecomer.** It is not fair on everyone who has turned up on time if you do wait. And, once you get a reputation for starting promptly you will not get latecomers.

- Cover the most important items on the agenda first. If you run out of time for the less important items these can wait until the next meeting – or even be dealt with in a memo.

- Summarise each item and get closure. **In other words, don't move on to the** next item on the agenda until you have got agreement to the next steps.

- Create an action plan with responsibilities and deadlines.

- Keep minutes of meetings.
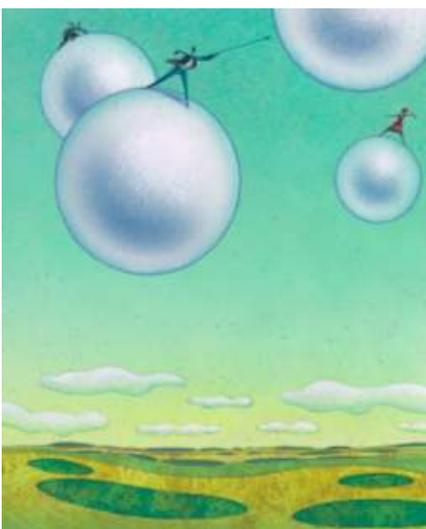
Fire-fighting

- You need to anticipate crises. If you get recurrent crises, perhaps you need a system (or to improve your existing system) to take preventative steps. Develop a policy or system to deal with the recurring crisis so that ordinary people can deal with it.

- Stop and think before acting. Ask **yourself, "Why has this crisis arisen and** what can I do to stop it happening **again?"**

- Delegate action wherever possible.

- **Write the crisis on your 'to do' list** before acting. This will reveal its relative importance compared to the other items on your list.

- Get the facts.

Socialising

- Get into the discipline of restricting socialising to lunch breaks and after work.

- **Use the phrase "Back to work". I**f you find yourself socialising with a colleagu**e, just say, "I must get back to work".**

- Ask **"Is this what I am being paid to do?"**

Indecision & poor decision making

- Research shows that 80% of decisions should be made when they arise, 15% of decisions can be put off until later and 5% should not be made at all.

- Remember, when it is not necessary to decide it is necessary not to decide.

- Delegate decisions where possible.

- Get the facts before making a decision.

- An imperfect decision made immediately is often better than a perfect decision made too late. Very often we miss out on opportunities simply because we were unable to decide.

Procrastination

- Develop a sense of urgency. We will always pay more money for people to do things fast, so we should do things fast if we want to earn more. Often the most important things in our lives are not the most urgent. For example, developing systems in our business, developing and training people, and working on business vision and strategy. As a result we always do these things tomorrow but tomorrow never comes. So we need to develop a sense of urgency. This can be achieved **by bringing in an outside 'Business** Coach'.

"*You need to anticipate crises.***"**

and

"*You should set worthwhile* **goals"**

- Set worthwhile goals. If your goals are important you are less likely to procrastinate on a task that will move you closer to the achievement of that goal.
- Use positive affirmations – keep saying "Do it now!" Remember… action is the key.
- Set a deadline for all the important tasks. Put them on your planner and block out time for them. If you make promises to others a task is more likely to get done. For example, if going for a jog first thing in the morning is important (and looking after ourselves certainly is), then you are more likely to go, come the morning, if you have arranged to meet a friend to jog with.
- Refuse to make excuses. If you find yourself making excuses – stop!
- Create a reward system. For example, if you complete an important project you will go on holiday with your friends/family for the weekend.

Do You and Your Team Enjoy Your Business?
- How can it be called "Success" if you're not enjoying it?

The Problem

Do you enjoy your Business every day, every single day?

Do your team love coming to work?

Do your customers love to come into your office, or shop, or factory?

If the answer is no there is something very wrong – which you can change!! Everyone spends such a lot of time at work - BUT WORK IS NOT A SENTENCE!!

LET'S ASK ONE BASIC QUESTION: HOW CAN IT BE CALLED SUCCESS IF YOU ARE NOT ENJOYING IT?

The Solution

You will enjoy your work a lot more if you implement each of the ideas in this Report. Put the following ideas into action so your team enjoys work a lot more. Your customers will notice and comment on the difference.

1. After a basic trial period, give every employee some small element of control over their job. This could mean giving them some kind of responsibility for something, even if it's only making the tea and coffee!

2. Compliment your team and thank them for a job which they have done well.

3. Call your staff "Team" – "Staff" is an "us and them" situation - make theirs a job their friends and family will envy.

4. Try setting targets for your team. For instance, ask them every 3 months if the job lives up to their expectations. Would they be happier doing something else or making changes?

5. Write basic scripted replies for the team to base their comments on etc when speaking to customers. If they are new to the firm (or existing staff under pressure), this technique will something they can fall back on when they have a mind block etc. The trick is not to clone your team but to give the impression that everyone knows what the company does and what is available to customers.

6. Be cheerful, smile and be courteous and friendly. Don't give people the impression the job gets you down – depression is contagious!

7. Train your team with anything. Empower them to help the customer/client in any way they can. Even if it goes beyond their remit.

8. Have very few rules in your organisation. Make sure everyone knows what you believe to be the right way and the wrong way to deal with people. This should be incorporated into training sessions.

9. Reward your team well for their efforts. You could do this by:
   - If you have satellite offices, rotate your team during the year and ask if they would like a change of surroundings for 2 or 3 weeks during the year. This may work well if your other offices are near their family, near the coast or near local attractions.
   - Reward the best ideas on a sliding scale, perhaps starting at £5 going up to £25.
   - Say thank you always – employees love it when they realise you genuinely value their help, ideas and opinions. Sometimes this is enough of a reward in itself.
   - Always make a point of praising your team (sometimes by their

"Call your staff 'Team' – 'Staff' is an 'us and them' situation."

name) in front of customers/clients. **This improves the customers'** perception of your company and improves the perception of you and each other.

10. Conversely, carry a big stick but keep it well hidden. Punish wrong doers or your employees will think you are a soft touch if you do not penalize those people who take advantage of you.

11. Have regular team meetings to really understand the feelings of your team - let one of the team chair the meeting. Let everyone have their say and have a notice which says "Don't moan amongst yourselves – tell us at the Question & Answer Session so that we can take some action."

12. Ask the team to fill in a simple questionnaire about the firm. For example, what are the best and worst things and in what ways could improvements be made. This could be the first step to getting your ideas and motivation sessions off the ground.

Lack Of Delegation - No One Does It As Well As Me!

The Problem

Business Owners can find it difficult to delegate tasks since they believe it wont be done as well if it is not done by themselves- or they employ say a salesman to do the sales and find the sales go down, so they sack the salesman and go back to doing the sales themselves. Or they employ someone and find much of the day is taken up in solving the problems the new employee has with day to day decisions, problems etc. However we would suggest you need to concentrate on:

The Solution

The Things you MUST do as a Business Owner:

> "Leaders should only do what only they can do"
> Sir John Harvey-Jones

Ask yourself…

"What can I, and only I, do which will give superior results?"

Make a list of these activities - these are the things you should concentrate on.

From the point of view of your business, these are the activities that are referred to as 'working ON your business', i.e. strategic business activities that help to create a brighter future for yourself, as opposed to 'working IN your business', i.e. the day-to-day activities necessary to get the job done.

First things first

How much of a typical working day is taken up doing things that are urgent?

A useful way of analysing the things you do is to ask yourself whether they are URGENT and whether they are IMPORTANT.

One of your roles as a leader is to prioritise your tasks and manage your time so that these important tasks do get done.

Unfortunately, one of the main challenges with these tasks is they are often so big (e.g. developing systems in your business) that they put you off doing them. The answer is simple…
… plan these projects and break them down into smaller tasks. Remember these words of wisdom…

Remember: A journey starts with one small step and "How do you eat an elephant?" Answer: Bite by bite.

Monkey Management

How much time would you save if you never had to solve problems for your team ever again?

Many managers find that a huge amount of their time is taken up solving problems brought to them by their team. Imagine the scene...
.... a team member comes up to you and says "We have a problem"... they then spend 15 minutes telling you about it.... and you end up saying "Leave it with me and I'll see what I can do."

As a result their problem becomes your problem... and you end up doing everybody else's work.

"_Ask yourself:_ _**'What can I,**_ _and only I, do which will give superior_ _**results'.**_**"**

Sound familiar?! In their great book *The One Minute Manager Meets The Monkey* (Harper Collins, 1990) Blanchard and Oncken describe this as "Letting a monkey jump from your staff members back onto yours" – and they claim that it is one or the biggest thieves of managers' time.

The monkey is the Next Step – and the key to effective delegation is only agreeing to take the next step yourself (i.e. to let the monkey jump onto your back) if it is a step that ONLY you can take.

More specifically, the monkey management approach is as follows:

Step 1

As your team members bring you a problem say "We need to both understand that 'WE' don't have problems. If there is a problem it is either yours or mine. And if it is your problem I will help you with it on the clear understanding that it will never become my problem. So at the end of his meeting it will be you that has to do whatever it is that we agree needs doing. Does that make sense?"

And also make it clear in advance that whenever team members bring a problem to you they must also bring at least one suggestion for the next step. Note: This alone will greatly reduce the number of problems brought to you – since in thinking of their suggested next steps, they will often discover that they can solve the whole thing without ever involving you!

Step 2

As they tell you about the problem and their suggested next steps, decide what needs to happen next – which could be to go with one of their suggestions, do something else you dreamed up at the meeting, or go away and research some other solutions.

Step 3

Agree who is to take that next step or steps (Remember, this next step is the "Monkey" – and you should only let it jump on your back if it is a step that only you can take!)

Step 4

Agree whether they have full authority to take the next steps and then report back to you – or whether they need to come back to you with more recommendations before can take some or all of the next steps (which should only be necessary where the problem is either very important or you have serious doubts that the person is fully up to the task).

Step 5

Agree a time when they will report back to you.

Step 6

At that next meeting go back to Step 1 and start again. Continue looping through the six-step process in this way until the problem has been solved.

Finally, don't worry about using the word "Monkey" – experience with UK businesses suggests that the visual images it conjures up help to make the concept fun and much more likely to be embraced.

Delegation for your Business

> Have you calculated how much time and money you could save by outsourcing the non-core parts of your business?

Outsourcing simply means getting outsiders to help if they can do things more efficiently and economically than you can.

Every business in the world outsources. For example, when we buy petrol we are effectively outsourcing oil exploration to the likes of BP. No small business could afford to get involved in oil exploration - so outsourcing it as a non-core activity is an obvious way to save time and money. But there are probably many other less obvious non-core activities that could also be outsourced – if only we took the time to identify them

*"Outsourcing simply means getting outsiders to help if they can do things more efficiently and economically **than you can.**"*

Common examples of outsourcing include payroll, office cleaning and plant care, security, printing services, distribution and telephone and mail order fulfilment.

For the clothing and textile retailer Laura Ashley, distribution was a distinct liability (only 65% of its deliveries arrived on time). In 1992 the company outsourced its entire supply process, including warehousing and store delivery, to Business Logistics (a subsidiary of Federal Express).

How to Plan for Explosive Growth

The Problem

Every business is made up of a series of processes that converts inputs into outputs. One of the keys to making your business more successful is to identify your most important processes, and then do everything you can to improve the conversion rate so that you get more output from every input. It's as simple, and as difficult, as that! So look at each process. Understand how it works and what it delivers. Decide whether you need it. And, if you do, experiment with ways to improve the rate at which it converts inputs into outputs.

For example, for salespeople one of the most important processes is the way they convert the people they meet (their "inputs") into paying customers (their "outputs").

Fortunately there are hundreds of ways of improving the conversion rate here. For example, a now famous life insurance salesman became a multi-millionaire just by changing the first few words he said on meeting a new prospect. While most of his competitors answered the "So what do you do then?" question with the words "I sell life insurance"… a response that was guaranteed to empty the room in seconds. This particular salesman answered with the words "I buy life insurance for people at the lowest possible price. Would you like me to buy you some?"… 19 words that made him a multi-millionaire. Often the difference between success and failure, between stagnation and explosive growth, can be as simple as that!

For other businesses the key processes and conversion rates could include:

- How many units of raw material (inputs) it takes to make a unit of finished product (output)

- How many sales leads (inputs) they convert into sales (outputs)

- How many first time customers (inputs) they convert into repeat customers (outputs)

- How many customers (inputs) they get referrals from (outputs), and many more

- What are the most important processes in your business?

- And, once you've identified them, what ideas, techniques, systems or even new words will improve your conversion rates? Unfortunately the answer is "you won't know until you try." But even trying out new ideas isn't enough, because you won't know whether the trial (or 'test') has been a success unless you measure it properly.

- Remember, what you can measure you can manage and what you can manage you can improve. And that brings us very nicely to your solution for business growth…

The Solution

- Start by identifying your most important processes, and measuring the rate at which those processes convert their inputs into outputs.

- Get every single member of your team thinking about what you can do to improve each and every one of those key processes. Encourage super-creativity by offering prizes for the most off-the-wall ideas. And reward ideas that work with lavish praise, recognition and perhaps even something a little more tangible! Julian Richer from Richer Sounds uses this method to great effect.

- Generate further ideas by systematically asking your customers what they really want. Note: It is always a great idea to listen to your customers. But don't let them set the entire agenda, since very often they will not be able to tell you what they really want until you have first shown them what is possible. For example, they are unlikely to tell you they want a revolutionary new product until you have first told them it has been invented, are they?

"…what you can measure you can manage and what you can manage you can improve."

- Systematically borrow from, and benchmark against, the ideas of other successful businesses - especially those **in different industries. But don't make** the mistake of thinking that every idea has to be original or revolutionary. The best ideas are often the simplest and the smallest (just as they were for our insurance salesman!).

- Test your new ideas - ie try them one at a time (because if you test more **than one at a time you won't be able to tell which ideas work, and which don't).**

- Systematically measure the impact on the conversion rate of every new idea you test.

- Use the best ideas - and reject the rest - by making sure that the best ideas are built into your systems so that they are used every single time.

Don't rest on your laurels (after all, today's laurels are tomorrow's compost). There is never a perfect way of doing anything. But there is always a better way. So carry on measuring and testing, and carry on finding better ways to do everything.

The Secrets of Pricing for Profit
The Problem

Economists claim that prices are set by markets. But they are wrong.

Prices are set by people running businesses. People like you. And they are among the most important decisions you will ever make. Get them right and you could be on the road to fame and fortune. But get them wrong and your business will be doomed to failure.

Why so many businesses get it wrong?

To prove that setting your prices is one of the most important things you will ever do, let's start by looking at an example:

Example:
Last month, WidgetCo made £500 profit selling 1,000 Widgets. Last Month's Profit and Loss Account looks like this:

	£
Sales	
(1000 Widgets at £10 each)	10,000
Deduct: cost of sales (1000 Widgets at £7 each)	(7,000)
Gross profit	3,000
Deduct: fixed overheads	(2,500)
Profit	£500
	=====

WidgetCo has commissioned some market research which suggests that they have two options:

Option A
They could increase their sales volume by 20 per cent if they reduced prices by 10 per cent to £9, or

Option B
They could put up their prices by 10 per cent to £11, but then would lose 20 per cent of their sales volume.

When we ask them what WidgetCo should do, most entrepreneurs have no hesitation in saying something like: "Go for option A. It is always worth selling more, and anyway, WidgetCo gains more in volume than it loses in price, so it must be profitable".

Are they right? Unfortunately not. And it's precisely because so many people get this question wrong that their businesses get into very real trouble.

So let's continue with our example by **seeing what WidgetCo's profits will be next** month under each of the two options.
Next Month's Profit and Loss Account

	Option A Reduce price £	Option B Increase price £
Sales		
(Option A: 1200 at £9 each)	10,800	
(Option B: 800 at £11 each)		8,800
Deduct: cost of sales		
(Option A: 1200 at £7 each)	(8,400)	
(Option B: 800 at £7 each)		(5,600)
Gross profit	2,400	3,200
Deduct: fixed overheads	(2,500)	(2,500)
(Loss)/Profit	£(100) LOSS	£700 PROFIT
	=====	====

As you can see, under option A (ie the price cut) WidgetCo makes a loss and is heading for disaster. It is actually worse off than it was before the price cut. And it is much worse off than it would have been if it had increased its prices.

*"...setting your prices is one of the most important things you will **ever do."***

There is nothing very special or unusual about this example. It simply illustrates a fundamental point that is all too often overlooked: stimulating sales by cutting prices may boost your top line turnover, but it can just as easily devastate your bottom line profits.

Like many other companies, WidgetCo will not only be able to generate bigger profits by increasing its prices. But by reducing its sales it will also need less cash to finance debtors and stocks, and by eliminating customers at the cheaper end of the spectrum, it will probably reduce the amount of money it loses as bad debts.

As a result, when it increases it prices WidgetCo becomes a leaner, fitter business, providing a higher rate of return using less working capital. In contrast, when it cuts prices under Option A it becomes a lame duck. Choosing the right pricing strategy can be the difference between success and failure. Is your business an Option A or an Option B company?

There may, of course, be times when you can prove that lower prices will lead to higher profits. For example, in the case of WidgetCo, Option A's 10 per cent price cut could have been more profitable than Option B's 10 per cent price rise, but only if it lead to at least an 80 per cent increase in the number of Widgets sold! Ask yourself, is that likely?

The Solution

All of this illustrates the general rule very nicely: if you can prove that the demand for your products is very sensitive to changes in price, then cutting your prices may increase your profits.

But never, never, never simply accept the naïve equation much loved by salesmen that: Lower prices = Higher sales = Higher profits.

The truth is that convenience, habit, concerns over quality, and the "better the devil you know than the one you don't know" syndrome, all make many customers reluctant to switch allegiances for the sake of a few pence or percent in price. If you don't believe it, ask yourself a few questions. How often do you switch your allegiances from a favourite supermarket, garden centre, pub or restaurant just because a new one has opened up offering slightly lower prices? How often do you even realise that they do offer lower prices? How often are you prepared to pay

just that little bit more for a product or service that you know, understand and are happy with?

So if you want simple equations, try these two instead:

> Lower prices = Lower profits (until proven otherwise)

> Higher prices = Higher profits (until proven otherwise)

Customers care about prices. But they are certainly not the only things they care about - and your business and marketing strategy should mirror that fact.

In other words, you should never compete on price alone. Instead you should start by making sure that what you are offering exactly meets the needs of your customers. And then you should sell it to them on the basis of "best value" rather than "lowest price".

What is "best value"? As we see it, "value" is the gap between the benefits a customer perceives he is getting and the price he perceives he is paying. So offering "best value" means offering a bigger gap than anyone else.

The three keys to offering best value are to make sure that:

1 Your products and services are exactly what your customers need and want - ie they offer the best and most appropriate combination of benefits

2 Your customers fully understand those benefits - ie because unless they understand that what you have to offer is special, they will assume it is average, and that means that you'll only be able to charge an average price

3 Your prices are presented in the best possible light

Get these three things right and customers will happily pay you more than ever before.

13 ways to charge more without losing customers guarantees

1. Offer Guarantees - Often, customers will part with their money more readily, and pay a higher price, if they know that they can get their money back if something goes wrong.

2. Provide sensational service - Study after study has shown that customers are willing to pay more if you give them great service. Research also suggests that companies providing great service grow twice as fast as those with bad service.

3. Make the price seem insignificant - Perhaps by breaking it up into little bits and expressing it in terms of pence per day or pounds per us**age. This "trick" is** one of the keys to the success of the National Lottery - ie they have been able to persuade almost half the country to spend £100 a year by breaking the annual costs down into seemingly insignificant £1 tickets.

4. Reduce discounts - In many industries discounts off list prices are the largest single group of costs - and yet they are usually given with little or no senior management involvement or authorisation. Considerable savings can be usually be made by tightening up discount authorisation procedures. Savings that lead directly to higher net prices and profits.

5. Use creative discounting - For example, replace flat rate discounts (eg **"10% across the board") with step discounts (eg "5% on t**he first £1000, **15% on sales above £1000"). Not** only do they look more impressive and encourage people to buy more, but they often also work out cheaper.

6. Describe price as an investment - **Describing your price as an 'investment'** rather than a cost can often go a long way towards persuading customers to buy.

7. Less than expected - Repeatedly tell your customers that you may have to put up prices by, say, 20% - but then only actually increase them by less than 20%. (How far below 20% you pitch the eventual price rise should depend on your assessment of the true depth of their "horror" when you make the initial suggestion). By making the eventual price rise less painful than your customers were expecting, you can turn a potentially damaging increase into a triumphant success.

8. Soften the blow - Try to reduce the prices of some items in your range at the same time as increasing the prices of most other items so that you soften the bad news with some good news and make a point of dwelling on the latter.

9. Explain why - Be prepared to explain why prices have risen, perhaps as a result of cost increases, and point out that, had it not been for improvements in your own productivity and efficiency, the increase would have been even higher. Better still, explain that the price has increased as a result of improvements to the quality of the product. Emphasise the enhanced features, improved packaging, increased reliability, enhanced customer support, faster and more convenient delivery and any other factors which make the product better and therefore worth paying more for.

10. Justify your prices - It is vital to have a strong justification and defence for your high prices prepared in advance. This is likely to include knowing the prices of your most expensive competition, demonstrating the savings and benefits from your product and demonstrating that your product is hugely superior and therefore slightly **more expensive because.....**

11. Use "Non-price" increases - For example, consider charging extra for installation, delivery, insurance, handling, storage, urgent orders or rapid delivery. You could also try increasing your minimum order size and introducing a surcharge for any orders below that threshold, revising your discount structure, slimming down the specification of your product and stripping out any expensive features that are of only limited value to the customer, and charging interest on overdue accounts.

12. Change the package - If a customer **tries to knock you down on price, don't** change the price, change the package. In other words, never simply crumble on price. Always trade a price reduction for some concession from the customer eg a larger order or cash up-front.

13. Trade for referrals - If all else fails, you can always trade a one off price cut for referrals.

*"**If a customer** tries to knock you down on **price, don't** change the price, change **the package."**
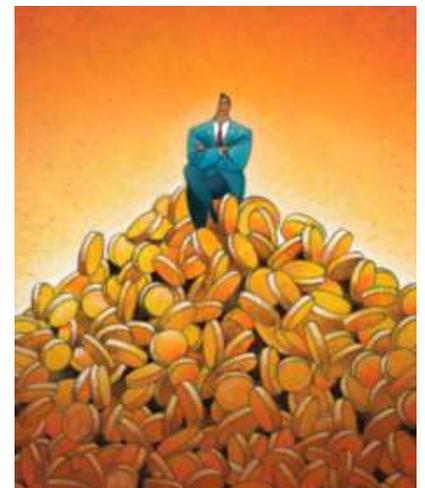
Systems

The Problem

The fatal problem with many businesses is that small businesses don't work, the people who own them do. And you're doing the wrong work! You're not running a business, you're self employed - you have a job. And this is at the root cause of why most businesses fail to reach their potential.

And as technician turned business owner our focus is upside down - we have a tactical view rather than a strategic view. We see the work that has to be done and we immediately jump to it. We believe that a business is nothing more than an aggregate of the various types of work done in it, when in fact it is much more than that.

If your business depends on you, you don't own a business – you have a job. And it's the worst job in the world because you're working for a lunatic- YOU!!

The Solution

The system is the solution!! But what are systems?

Systems are what a business does; they describe exactly how a business operates and can take many forms such as manuals, written scripts, standard forms, checklists, standard letters and so on.

For instance do you have systems for…..

- Identifying prospects
- Persistently chasing every prospect in a way that they welcome
- Generating a continuous stream of referrals
- Recording and following up every single sales lead
- Making it impossible to give up on a prospect until they have said "no" at least 10 times
- Encouraging, identifying, recording, monitoring and dealing with complaints…. brilliantly
- Measuring and monitoring customer delight
- Getting testimonials from delighted customers
- Identifying and measuring all the key drivers of success in your business
- Generating and capturing new ideas from every person in the business
- Turning those ideas into action

- Testing every new idea to see whether it gives a better result than what you did before
- Testing the effectiveness of all your other systems

These are only some of the many systems that almost every business should have. It is not intended to be a definitive list - merely to get YOU thinking about the sort of systems YOU could and should have.

Systems are so vitally important because…..

- Anyone can operate them - so you can step back from working IN the business and concentrate on working ON the business, and it will still work brilliantly without you. And of course, by giving you more time they also allow you to spend more time on the other things that are important to you too.
- The business is less dependent on any individual or group - because anyone can run the system. So you'll never need to fear staff illnesses, retirements, defections and industrial disputes again.
- The business is easier to grow - since its success can be replicated by others using the system
- They can be tested and improved in a systematic and scientific way. So, as a result, everyone ends up using the same optimal processes - rather than doing things in their own (often sub-optimal) way.
- What you do, how you do it and the results you get all become more consistent and predictable.

So, for all these reasons, the business becomes more valuable and saleable - and probably more profitable too.

…. And those are just a few of the reasons why systems are so powerful

The bottom line is that the word SYSTEM stands for:

Save Your Self Time, Earn More

Further Information

If you work systematically through each section of this Report[1] and implement the ideas, your business will be in a great position to realize it's currently 'untapped' potential.

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