

the PROFIT improver



Get the edge on your competitors

In the current economy one of the single most important factors to business survival is keeping current customers.

Customer retention is absolutely critical. Whether it is referred to as customer retention, account management, relationship management, or simply staying in touch, developing a strategy so that a business does not lose the customers or clients they have is essential for success, or in some cases survival — especially now.

First, remember it is far more costly to acquire a customer than to retain one. Existing customers are more likely to be future purchasers. They have an established purchasing pattern, favour your products or services and are willing to pay.

The current economy makes customer retention strategies even more important because customer loyalty has weakened. Whether you sell b-to-b (business to business) or b-to-c (business to consumer), your customers are revising their budgets carefully; some are looking for alternatives.

In addition, the fast pace of technological change and ways to communicate (blogs, Twitter, Facebook,) make customers even more likely to be exposed to your competitors.

This means you need a customer retention plan. Keep in mind that it doesn't need to be costly, time-consuming or difficult. You just need a few simple steps and continue to make it a priority:

1. Contact priority customers or clients regularly. Make a list of your top customers, around 10-25. Call each of them at least quarterly. Even if the sales team is calling customers, it is important for the owner to occasionally make the call.

2. Keep your name in front of all your customers. Advertise regularly. Network regularly. Send e-mail newsletters regularly. The key is doing this regularly.



Taking you forward

3. Give your current customers good deals.

We're all used to special deals to attract new customers, but we then fail to offer similar discounts to existing customers. Remember, your competitors are targeting your customers with offers.

4. Surprise them!

Do something special and unexpected for some of your best customers. Send them a small gift or add something extra to their order.

5. Keep track.

Get a database, contact manager or digital address book. The cost of software has dropped and a good contact management system is within the budget of all businesses. Find a way to keep track of all your clients — past and present — so that you can contact them quickly and easily.

6. Communicate, communicate, communicate.

It is easy to take customers for granted. Business owners and managers often get so focused on doing the work, that they do not take enough time out to meet with, talk to, and more importantly, listen to, their customers. Stay in touch. Ask your customers what they want and need. Be part of their lives and their businesses.

Boomers represent a big market



Boomers are defying marketing experts' traditional beliefs about older consumers. The theory has always been that once a person has reached middle age, their purchasing preferences become fixed.

But Boomers are changing the rules. A generation that believed in questioning authority is now more than willing to switch telephone companies, hairdressers, or toothpaste. They are eager to go to new places, try new gadgets and to buy off the Internet.

That makes them a prime target as consumers for any company – including small businesses. What can you expect Boomers to spend their money on?

- Health care – Boomers are more willing than previous generations to consider alternative and preventive health care approaches.
- Travel – With good health, good finances, and the kids out of the house, Boomers have more time and money to see the world.
- Appearance - Skin care and cosmetics. Gyms and fitness centres. Plastic surgery. Boomers may be getting older but they don't want to look it.
- Second homes - With their first homes paid off or with substantial equity, Boomers have been fuelling demand for second homes.
- Their own businesses - There are a lot of fifty year olds taking early retirement or being laid off. Many become consultants or start their dream business. More would quit their day job if they could afford health insurance.
- Retirement communities - Many Boomers are opting to live in communities that meet both their social and physical needs.

But small businesses could look to baby boomers as more than just customers. They are also a potential source of employee.

When a person over fifty gets laid off or takes early retirement from a large company, they are more likely to have a hard time finding another job in a similar business. But they have a huge wealth of experience and skills to offer your company.

Approx 40% of Australians and New Zealanders who are taking an overseas holiday in the Pacific Asia region are Baby Boomers.

- Roy Morgan Research

A few other tips when looking to Boomers as either customers or employees for your business:

- Sit down and brainstorm with your staff about which of your current products or services can be targeted or modified to better meet the needs of Boomers. Or develop new products or services especially for this market.
- Target Boomers in your advertising and marketing material. Include photos of people in their fifties.
- Target Boomers in your help-wanted advertisements. Indicate that you value workers of all ages. Be open to older applicants.
- Boomers see themselves as environmentally and socially conscious. Develop more 'green' products and adopt more socially-responsible business practices.
- Be careful about the terms you use. Boomers don't think of themselves as 'senior citizens,' or even 'middle aged.'

Finally, throw out all your old assumptions. There's never been a generation with access to the same nutrition, health care, education, and living standards. Boomers will redefine the aging process.



Branding to build a business

A brand identity represents a mental or emotional association in the mind of a customer. It is initiated by the images used in your advertising and by the words used to describe your products. After sufficient impressions, the customer will remember these associations and a brand is born.

Large corporations spend hundreds of millions of dollars building their brands for good reason. Brands will:

- help customers remember your products or services
- build customer loyalty and lead to repeated purchases
- make it easier for current clients or customers to refer you to others
- send a message to your customer about what they can expect
- convey an emotion
- add value

Most importantly, the thing to remember is that a brand is a promise. Essentially, branding is a process in which a business creates and delivers on customer expectations. When someone buys your product or service, they count on those expectations to be fulfilled. The components of your brand promise are based on:

1. Consistent image

At the most basic level, to build a brand you must develop a strong brand image. Consistency extends to your logo, colours, typefaces, décor, employee uniforms and more. Professional service providers, such as solicitors, should make sure all their brochures, business cards, website, stationery, etc. have a consistent look and feel.

2. Consistency of experience

This is the building block of a brand. How can you do this in a small company? Take building a brand for a hair salon, for example. Every client's visit should feel the same as the last. This includes the same type of music, the same greeting, and the same treatment every time.



3. Consistent quality

It is not sufficient to deliver a consistent experience to only your customer. The service must also be of a certain level of quality. McDonald's French fries don't have to be the best French fries in the world, but they have to be good French fries. And they have to be good every time.

4. Distinct competitive position

A brand must stand for something and distinguish you from the competition. The easiest way for a small company to develop this distinct brand position is to focus on a niche or specialised market.

5. Repeated exposure

To remember your brand, customers must hear it or see it over and over again. Building brand awareness takes money, and that can be a challenge for small businesses. The objective should be to clearly and narrowly define your target market. The next step is to make sure you expose those potential customers by repeating advertising messages in the same publications, exhibiting at the same trade shows and attending the same networking events.

Develop your logo

A logo is an image that can be associated with your company, helping establish your identity and giving the public another way to remember you. A visual image makes your company more memorable because people learn things and remember things in many different ways — some people are more verbal, some more visual. People use more of their brains when they associate you with both words and images, meaning you make more of a mental impact.

Some logo pointers:

- A good logo conveys something about your company — often a feeling. The Nike 'tick' shows movement and speed. It's such a strong logo, like McDonald's golden arches, that you no longer need words to know which company is being represented.
- An inexpensive way to create some visual images for your business is to add graphic elements: lines, squares or diamonds.
- A logo doesn't have to be a drawing or illustration; you can make an "illustration" just of words. This is called a 'logotype,' and it can be very effective. Think of Coca-Cola.

Brainstorm logo ideas on your own — make sketches, list words and phrases you'd like your logo to convey, etc. — but think about hiring a graphic designer to create the finished product.

Making effective sales calls

There are a few aspects of running a small business that are as intimidating as actually making sales calls. Nevertheless, making sales is a vital part of any business. Whilst some businesses do virtually all their sales over the internet, most still interact directly with buyers.

Regardless of whether or not a business has a sales person or sales team it is important for the business owner, to make sales from time to time — not just to make money, but to learn from customers and prospects. Sales calls keep you close to the market and give you a reality check.

Here is a short refresher on some of the keys to successful small business sales:

- **Change your attitude.** Do you think of a sales call as an imposition on a prospect? If you believe in your product or service and you are offering your customer something they truly want or need, you are actually doing them a service.
- **Use sales guidelines, not scripts.** Natural selling works on the basis of treating prospects the way you would like to be treated. Adopt flexible guidelines based on asking questions that allow them to come to their own conclusion. Conversations are not scripts and sales calls should be no different.
- **Know what you are selling.** What differentiates you from your competition? What are your product's features and benefits? A good salesperson has to be able to present your product/service clearly and concisely.
- **Make a sales plan.** Don't just start dialling for dollars. Decide on who are your key prospects are, identify decision makers, and come up with a six-month or annual plan of action.

- **Set goals.** Work out a minimum number of sales calls that must be made before you stop. Work out how many key customers you are committed to call in a day, week, month.
- **Create a database.** Keep track of who is being called, your history with them, contact details and next planned action with a commercial database tool. Even if you use a pen and paper, set up a sales tracking system.
- **Build relationships.** People buy from other people. Develop relationships with your customers, don't just think of the call as a one-time sale.
- **Be persistent rather than insistent.** Most people think you have to be 'pushy' to be a successful salesperson; that simply is not the case. The most effective sales people are just consistent.



ABOUT US

Taking you forward

Taggart & Partners is a highly skilled business consultancy firm specialising in Business Restructuring, Taxation Planning & Management, Asset Protection Strategies and Superannuation Advice. **Taggart & Partners** are uniquely qualified to cater to a range of businesses from small to large through our expertise and comprehensive approach also providing our clients with a centralised business solutions network.

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Our philosophy is to '*think outside the box*' and be proactive in providing timely solutions to clients business and individual needs.

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