

The Fastest, Easiest, Most Profitable Way To DOUBLE YOUR BUSINESS INCOME



*A Quick And Easy Plan To
Help You Maximize The Profits
Your Business Generates In
The Shortest Time Possible*

By DAVID PHAM



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And Thank You to my
friends Natasha Baxter
and Alison Bottcher

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The Fastest, Easiest, Most Profitable Way To Double Your Business Income

The purpose of a business... any business... in fact, your business... is to profitably satisfy the wants and needs of its customers. And the more profitably you can serve your customers and solve their problems, the more successful your business will be.

One of the biggest problems business owners have, is that they don't have a plan for growing their businesses. They jump from idea to idea, hoping that sooner or later, something will work for them, and somehow, magically, their business will take off, or will suddenly become more profitable.

Well, it just doesn't work that way. Sure, there are some businesses that just happen to be in the right place at the right time, and when market conditions are just right, get swept along in the wake. But those stories are the exception, and not the rule.

For the majority of businesses, there needs to be a little thought, a little planning, to make a significant difference in the growth and success of the operation.

In reality, there are several things you can do to grow your business.

The Fastest, Easiest, Most Profitable Way To Double Your Business Income

Notes

But there are four main things... or “key” categories that nearly every method of growing your business falls under.

You can:

1. Get more new customers. That is, increase the number of customers you now have.
2. Increase the average transactional value of each sale. That is, get more money every time a sale is made.
3. Get your customers to buy from you more often. That is, increase the frequency of purchases by your average customer.
4. Increase your customer’s average buying lifetime. Get them to continue doing business with you for a longer period of time.

Most business owners spend most of their time, effort and money on the first method... Getting more new customers.

While this step is necessary in order to replace those customers who have stopped doing business with you for one reason or another, it is also the most costly and least profitable methods of growing your business.

Increasing the average transactional value of each sale... that is, getting more money from every sale, on the other hand, has the potential to add an immediate 30 to 40 percent in pure profits to your bottom line.

Using this technique, and making a simple suggestion, fast food restaurants add millions of dollars in profits to their coffers every day. They use the strategies of “bundling,” “cross-selling” and “packaging,” to get their customers to spend just a little more and get a better value.

But aside from the actual cost of the additional product, that “little more” is pure profits, since there are no marketing costs involved.

The Fastest, Easiest, Most Profitable Way To Double Your Business Income

Notes

Method number three... getting your customers to buy from you more often is another effective way to build profits.

It starts by getting to know your customers and determining what their needs are. Then communicating with them often, regarding special offers, additional products or services that might benefit them, or other products or services offered by another vendor or supplier with whom you have a joint venture arrangement.

Now, item four... Increasing your customer's buying lifetime. It just makes sense, that the longer a customer continues to do business with you, the more products and services you'll have the opportunity to sell that customer. Which, of course, translates into more profits.

But also, the longer they keep coming back and buying from you, the more benefits they'll receive from the products and services that they've purchased from you, which leads to a more satisfied customer, and again, means more profits.

And naturally, the longer the customer's buying lifetime with you, the more chances you have of getting referrals from them of others who can use and benefit from your products and services.

Now, increasing any one of these four methods of growing your business can certainly make a positive impact on your bottom line.

For an example, let's assume a base of 1,000 customers who spend an average of \$100 twice a year, and do business with you for 5 years.

Over that 5-year period, they would spend \$1,000,000 with you.

The Fastest, Easiest, Most Profitable Way To Double Your Business Income

Notes

	<u>Current</u>
Number of customers	1,000
Dollar value of average transaction	\$100
Average number of transactions per year	2
Buying lifetime of average customer (years)	5
Total income	\$1,000,000

But consider what the significance would be if you were to increase each category by only 10 percent.

	<u>Current</u>	+10%
Number of customers	1,000	1,100
Dollar value of average transaction	\$100	\$110
Average number of transactions per year	2	2.2
Buying lifetime of average customer (years)	5	5.5
Total income	\$1,000,000	\$1,464,100

The cumulative increase would be 46.4 percent! Not a bad increase in anyone's book!

Think about your own business. How difficult would it be for you to increase the number of customers you have by 10 percent? How about getting just 10 percent more from each purchase?

And, with a little extra effort, do you think it would be difficult to get your customers... people who are already doing business with you, who know you, like you and trust you... to buy more often or stay with you just 10 percent longer?

The Fastest, Easiest, Most Profitable Way To Double Your Business Income

Notes

If you think about it, it probably wouldn't take much to accomplish any of those goals. But the resultant increase in income would be incredible.

Now, look what happens if you effected a 33 percent increase in each of the four categories...

	<u>Current</u>	+33%
Number of customers	1,000	1,300
Dollar value of average transaction	\$100	\$133
Average number of transactions per year	2	2.66
Buying lifetime of average customer (years)	5	6.65
Total income	\$1,000,000	\$3,058,428

Why, the increase jumps all the way to 205.8 percent!

And only by increasing each of the four categories by a third!

Now, you may find it difficult to increase each of the categories by 33 percent... or even by the same percentage, for that matter. The exact amount of your increase isn't important.

What's important is that if you make chances... even small changes in each of the four areas, it will have a dramatic and positive effect on your bottom line.

For instance, if (in the example above), you were able to add just 10 percent more new customers to your business, increase the average size of each sale by 30 percent, get your customers to buy from you 10 percent more often and increase their average buying lifetime by 30 percent, your totals would be \$2,044,900... an increase of \$1,044,900!

The Fastest, Easiest, Most Profitable Way
To Double Your Business Income

	<u>Current</u>	Percent Increase	Category Increase
Number of customers	1,000	10	1,100
Dollar value of average transaction	\$100	30	\$130
Average number of transactions per year	2	10	2.2
Buying lifetime of average customer (years)	5	30	6.5
Total income	\$1,000,000		\$2,044,900

Now take a look at your own business. In the table below, write in the number of current customers you have, how much they spend with you on average, how many times they buy from you in a years' time, and how long they do business with you before no longer needing the products or services you sell, or they move to another supplier or vendor.

Then, run some quick calculations on what would happen if you were to increase each of the categories by whatever percentages you think would be realistic and doable for your particular business in the current economy.

	<u>Current</u>	Percent Increase	Category Increase
Number of customers			
Dollar value of average transaction			
Average number of transactions per year			
Buying lifetime of average customer (years)			
Total income			

The Fastest, Easiest, Most Profitable Way To Double Your Business Income

Notes

As I mentioned at the beginning, there are several... in fact, many ways to grow your business and add profits to your bottom line.

Here are a few easy-to-implement and cost-effective things you can do...

To get more customers...

- o Select a target that you can serve effectively.
- o Create an identity in that market, and become widely known as the recognized “expert.”
- o Develop a marketing message that compels your prospects to contact you to learn more about how you can help them.
- o Establish a proactive referral program that converts your existing customers into deliberate centers of influence.

To get more dollars from each sale...

- o At the time of purchase, suggest a money-saving larger size.
- o Suggest add-on items, or other items or services that will compliment the original purchase.
- o Combine several related items into a package that would cost less than if purchased separately, but will sell for a higher total price.

To get customers to buy from you more often...

- o Learn your customer’s needs, wants and desires, and create special offers or incentives for them to return to buy again.
- o Develop a program of regular communication with your customers, i.e., newsletter, e-zine, postcards, fax, etc. Keep them informed on what’s new, etc.

The Fastest, Easiest, Most Profitable Way To Double Your Business Income

Notes

- o Contact them before they need to renew or purchase another product. This helps keep them away from the competition.

To increase your customers' average buying lifetime...

- o Call on your customers from time to time and let them know you're thinking about them.
- o Follow up with your customers to see how they're enjoying or benefiting from using your products or services.
- o Treat your customers with respect and appreciation. Show them you care about them.

Remember, your customers are the lifeblood of your business. Without them, you have no business. Take care of them, and they'll make you a fortune.

Go back and study the above examples. Design programs and systems that will help you maximize each of your efforts in the four areas.

Then, put them into action. All the best-laid plans and the most creative ideas in the world won't do you any good unless you act on them.