

A secret so obvious

'why don't we all do it?'

Do you want to know one of the best kept secrets in business and one that if implemented consistently will have a dramatic impact on your bottom line? At Ology we call it the "Power of 2" and it's guaranteed to improve performance! I want to share this secret with you – so read on!

When business owners or directors are asked what they would like to achieve in the financial year the responses are fairly uniform: increased turnover, more customers, greater profitability – no surprises there!

These are all credible objectives and most companies set budgets and some even use key performance indicators (KPI's) to measure whether they are being met. However what most companies fail to recognise is that these key measures are the results of other activities and it is actually these activities which should be measured, targeted and focused upon!

For example if you want to increase your customer base there are only two ways to do it - increase the number of leads that you generate and/or improve the conversion rate from leads to customers.

So start by identifying your target market and being clear on who your potential customers are. Experience shows that once you actually focus on generating better prospects you will achieve your aim.

The second requirement is to improve the conversion rate. Why does one salesman convert more leads than others? Understand this and you have some of the answers. How many times do your sales team let customers leave without buying? – find out! It's a strange phenomenon but guess what happens when you start to measure the activity of people? Exactly – effectiveness and in this instance conversion rates increase.

The next phase of 'the Power of 2' is to focus on Turnover. Again there are only 2 ways (spot the theme) to increase the turnover of a business with a fixed number of customers - increase the number of times they buy from you each year and/or increase the amount they spend each time they buy.

Ask yourself some simple questions 'How many of your customers are aware of **all** the products and services you provide?' If every customer knows all of your offerings then congratulations. But for most businesses this isn't true - even with their biggest customers. Next – "what else would they buy if they knew you supplied it?" "How accurate is your customer database?" and "do you use information to get your customers to come back more often?" Most businesses fail to ask these questions let alone address them!

Next increase the average value of purchases that your client makes. We have all been in McDonalds to hear those words - "do you want to go large with that!!" We could all learn from the masters of 'Selling Up'. Could you sell additional service, offer an extended guarantee, buy two get one free etc? – most businesses can!

Finally there are only 2 ways that you can increase your profitability - increase your profit margins and reduce your costs!

In reality most businesses are already focused on these two, but for those who are not so experienced, the simplest way to start is to increase prices. Most companies balk at this idea without looking at some of the facts. We encourage you not to have this "knee jerk" reaction. It is also important to look at those customers who take up too much time and resource and deliver very little! Either manage their expectations or get rid!

Most managers today have extensive experience in reducing the costs within a business – so we won't dwell on that one. However if you need help Ology have many ways to help you review and make considerable cost savings

The Power of 2 is a "little gem" that if implemented effectively will help you improve your business. Why do we share this information? It's quite simple really. We know that the vast majority of businesses will not actually get round to implementing the changes necessary to transform their business because they don't have the necessary tools or the time to do it without our involvement. So if you would like to know more contact Leigh Dorling at Cognisi on 07768 290694 or email me: leigh@cognisi.co.uk Can you afford not to?