

BUSINESS MADE EASY[!]

A man with short, light-colored hair, wearing a blue and white checkered button-down shirt, is smiling broadly. He is splashing in water, with white foam and droplets around him. The background is a light, textured grey.

Episode 23

**Are You Overlooking the Gold
Within Your Business?**

Full Episode Transcription

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Jason:

G'day, g'day and welcome to the 'Business Made Easy' podcast, where we make business easy. Jason here, your host back again for another week and I hope you are well out there. Whatever you're up to in business, I hope you're kicking some goals. Thank you for joining me, if you're just joining the show for the first time, welcome. Don't forget to subscribe on iTunes so you get each week's episode but I do appreciate you being here and joining me for today's episode and we're going to have a great episode today. It's just me talking today to you but I've got some great content I'm going to share with you, so stick around and we're going to uncover the hidden gold in your business and hidden profit in your business. So I'm going to take you through some strategies to help you to help you to maximise the profitability in your business.

I'll get into that in a second as to why we're going to talk about that but before I do, if you haven't already joined the 'Business Made Easy' podcast Facebook community. By all means, jump over there and do that by going to www.businessmadeeasypodcast.com/facebookgroup and you can join that. It's a free business community of business owners and entrepreneurs sharing their stories and asking questions and helping each other out over there, so I'm over there daily posting content there as well. It's a great opportunity to get over there and be part of a business community and as I say, absolutely free to be involved and a part of and I would love to see you over there and have a chat as well.

That's www.businessmadeeasypodcast.com/facebookgroup so if you go there, you will be able to ask to join the group from there and I'll let you in.

Alrighty, welcome as I said, today's episode we're going to be finding and unlocking the hidden gold in your business and the content and I wanted to put this episode together because a lot of people out there are talking. There's a lot of hype out there about social media marketing and everyone's wanting to do social media marketing. Wants to be on Facebook and doing Facebook ads and there's a lot of overwhelm and a lot of uncertainty about how to do it properly. And paying for ads, a lot of people don't like paying for ads. Facebook keep changing the rules, there's a whole lot to it and rightly so, there is a lot of hype around it because it is valuable and it does work.

But I'm not, big disclaimer here, I'm not knocking social media marketing and I'm not knocking Instagrams and LinkedIn and all those sorts of things. But I am wanting to put the pause button on them today and I want you to put the pause button on them and give yourself a break from worrying about what you're doing with social media and social media marketing etcetera. Because if you've already got an existing business, I feel one hundred percent confident that you're probably not looking after your existing customers as well as they possibly could.

Before you go off and say, "Oh yes I am, I always look after my customers." I'm going to talk through, I mean really, really looking after every single customer and tapping into the further opportunities that exist within your already existing customer base. 'Cause you see, it's a lot cheaper when you already have a customer in your business to look after that customer relationship further than it is to go out and stress over social media marketing, as I was just talking about and start buying new customers.

Actually paying to advertise to get new customers in the business, it's a lot more expensive to do that.

Today's episode is all about identifying who your most profitable customer is and then putting in place some strategies to help you to further grow that relationship with that customer. That's today's episode and we're going to get straight into it. Now I said there, who is your most profitable customer? And why we want to focus on that, we want to actually get quite specific here. The very first step, in the process of implementing the strategies that I'm talking about today, is that we have to get really, really clear about who our most profitable customer is.

Because if we don't know that and this means, this is the same as if you're doing social media marketing. So you should be before you do any of that, you should have this under control anyway. We need to have a clear picture of who our most profitable customer is. What's their age? What makes them the most profitable customer? Now it may not be because they have the biggest sale with you, they spend a million dollars with me a year, if you're only making a dollar after they spend a million dollars with you. They're not really you're most profitable customer.

I'm talking about the customer that buys product from you that has good margin in it, so after you've paid for your costs of buying the product or providing the service. I'm also talking about they're the customer that you most like and are most passionate about dealing with because we want to, we really want a business full of people we are passionate about and people

we're really passionate about helping and enjoy going to work each day and helping those people.

I'll share a little story with you, actually before we get too much further into this. Years ago when we first bought the accounting practice that we now have known as Skinner Hamilton. That's what it's called now but when we first bought it, it was a real mix of all sorts of clientele from big businesses, that were doing trading and had special needs, special accounting needs. And then it was also made up of very small Mums and Dad type people that didn't even have a business, they just worked on wages. And not one, there was a whole mix of clientele.

When I would go to work each day, because the needs of each of those clientele was so different, I was exhausted at the end of each day. Because one appointment I would have would be helping the big business with their issues and then straight after that would be a whole host of other smaller appointments, like Mum and Dad salary and wage people that had totally different needs again. And I was in this conflict, it was exhausting. Every day I would go in and I would have all these different meetings, all having different needs and it wasn't until we actually sat down and we really got specific and went through these exercises that I'm taking you through today, that we actually worked out that, hey these business clients are where my heart is and what I like working on.

These Mum and Dad clients, I have to change my mindset thinking all the time to adjust that. There's nothing wrong with them, they were all lovely people and I got on great with them but it was a different way of doing

business. It wasn't until I actually, we divided that up in the practice and actually we ultimately ended up selling the bit that really wasn't for us. It wasn't what we were into doing. And then we were able to, and that was quite scary because you, that's a large chunk of business that you're getting rid of. But it freed us up then to work on the stuff that where my mind was and where I could really make the bigger difference and get the better results with.

It's so important to do this in your business, is identify who your most profitable customer is and why and you want to know why. You want to sit down and say, you could start a statement, "My most profitable customer is..." and then start writing. The person who does this, they buy this, how many times do they buy it in a year, why do they buy it, what needs do they have? So you really want to understand what it is that makes these people your most profitable customer.

Then once we know that, we want to know what portion of your overall business do they actually represent? Let's just say, for instance, we sit down, how I would do this by the way and I'll put a spreadsheet up in the show notes for you. So that'll be at www.businessmadeeasy podcast.com/episode23 and if you go over there to the show notes, I'll put this link in there for you to help you do this. But we want to basically get a spreadsheet going of all our customers. I would have in column A of the spreadsheet, a list of names of every single customer we have. I would then have a column next to that and that column would be called 'ideal customers', then the second column would

be, I would call it 'potential ideal customers' and then the third column would be 'never be ideal customers'.

And what I want you to do, is once you've identified and clearly, written down exactly who your most profitable customer is, I want you to go down that list and it's going to be quite a big list for some of you. And write in column A, in the 'most profitable customer' category, how much that person spends with you each year. If they are, let's say the first name is Mary Smith, is Mary Smith an ideal customer? Is the first question, based on my description that I've just identified. Yes, how much did Mary Smith spend with me last year? And then I would write that number in that column, 'the most profitable customer' column.

Go to the next name, is Joe Blow, he might be the next name. Is Joe Blow a most profitable customer? No. Could he be? Yes. So he goes in the potential. When we're looking at potentially profitable customer, they're not yet but if we did a little bit of work and we nurtured that relationship a little bit better, could we turn Joe Blow into a most profitable customer? Could he move from the middle column to the first column? And then get to the next name and if it's John Citizen and there's never a chance of John Citizen being a 'most profitable customer' because he's just not ever going to. Even if we nurtured the relationship, he wouldn't be able to, he just wouldn't buy our most profitable products or services. So John Citizen would go in the third column, the last column and you'd write down how much John Citizen spent with you in the last year.

I hope you get gist there, we want to basically go down that list, if you haven't got a customer list, that is a problem. We do need to have a customer list and you should have a system that tracks your customer, who your customers are and if you haven't got that send me an email to jason@businessmadeeasy podcast.com and I can help you get a system in place to do that. You should have a list of your customers at the very minimum.

Once we've been through that list and we've identified the dollar value of who our most profitable customers are, we can then work out what percentage of our overall business revenue or sales does our most profitable customers represent. And that's quite easy because if we turn over say \$100,000 a year and \$20,000 of that \$100,000 is in the most profitable customer column when we add it all up then we've got 20% of our business is made up of our most profitable customers. And you want to do that for all three columns.

Once we have that information, we can really then start to ramp up and start digging in and panning for gold. That's how I think of this, the analogy I use to think of this is it's like panning for gold. We want to get real understanding of who our customers are. Because once we know this information and I think you'll be alarmed, I'm often alarmed when I do this exercise with other businesses, just how the numbers read. You'll find that in most cases your most profitable customers will be more, won't be as high as you thought and your potential ones will be higher. And if it comes out the other way that

most are most profitable, that's great. That's fantastic for you, it's not over as there's still more to do but you're coming off a good starting point.

Once we know the makeup of this customer base, we can then start to look at the demographics around that. Looking at our most profitable customers, we can then start to look at where are they hanging out most? Where are they getting their information? What, and this is a big one, what problems do they currently have that you currently aren't helping them with? What other products or services can you offer to your customer, your most profitable customers, that could make their life easier? Now you may need to go out and do a bit of a survey on this, you may not know this information straight up. You may just be guessing it first.

Even if you have a list that is a guess and then you go and ask them or survey them or when they come into you or shop or if you're talking with them over the phone or on email or however you converse with them, just ask the question. What struggles are you currently having that if you could wave a wand, would you like a solution for? And start to collect that information and ask the question of your customers. And they'll tell you, they will tell you. And you start to build the relationship and when you do ask them, and you're showing that you actually care about their troubles and the things that they want help with. They'll actually think better of you as well, so it does actually it has this real relationship building effect when you go out there and start talking with your customers properly.

Now you'll see from doing this exercise and when you do do it, and particularly when you look at the potential profitable customer's column, just

how much revenue or money that you are missing out on currently because you are not servicing all of your customers' needs. And you could turn, and the goal is you want to the turn your potential profitable customers into profitable customers. So that's an exercise to do there too. How can we then go out and help those people to become, join that column? So I hope that makes sense and that's where there's a lot of gold. It's not expensive to do, it does take a little bit of time. You will need to sit down and work it out.

Now if you're a business that has a lot of small transactions. Let's say you might be a medical centre, like doctors or you might be where you're seeing a lot of patients. In this case, you want to, it would be impossible to sit down and list every patient out, like I just said through that exercise. What you want to be doing there is actually, we need to change the engineering of it a little bit and we would list down the most profitable products and services that you offer and then we would identify it that way, as opposed to looking at each individual customer. But if you are in that situation and you do get stuck with it, please drop me a line at jason@businessmadeeasy podcast.com and I will help you through that. Because there is a way to do that if you do have a lot of smaller individual customers.

This exercise works whether you've got a physical brick and mortar business where people are coming into you or you're a service type business. It also works if you are online, if you've got an online business. You would have, you should have a list of who your customers are and what they buy from you and when. One of the strategies to once you've identified the needs of your customers and the demographics of your customers, most profitable customers. We then want to look at increasing the number of times they do

buy from us. So are we actually talking with them, so that's part of understanding their needs and you being able to provide solutions for them is actually being able to increase the number of times they buy from you.

It's one of the fundamental ways to grow any business is to increase the number of times that a customer comes in. And I'll give you an example, let's say I go down to the swimming pool shop and I need a bag of salt for the pool. I need to put a bag of salt in the pool, it's Saturday morning, I go down to the shop and I walk into the pool shop and I ask for the bag of salt. Now, at that point, I'm a customer of that shop and I've bought a bag of salt. But you'd be amazed at the number of times that you go into a shop, ask for a bag of salt and you're never, other services are not discussed with you.

The next logical, I've been in shops where they'll just, you walk in, "Can I buy a bag of.." we'll use the pool salt, ".. can I buy a bag of pool salt?" and they'll just say, "Yep, \$11.99. Thanks, see you later." And they're missing a great opportunity. Because if that shop person, that person that served me said, just a simple question, "How big is your pool? How old is your pool? What type of pool is it that you have? And actually created a dialogue and discussion around any of the answers to those questions. "Oh, so did you know, do you clean your pool yourself?" could be another, "Ah yes I do but." "Do you enjoy it, how long does it take?"

There are a million questions you could ask. But showing an interest, a genuine interest in your customer and you'll be surprised how many businesses don't do this. And then they could say, "Did you know that we do pool servicing and it's cheaper than you might think to do." "Oh really, how

does that work?" And then you could talk about it further. That then has turned me from just a person buying pool salt into a potential customer that gets their pool serviced every month, on a regular basis. You could put them on an automatic system that, email system, so you could get their email address that notifies them when the servicing is going to happen. You could turn that one customer into, from a bag of salt person because I might buy my bag of salt just anywhere. I might, I just drive past a pool shop, there might be five pool shops in my area.

You get the drift, basically taking that ideal customer, having a relationship, having a discussion, building a relationship I should say, having a discussion with them and really nurturing that involvement. And you don't have to be high-pressure sales, you don't have to launch into, "Hey, do you want your pool cleaned?" It's a discussion that you're just finding out more information and taking a genuine, and I use this word very, very strongly, and I'll put it in capital letters if I can do that on a podcast. GENUINE, in all capitals INTEREST in that customer and so, so many businesses do not do that. And they are leaving money on the table, yet that same pool shop could go out and be now trying to grapple with getting new customers on social media. Trying to compete and pay \$10.00 a click, just on a hope that someone recognises them and comes into their store.

As I said, if the competition is tough and there's a lot of pool shops and you're the only one doing this stuff, you are going to win hands down. And Disneyland is renowned for its customer services and its experience, so what you want to do is Disneyfy or apply those same skills and systems to your business, whatever it is out there. And you can do this whether you're an

online business, physical bricks and mortar, whatever business you're in. You could just be a service business, you know a solopreneur just, you can do this stuff and build as much information around your existing customers and then moving them from that middle column of potential most profitable customer to most profitable customer.

And as I said, I'll put a spreadsheet on the show notes for you, to help you to really get the best of that, as well. Once we've identified these things and it's going to be different for every business but one of the things to remember is that, and I'm, seeing this a lot out there at the moment as well, what business owners are doing is putting in automation systems and removing the human element. They're trying to scale their business, which is great and they're putting in automated systems like Infusionsofts and Convertkits etcetera into their business.

Those things are really, really powerful. Those programs they're an excellent tool and excellent solution to automate processes and systems but they have their place. So whatever you do, don't dehumanise your business and your existing customers. Your relationship with your existing customers. Certainly use it to help deliver certain services and products, such as reminders or automated or to let you know of something if a customer does something. To trigger a reminder for you but try and avoid using it as your sole means of communication with a customer where possible. Because there are some interesting statistics out there and one of them I found quite interesting was that 73% of humans prefer to resolve or ask for advice from another human being. And when they can talk with another human being and you humanise

the relationship with your customer, you get the opportunity to build a relationship with your customer.

I swear if people spent more time focusing on this in their business than trying to go out and get new customers all the time, honestly your business would be doubled. I swear you could double your business, just by looking after your existing customer's needs. Because, remember too, once those customers are happy and you're exceeding their expectations consistently, you can't just do this one off either by the way. Once you're consistently exceeding their expectations, guess what? They become advocates of your business, they go out, they're telling their friends. John Citizen is telling Terry at the Sunday barbeque, "Hey, guess who's cleaning my pool these days? Normally I'd be at home, doing it now but I've got someone coming and doing it weekly."

And it's all from the pool shop, just asking the right questions when I went in to buy the salts, the pool salt. I hope you get the drift, there is gold in your existing business that is currently not being panned. You haven't panned it, so you've got to go in there and you've got to filter through and you've got to find them. And I get that getting new customers is exciting and there's a real thrill and a bit of an ego boost. You know if you get a new customer come in and, "Oh wow, you know business is going well. We're getting these new customers. These ads are working, I'm getting more likes on my Facebook ads," and all those sorts of things.

I tell you what, all that can just go away because Facebook can change the rules as we're seeing all the time. Business pages aren't now getting the likes,

the reach because Facebook wants you now to do live videos and it's a lot of work that goes into this. But you might have a lot of untapped revenue just sitting there in your business, so that's what I want to share with you today and I certainly want you to go out there and get that untapped revenue because it's there.

I will do everything I possibly can to help you do that as well, so if you want a hand with that, you can certainly drop me a line at jason@businessmadeeasypodcast.com and tell me some of the gold that's potentially lying in your business that you haven't yet tapped and I can share with you some ideas as well. If you go over to the Facebook group, as I said earlier at the start of this episode. If you go to www.businessmadeeasypodcast.com/facebookgroup go and join that Facebook group there and we can talk about it further over in there as well about finding that untapped revenue in your business, the gold. And identifying your most profitable customers, what they look like and how you can grow that.

Alrighty, if you haven't done so already, please remember to subscribe to the show. And leave an honest review if you enjoy the content of the podcast, it does help the podcast to grow and I really appreciate you leaving that feedback for me. Just drop me a line, if you're enjoying the show or there's any ideas or content that you would like covered to help you in your business, I'm always open to suggestions. I love bringing this to you each week, it is a podcast for you if you're in business and you want to grow your business, I want to share with you the tips and give you as many tools and resources to be able to do that as well. Feel free to drop me a line and that's, my email

address is jason@businessmadeeasy podcast.com and I do check every single email.

For those of you who have written to me already, thank you I really appreciate it and really enjoy chatting with you. Alrighty, that's all I have time for this week, thank you again for joining me. I do appreciate you, wherever you are in the world I hope you're kicking some goals in business. Remember taking action is what's going to get you the results, not procrastinating or spinning your wheels you need to take action and I'll look forward to bringing you next week's episode. So here's to your success and I'm going to hand you over to Mia, until next week. All the best, take us out Mia.

Thank you for Tuning In

We hope you enjoyed this episode.

If you have any feedback or questions about the content in this episode please don't hesitate to drop me a line at jason@businessmadeeasypodcast.com I would love to hear from you.

Other things that you might like to help grow your business.

We have a very active Facebook community that is free to join for business owners and entrepreneurs. You can get access here

www.businessmadeeasyfacebook.com/community

We are also on Instagram at

www.businessmadeeasypodcast.com/instagram

Thank you again,
I appreciate you!

*Regards
Jason*