

SECRETS FROM THE LEGAL PAD

PROVEN STRATEGIES TO HELP ANY BUSINESS
GROW ITS PROFITS



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BUSINESS GROWTH STRATEGISTS

SECRETS FROM THE LEGAL PAD

Proven Strategies to Help Any Business Grow its Profits

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FORWARD	i
INTRODUCTION	iii
COST CUTTING	1
ACCELERATING PROFITS	15
MARKET DOMINATING POSITION	17
POWERFUL OFFER	24
INCREASE PRICING	32
UPSELL & CROSS-SELL	36
BUNDLING	42
DOWNSELL	48
EXPAND PRODUCTS & SERVICES	50
ALLIANCES & JOINT VENTURES	54
DRIP CAMPAIGNS	59
LEADS	72
DIGITAL MARKETING	85

FORWARD

The purpose of this book is to walk owners and managers of small and medium sized businesses through a process designed to increase revenues and profits by using proven, cost-effective strategies developed over many years. All of these strategies can be implemented without a significant increase in your advertising or marketing budget.

Most business owners are unaware of these strategies, and therefore, fail to capitalize on their power. Some strategies may seem obvious but are often overlooked.

Recognize that most business owners today are fighting to survive. The majority have no additional revenue sources to tap into for financial support during lean times - and their marketing and advertising spends are not working as well as they used to. In fact, for many small business owners, marketing is not producing any results at all, and their cash flow situation is growing more desperate by the day.

As a business owner or entrepreneur, if you are struggling to generate more leads and clients for your business, and you need to find immediate ways to dramatically increase your revenue and profits, then spend the time to read this book and we will show you how we can help you.

From our practices and advisory work, we know many small business owners are hungry for proven ways to grow their profits. Our purpose in writing this book is to show you how to employ techniques that will enable you to grow revenues dramatically and even dominate your market.

Over the next few chapters, we are going to give you back door access to some of the most powerful profit generating strategies ever devised. So, let's go.

INTRODUCTION

Why should you buy *Secrets from the Legal Pad*? Why should you believe that these strategies will work for you and your business? Who are we? What credibility do we have to motivate you to spend the next hour reading our book?

We are both former corporate attorneys having practiced in some of the largest and most prestigious law firms in the world, handling a diverse range of transactions, from billion-dollar cross border mergers & acquisitions and billion-dollar public offerings to billion-dollar real estate transactions and international bankruptcies and restructurings. We both started our own law firms, both started and grew our own companies, and we both continue to guide and advise small and medium sized businesses how to grow their profits and create generational wealth for their families.

We are both strongly committed to our families, communities, and our country, as well as to working hard to realize our potential as human beings. We are both students of ancient and modern wisdom, history, and leadership. And we are avid tennis players and dog lovers. Each of us truly finds pleasure in helping others. And this is why we teamed up to write this book and form an executive coaching business.



Adam Pollock By Keith Wasserstrom

I met Adam Pollock at several networking events and lectures about ten years back, but it was not until he moved to Hollywood a few years ago that we really connected. I knew Adam as a wise, approachable, and respected business leader. At the time, he was partners with a friend of mine in a real estate development company. After moving to my community, we saw each other more frequently and I had the opportunity to see him in action. He offered to coach me in tennis. He was extremely patient, making sure I mastered my forehand topspin before we ended the lesson. He did not charge me, but kept following up with me, asking about my progress and eager to improve my feeble attempt at a backhand. He genuinely was interested in my improvement and enjoyed hearing about my successes. And it was not just me. I saw him taking pleasure in helping others improve their game and helping others tackle problems in their businesses, just because he had the experience and skillset to help them.

Adam is a native of Pittsburgh, Pennsylvania and the western Pennsylvania working class ethos remains a dominant part of his personality today. He is caring, industrious, and honest.

Adam graduated from George Washington University with a degree in Psychology and from the University of Pittsburgh School with a Law Degree, and he draws on both disciplines in his work.

His professional accomplishments are extraordinarily broad. Coming out of law school, he practiced bankruptcy law with the premier bankruptcy firm in Pittsburgh. Because of this

experience, he was recruited by Westinghouse/CBS to handle the legal side of international real estate workouts and asset dispositions pertaining to a \$4 billion real estate portfolio.

After the job was completed, he teamed up with two big-firm transactional attorneys and founded the law firm of Pollock Reidboard Krasnow, a revered real estate, banking, and entertainment law firm. During this phase of his career, Adam represented DiCesare Engler Productions for whom he negotiated performance contracts for Madonna, Billy Joel, Bruce Springsteen, The Rolling Stones, and every other top tier performing artists who performed in Western Pennsylvania.

While growing the firm, Adam served on a half dozen corporate boards and became concerned about the growing trend of young people leaving Pittsburgh for more desirable locations. To halt and reverse this loss of talent, Adam conceived the idea to create an organization dedicated to learning what young people want and then providing it in order to reverse this outmigration. He rounded up some friends and founded the Pittsburgh Urban Magnet Project (PUMP). PUMP became wildly successful and played a key role in not only reversing the exodus but in making Pittsburgh one of the most attractive and livable places in the country. Pittsburgh's renaissance was in large part due to the efforts of PUMP which continues to this day to have a tremendous reach and impact.

Adam represented US Filter/Vivendi, the largest water company in the world, which hired him to manage the privatization procurements of city and county water systems throughout the United States, including the largest ever in Atlanta, GA. While in California, he met a young computer programmer and together they co-founded, raised VC capital, and built an Internet software company, which they later sold to a larger software provider.

Next, Adam decided to take a year off from work to focus on finding his wife. He traveled all over the world until he met Perla in Mexico City. The couple decided to settle in South Florida, where Perla had previously lived.

Shortly after moving to Florida, Adam was recruited by the Related Group, the largest condominium builder in the world, to serve as Senior Project Manager and Senior Legal Counsel and manage the conversion of three water-front towers with over one thousand units from apartments to condominiums. His efforts resulted in over \$500 million in revenues.

Upon the completion of his tenure with Related, Adam teamed up with a colleague and launched Biscayne Atlantic, a real estate acquisition, development, and management company that acquired a portfolio of assets including fractured condominium towers, hotels, and shopping centers.

Upon liquidation of this portfolio, Adam launched Para Services, a private equity firm focused on acquiring and turning around small and medium sized businesses. It was during this phase of his career that Adam decided to take what he had learned from his 35+ years of legal and business experience and pivot to making himself available as an advisor to owners of small and medium sized businesses. He told me, “I just formalized what I had already been doing for many years for people who came to me for advice and counsel. And when you said you were interested in teaming up, I knew immediately it was an ideal match.”

Adam is someone who is willing to help anyone in need at the drop of a hat. People call on him often for his wise business, legal and personal advice which he provides with a full heart. He is a conservative investor and provides a great counterbalance to my own overly-optimistic assessments. Together, we can offer measured, pragmatic counsel to others.



Keith Wasserstrom By Adam Pollock

Keith Wasserstrom graduated from the Wharton School of Business (majoring in Accounting, Finance and Public Policy & Management) and Penn Law, where he served as President of the Student Government, member of the Board of Trustees, and Captain of the Cheerleaders.

Following his academic career in the Ivy League, Keith spent more than 15 years working at and managing Mergers and Acquisitions, Corporate, and Securities practices for some of the best law firms in the world. He also founded and managed his own law firm with a dozen lawyers and staff members.

Keith has represented dozens of public and hundreds of private companies, managing their securities and financing needs, among other things, including IPOs, public and private equity and debt offerings (in excess of \$35 Billion), licensing, leasing, intellectual property, movie financings, compliance, HR, and mergers and acquisitions.

Called upon to serve, Keith ran and was elected as a public official in South Florida and served on dozens of public agency and charitable boards, advising, directing, and administering policy for local and statewide constituencies.

Keith's entrepreneurial endeavors include founding Warranty of America (offering a \$9.95 per month extended warranty program) and A/C Innovations (holder of patents for an innovative water-based filtration system that replaces the billions of air filters that now litter landfills worldwide). Keith is also the creator of "*The Elevator Pitch Show*," which is under production.

Keith spent two years working at his father's and sister's certified public accounting firm, where he gained extremely practical and valuable hands-on accounting skills while also publishing and editing a South Florida regional weekly newspaper.

Keith currently serves on several boards, including ZOA (Florida), America-Israel Chamber of Commerce (Florida Chairman), and the Alliance of Blacks and Jews (Founder). Keith is also the architect of "*Africa Bonds*" which will fund socio-economic projects throughout Africa, as part of the Alliance of Blacks & Jews, where he is also part of the controlling group of the world's largest conservation forest which could produce over \$1B per year in carbon credit sales, which will provide over 60 million Congo villagers with needed schools, hospitals, roads, bridges, electricity, and clean water.

Most recently, Keith served as Chief Counsel to a small family office with extensive real estate holdings and a dozen operating companies, including Advanced Loan Technologies, Debt.com and FinancialApps.com.

Presently, Keith consults with innovative technology companies helping them raise necessary capital, and he advises executives and small companies on how to grow their businesses.

One might think it is this impressive background and experiences that led me to want to partner with Keith in our Corporate Counsel Business Advisors business. But that would only be partially true. What I found far more compelling was his sterling character and his seemingly unlimited capacity to help anyone he comes across in need. Frankly, the only reservation I had to this venture was whether Keith would be able to relinquish enough of the time he spends helping others to focus on our business. When he assured me he was ready to do so, it was an easy decision to join forces. When you tear your shirt, Keith does not just give you

the shirt off his back. He orders ten more shirts to be delivered to your house. And, while you are waiting for them to arrive, he sorts through his closet, finds his very best, and makes sure you have them until your new shirts arrive.

I say without hyperbole, I have never met any layperson with a greater capacity to put aside his own concerns, challenges, and desires for the sake of lending a hand to others regardless of his personal or familial cost.

As anyone can see from his education and career, Keith is brilliant. Yet, he is down to earth, easy going, and humble. He has made many people extremely wealthy and never received anywhere close to the credit or appreciation he deserves. Keith is so kind and sweet that friends and relatives often need to step in and protect him from giving too much. But nobody could stop him from donating a kidney to a dying friend from high school after seeing a plea on Facebook.

Like many of us, Keith has experienced serious challenges and setbacks. Yet, I have never detected an ounce of bitterness or negativity from him. He is always positive, seeing the good and larger meaning in every situation whether it be good or bad. His spirituality and quest for wisdom never leave him. Keith is a patient and giving husband, father, community leader and friend, and I am so honored and blessed to call him my friend.

COST CUTTING

The simple formula to grow your company's profits is to increase sales and revenues and reduce costs and expenses. We will begin by showing you some proven strategies to reduce costs. Then, we will show you demonstrated tactics to grow your revenues.

SECTION A: LOWER COGS

We will focus first on six quick ways we can lower your *Cost of Goods Sold*. This is important to you because both revenue and COGS directly impact your Gross Profit. Let us demonstrate your options for overcoming these six factors and in the process, lowering your COGS and increasing your profits.

1. Understand Margin Pricing

Although margin pricing does not have a direct impact on COGS, it uses COGS to ensure you are charging your customers the correct price to attain your desired margin. So, first let us make sure you are calculating "margin pricing" properly. Perhaps you sell widgets and to build each widget it costs you \$100 in materials plus \$75 in labor. So, your COGS equals \$175 per widget.

You decide you want to make 35% profit on each widget you sell. What is your calculation? Do not multiply your \$175 cost times 1.35. You must use the *inverse* to calculate this properly. To find the inverse, you simply take whatever profit margin you are

targeting and subtract it from one. One minus .35 equals .65. So, our new formula for determining our price is to take our \$175 COGS and divide it by .65 which equals \$269.23. To verify this, our new price of \$269.23 is the revenue each widget will generate. We now subtract our \$175.00 COGS, and we get our new Gross Profit (also called a Gross Margin) of \$94.23.

We divide the Gross Margin, \$94.23, by the sales price, \$269.23, and we find our Gross Profit percentage is now 35%—just what we were targeting.

2. Audit Your Current Suppliers and Vendors

Review the products and services that you purchase daily, weekly, monthly, or annually. Your profit margin depends upon your ability to receive the highest possible price for your products and services and pay the lowest possible price to your suppliers and vendors. Every participant in the supply chain is looking to increase business and will take unusual, often extraordinary steps to make or save a sale – especially in a poor economy or when competition is fierce.

Ask for a discount every time you request an estimate or place an order and keep asking until you actually place the order. Often owners find it indelicate to ask for price cuts. But this is a lost opportunity. If you do not ask, you will not get. If you do not get a reduction in price, ask for favorable financing terms, prepaid freight, or other freebies. By negotiating, you can maximize your

position as a buyer – as your customers, no doubt, do to you. In many cases, a little research will turn up alternative suppliers of comparable products available to you at better prices or better terms. Determine whether there are any unique features between suppliers and whether these differentiating features benefit you or your customers.

3. Confront Supplier Price Increases

Yes, suppliers do raise their prices, often to cover labor costs or their own supplier price increases. These increases typically are not dramatic. They are small incremental increases that most business owners might not notice. 2% to 5% annual increases are common, and many business owners just shrug these off as “no big deal”, when in reality, these are huge deals when it comes to your bottom line. A mere 5% supplier price increase can impact a company’s bottom line by a staggering 15%. Here are a few suggestions to get these increases under control.

Obtain quotes from competitors or alternative suppliers and vendors. There are always additional suppliers for your most commonly purchased products and services. And believe us, all of them want new customers, and will readily offer discounts to get your business. If you have built a relationship with your current supplier and you do not want to fracture that relationship, seek new quotes from the competition and just ask your current supplier to match it. They understand you are a business owner

and need to keep costs under control. If they truly value your relationship as much as you do, they will not think twice about matching the lower quote.

4. Keep Your Returns in Check

Most products and services include a warranty, and if they fail to produce as advertised, consumers will return them for a refund. We know; Keith is the founder and owner of Warranty of America. It is imperative that you keep a sharp eye on your return rate on a weekly basis. If you begin to see an increase in returns, immediately investigate the reasons for the failure. Did it involve defective parts or is it an employee problem, such as a lack of motivation, a lack of training, or perhaps the individuals responsible simply lack the necessary skills to do the job properly the first time.

If your investigation reveals the cause for the returns involves defective parts, do not simply replace them and shrug it off as a normal part of doing business. Send the defective parts back to the wholesaler or manufacturer and demand a credit.

If the problem persists, investigate alternate suppliers. Be sure you look for a proven track record of product reliability before choosing another supplier.

However, if your investigation reveals the problem is indeed employee-related, make sure the training you provide is sufficient

and updated. Make sure your employees and contractors are motivated and incentivized to improve quality.

In either case, make sure your customers are “compensated” for any inconvenience. Often a sincere apology does the trick or a credit or discount on future purchases will assuage your customer. View this as an opportunity to really win over a customer for life.

5. Reduce Scrap

Scrap has the same cost impact as returns. It increases your material, labor, and opportunity costs. The way you deal with this is similar to returns. Begin by investigating the reasons for the failure: was the scrap produced due to defective tools or processes? Did defective parts play a role, or is it a lack of training or skill on the part of an employee?

If you find the problem to be defective tools or parts, seek immediate compensation from the supplier. If this situation continues, investigate alternate suppliers. If it turns out to be an employee problem, it may only require additional on-the-job training. But do not stop there. Determine if the scrap produced can be recycled or reused.

And *always* seek out your employee’s feedback and suggestions regarding ways they might suggest eliminating scrap. They are on the front-line day in and day out. You can bet they have specific and innovative ways your scrap could be dealt with. It might be a

matter of “right-sizing” your raw materials. For example--and we understand this is basic and perhaps even obvious, but you can apply it to your specific situation—if you need two pieces of 5” x 5” aluminum and you are cutting them out of a sheet that is 15” x 12”, you will have 30” of waste (or scrap) in each sheet you buy. If you can buy a larger sheet (15x15) or a smaller sheet (15x10), you will eliminate waste and increase your profit margin. Of course, if you are dealing with aluminum, or any other metal, including copper, steel, gold, silver, nickel, and platinum, you can easily recycle the metals. But, if dealing with other materials, for example, clothing, curtains, awnings, canopies, seat covers, furniture and the like, the scrap is not easily recycled, unless you get creative by combining scraps from varied materials, colors, or styles, to make a unique dress, canopy or the like. In some cases, this creativity has resulted in game-changing products, like 3M’s Post-It Notes®.

6. Limit Excess Inventory

At times, businesses may over-produce in anticipation of increased sales, and if those sales fail to materialize, you end up with excess inventory. Often, excess inventory is stored randomly wherever room happens to be available.

Begin by investigating all storage areas and creating an inventory of what is currently available. Clean out everything that is outdated or obsolete. If you have excess inventory that you have no use for

in the near-term, determine what can either be repurposed or sold. Try to find some way to turn all excess inventory into revenue for your business.

You may also want to install an inventory management system. Or perhaps you wish to switch to a “just in time” (JIT) production system which is a strategy that aligns raw-material orders from suppliers directly with production schedules. This strategy increases efficiency and decreases waste by receiving goods only as needed for the production process, which reduces overall inventory costs. Arranging for suppliers to make frequent deliveries also eliminates excess inventory and carrying costs.

So, to recap - these are **6 Ways to Reduce Your COGS:**

1. Understand margin pricing
2. Audit your current suppliers and vendors
3. Confront supplier price increases
4. Keep your returns in check
5. Reduce scrap
6. Limit excess inventory

The question is now before you: where will you begin to reduce your COGS?

SECTION B: LOWER OVERHEAD COSTS

We will now focus on low hanging fruit in the form of multiple ways you can lower your overhead costs. Begin by setting aside a 2-hour block of time, find a quiet spot, and very carefully review the following documents: (i) your bank statements, (ii) your credit card statements, and (iii) your business invoices. You want to go through these line-item by line-item and carefully scrutinize each charge. Very often owners are shocked by this exercise, unaware of the specifics of what they have been spending money on. As you review each charge, follow this rule. If a charge does not help you to get a new customer or to keep an existing customer, **ELIMINATE IT!**

10 Ways to Lower Your Overhead Costs

You will see that there are a lot of options even inside these 10 areas.

1. First, pay extremely close attention to the charges on your credit card statements. We have seen business owners discover they have been paying for years on things they could not even identify.
2. Next, audit your current suppliers and vendors for the products and services you purchase daily, weekly, monthly, or annually.

- a. Begin with your business' suppliers and vendors. Consider a women's hair salon. They may buy \$10,000 per month of Clairol hair products. Do you think suppliers for TRESemme', Garnier, Nexxus, or L'Oréal might offer a 10% or 20% discount just to get your business? That is a savings to you of \$1,000 to \$2,000 PER MONTH! How many suppliers does an auto repair shop have? Hundreds! Do you think the competitors of their current suppliers might be willing to offer substantial discounts to get their business?

- b. Audit your internet provider. If you contact your internet provider and tell them you are thinking of switching services to one of their competitors, they will likely offer you a 10 to 20% reduction in your monthly rate.

- c. Evaluate your telephone rates. Phone rates have dropped substantially over the years, and you may be able to save 25 to 50% instantly. If your business requires calling overseas, check into a service where you pay a flat rate every month and you can call anywhere in the world for free and talk as long as you want.

- d. Look over your invoices for your office supplies. This is an expense most business owners never think about.

There is a good chance if you check out the competitors you can get substantially lower pricing.

- e. Audit your janitorial services. Instead of paying a full service professional janitorial company, consider hiring a college student who would love night work so they can attend school during the day. A janitorial company typically pays the person performing the service just 30% of the amount they charge you. The remaining 70% goes to cover their overhead such as their office staff, lease, vehicles, as well as their marketing and advertising. Pay that college student that same 30% and you pocket the rest.
- f. Landscaping is another area to scrutinize. Similar in nature to janitorial services, landscaping services only pay their landscapers around 30% of the money you pay them. Contract this service out yourself and save big time.
- g. When was the last time you audited your insurance, and not just your building and liability insurance? Be sure to audit your vehicle insurance as well, including your personal auto. What about health insurance, life insurance and worker's comp? Insurance today is a tremendously cutthroat environment... and companies will discount to the bone to get your business.

- h. Audit your garbage pickup.

- i. Do not overlook repair and maintenance, especially if you only use these services on an as-needed basis. Check to see if there are preventive maintenance agreements available for your industry or profession.

Once you audit all these vendors and providers and secure the lowest pricing for each, here are some additional tactics to save you even more.

- 3. Ask for extended payment terms – if the provider asks for payment on delivery, inquire if they will give you terms... either 30 or 60 days. This should be a major consideration when negotiating a change in vendors. To obtain additional discounted pricing, offer long-term commitments coupled with quick payments. Insist on this concession in the event you can't negotiate extended payment terms.

- 4. Offer to negotiate long-term supply agreements. This is where you offer to use a supplier exclusively for a specific period in return for a fixed lower price and better terms. The longer timeframe you offer, the better the terms you should expect to receive. If you receive a deeply discounted price by offering most or all the above, you would be well-advised to lock in that discounted rate for as long as you can.

5. If you tend to keep all your professional services in-house, consider the possibility of outsourcing those services moving forward. The most common ones to consider are accounting, bookkeeping, IT, and maintenance and repair. If none of these require someone full-time, outsourcing can offer substantial savings. There are highly qualified professionals in places like India, Taiwan, and the Philippines who you can hire for a fraction of the cost of an employee in a western country. We have seen clients find tremendous savings outsourcing to these countries. For example, Adam sponsored Indian programmers to move to California and build his software product. The Philippines boasts a 95.6% literacy rate and has a history of “exporting” virtual assistants across the world. Taiwan specializes in programming and databases. And India has a world-class IT infrastructure.

Another major advantage to outsourcing involves the classification of the worker. When you outsource, you can designate the personnel doing the work as contractors versus employees. This can lead to huge savings for your business, since you would not have to pay for benefits like health insurance, vacation and sick time, national holidays, retirement plans, cash and equity bonuses, and annual increases.

6. One major way to cut costs that has never failed is to offer your employees the opportunity to participate in a cost reduction program. Truth be told, your employees know how to reduce or even eliminate substantial costs in every phase of their job. And to ensure the success of this type of program, bonus them a percentage of the first-year savings. Just be sure you take each submission seriously and notify the employees of the outcome. If they suspect this program is lip-service only, the entire program will grind to a halt.

7. If possible, eliminate overtime. Overtime is OK if needed to catch up with demand, but if overtime is needed every week, consider hiring an additional employee and avoid paying time and a half. Also, consider outsourcing, as mentioned above, to reduce or eliminate overtime and cut labor costs generally.

8. You might also consider refinancing your debt to lower your payments. One recent business owner found they had 4 separate loans with a total outstanding balance of \$10,000. They were currently paying around \$700 per month in principal and interest. They found they could refinance that debt at a much lower interest rate with a 3-year payment below \$300 per month. And speaking of interest, review your credit card processor. Compare their discount rates with other vendors and negotiate the best rates and services. Be especially careful with hidden fees and charges that add up to substantial

differences between vendors. If credit card or merchant processing fees are a significant cost to your business, consider how passing those costs to the consumer or buyer of your products and services would impact your business. Would you get any resistance from your customers? Also, if chargebacks—where customers demand a refund and reverse or cancel the credit card payment—are a significant cost to your business, consider one of the many services that alert you to a potential chargeback so you can initiate a conversation with the client so you can offer them a refund or other accommodation before incurring the \$20-\$30 chargeback fee the credit card processors charge you.

9. Does your business require a significant amount of travel? Look to see if you can replace travel with video conferencing. With current technology, you can turn on your webcam and it is not much different than sitting directly across the table from your customer. When an in-person meeting is necessary, and there certainly are times when such a face-to-face meeting is essential to the relationship, there are many ways to reduce the costs of travel without compromising quality, including flying through alternative, often smaller, airports, booking as far in advance as possible, and using a preferred hotel flag that allows for the greatest discounts for the organization.

10. Another area to look over is your compensation model. If your business delivers a specific result, then setting up a “results-based” compensation model can work unbelievably well provided the sales goals are communicated, specific, realistic, and attainable.

We have just showed you ten ways to lower your overhead costs. In reality, with the detail and examples we provided, there are many more than ten. Why not start some of these strategies today and keep more money in your pocket?

ACCELERATING PROFITS

Now that you have seen how to cut costs and expenses, we will show you how to increase revenues to really accelerate your business' profits. Increased sales come from an expanded customer base making more purchases. Growing referrals, generating leads, and increasing product offerings will lead to greater revenue which will exponentially boost profits. We will show you below a dozen proven strategies that will grow your revenues.

Keep in mind, that most businesses do grow organically, when customers refer friends, colleagues, or family, without any marketing, advertising, or sales efforts. You just need to be exceptionally good at what you do. Unless your company's goods or services are really outstanding, organic growth takes time. But the following suggestions will shift the transmission into high gear.

Each of the following strategies will be compounded by the organic growth of an ever-expanding customer base. For example, if you have 1,000 customers and the internal growth rate (through customer referrals) is 10% per year, you will grow by about 100 new customers each year. However, if the recommendations below double or triple your clients, your 10% internal growth will be based on 2,000 or 3,000, or 200 to 300 new customers every year, and growing exponentially every year thereafter.

CREATING YOUR MARKET DOMINATING POSITION

To successfully execute the strategies presented in this book, it is imperative you have certain fundamentals in place. These fundamentals will separate your business from your competition and give you a competitive edge.

So, let us start by helping you establish a **market dominating position** for your business. The majority of businesses are established in response to market demand for a product or service. Many build their businesses by serving that demand and enjoy growing profits without putting much effort into long-term planning or marketing.

However, what happens when demand slows or stops? What happens when the competition sets up shop with a “new and improved” version of your product down the road? How do you keep your offering fresh while growing and maintaining your client base? The answer is to innovate your business and offer extraordinary value by creating a “**market dominating position.**”

Consider this. Every choice you make when buying a product or a service represents a point of differentiation between one company and their competitors. These differences, whether subtle or obvious, determine customer choices.

Take the well-documented case of Domino's Pizza as an example. Why did Domino's become a billion-dollar behemoth in an overcrowded market in just a few years? Did Domino's make the best pizza? No. Did they offer comfortable in-house dining? No. Did they offer the largest selection on their menu? No. They offered the same pizza as all of their competitors!

They dominated by adopting and implementing one major strategy. They created a market dominating position in an area with lots of colleges, which was fast, hot pizza targeted specifically to hungry college kids.

Ask yourself what, if anything, makes your business different from your competitors as perceived by your targeted prospects and customers? For the vast majority of businesses, the answer is price.

Many years ago, Nike offered the top-selling Air Jordan 3 for \$150. At the exact same time, Target sold an excellent imitation of the Air Jordan for around \$40, but Nike outsold them, ten to one.

Starbucks is a popular place to buy coffee in many parts of the world. According to the latest data, their typical customer spends four times more than they would at their competitors.

Obviously, low price is not the driving force here. So, what is? The answer is these companies staked out a specific and targeted market dominating position. Nike focused their position around

being like the best athletes, being hip and in style, along with the perception of quality. Starbucks focused on delicious hand-crafted beverages which they claimed was the secret to making life better. Avis is number 2 so they try harder. FedEx is for people who absolutely, positively must have it there overnight. And the list goes on.

When you create your own market dominating position, you will consistently get businesses and individuals to choose your business over your competitors.

But what exactly is a “**market dominating position**”? *It is simply any value-added customer perceived benefit, or a combination of benefits, which differentiates you from your competitors, and does so in a strong enough manner it makes your business the logical choice in the minds of your prospects and customers.*

As an example, a dry cleaner, like Washery, who offers pick-up and delivery would be the only logical choice for any prospect or customer who values convenience. This simple distinction represents a market dominating position.

The key is to create added value in everything you do. Prospects and customers DO NOT buy based on price; they buy based on the **value** they receive for the price they pay. Creating added value is a marketing or customer relations strategy that can take the form of a product or service that is added to your original offering for free or as part of a discounted package.

Like all other elements in your marketing toolkit, added value is designed to attract new customers and retain existing ones. Another simple example of added value is a gift shop owner offering complimentary gift wrapping with every purchase.

If you do not revisit the value you offer, then over time your customers will be drawn to a competitor who consistently innovates their business, so they offer the exceptional value you do not. Ultimately your customers will demand additional value for them to remain loyal - and they are the keystones for your business growth.

Everyone can add value to their business. And adding value does not have to blow your marketing budget or consume hours of your time. There are many ways to enhance your business.

The key to adding value is determining what your customers and target market perceive as valuable. You must understand their needs, wants, troubles, and inconveniences to entice them with solutions through added value products or services.

Adding value will also add to your profits. However, if you do not focus on genuinely helping your clients, you'll have a difficult time attracting them.

Added value works for both product and service-based businesses. If you offer a service like hairstyling, try treating your customers by offering them a latte while they wait, or complimentary

shampoo samples, or a free conditioning treatment with every sixth visit.

If you sell a product, consider offering convenience services like free shipping or delivery to make the customer's experience a seamless one. The customer will feel appreciated, and their needs will have been addressed. The online retailer Zappos.com built a billion-dollar behemoth with this strategy.

DIFFERENTIATING YOUR BUSINESS FROM YOUR COMPETITORS

Differentiating your business from your competitors by creating a market dominating position (MDP) involves a five-step process.

Step 1: Determine your strategic position in the market.

What specific niche market or segment of the marketplace should your business focus on? Determining this involves combining the skills your business has with the unmet needs of your targeted prospects, and then designing your product or service to fulfill those needs.

Domino's strategic position was "fast, hot pizza for hungry college kids." For Starbucks, "delicious hand-crafted beverages that makes life better."

Step 2: Determine your primary MDP.

This is the most dominating advantage that separates you from your competitors. Domino's Pizza claimed it could deliver its pizza in 30 minutes or less, or they would give it to you for FREE! This was the primary advantage that met the needs of their newly defined market position - hungry college kids who wanted food fast.

Step 3: Determine your supporting business model.

How will you specifically deliver what your strategic position and primary market dominating position promises? What changes, if any, do you need to consider making to your business to ensure you deliver consistently on your position and your promise?

Domino's Pizza built a supporting business model enabling them to consistently provide their promised primary advantage - fresh, hot pizza delivered within 30 minutes.

To make good on this promise every time, they were forced to create a supporting business model where they built low-cost, plain-vanilla stores strategically located near college campuses.

And since college kids are not the most reliable workers on the planet, they were forced to hire additional delivery staff and have additional drivers on a stand-by basis. Together, these innovations

allowed them to consistently meet and often exceed their primary market dominating position.

Step 4: Determine a secondary MDP.

What additional competitive advantages does your business offer that your customers will perceive as being different from your competition? Domino's secondary benefits might include special pricing, assorted sizes, a much broader selection of toppings, or additional menu items.

Step 5: Create your MDP statement or elevator pitch.

This is a simple statement you can create by combining steps one through four. This helps you to state unequivocally what differentiates you from your competitors to your targeted prospects and customers.

Domino's market dominating position is summarized in its slogan, "fresh, hot pizza delivered in 30 minutes or less or it's free."

Now we need to define your market dominating position, and then we can help create a powerful and compelling elevator pitch that will effectively communicate your value to your marketplace.

CREATING A POWERFUL OFFER

We are not going to beat around the bush on this one:

Your offer is the granite foundation of your marketing campaign.

Get it right, and everything else will fall into place. Your headline will grab readers, your copy will sing, your ad layout will hardly matter, and you will have customers running to your door or website.

Get it wrong, and even the best looking, best written campaign will sink like the Titanic.

A powerful offer is an irresistible offer. It is an offer that gets your audience frothing at the mouth and clamoring over each other all the way to your door. An offer that makes your readers pick up the phone and open their wallets.

Irresistible offers make your potential customers think, “I’d be crazy not to take him up on that,” or “An offer like this does not come around very often.” They instill a sense of emotion, desire, and urgency.

Make it easy for customers to purchase from you the first time and spend your time keeping them coming back.

We will say it again: **get it right and everything else will fall into place.**

The Crux of Your Marketing Campaign

As you work your way through this program, you will find virtually every chapter discusses the importance of a powerful offer as related to your marketing strategy or promotional campaign.

There is a reason for this. The powerful offer is often the reason a customer will open their wallets. It is how you generate leads, and then convert them into loyal customers. The more dramatic, unbelievable, and valuable the offer is the more dramatic and unbelievable the response will be.

Many companies spend thousands of dollars on impressive marketing campaigns on television and in social media ads. They send massive direct mail campaigns on a regular basis; yet do not receive an impressive or massive response rate.

These companies do not yet understand, simply providing information on their company and the benefit of their product is not enough to get prospects to act. There is no reason to visit the store or website *right now*.

Your powerful, irresistible offer can:

- Increase leads

- Drive traffic to your website or business
- Move old product
- Convert leads into customers
- Build your customer database

What Makes a Powerful Offer?

A powerful offer is one that makes the most people respond and act upon it. It gets people running to spend money on your product or service.

Powerful offers always have an element of *urgency* and of *scarcity*. They give your audience a reason to act immediately, instead of putting it off until a later date.

Urgency relates to time. The offer is only available until a certain date, during a certain period of the day, or if you act within a few hours of seeing the ad. The customer needs to act now to take advantage of the offer. Think Amazon Prime Days as an example.

Scarcity relates to quantity. There are only a certain number of customers who will be able to take advantage of the offer. There may be a limited number of spaces, a limited number of products, or simply a limited number of people the business will provide the offer to. Again, this requires customers to act immediately to reap the high value for low cost.

Powerful offers also:

Offer excellent value

Customers perceive the offer as having excellent value - more than a single product on its own, or the product at its regular price. It is clear the offer takes the reader's needs and wants into consideration.

Make sense to the reader

They are simple and easy to understand if read quickly. Avoid percentages - use half-off or 2-for-1 instead of 50% off. There are no "catches" or requirements, no fine print.

Seem logical

The offer does not come out of thin air. There is a logical reason behind it - a holiday, end of season, anniversary celebration, or new product. People can get suspicious of offers that seem "too good to be true" and have no apparent purpose.

Provide a premium

The offer provides something extra to the customer, like a gift, or free product or service. They feel they are getting something extra for no extra cost. Premiums are perceived to have more value than discounts.

Remember when your target market reads your offer, they will be asking the following questions:

1. What are you offering me?
2. What is in it for me?
3. What makes me sure I can believe you?
4. How much do I have to pay for it?

The Most Powerful Types of Offers

Decide what kind of offer will most effectively achieve your objectives. Are you trying to generate leads, convert customers, build a database, move old product off the shelves, or increase sales?

Consider what type of offer will be of most value to your ideal customers – what offer will make them act quickly.

Free Offer

This type of offer asks customers to act immediately in exchange for something free. This is a good strategy to use to build a customer database or mailing list. Offer a free consultation, free consumer report, or other item of low cost to you but of high perceived value.

You can also advertise the value of the item you are offering for free. For example, act now and you will receive a free consultation worth \$75. This will dramatically increase your lead generation

and allow you to focus on conversion when the customer comes through the door or visits your website.

The Value-Added Offer

Add additional services or products that cost you very little and combine them with other items to increase their attractiveness. This increases the perception of value in the prospect's mind, which will justify increasing the price of a product or service without incurring extra hard costs to your business.

Package Offer

Package your products or services together in a logical way to increase the perceived value. Discount the value of the package by a small margin and position it as a “start-up kit” or “special package.” By packaging goods of mixed values, you will be able to close more high-value sales. For example: including a free desk-jet printer with every computer purchase.

Premium Offer

Offer a bonus product or service with the purchase of another. This strategy will serve your bottom line much better than discounting. This includes 2 -for-1 offers, offers including free gifts, and in-store credit with purchases over a specific dollar amount.

Urgency Offer

As we mentioned above, offers including an element of urgency enjoy a better response rate, as there is a reason for your customers to act immediately. Give the offer a deadline or limit the number of spots available.

Guarantee Offer

Offer to take away the risk of making a purchase from your customers. Guarantee the performance or results of your product or service and offer to compensate the customer with their money back if they are not satisfied. This will help overcome any fear or reservations about your product and make it more likely for your leads to become customers.

Create Your Powerful Offer

Pick a specific product or service

Focus on only one product or service – or one product or service *type* – at a time. This will keep your offer clear, simple, and easy to understand. This can be an area of your business you wish to grow, or old product that you need to move off the shelves.

Decide what you want your customers to do

What are you looking to achieve from your offer? If it is to generate more leads, then you will need your customer to contact

you. If it is to quickly sell old product, you will need your customer to come into the store and buy it. Do you want them to visit your website? Sign up for your newsletter? How long do they have to act? Be clear about your call to action, and state it clearly in your offer.

Dream up the biggest, best offer

First, think of the biggest, best things you could offer your customers - regardless of cost and ability. Do not limit yourself to a single type of offer, combine several types of offers to increase value. Offer a premium, plus a guarantee, with a package offer. Then take a look at what you have created and make the necessary changes, so it is realistic.

Run the numbers

Finally, make sure the offer will leave you with some profit - or at least allow you to break even. You do not want to publish an outrageous offer that will generate a tremendous number of leads, but leave you broke. Remember that each customer has an acquisition cost, as well as a lifetime value. The amount of their first purchase may allow you to break even, but the amount of their subsequent purchases may make you a lovely profit.

INCREASE PRICING

Obviously, there are 2 major ways to increase your overall profitability - increase revenue or decrease your cost of doing business. Now, let's discuss increasing your profitability by analyzing the revenue side. How about a simple strategy? Raise your prices. Most small businesses RARELY raise their prices. That is because they do not know the facts when it comes to increasing their pricing. They are scared that any price increase, no matter how small, will lead to a mass exodus of all their customers. But is that reality?

Say you sell a widget for \$100 and decide to increase the price 10% to \$110. Will that slight increase REALLY lead to a loss of customers? A few may leave, but they are most likely your biggest price shoppers that show no loyalty or patronage to your business anyway. They will beat you down price wise every chance they get, and the moment you begin to make a decent profit, they will leave you in a heartbeat for the next business willing to accept a financial beat down. But even though there will be some customer attrition, to what extent? Look at the numbers.

The business selling this widget is now making an additional \$10; ALL of which is pure profit. With an original profit margin of \$30, the additional \$10 per widget is a 33% profit increase. For this business to make \$1000 in profit selling their widgets at \$100 each,

they would need to sell 33.3 widgets. But by increasing their price 10%, they only need to sell 25 widgets.

This means just to **BREAK EVEN** this business would have to **LOSE 25%** of its customers over a 10% price increase and that simply does not happen! Of course, you need to perform a thorough price analysis on your business and determine the most lucrative price increase for you, but this is definitely a strategy we strongly recommend to all our small business clients to help them increase revenue. There simply is no **FASTER** or **EASIER** way to generate additional revenue.

So, what would happen if we increased your pricing by a mere 5% without running into any meaningful attrition?

For example, assume you love to eat lunch at McDonald's and your favorite meal is their Big Mac meal for \$6.00. Today, you walk in at lunch to place that order and the price has been increased to \$6.25. Would you even notice that price increase? And if you did notice, would it influence your decision to purchase that meal?

Of course not. That is less than a 5% increase and, in most cases, would not negatively impact a business. You would have to be in an extremely price-sensitive market or industry for it to have any significant repercussions on the seller. We encourage you to test a 5% price increase. In the remote chance that it does have an impact, you can always revert to your original price.

Think about a business generating \$300,000 in revenue with a 40% gross profit margin. A 5% price increase would generate an additional \$15,000 in revenue and add \$6,000 in gross profit. The total time invested, total effort required, and risk factor involved for all businesses are **NEGLIGIBLE**.

Calculate what a 5% price increase would generate for your business and write it down. Now, add up all the revenue you have just identified throughout all the strategies we have covered thus far. Keep in mind that that number is conservative. And remember this is not a one-time increase. This is revenue you will generate year after year if you diligently execute these strategies. But here is the kicker. All of this additional revenue we have just discovered is a drop in the bucket.

When you execute each of these strategies, you have just created a **SYSTEM** for your business that will generate a consistent large quantity of leads, conversions, and sales on an on-going basis. This systemization of your business creates a self-sustaining model that runs on its own without you having to be there yourself. This is where you start to gain not only economic freedom but also freedom of time.

Consider this. If someone owns a website design company, every time they deliver a website to a client, they must go out and find a new client. It is a never-ending cycle for them. But when you execute these strategies, you will always have new orders in your

pipeline thanks to compelling and powerful advertising coupled with your drip campaign (described below). And you will also have joint venture partners continuously sending you customers or referral fees (more on that below, as well).

You will have up-sells, down-sells, and cross-sells taking place daily, along with the sale of additional affiliate products and services to your customers. You will implement higher pricing that your customers will willingly pay thanks to the higher perceived value you have created. And you will have lower costs that will significantly increase your bottom line.

UPSELL & CROSS-SELL

Now, we will delve into two powerful revenue generating strategies proven to increase the number of transactions you get from your prospects and customers.

Are you familiar with upselling and cross-selling? When you go to McDonald's and the kid behind the counter asks if you would like your meal "supersized," that is upselling. When that same kid then asks if you would like an apple pie to go with your supersized meal, that is cross-selling.

Upselling means offering a higher grade, quality, or size of the item the customer may be interested in at the point when the customer is ready to buy. Cross-selling means offering other products or services which complement the item the customer is interested in, at the point when the customer is ready to buy.

Studies show that 34% of prospects will buy additional products or services at the time of their original purchase IF they are asked to do so. But most businesses never ask them, and they lose out on this lucrative opportunity to dramatically increase their revenue. Here is an example.

Until 2015, most car owners on average paid \$29 to get their oil changed. Today, these prices range from \$35 to \$75. Have a look at this ad recently offered by an Econo Lube.

ECONO LUBE N' TUNE & BRAKES
 Your Premier Automotive Maintenance Center

10240 DeSoto Ave.
 Chatsworth

818-775-9600
818-775-9676

COMPLETE AUTO REPAIR
 818-775-9600

FREE Brake Inspection

STAR Certified

State of California Licensed
 STAR Certified
 SMOG CHECK STATION

ASE

BRAKES \$40 OFF
 \$20 OFF PER AXLE, Disc or Drums.
 One coupon per service per vehicle. Not to be combined with any other offer or coupon. Good at this location only. Exp. 12/15/12

\$6 OFF OIL CHANGE
\$23.99 Reg. \$29.99
 Up to 5 qts. bulk oil and reg. filter
 Most cars. One coupon per service per vehicle. Not to be combined with any other offer or coupon. Good at this location only. Exp. 12/15/12

SMOG CHECK \$29.75
 STATE CERTIFICATE + E.T.F.
 Most cars 1998 & older vehicles add \$10. Trucks, vans, SUVs slightly higher. Call for pricing. Exp. 12/15/12

AIR CONDITIONING SERVICE \$74.95 Includes 2 lbs. of freon
 One coupon per service per vehicle. Not to be combined with any other offer or coupon. Good at this location only. Exp. 12/15/12

FLUSH SERVICE 20% OFF
 ANY FLUSH SERVICE
 Clean: Fuel, Coolant + Transmission Fluid + Power Steering Fluid
 Discount applies to one flush & fill of any of the systems noted.
 Valid on most cars and light trucks. One coupon per service per vehicle. Not to be combined with any other offer or coupon. Good at this location only. Exp. 12/15/12

SYNTHETIC OIL CHANGE \$44.99
 INCLUDES UP TO 6 QTS. SYNTHETIC MOTOR OIL & STANDARD FILTER
 Alternate oil available at extra cost. Customer filters extra. Valid on most cars and light trucks. One coupon per service per vehicle. Not to be combined with any other offer or coupon. Good at this location only. Exp. 12/15/12

So, why do they offer this when they could charge more?

It is because they realized the power of upselling and cross-selling, and they cannot create the opportunity to upsell or cross-sell if they do not place themselves in front of their prospects. This ad is designed for one purpose only - to get them in front of as many prospects as possible - and the best way to do that is to give them drastically reduced prices.

But here is what most businesses owners do not understand about this strategy. This Econo Lube is breaking even by offering this rate for the oil change. The \$24 covers their material and labor costs. They know they make most of their profit through their higher-dollar service offerings, like batteries, brakes, transmission services, and repairs.

So, after the technician changes your oil, they are going to take all your tires off so they can inspect your brakes and cross-sell you a brake job. Since they must remove all your tires to do that, why not offer you free tire rotation and a free brake inspection. Most of their patrons have no idea they are going to do this anyway, so they have this perception they are receiving all these services that they normally must pay to have done for free.

So, the key takeaway here for this strategy is to get yourself in front of your prospects as often as you can so you give yourself opportunities to sell them more.

Let us show you how this exact same strategy will work for a dentist. Obviously, a dentist is quite different from an Econo Lube, but the principle is identical. Get in front of prospects and upsell and cross-sell them.

A dentist offers basic dental services like exams and teeth cleaning. That is not where they make their money. A dentist generates most of their revenue from cosmetic services, root canals, crowns, fillings, and braces. So, obviously, the more patients they can get

in front of, the more of these services they can sell. The problem for dentists is that most people already have a dentist, and 90% of them will never change unless their dentist retires.

So, what might convince someone to leave their current dentist? Consider these stats: about 80% of the population have medical insurance, but only 50% have dental insurance. Among those without dental insurance, 44% said that was the main reason they did not visit the dentist. Do you see an opportunity here for the dentist?

What do you think might happen if a dentist specifically targeted families without dental insurance and offered them the exact same services as those with dental insurance, but without paying the expensive monthly premiums? Here is a marketing campaign designed to do this.





This obviously exploded this dentist's practice, but you might be thinking... how could he afford to offer this type of program? Same way the Econo Lube did!

The dentist offered patients routine services at his cost. That \$25 covered the labor cost for the dental technician to take x-rays and clean the patient's teeth. But the dentist now has double the patients to upsell and cross-sell his/her more expensive and profitable services. Any business can always resort to the standard way to upsell and cross-sell customers - just make them more offers.

A restaurant experiencing reduced revenue followed this advice. They analyzed their profit margins on every one of their offerings, and determined their highest profit margin offerings were wine, appetizers, and desserts. They doubled their sales on all three of these by training the staff to offer them to every one of their patrons.

For example, they instructed their staff to bring an appetizer and wine cart to each table before the patrons ordered and offer free individual samples. Then, the staff repeated the same process at the end of each patron's meal by bringing the dessert cart around and giving a free sample of each dessert to everyone at the table to entice patrons to order one of them. The taste and "reciprocity" instantly doubled their appetizer, wine, and dessert sales. But they did not stop there.

The restaurant dramatically increased its total order revenue by implementing an initial order upsell strategy with the staff. They trained the servers to describe the more expensive entrées on the menu and give the patrons their personal recommendation. Most patrons tend to go with the server's recommendations, and this increased their total entree revenue by 15%.

So, let us assign a revenue figure for this strategy to your business. An average business can expect to see a 33% revenue increase by implementing this strategy. But since we want to be extremely conservative in our estimates, let us just factor in a 10% increase for your business. What is 10% of your annual revenue? That is what you could add to the bottom line of your business immediately using this strategy.

BUNDLING

Bundling is simply the process of grouping together certain products to create attractive packages which are then sold to clients. When you do this, you eliminate the biggest complaint small business owners have ... competing on price.

Bundling removes price from the equation by creating an “apples to oranges” comparison. You must remember customers today shop value - not price. Unfortunately, small businesses are not proficient at conveying their “value proposition,” so, therefore, price becomes the only value proposition left to consumers.

The real key to success in marketing is to offer more value than your competition. Prospects will pay twice the price if they believe they are receiving four times more value. Unfortunately, most businesses, in an attempt to increase their value, begin to offer discounts, and that often destroys their margins. For example, if some businesses discount their price by a mere 10%, they now must sell 50% more product just to break even.

For example, if you sell a widget for \$100 and you have a 30% profit margin, you make \$30 for every widget you sell. That means your cost basis for that widget is \$70. If you discount that widget 10% and sell it for \$90 instead of \$100, your cost basis is still \$70. But now, you are making \$20 in profit instead of \$30.

For this business to make \$1000 in profit selling their widgets at \$100 each, they would need to sell 33.3 widgets ($\$30 \times 33.3$ widgets = \$1000). But by discounting their price 10%, now they need to sell 50 widgets ($\$20 \times 50$ widgets = \$1000). They now must sell 50% more widgets just to get back to their original profit margin. ($33.3 \times 1.5 = 50$).

Businesses rarely offer a nominal 10% discount. Most of the time they offer 20% to 40% discounts and then scratch their heads wondering why they are struggling. Furthermore, the latest research shows discounting does not actually impact a prospect's buying decision unless that discount is for 40% or more.

Now, here is a secret that successful businesses do not want you to know.

Do not discount. Learn from one of our clients, a fast-food chicken franchise. Once a month, they used to offer coupons for discounted meal packages delivered through one of the local newspapers. The discount was only available for a couple of days following their distribution. Sure enough, sales rose significantly during those coupon sales days. So, the campaign seemed to work. But, actually, upon further review, we pointed out to our client that even though sales tripled during the four sale days, sales dropped off precipitously during the remaining days of the month, as customers began to realize they could wait a few days or a couple of weeks to satisfy their craving. And, more problematic

than that, the discounted price became the perceived value of the meal and customers could not justify paying more than what they felt the meal was worth to them. So, they waited for the discount days. Moreover, interviews revealed the staff loathed these sale days, some even avoiding the crazy, hectic, non-stop pressure by calling in sick, forcing the remaining staff to work even harder. Lines were much longer, making the customers less pleasant. Bathrooms were busier and, with less staff available to clean them, they left guests with a negative impression of a dirty restaurant.

After convincing our client that the coupons were counterproductive, he stopped discounting to the satisfaction of his managers and employees. After some time, sales recovered, but only after an effort was made to show the restaurant was clean, friendly, and still serving tasty food. We initiated a rewards program, offering free drinks, sides, and even sandwiches with enough visits, which brought traffic back to record levels. But lessons were learned.

In summary, stop discounting. Instead of cutting your prices, innovate your business so you offer more value than your competition, even if that means increasing your price. When you discount your price, you lose the full value of every dollar you discount. Bundling increases the perceived value, so prospects buy more.

Consider a home builder or remodeling contractor. They typically contract with certain suppliers who offer them huge volume discounts, especially for electronics. One builder agreed to buy multiple packages of a whole house entertainment system including a 60-inch television, high-quality audio system, home security system with HD cameras at all entry points to the home, and a fire protection and monitoring system.

The retail price for this package was \$22,800 installed, but the builder acquired them in volume for around \$6500 since installation would not be part of their costs. As the builder already has the home stripped to the studs, installation can be handled during the project much less expensively. Now, imagine this builder competing with other builders in a moderately priced neighborhood. All the builders offered homes in the \$350,000 - \$400,000 price range.

Our builder offered their home for \$356,500 which included the additional \$6500 out of pocket expense to the builder, and their home comes standard with a \$22,800 home entertainment and full security system for free. Which builder would you buy from? In fact, what if this builder offered that new home for \$360,000? Do you really believe that additional \$3500 would prevent anyone from buying this home?

And does it still look like a **MUCH** better deal than the \$350,000 home without the system? If the additional \$3500 increase did

make a difference due to loan qualification standards for certain prospects, the builder always has the option of reducing the price back to \$356,500. They could even maintain their original price of \$350,000 and lower their profit margin on each home sold.

This would allow them to double their normal sales volume and practically double their overall profits every year. They are still making around a 30% profit at \$350,000. A home remodeler could use this same type of positioning for every remodeling job they bid on. Are you starting to see the potential here? Here is the marketing campaign developed for this builder.



But consider this fact. In the case of the builder, the home security and entertainment systems were not something they normally dealt with. It was not a product they typically carried.

They simply discovered this was something their prospects wanted to have included in the homes they were purchasing, so the builder went out and created an affiliate relationship with the home electronics provider and wound up doubling their sales and profits.

You just need to sit down and create a list of all the potential products and services you could bundle for your business. This strategy can add substantial revenue for your business. For the purposes of being conservative in our estimates, let us do this. Bundling can easily increase any businesses revenue by 25% to 40%. Could we conservatively say you could easily expect to see a minor 10% revenue increase in your first year using this strategy? So, what does that translate to based on your current annual revenue?

DOWNSELL

Downselling is nothing more than offering a prospect an alternative product or service at a lower price **when they decline your original offer**. The goal is to turn the prospect into a client, so you not only realize some short-term financial benefit, but you gain the opportunity to do business with them again in the future.

For example, local health clubs always try to sell new members a full one-year membership. If that fails, they will try to down sell them by offering a 90-day “health makeover” membership. If that fails, they may go to a 30-day or a one-week “trial” membership. They know if they can just get them to buy something the odds of them staying with them long term goes up exponentially.

Consider the florist. Most people show up at a florist to buy roses for their partner on Valentine’s Day, birthday, their anniversary, Mother’s Day etc. But suppose a dozen roses cost \$50 and the customer does not have that money to spend. Since they have flowers in mind, do you think they would consider an alternative that was just as romantic?

If the alternative costs only \$25, and the florist only conservatively used that down sell once each day, that would add almost \$8,000 in annual revenue for them? And that is just one possible down sell opportunity. Suppose they had floral alternatives for weddings, lower priced options for funerals and special events.

What is your current price point for what you currently sell? Do you think you could produce an alternative for half that price? How many of those would you conservatively estimate you could sell each week? Now, multiply your reduced-price times your number of weekly sales, then multiply that number times 52 weeks to reveal your annual increase.

And that is just one down sell. How many additional down sell opportunities would you estimate you could easily develop?

By the way, some down sells are even easier. Imagine a lawn service company that cuts the lawn every two weeks and charges \$100 per month. They could easily charge less if they came every three weeks, or a cleaning service that comes three days a week that could come two, instead. Now, however, you have a customer. They might need tree trimming, stump removal, seasonal flowers planted, hedges installed or trimmed, even snow removal. All of these cross sells are possible because of your initial down sell. And the customer may decide that the grass gets too high during the summers and may ask you to come more frequently.

Also, it is easier and less expensive for such businesses to get new customers on the same block, or same neighborhood. Consider pool services, as well. You could easily offer incentives (free month of service, or a free lawn cut) for referrals of neighbors.

EXPAND PRODUCTS & SERVICES

Let us discuss how you could expand the number of products and services you offer. If you already provide a quality product or service, your current customers will be open to a variety of items you introduce, recommend, or endorse to them. Your current customers trust you. So, they will insist on additional products and services from you. Unfortunately, most businesses don't have additional products or services to offer their client base, so you want to ask yourself, "what other products or services could our customers find valuable?" Once you make up a list of those offerings, go out and contact the providers of those offerings and set yourself up as an affiliate and negotiate a referral fee.

Consider a landscaper. As they make their clients' lawns and homes into a showcase, those homeowners may also need tree trimming, decking, fencing, stonework, a sprinkler system, outdoor lighting, a patio, outdoor kitchen installed, and a swimming pool.

The landscaper does not perform any of these services, but they are in a prime position to make professional recommendations, and most homeowners will go with those recommendations. The landscaper could easily negotiate anywhere from a 10% to 25% affiliate fee from each of these various service providers, and in the process, double their annual revenue.

One of our clients realized that many of their tree-trimming customers often needed stump grinding. We helped them finance a stump grinder and, instead of just getting a referral fee, they received 100% of the payment. And they paid off their loan in just three months.

We do this ourselves as business consultants. Our top tier clients receive a wide array of additional services we created for them. First, they get complete online access to all our proprietary marketing and advertising, business growth training, strategies, tactics, and resources 24/7/365 through our online business academy, at CorporateCounselBusinessAcademy.com.

They gain access to a weekly implementation workshop where we personally help them take the strategies they learn and show them how to apply it for their specific business. They also can submit questions through our Ask the Expert section of our website where they can ask us any business-related question they need answered. We also meet once a month for an exclusive mastermind session.

We also host for this group a monthly “lunch and learn.” We created all these additional service offerings ourselves, so these were not something we had to go out and purchase. In fact, none of these services cost us a cent to develop or implement, but they are extremely attractive to many small business owners. They also do an excellent job of separating us from all our competitors,

because no one else we know offers what we provide to our clients. Our point being, we can do this for your business as well.

How many additional offerings do you estimate you could be making right now? All you need to do is contact each service provider you identify and effectively negotiate a deal with them that is a win-win. We would conservatively estimate this strategy will add an additional 10% of your current total revenue to your bottom line.

A word of caution and a suggestion. When you refer a service to an outside provider, by having your customer reach out to your referral, you may earn that affiliate fee, but you lose control over your client. An alternative solution that helps you retain control of your client is to offer to provide the service for your customer and then you contract with the outside contractor. An example is helpful.

Imagine: you are a lawn maintenance professional, but all you do is mow lawns every couple of weeks, and your customer needs tree trimming. You could refer that business to a trusted affiliate that would pay you a 20% referral fee. Then, the following year, when they need tree trimming again, they will contact their new tree trimming professional and bypass your business. You may or may not get that referral fee the next time. Further, your client also needs stump removal. They may call their new tree trimmer (they are involved with trees, after all) who could provide that service or

refer to their own affiliate, earning the referral fee for themselves. And who might your customer call when they want a new hedge or perennial flowers planted? It might not be you.

However, if you tell your lawn maintenance customer that you can provide the tree trimming service. And then you contract with the tree trimming service, marking up their fee as you prefer, all future business and ancillary services would come through you. **It is particularly important to be the gatekeeper over as many services for your customers as possible.**

ALLIANCES & JOINT VENTURES

Do you currently have any established joint venture partnerships?

JVs involve two or more businesses who decide to form a partnership or alliance to share markets or endorse a specific product or service to their customer base, usually under a revenue sharing arrangement. The key to creating successful joint ventures is to find partners who service the exact same type of clients who need or want what you sell.

Let us revisit the florist. One of the most financially lucrative product lines for a florist is providing flowers for weddings. The average floral bill for a wedding often exceeds \$3,000. But what we discovered about florists is they fall into what we refer to as an “event chain.” An event chain simply refers to a series of businesses whose customers purchase in a specific sequence.

For example, a wedding will never take place until an engagement ring is purchased from a jeweler. So, jewelers are at the forefront of every wedding chain. Once a proposal is accepted, this event chain kicks into high gear. First, this couple knows exactly where they want to get married, so number one on the agenda is to book the location for the ceremony.

Second on the list is to line up a wedding planner. Weddings today are a really big deal, and often couples like to use the services of a professional wedding planner.

Next up, they want to secure the venue for the reception. Most venues book out months in advance, so locking in that venue is high on the priority list. After that comes the wedding attire, so the search begins for the perfect dress and suit at an affordable price.

Next is our florist. The happy couple will want to begin selecting the floral arrangements for both the wedding and the reception. Then, after the florist comes the wedding cake, the printer for the invitations and thank you cards, and she may also be interested in hiring a limo, DJ, travel agent for the honeymoon, hotel, catering, etc.

This event chain is typical of this industry. And for the florist, it specifically identifies a multitude of potential and very lucrative JV partners. But here is why this becomes so important.

Every selection before the florist has the potential to endorse and send prospects to the florist. Unfortunately, the florist has no control over that flow of prospects. Every business prior to the florist controls the JV relationship, so it is critical the florist creates such a compelling offer and relationship with these businesses they feel obligated to send prospects their way. That compelling motivator is you offering their clients an excellent product or service at an excellent price. However, referral fees also can influence the flow of business prospects.

But here's what's even better. The florist controls the prospect flow to all the businesses after them in the chain. By establishing

specific processes and procedures to make sure their customers use those businesses, the florist can negotiate compelling offers with those business owners as well.

So, consider these numbers. Let's say this florist cultivates a **JV** relationship with at least one of each business throughout this entire chain. Staying ultra-conservative with our estimates, would you agree this florist is likely to obtain at least one referral each month from just one of the businesses prior to them in the selection process?

Would you also agree conservatively the florist could easily send at least one referral to each business after them in the chain? Keep in mind we are using conservative estimates here.

If we assume the average floral bill for a wedding is \$3,000, one referral per month from the businesses before the florist increases their annual revenue by \$36,000. Now let us consider the businesses after the florist where the florist controls the referrals.

Let us start with the wedding cake maker. The low sales price for a wedding cake is \$1,000, and the florist could easily negotiate a 10% referral fee. So, just a single referral per month produces an additional annual increase of \$1,200 for the florist.

Now consider the printer. The average sales price for printing is \$1,000, and the florist again could receive a 10% referral fee, so

that single referral per month produces an additional annual increase of another \$1,200.

If we stop there, this florist has just increased their annual revenue by \$40,000, and again, that is using conservative numbers. Imagine if you continued to add up the revenue produced by all the additional referral fees the florist would earn from all the other vendors in this chain.

This same process holds true for businesses that are not in a chain. But just like the florist, they simply identify partners who service the same type of clients who need or want what they sell. This looks easy, but it is not.

You not only have to properly identify who would make an excellent joint venture partner for your business, but you also must determine the order, manner, and timing to approach each one. It is critical this is managed properly, or you will burn through your potential JV partners without the optimal results you hoped for.

How many potential JV partners would be a fit for what you sell? Generally, we can identify at least a dozen for each client. So how many referrals would you estimate would come in if a dozen other businesses were compelled to refer their customers to you?

Let us assume three referrals arrive every month from JV partners who buy from you. How much additional revenue would that

produce? Now multiply that by 12 to see your annual revenue increase.

Remember earlier we discussed the critical importance of creating a highly compelling informational offer promising so much value to prospects they could not refuse?

Suppose the florist offered this informational offer in their marketing, “5 Things Every Bride Should Know to Avoid Disaster on Their Wedding Day.” This offer would place tons of prospects into their drip campaign and result in a tremendous increase in sales. Those additional clients can be referred to the florist’s new JV partners to collect multiple referral fees every month.

This would dwarf the revenue we just uncovered for the florist. What we find really compelling about JVs is that this strategy is easy to implement with clients immediately and it begins generating instant cash flow out of the gate.

DRIP CAMPAIGNS

When a prospect does not buy what you sell, how many times do you follow up with them?

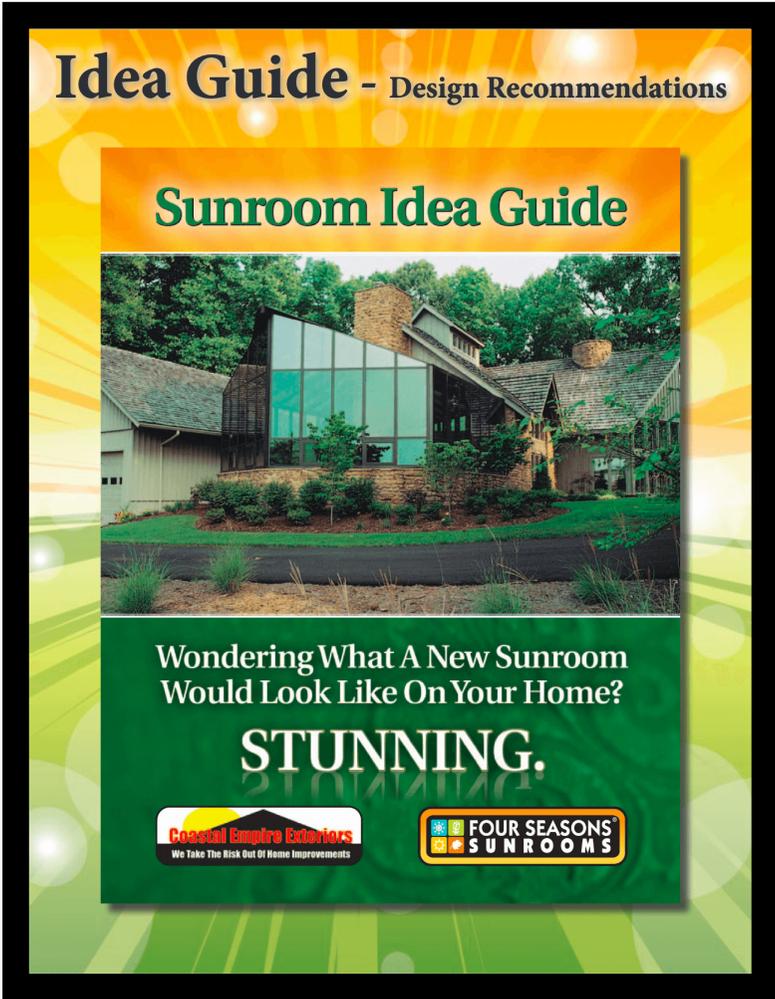
Small business owners focus primarily on generating leads. But remember that on average less than 1% of prospects are *now* buyers. 99% are not ready to purchase that day, but many of them will buy sometime in the future if you continue to nurture them by staying in touch on an ongoing basis.

Unfortunately, most small business owners rarely if ever follow up with their prospects after their initial contact with them. Yet over 80% of all sales occur between the 5th and 12th contact between the business and the prospect. This is why a drip campaign is so impactful.

A drip campaign automatically communicates to customers or prospects on a scheduled basis. Once you create your compelling offer, you take specific segments from that offer and send it to your prospects on a consistent basis.

Here is an example of how a drip campaign worked for a client who owned a sunroom company. When homeowners consider any type of remodeling project, whether it is their kitchen, an updated bathroom, or in this case installing a sunroom, they are aided by access to an idea guide featuring options, models, and state-of-the-art designs.

Here is the idea guide developed for this sunroom company.



Idea Guide - Design Recommendations

Sunroom Idea Guide

Wondering What A New Sunroom
Would Look Like On Your Home?

STUNNING.

Coastal Empire Exteriors
We Take The Risk Out Of Home Improvements

**FOUR SEASONS
SUN ROOMS**

The advertisement is a vertical rectangular graphic with a black border. The background is a gradient of yellow and green with a sunburst pattern. At the top, the text 'Idea Guide - Design Recommendations' is written in a bold, black, sans-serif font. Below this, the title 'Sunroom Idea Guide' is centered in a large, green, serif font. A central photograph shows a two-story house with a prominent glass sunroom. The sunroom has a dark frame and is set against a backdrop of lush green trees. Below the photo, the text 'Wondering What A New Sunroom Would Look Like On Your Home?' is written in a white, serif font. Underneath that, the word 'STUNNING.' is written in a large, white, serif font. At the bottom, there are two logos: 'Coastal Empire Exteriors' with the tagline 'We Take The Risk Out Of Home Improvements' and 'FOUR SEASONS SUN ROOMS' with a small icon of a sun and a house.

Idea Guide - Design Recommendations

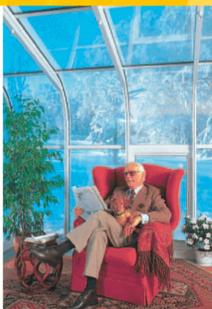
7 Benefits Of Owning A Sunroom

If I have heard it once, I have heard it a thousand times...*"what was I thinking, I should have added my sunroom years ago"*. Almost every client we work with at Costal Empire Exteriors is absolutely amazed at the increase in the quality of life they experience after adding a sunroom. It may be hard to believe, so let me see if I can quantify for you the benefits of owning a sunroom and keep in mind – these benefit idea statements come directly from our clients.

Benefit #1 –

Enjoy The Outdoors 365 Days A Year

Ever been stuck inside on a rainy day, wishing you could be sitting outside hearing the patter of the rain and watching the lighting without getting soaked? Ever see the snow fall and want to be in the middle of it without freezing or getting frostbite? How about sit outside on a sunny day and watch the birds, or the flowers blow in the wind without sweating or getting burned by the sun? A sunroom allows you to extend your home "into nature" in a safe and comfortable way. It allows you to move your backyard "into" your home without the insects, dirt, grime and other nuisances.



Idea Guide - Design Recommendations

Benefit #4 – Recharge Your Solar Batteries

More and more documented studies are beginning to prove what your mother and grandmother always knew... getting an appropriate amount of sunshine on your skin every few days provides vital nutrients, vitamins and minerals that the human body needs.

The problem has always been that to get sun meant you had to be outside – which means you are at the mercy of Mother Nature. Bugs, hot weather and even the occasional windy day all make recharging the batteries a pain sometimes.

With a sunroom, you get to control the temperature, you get to eliminate pests like ants, flies, mosquitoes and other nuisances – and wind is a non issue. You can sit in your sun room, at a comfortable 73 degrees while getting a full healthy exposure to the sun.



Benefit #5 – Increase The Value Of Your Home

If you have plans to sell your home in the next 3-7 years and want to really see a huge return on investment, add a sunroom. Putting in even a small sunroom can increase the value of a home by %50-%120. I am sure you could agree that if you were looking for a home and found 2 options, one with a sunroom and one without – you would try and get the home with the sunroom.

Besides the added square feet to the home, it adds a uniqueness that is likely not found in your neighborhood currently. It also adds a general appeal that almost no one can turn down. Its rather amazing to dig into the statistics showing how fast and for how much more homes with sunrooms sell compared to homes without.

Idea Guide - Design Recommendations

Master Bedroom Sunroom — This type of sunroom isn't for everyone, as it can be really bright in the morning, but for those early risers who enjoy the progressive light of the sun or enjoy opening the shades in the sunroom early in the morning to capture those first morning rays – this is the room for you. If you are an early riser you will be amazed at just how easy it is to rise with a sunroom 10 feet from your bed. You can wake up, walk over, pray, meditate or just relax while reading the paper. Size wise it falls into the medium category and is one of the least common types of sunrooms we find in homes today.



Back Porch Sunroom — Probably the most commonly thought about type of sunroom, and the most practical. It sits at the back of the home and adds a large amount of space to the home while providing a comfortable inviting sitting or relaxing area for when guests arrive or just for a nice quiet brunch with the spouse. Sometimes these will include a hot tub.



You might think this is an impressive lay-out. The problem was most prospects did not read it. They requested it with the intention of reading it, but only about 20% of them did, which is the average. Still, the Idea Guide did its job, which was to compel the prospect to provide their contact information so we can begin our 5 to 12

touch points. We use the information contained in the Idea Guide to do that quickly, efficiently, and inexpensively.

Idea Guide - Design Recommendations

7 Benefits Of Owning A Sunroom

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Benefit #1 – Enjoy The Outdoors 365 Days A Year
Ever been stuck inside on a rainy day, wishing you could be sitting outside hearing the patter of the rain and watching the lighting without getting soaked? Ever see the snow fall and want to be in the middle of it without freezing or getting frostbite? How about sit outside on a sunny day and watch the birds, or the flowers blow in the wind without sweating or getting burned by the sun? A sunroom allows you to extend your home "into nature" in a safe and comfortable way. It allows you to move your backyard "into" your home without the insects, dirt, grime and other nuisances.



Notice in the Idea Guide, it starts out listing the 7 benefits of owning a sunroom. Benefit number one – enjoy the outdoors 365 days a year. Obviously, that is a huge reason someone would buy a sunroom, but unfortunately as we said, 80% of prospects will not

read that. So, let us isolate and reintroduce that benefit in our drip campaign and drive it home to the prospect. This sunroom company accomplished this by using a 6 X 11 oversized postcard, but they could have also used email.

Here is the postcard they sent.



Notice benefit number 4 says owning a sunroom recharges your solar batteries.

Idea Guide - Design Recommendations

Benefit #4 – Recharge Your Solar Batteries

More and more documented studies are beginning to prove what your mother and grandmother always knew... getting an appropriate amount of sunshine on your skin every few days provides vital nutrients, vitamins and minerals that the human body needs.

The problem has always been that to get sun meant you had to be outside – which means you are at the mercy of Mother Nature. Bugs, hot weather and even the occasional windy day all make recharging the batteries a pain sometimes.

With a sunroom, you get to control the temperature, you get to eliminate pests like ants, flies, mosquitoes and other nuisances – and wind is a non issue. You can sit in your sun room, at a comfortable 73 degrees while getting a full healthy exposure to the sun.



Benefit #5 – Increase The Value Of Your Home

If you have plans to sell your home in the next 3-7 years and want to really see a huge return on investment, add a sunroom. Putting in even a small sunroom can increase the value of a home by 50%-120. I am sure you could agree that if you were looking for a home and found 2 options, one with a sunroom and one without – you would try and get the home with the sunroom.

Besides the added square feet to the home, it adds a uniqueness that is likely not found in your neighborhood currently. It also adds a general appeal that almost no one can turn down. Its rather amazing to dig into the statistics showing how fast and for how much more homes with sunrooms sell compared to homes without.

Here's the postcard that emphasizes that benefit.

"We Sit In Our Sunroom For At Least 3 Or 4 Hours EVERY SINGLE DAY..."

"John Reads His Morning Paper And Drinks His Coffee."

"I Crochet Or Watch Television."

"I Don't Know What It Is... But There's Something About The Sunlight That Rejuvenates And Energizes Me..."

FOUR SEASONS SUNROOMS
 10000 W. 10th Avenue, Suite 100
 Golden, CO 80401
 (444) 555-7777

PAID
 \$1.00
 10/10/08

**Most Of Our Customers' Biggest Sunroom Regret:
 Waiting So Long To Actually Get One.**

Invest In Yourself...
 Invest In A Four Seasons Sunroom. You'll be surprised at how much a sunroom adds to your health, your energy level, and your vitality. Over 75% of our customers say that their sunrooms "aren't built" there because it would be where they make the decision to buy. What better alternative to a casual breakfast, or enjoying the outdoors from the comfort of indoors, you'll find yourself in your sunroom for several hours a day.

"We had wanted a sunroom for several years, and when our kids finished school we decided to go ahead with the project. Two years later, all we keep thinking is 'we wish we had gotten one sooner!'"

Why Four Seasons Sunrooms?

1. Great Features and Low
2. Easy To Install
3. Temporal Good Look One
4. Dark Color To Match
5. Lots Of Color To Match
6. Accessible For All Ages
7. Most Look as High End
8. Lifetime Guarantee
9. One Year To Live in Comfort

FOUR SEASONS SUNROOMS
 10000 W. 10th Avenue, Suite 100
 Golden, CO 80401
 (444) 555-7777

COME VISIT OUR SHOWROOM AT:
 Address 1:
 Address 2:
(444) 555-7777

\$2,000 OFF
 Your Four Seasons Sunroom
 With This Card

Rate must be finalized within 2 weeks of the purchase on this card.

Benefit number 5 educates prospects on how a sunroom increases the value of their home. So, this postcard reinforces that fact.

Is It True That Adding A Sunroom To Your Home Can Actually Increase The Value Of Your Home...

By MORE Than The Cost Of The Sunroom?
(yes, but only 92% of the time)

FOUR SEASONS
SUN ROOMS
A Division of Living Room Concepts

REGISTERED U.S. POSTAGE
PAID
MILWAUKEE, WI
PERMIT NO. 73

How Does "Instant Equity" Sound?

What Are You Waiting For?
This Is One Investment That Pays For Itself In Enjoyment, Durability, and MONEY.

On wheels. Make the neighbors jealous and increase your equity. Invest in yourself by buying a Four Seasons Sunroom. They increase the value of your home dollar for dollar (or more) that you put into them, and they can be enjoyed into days a year for the rest of your life.

"I Can't Believe I Came This Close To Buying A Convertible Instead. Not Only Would That Have Been A Poor Financial Decision, It Also Would've Been A Poor HEALTHY Decision!"

Many of our customers tell us they feel energized and younger because of the time they spend in their sunrooms. That might sound a little strange... but come visit our showrooms and see for yourself how a sunroom can transform you into a whole new you.

Why Four Seasons Sunrooms?

1. Room Temperature All Year
2. Easy To Maintain
3. Temperature Won't Drop
4. Cost Is Easy To Install
5. Looks Great In Any Season
6. Increases Your Home Value
7. Won't Leak or Fog Up
8. Lifetime Guarantee
9. Great Way To Relax or Entertain

FOUR SEASONS
SUN ROOMS
A Division of Living Room Concepts

Come Visit Our Showroom at:
Address 1
Address 2
(444) 555-7777

\$2,000 OFF
Your Four Seasons Sunroom
With This Card

Save your first \$2,000 within 2 months of the purchase on this card.

So, you can see that once you create your compelling informational offer, you pretty much have everything you need to implement your drip campaign.

As another example, let us take a look at a child psychologist's drip campaign. If the child psychologist generates 300 leads per month, it is reasonable to assume he/she would average 60 prospects opting-in for the informational offer, with 6 of those 60 becoming patients. So, 54 prospects did NOT buy their services.

Those are the prospects who now begin receiving the doctor's drip campaign. Of those 54 prospects, 2 of them will typically buy in the next 30 days. This is a pattern that continues month after month for as long as the doctor continues to stay in touch with these prospects and continues to offer them value. Every month 54 new prospects go into the top of the doctor's "funnel," and 2 additional sales per 54 prospects continues to be delivered from the bottom of the funnel.

Here's what the numbers look like over the first year.

$$\begin{aligned} &54 \\ &54 + 52 \\ &54 + 52 + 50 \\ &54 + 52 + 50 + 48 \\ &54 + 52 + 50 + 48 + 46 \\ &54 + 52 + 50 + 48 + 46 + 44 \\ &54 + 52 + 50 + 48 + 46 + 44 + 42 \\ &54 + 52 + 50 + 48 + 46 + 44 + 42 + 40 \\ &54 + 52 + 50 + 48 + 46 + 44 + 42 + 40 + 38 \\ &54 + 52 + 50 + 48 + 46 + 44 + 42 + 40 + 38 + 36 \\ &54 + 52 + 50 + 48 + 46 + 44 + 42 + 40 + 38 + 36 + 34 \\ &54 + 52 + 50 + 48 + 46 + 44 + 42 + 40 + 38 + 36 + 34 + 32 \end{aligned}$$

At the end of year one, the doctor will have generated 3,640 new prospects and 72 new clients through a squeeze page (which we describe below). Further, the doctor produced a staggering 156 new clients through the drip campaign in the same year!

This growth pattern continues year after year for as long as the doctor maintains this sales process. By month 12 of year one, the doctor is generating 30 new patients every month. There is a limit

to the number of patients the doctor can reasonably manage. When that number is reached, the doctor stops all lead generation efforts and lets the drip campaign continue to produce additional patients far into the future.

Now let us calculate how this strategy can conservatively impact your business. Remember, 80% of sales take place only after 5 to 12 points of contact. It is unlikely that any of your competitors are doing anything like this. You can logically expect to see a dramatic increase in both sales and conversions.

However, for the purpose of today's exercise, let us stay conservative and calculate just a 10% conversion rate for your drip campaign. Whatever your revenues were last year, take 10% of that total. That amount can easily double each year, year after year, for as long as you keep your drip campaign in place.

LEADS

A primary concern for most small businesses is the ability to generate leads. All small businesses want more leads but few of them know how to economically attract customers to their business.

If you are like most of the business owners we speak with, you may often feel overwhelmed as you try to navigate through all the various marketing options available these days. Websites, social media, SEO, email marketing, online ads, etc.

The 80/20 rule for business owners says 20% of what you do every day generates 80% of your total annual revenue.

In other words, you are only doing a few things daily to make most of your money. Once you realize what makes up that 20%, that is what you really need to focus on.

When asked how you get your leads, most business owners say, “word of mouth” or “referrals.” Referrals are obviously an excellent source. In fact, it may be the best by far, but the only problem is you never know when you will receive them. They are unreliable and cannot be generated at will.

Virtually all businesses today have a website. Few business owners know how many leads their website generates each month or how many sales their website produces every month,

Here is the key to successful marketing. You must be able to enter the conversation taking place in the head of your prospects. Another way to look at it is to be able to address the primary question on your prospect's mind at just the right time. So how do you do this? You need to know and understand the fundamentals of marketing.

The conversation taking place in EVERY prospect's mind revolves around two key issues. There is a problem they have and do not want, and/or there is a result they want but do not have.

There is a marketing formula we follow that takes these two points as inputs and produces a message so compelling it drives your prospects to want to buy what you sell.

It is called the Conversion Equation, and it looks like this - **Interrupt, Engage, Educate, and Offer.** The Interrupt is your headline - which means it is the first thing someone sees when they visit your website, read any of your marketing collateral, or hear you speak. When someone asks you what you do, it is the first words out of your mouth. That is your headline, and it must address the problem your prospects have and do not want.

The Engage is your sub-headline - which is the second thing your prospects see or hear. It must address the result your prospect wants but does not yet have. The Educate is the information you provide that presents evidence to your prospects that you and your product or service are superior in every way to your competition.

Unfortunately, most businesses are not that different from their competitors, and that is why you must innovate your business to create what we refer to as a **market dominating position**.

You must make your business unique. It must stand out from the crowd. It must make your prospects say to themselves they would be foolish to buy from anyone else- regardless of price. And finally, the Offer. You must create a compelling offer that makes it so irresistible your prospects cannot turn it down.

But you might be thinking, because of the saturation of marketing messages these days, most prospects have become numb to marketing.

Following our Conversion Equation can enable you to overcome this hurdle, but it will still take multiple “touch” points before most of your prospects will buy what you sell.

For most purchases, it takes anywhere from 20 to more than 100 touch points before a prospect makes their buying decision. Following the Conversion Equation reduces the touch points to somewhere between 5 to 12 points of contact as we discussed earlier.

But here is the key, most businesses don't follow up with their prospects at all, and this provides a huge window of opportunity for any business that does follow up - to position themselves as the dominant force in their industry.

But, to have the opportunity to get your message in front of your prospects 5 to 12 times, you must find a way to collect their contact information, and that is the purpose of your Offer.

Most businesses offer something that only appeals to prospects we call now-buyers – prospects ready to make an immediate purchase now. Unfortunately, now-buyers make up less than 1% of the total number of prospects who are in the market to buy what you sell.

These businesses typically offer prospects a free consultation, a discount, a coupon, a free assessment, a complimentary quote, or the biggest offer of all... **CALL US! *We hope you sense our sarcasm.***

For most businesses, all their marketing material – website, digital ads, business card, etc. - list their phone number and email as their sole offer, which only appeals to that 1% of now-buyers. The remaining 99% of viable prospects are “investigating” and gathering information about what you sell. They are searching for information because they want to determine who provides the best value. Prospects do not shop price – they shop value.

The only reason prospects consider price is most businesses don’t give them any other value proposition to consider.

Most businesses do not create a unique, market dominating position, and since the competition looks so similar, prospects are

forced to shop price. So, with these fundamentals in mind, let us see how your website stacks up to your rivals’.

Let us show you a typical website for a child psychologist so you can see what we mean. Then, have a look at your website as a comparison. This website homepage is very typical for this industry.



Notice the generic headline – Parenting Advice and Resources from Dr. John Smith.

He chose that headline because he is attempting to be all things to all prospects. This doctor helps parents deal with adolescent problems. Look at the 9 areas he services – emotionally disturbed kids, behavioral problems, teen pregnancy, peer pressure and so on.

So, now let us contrast this website with the fundamentals we just discussed. First, you must create a market-dominating position. This doctor could create nine of them by simply positioning his specialty in each of his nine individual areas of treatment.

For example, what if he decided to start with the top condition on his list, emotionally disturbed, defiant kids. These are kids that often yell, scream and can be belligerent toward their parents. These kids cannot easily be reasoned with, and their poor parents are at a loss as to how to deal with this situation.

So, what should this doctor do? Re-do the website completely - and moreover, this doctor needs a squeeze page. This is a single page online specifically addressing **ONLY** this one condition.

Remember the second fundamental - you must enter the conversation taking place in the head of your prospect. There is a problem they have and do not want and/or there is a result they want but do not have. This is where we implement the first two components of the Conversion Equation - Interrupt and Engage. The headline is the Interrupt, and it must address the problem they have and do not want.

Here is the squeeze page we'd create for this doctor.

**Are You Sick And Tired Of The Yelling,
Screaming & Belligerent Attitude Of Your Child?**

***Now you can discover the secrets to controlling your child and
instantly restore peace and quiet in your home***



00:00:00 Video - Parenting Intro

As a parent, are you struggling to gain control of your child's attitude and emotions? Is your child yelling and screaming at you, while often displaying a belligerent and sometimes threatening tone that no matter what you do or try, you just can't seem to get under control? My name is Dr. John Green, and I help parents like you every day learn the techniques that will solve these escalating and destructive behavioral problems once and for all. In fact, let me prove it to you. Enter your first name and email in the box to the right, and I'll send you a series of 60 second techniques that will immediately restore peace and quiet in your home.

**“Learn the Secrets To
Gaining & Maintaining
Complete Control
Of Your Child In Less Than
60 Seconds.”**

Enter Your First Name:

Enter Your Email Address:

[Sign Up Now](#)




RemarkableParenting.com

Notice the headline - “Are You Sick and Tired of The Yelling, Screaming and Belligerent Attitude of Your Child?” This addresses the problem these parents have and do not want perfectly.

Now, for the Engage which is the sub-headline, it must address the result they want but do not have. Notice it says - “Now You Can Discover the Secrets to Controlling Your Child and Instantly Restore Peace and Quiet in Your Home.” This is what the parent is craving.

Now, let us look at the third Conversion Equation component Educate. In the doctor’s original website, because he’s trying to appeal to all prospects, his video says - “Greeting parents. I want

to welcome you to remarkable parenting. You will find tons of valuable information here with hundreds of pages of articles.”

If we are one of these parents with a kid who has a belligerent attitude, we are not thrilled and will resist reading hundreds of pages of articles. We are searching for a specific solution to a specific problem. This is why so many websites are not strong lead generators. They do not address the desires your prospects are truly looking to quench.

Here is a script written for child psychologists.

“As a parent, are you struggling to gain control of your child's attitude and emotions? Is your child yelling and screaming at you, while often displaying a belligerent and sometimes threatening tone that, no matter what you do or try, you just cannot seem to get under control?”

“My name is Dr. John Smith, and I help parents like you every day learn the techniques that will solve these frustrating and destructive behavioral patterns for the last time. In fact, let us prove it to you. Enter your first name and email in the box to the right, and I will send you a series of 60-second techniques that will immediately restore peace and quiet in your home.”

And that brings us to the final component of the Conversion Equation... the Offer. Look at the doctor's original offer. It was for a free consultation. The only prospects who will accept that

type of offer are those now-buyers. Remember, they make up less than 1% of the total number of prospects looking for this type of help.

When your offer is to “call me,” that basically says, “let me sell you” to your prospects. We are so conditioned to receiving non-stop sales pitches these days we resist calling anyone with every fiber of our being. Most people will not answer their phone unless they recognize the caller ID. This type of offer is called an incentive offer, and incentive offers only work for common purchases, emergency situations, and impulse purchases.

And remember, most prospects do not buy until they have been exposed to your messaging somewhere between 5 to 12 times. If you keep telling your prospects to “call you,” and they do not, you have a problem. The secret to effective marketing is to offer what most prospects genuinely want. **VALUABLE INFORMATION!**

Look at the last sentence in the child psychologist’s video script - “enter your first name and email in the box to the right, and I’ll send you a series of 60-second techniques that will immediately restore peace and quiet in your home.” That offer is zero risk to a prospect, and it offers them something they want, a solution to their problem.

They can receive it by simply providing their name and email address without needing to speak to anyone or be subjected to any sales pitch. That is why the offer on this doctor’s squeeze page

says, “Learn the Secrets to Gaining and Maintaining Complete Control of Your Child in Less than 60 Seconds.” It is a highly compelling offer that would appeal to a majority of the prospects directed to this page.

And do you now see why this is called a squeeze page? There are no navigation links on this page to distract the prospect. In fact, there is only one action they can take - entering their contact information. Otherwise, they must close the page completely, and if they do, that is when we can redirect them to the doctor’s main website to see if there is something else that might grab their attention.

That informational offer provides them with proof this doctor can actually get them the results they are looking for, and then within that information is an offer for them to schedule a consultation with the doctor, which they are now more likely to do.

But consider these numbers for this doctor’s original website. He could easily generate 300 or more leads per month using a pay-per-click campaign on Facebook. Those leads are then sent to his website. He will then average around 10% of those leads. 30 prospects will see his offer for the free consultation and will call to inquire about it.

Notice we said inquire about it and not request it. Out of that 10% who will call, only 10% of them will consent to the consultation, resulting in three prospects.

Fortunately, for most professionals like this doctor, they typically convert 100% of the prospects they get in front of, so those three prospects will more than likely become patients. Note that out of 300 leads, the doctor winds up with three new clients. That is the national average today – 1% of all leads generated will typically convert into a new client. Not very impressive.

But, now let us look at the doctor's new squeeze page. First, leave his number of leads at 300 per month. That squeeze page will not impact that number whatsoever.

Do you think this new approach will increase the number of prospects who will request this doctor's secrets to gaining and maintaining complete control of their child? The doctor was getting 10% with his old website. What percent do you think would request this new more compelling offer?

Most responses average somewhere between 50% to 70%. Well, suppose we stay really conservative and say just 20% request the new offer.

That would mean 60 prospects would receive those secrets and see for themselves whether this doctor's methods really work.

And once they do, what percent of those do you think might request the consultation with the doctor? Remember, originally it was just 10%.

Again, most responses average between 50% to 70%. We would tend to agree with those numbers, but we know he originally converted 10%, so to be really conservative, let us just leave that conversion rate the same.

So, out of the 60 prospects requesting the doctor's secrets, 6 of them will now request the consultation. And let us assume like we did originally the doctor converts all 6 of them into patients. That is an additional three patients per month, isn't it?

Now, let us say this doctor charges \$800 for his services. $\$800 \times 3$ new patients is an additional \$2,400 per month resulting in an annual increase of \$28,800. That is a substantial increase in revenue for the effort, especially considering we are being conservative and all we did was make some slight changes to the doctor's website.

So, let us ask you this. Do you think we could get similar results for your business? How many leads have you generated in the last 12 months?

How many leads would you estimate you have generated this month? How many of those leads requested your offer? If we could create a similar process for your business and offer compelling information to your prospects just like we did for the child psychologist, do you think more prospects would respond? By what percent?

Could we agree a 10% opt-in rate is easily obtainable? Do you realize just one change alone could double your current sales revenue?

And that is assuming we do not increase your number of leads or your final conversion rate. If you said your last month's revenue was \$25,000, then just this one change alone adds an additional \$25,000 to your bottom line.

DIGITAL MARKETING

There are many ways to grow your business through the Internet. We are going to show you six preferred ways and give you examples how you might optimize your efforts in employing them.

Content marketing

Content marketing involves creating and sharing content material such as videos, blogs, and social media posts that does not explicitly promote your business but is intended to stimulate interest in your niche or industry with the ultimate goal of driving profitable customer actions. You'll get more sales, have more loyal customers, and save money on advertising. Of course, you can do this offline, but it is extremely powerful in the digital world as well.

The benefits of Content Marketing are numerous:

- Helps to build your expert status, authority, recognition, and credibility
- Is more appealing than simple ads because it gives your consumers something valuable
- Increases your prospect's trust in your business
- Brings a greater volume of traffic to your website and squeeze pages
- Is appropriate at any stage of the Buyer's Journey
- Is more readily shared throughout social media channels

- Grows your brand
- Ultimately increases your sales revenue and loyalty to your business

Advertising

Advertising online includes Search Engine Marketing (SEM) through Google AdWords, Yahoo! Search Marketing, display advertising (ads within specific platforms such as Facebook, LinkedIn, or Instagram), as well as banner advertising, mobile advertising, and affiliate marketing. You are not limited in geographic reach, and you can be highly selective in choosing your target audience.

Social Networking

Social Networking, using Facebook, YouTube, Twitter, LinkedIn, TikTok, Instagram, Reddit, and many more, gives you increased brand recognition and brand loyalty. Furthermore, because you are “being social” with people, you will have higher conversion rates. There should also be a decrease in marketing costs.

Search Engine Optimization (SEO)

While advertising on Google and Yahoo! can instantly get your website at the top of the page of a search result, SEO is the practice of getting your website ranked at the top of search engine results without paying for costly advertising. In an “uncrowded” market it

is much easier to get your website ranked at (or near) the top of the search engines. Additionally, your customers will tend to trust your website more over those who pay advertising costs to be there. And clicks to your website are free.

Online Press Releases

You can make a company announcement and send it to all the media outlets using online press releases. If you are fortunate, a media outlet might pick up your story and then you will get increased exposure which might lead to sales. Press releases give your business credibility and may lead to media outlets interviewing you, presenting you as an authority or expert on that issue or in your industry. One media interview could have five times or more the impact of a paid ad in the same media. The links from the press releases and interviews should be prominently displayed on your website which will also help with your search engine optimization.

Video Marketing

If a picture is worth a thousand words, a video can have an even greater impact on your target market. You can post videos on YouTube or hundreds of other websites, or you can livestream through Facebook Live and other venues. Videos can be engaging and memorable if they are done well. They can also tell a greater story with more depth and emotion than the written word. They are easily shared and are a powerful medium.

These are six principal ways to market on the internet. You don't have to be an expert in all these things. However, you do need to have a competent person on your staff or outsource your internet marketing.

If you are getting 1,000 leads a year from the internet, is it conceivable that you could grow that by 5% without much effort?

5% is just 50 leads a year. That is only one lead a week. With minimal effort, you could accomplish this and much more. And that easy 5% could lead to an impact of 10% to 15% on your profits.

Here is an idea to get you started.

Write out your list of the top ten most frequently asked questions you hear from your prospects and clients. Then, write out the top ten questions that they *should* be asking. These are the questions that they need to know about your product or service, but do not.

Remember this important marketing truth: People want to do business with an expert, someone who can help them accomplish their goals and objectives. These twenty questions position you as the expert. The first ten questions answer all the questions they have about what you do, and the next ten establish your credibility and begin to build rapport.

The content you are providing educates, informs, entertains, and helps you bond with your prospects. That gives them a sense of connection with you and creates an emotional relationship.

The third step is to record a short 30-second to 2-minute video for each of the 20 questions. You can do this with a smart phone these days.

The fourth step is to create a squeeze page where people can subscribe to get all your videos or to learn more about you and your business. This captures their contact details and allows you to continue to educate and market to them through a drip campaign.

The ultimate step is to upload your videos to as many video sharing platforms as possible. Once you submit your content, the search engines will gobble up your videos in a few hours and you will be indexed. Search engines love video and within 24 - 48 hours you will start seeing your organic rankings rise dramatically and begin to see an increased number of prospects coming to your website.

When prospects watch any of your videos and then visit your website, they are 5 - 20 times more likely to act than they would from an ordinary link or a paid advertisement.

You can repurpose the transcript of your videos and create mini blogs around them or you could take the audios and use them in podcasts. In this way, you reach an entirely different market.

Are you beginning to see how you could easily increase your leads in just one a week? That might equate to a 10% to 15% impact on your profits.

As you can see from the options at our disposal, there are a multitude of ways for any business to immediately increase both revenue and profits.

The only thing standing in your way now is getting all of this implemented in a timely and efficient manner. Please let us know if there is anything you would like us to help you with.

Here is to your success!

Find more information at their websites, CorporateCounsel.com and CorporateCounselBusinessAcademy.com. Feel free to contact Adam and Keith at Coaches@CorporateCounsel.com.



READY TO GET STARTED?

PLEASE CONTACT US DIRECTLY
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