

How to Grow Your Small Business in Changing and Challenging Times

**A Special Report prepared for
the clients of PromoPower.com**

by Larry Mersereau, CTC

Would you agree that these are changing and challenging times?

I don't think I'll get much argument on that point. As I write this, we're seeing near-record unemployment, the stock market has lost significant ground, and housing values and sales are tanking, and consumer confidence is even lower.

Now, no more gloom and doom. That's your first assignment: Stop talking gloom and doom. Put a smile on your face and stay positive in your dealings with everyone. Your own mind needs positive input, and you may be the only one in your circle providing it. Stay positive and it will get easier every day. We will come out of this. It may take a while, but it will end.

Piece of advice number one: Don't stop spending on marketing (like your competitors have). You have to trust that the market will come back. And when it does, the businesses that keep marketing actively during the downturn will have top-of-mind awareness coming out of it.

We really have to accomplish two things: As I just said, we want to be positioning ourselves to cash in on the coming boom. When people do start spending again, we want them to think of us first. But we also have to keep some business coming in for the short term. The rent still comes due every month, so just building for the future isn't enough.

In this report, you'll get a combination of "big picture" actions you should be taking for the long term, plus some short term "do it now" activities that will help you get some cash flowing fast.

Fast Growth Strategy Tactic

The first thing every business should do in challenging times (I hope you've already done this one. If you haven't, you must start today and continue until you've completed the task), is to pull out your customer list and get in touch with every one of them immediately. Pick up the phone and start calling.

“Larry,” you may say. “Nobody makes phone calls. I'll send an email or a text message, because I'm hip, I'm now, and that's how people communicate these days.” Phooey. Show them you care enough to pick up the phone and have an adult, human-to-human conversation. In fact, it may be a good idea to make an in-person physical visit to your top customers.

Start with your best customers. If you have an automated accounting system, it's a simple matter to run a report of customers in order of their individual sales. The people at the top of the list are your life's bread. They're in the same boat you're in right now. Sales are probably down for them too. They're tight on money and holding back on spending. But they want to move forward too. Is there something you can do to help them get where they want to go? Hey, they've been your best customers. You must be doing something important for them. I'm sure they would like to keep enjoying the benefit they've been enjoying. How can you help them keep getting it?

Work your way down the list and contact everyone, even if it's only via a hand-written post card.

“But Larry,” you may say. “Nobody sends out hand-written correspondence anymore. I'll send an email or a text message, because I'm hip, I'm now, and that's how people communicate these days.” Phooey. If you can't pick up the phone and have a person-to-person conversation, at least show you care enough to pick up a pen and write a note that they know was written just for them and is only coming to them.

Personal, individual communication is called for here. I know I've already lost a few readers at this point. I'm sorry, but you're going to have to work harder for your money in changing and challenging times. On-to-one, personal communication is called for in times like these.

Think about this: What if the president of your bank called you today and asked “what can I do to help you through these changing and challenging times? You’ve been a valuable customer and I want to do whatever I can to help you get through this”? Would you fall out of your chair? Would you feel important? Would you be a loyal customer at this bank... like for LIFE?

Enough with the email and text messages. Show your customers you care about them as humans and communicate like you’re one yourself.

People who have done business with you in the past are your best prospects for future business. If they’ve had a positive experience with you before, it’s much easier for them to trust you with their hard-earned money than it is to buy somewhere else. But they have to be reminded that you’re there for them.

Let’s get back to some business basics:

There’s more than one way to grow your business...

Most small businesses tend to focus on finding new customers as their primary growth strategy.

Certainly, if you’re a brand new business, “new customers” are the only kind you have. But it’s important to be thinking about the other strategies as you bring those new customers in.

If you’ve been in business for a while, you must constantly work on bringing in new business, but you also have to look for ways to make each sale and each customer (new and old) more profitable.

There are really only three ways to grow any business. This is old wisdom, so don’t think I’m a genius for coming up with it! But you should give some thought to how you can use these three simple categories to plan your marketing, sales and customer service activities.

More Customers

The first strategy is the obvious. If you want to grow your business, you go out and find more people to buy from you. It's the most difficult, frustrating and most expensive work you'll ever do. You're asking people who have never done business with you, total strangers in most cases, to part with their hard-earned money and turn it over to you.

They don't know you. They have no reason to trust you. It's going to take a lot of effort to persuade them to do business with you. Unless you sell a very inexpensive or low-risk product, it's going to take a while to get these people to give you a try. (By the way, if you do sell a very inexpensive product, give one to each of your best prospects. Then give them a special offer if they'll buy a bunch of them. If the product is good, and you chose the right prospects, they'll buy more.)

Another piece of old wisdom: People have to see you seven times just to get to recognize you. This is why this strategy is so expensive. The "suspect" has to see your advertising, mail pieces, web site... whatever, seven times before you're even a familiar name.

Just because you sent out seven mailings, you can't assume anyone saw them seven times. It could have been lost in the stack, or someone else in the household or business could have thrown it away. Odds are worse with media advertising, and infinitesimal on the Internet. So you have to be in multiple media, over and over to build recognition.

Think about it: How many sales have you made on the first contact with a total stranger?

Advertising and Promotion shouldn't always try to SELL something...

That's another one of those counterintuitive statements. But you must understand that people aren't likely to make a buying decision based on the information they can get from a small space ad, a post card or an email message. Before they can make a buying decision, they need lots of information. The more expensive the product, the more information and persuasion they need.

So consider a two-step strategy for marketing to new customers.

Step One is lead generation. Your marketing communication invites the relative few real prospects in your universe to identify themselves and tell you they're interested. Think about your market area. What percentage of the population is really likely to ever buy from you? If you're like most businesses, the percentage is rather small. I sell my services nationwide. But of the billion-and-some people who live in the U.S., only a few thousand are likely to buy anything from me this year. So the first step for me is to invite the relative few who are prospects to identify themselves to me so I can communicate with them one-to-one, without paying to talk to millions of non-prospects.

You may be reading this because you responded to one of my lead generation pieces. I offered you valuable information for free. If you want help growing your business, you're the kind of person my business is built around serving.

So what can you offer to motivate the kind of people your business is built around serving to respond?

It may be a special report like this. It may be a free sample of some sort. It depends on what you sell. Whatever it is, it should give your new contact a piece of what you do.

For them, it must be free. It must be easy to take advantage of. And there must be no risk.

From your side, it must be something that would only be of value to the kind of people you want to hear from. If you want a ton of response, offer a free iPod to anyone who responds. You'll get lots of takers, but you won't be doing anything to ferret out real prospects from the universe at large.

Offer something that only a prime prospect would want. But make it highly valuable to them so it's worth their while to ask for it. And make sure they're comfortable asking for it. Tell them there's no obligation, or that no sales person will call. And honor the promise. Don't become a

pest to the people who responded.

The next step: Now you have names and contact information of some real live prospects. But you've promised not to harass them. But you do want to sell them something some day, hopefully some day soon.

Now your marketing communications are about making a sale, not about getting response. But now you know that everyone who is reading your marketing communiqué is a likely prospect.

Now you offer your product or service with an extra incentive to buy. Make an offer that really stops them in their tracks. Can you offer two for the normal price of one? 50% more for the standard fee? On month of free service if they pay for a whole year? Two months?

It's important to offer things that are of great value to them, but that don't necessarily cost you much.

If you want some help creating both types of marketing communications, lead generation and buyer incentive, ask for my special report: *How to get Maximum Return from your Marketing Dollars*. It's free too. Email Larry@promopower.com and I'll get it to you. There's still no obligation, so go for it.

By the way, my book: *How to create your own POWERFUL Ads and Promo Pieces* gives you much more in-dept information. It's for sale on my web site: <http://promopower.com> and click on "books by Larry Mersereau" if you'd like to own a copy. But if you're not ready to invest, or just can't afford to spend another dollar right now, at least ask me for the free special report. I want to help you succeed, and I'll work with you on your budget.

It's imperative that you know how to create effective marketing communications, no matter what media you like to use. Don't leave it up to the sales rep that sold you your media time/space. You're the one who will thrive or starve. You need to take control if this important task.

Let's get back to the other business growth strategies:

Larger Average Sale

When you finally make a sale, you want to do all you can to increase the total purchase. You can either upsell the customer to a more expensive (and more profitable) item, or add additional items to the sale (accessories, etc.).

Even the staff at your local hamburger franchise knows how to do this. It's simply a matter of asking "supersize that for a dollar more?". In the airport bar they'll always offer "a double shot for a dollar more?". Does everyone go the extra dollar? No. But a lot of people do. That's a lot of dollars they wouldn't make if they didn't make the offer.

This is not as difficult as it sounds. In many cases, the consumer doesn't really understand what they're buying. Take the example of a flat panel television. It's not unusual for someone to look for a low price on the size of TV they want. But often that low priced model is not best for the customer. Room light, seating distance from the screen, viewing angles, what types of programs they like to watch... lots of factors affect which model they should buy. They may want to mount the TV on a wall. We want to sell them the mounting bracket. Are they going to want surround sound? We should sell them the equipment for that, too.

And don't forget to ask, "Are you going to be able to install that yourself, or would you like us to save you some frustration. Installation and setup is only \$XX."

By taking the time to learn a little bit about the customer and to educate them about the available products, you can end up with a considerably higher average sale.

Is this manipulating the customer? No. In fact, it would be doing them a disservice to sell them the product that would be inadequate when they got it home. And by adding the accessories they'll need eventually anyway, we're saving them research and other stops. We may even be

able to save them money overall by bundling everything into one package and offering an attractive price.

We've increased our sale (and profit) and done the customer a favor.

More Frequent Sales

In the beginning of this piece, I talked about how expensive it is to get a total stranger to buy from you for the first time.

If you did a little math with your advertising and promotion expense and your first-time sales figures, you might be surprised. Many businesses find that the first sale produces little if any profit. So if you're spending all of your time and energy on first time buyers, you can see what appears to be great gross sales and still not make any profit.

Every time a customer buys from you for the first time, you want to be thinking about the next sale. Smart businesses do something to keep buyers coming back time and time again.

It can be as simple as a "preferred customer" discount card, or regularly sending out "repeat customer only" specials and sales. I have a number of them on my keychain: Office supplies, pet supplies, auto service. All have a barcode that identifies me as a repeat customer. I earn points (like frequent flyer miles) and get special discounts. They get a loyal customer. And that means a profitable customer.

And the business knows what I buy and how often I buy it. My oil change place knows exactly how long it takes me to put 5,000 miles on my car. They send me a reminder at 2,000 miles (which is when they want me to change my oil) and another at 5,000 (which is when I have done so historically). The reminder includes a \$5 coupon to motivate me to come back to the same place. It's a simple computer program that keeps track and prints the post cards or sends out the emails.

“But Larry,” you may say. “I sell a product that people only buy once every five or ten years.”

First, even if it’s only every five or ten years, you still want the next sale. So you have to keep in touch for five or ten years. I’m a big believer in simple post card mailings. I would send them progressively more frequently as the years pass. The longer it’s been since they bought the first furnace or roofing job, the more likely it is they’ll have to replace it.

Second, does the product need service or maintenance over the years? You should be selling the service contract the day you sell the product. Be sure you’re in their thoughts down the line if it needs updating or repair.

Third thought: Is there something related to that long-term product that you could add to your product line? What do people who buy your product also buy? Does it make sense within your capabilities, facilities and people to add it to your product line?

One more thought: Are there other merchants who could serve these people? Can you start a consortium? Your heating/air conditioning business plus a reputable electrician, a plumber, a roofer, an appliance repair service, a landscaper... could give a homeowner one number to call for ANY service they need for their home. The furnace may have years left in it, but the roof needs work this year. And the customer the roofer brings to the consortium may be due for a new furnace this year.

Where do I find the time for all of this?

I’m willing to bet that a good portion of your day is spent on activities that produce little or no profit. Start by keeping track of your day to day activities. Honestly write down how you spend each :15 minute block of your day. You may be surprised to see how much of your time is just plain wasted. Or maybe it’s spent doing things you could delegate to someone else, freeing you to do the things that will help your business make money.

Unless you’re a one-person business, you shouldn’t be keeping your own books. You shouldn’t

be going to the post office or the bank. You shouldn't be going to the office supply store, or even spending time ordering on their web site.

Your job is to move your business forward. It's "big picture" work. Every little detail that you spend time on makes it more difficult to find time to craft and promote your big picture.

Stop spending your time putting out fires. Most will burn out by themselves anyway. You should be spending your time and energy building for the future.

My experience with consulting clients in a broad range of industries is that few small businesses have a clear, written plan. They don't have a business plan or a marketing plan. They don't have a budget. They're flying by the seat of their pants.

Why? Is it that difficult to write and follow a plan? Last time you took a vacation, did you plan it or just get in the car and go? The planning was almost as much fun as the vacation, wasn't it?

Planning is about possibilities. It's big picture stuff.

What do we want this business to look like five or ten years from now? Do we want to be a Fortune 500 company? Do we want to franchise? Do we just want to stay the size we are but make more money? What do you want to be when you grow up? If you don't write it down, you'll never know when you've "grown up."

Why do we want the business to look like that? Are we looking to be a major contributor to the overall success of our community? Do we want to give young people a great first job experience? Do we want to give lots of money to our religious organization? You will always be more successful if you have a good reason for doing what you do. I call this "higher level motivation." It goes beyond putting food on the table and making the house payment. It makes your work important, to you and to others. And you don't want to let anyone down.

Your plan says what you have to do in each category within your business to get where you want

to go. What is the marketing department's mission (even if you are the marketing department yourself)? What are we asking human resources to accomplish this year (even if you are the human resources department yourself)? How about the sales department? Customer service? Maintenance? Even if you are all of those things, you need to know what is expected from each category.

Knowing what each category is expected to accomplish, you can now identify the specific tasks needed to make it happen. You can schedule those tasks and assign them to the people who will be responsible for them (even if they're all you!).

You can set up accountability and rewards. Accountability is important. If someone is not making appropriate progress on an assigned task, you can either get them more help or reassign the task. Rewards are important too, even if they're just a thank you. If people are to be held accountable for progress, they should also be rewarded when progress is made.

Whether you're a one-person business or a multi-national organization, a good plan will guide you and everyone in your organization from day to day. When you get everyone pushing the same direction, you'll find it's a lot easier to move forward.

About the author

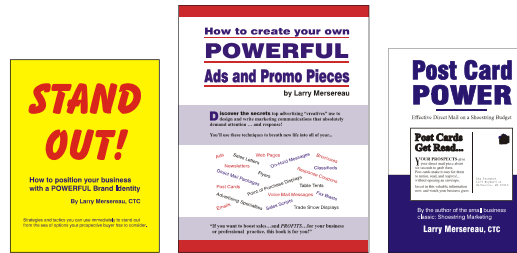


Larry Mersereau, CTC

Smart business owners and marketers know who to turn to for the information and ideas they need to grow their business; Larry Mersereau, CTC. Niche'd as a small business growth expert, Larry has authored four books on the topic, consults with select clients, and speaks to dozens of business-hungry audiences every year. Larry shares simple, doable...effective strategies and tactics you can use immediately to bring in more business (so you can take home more money.)

Larry Mersereau works with business owners and self-employed professionals who want to grow their business and have a life they can enjoy and be proud of. More at www.PromoPower.com.

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Contact me now to discuss your situation. We'll see if I can help you, and if you feel comfortable working with me.

Email now for an appointment: Larry@promopower.com

Emotional Appeals - Buyer Motivations

Greed/Desire	Guilt	Fear
Safety	Pleasure/Comfort	Popularity
Live Longer	Social Approval	Superiority
Love/Sex	Envy	Escape/Release
Profit/Wealth/Prosperity	Welfare of Loved Ones	Discovery/Something New
Exclusivity/Being First	Pride/Ego/Vanity	Pity/Sympathy

WORDS THAT SELL

You	Save	Sale
Money	Results	Discover
Hot	Opportunity	Value
FREE	Luxury	Guaranteed
Imagine	Announcing	Bold
Current	Discover	Profit(able)
Amazing	No-Brainer	Safe
Proven	Easy	Rewarding
High Tech	NEW	Breakthrough
Dynamite	Health	Incredible
Affordable	Unlock	Enlightening
Crucial	Timely	Only
Innovative	Lively	NOW
Stimulating	Shrewd	Love
Bonanza	Exciting	Real-world
Prosperity	Insight	Revolutionary

“The Phrase That Pays”

You will enjoy/love _____, because _____

HOW TO ...	The truth about ...
Your opportunity to ...	Don't miss (out on) this ...
Last Minute	At last!
Right Now	Sure-Fire
How would you like ...	No Obligation
__#__ reasons why ...	You're invited ...
Advice to ...	What would you do with ...
Return On Investment	How much ...
Secrets of ...	Low-Risk
Do You ...	__#__ secrets of ...
An urgent message for ...	Are you ...
Good News!	Here are the key benefits of ...
Glad you asked about ...	Here it is, ...
Yes, you can ...	Wouldn't it be nice if ...
See for yourself why/how ...	Cutting Edge
How will you use this valuable ... ?	
Here's what _____ had to say about ...	

Can you make your phrase an alliteration? (Seven Secrets of Sales Superstars)