

Business Growth Dynamics

Business Growth Coaching Session

Power Implementation

"Leveraging Your Success System™" - "How to Generate Huge Profits from Your Best Assets, SYSTEMATICALLY"

Part #1 – Taking a Success Inventory

Introduction: (5 mins)

Hi and welcome to this month's Business Growth Coaching call.

In recent months we have tapped into the ultimate leverage for building profit from within clients existing organizations. The results have been staggering. And best of all have zero risk, almost zero cost, and require no additional skills or knowledge outside the organization – except of course “some expert guidance” by us.

This is truly a “holy grail” that ALL of you have access to.

Now before I reveal my little secret, I want to ground you a bit.

First, what I am going to teach you, especially today, includes information I have covered before. As I was preparing for today I said to Dave, you know what, the first part of this success formula was covered in a previous session. And Dave responded, “Yes, but how many clients have come to you with what they have implemented from it”, to which I answered, very few.

Second, I have put the entire turnkey system together to ensure that you not only identify the opportunities, but also implement them. And then not just implement them, but cement them in so they produce measurable results for years to come. And not just cement in 1-2 items but also learn a formula that you can apply to virtually everything you do – and learn how to turbo charge the Team Workshops we discussed in the past.

All too often I am coming across clients that do something well but lack the systems to ensure that they produce consistent and optimal results from it

Let me share an actual client example that will illustrate the power of what I am going to teach you.

I have a client that has a highly successful legal practice. They have developed a “successful” process for negotiating settlements of cases, which in turn drives their revenue and cash flow. It has worked “pretty” well. However, it is not systematic.

And herein lies the problem. When Negotiator A left, there was no effective knowledge transfer. Therefore, the “success system” was diluted. In addition, there were no metrics and measurements in place to enable the attorney to identify any changes in success.

In fact, just three months later the practice faces a serious cash flow crunch. After investigating the performance, it was discovered that Negotiator A averaged \$25,000 per week in collected revenue, while Negotiators B averaged just \$15,000. This resulted in a shortfall of \$120,000 in just three months.

I am confident that you all can relate to this story. In fact, I have had several clients “intimately” identify with it in just that last few days.

This drove me to create a new series for the Power of Implementation training program. This Holy Gail is called:

TARAS KONOWAL From Apex Plastics AND TERRY

"Leveraging Your Success System™" - "How to Generate Huge Profits from Your Best Assets, SYSTEMATICALLY"

Over the next four conference calls I am going to show you a systematic way to “cement” change within your organization. Some of this material will sound familiar from previous sessions. But what I have done here is organize in a way that will allow you to systematically implement this “science” within your business.

Here is a quick overview of the sessions:

Session # 1 - "Taking a Success Inventory"

This involves taking an inventory of everything that is working well in your company – marketing campaigns, sales processes, lead generation techniques, upsells, referrals, collections, inventory management and so on. Then evaluating optys for:

- 1) 1) Process Improvement
- 2) 2) Systemization - not doing consistently but instead only "most of the time" or where every person does it his or her own way vs. modeling the best rep.

We have addressed portions of this in previous session but I want to go deeper and tie in the overall process.

As we dug deeper we found that the Legal Practice had a person prior to Negotiator A that was actually better than Negotiator A – that is the best practice we want to identify.

Session #2 - Optimization Evaluation – Documenting "Best Practices" to Increase Profits Effortlessly

This involves documenting the "best practices" that are supposed to be followed, as they exist today. This requires Breaking Down the process involved in each task. Then determining who is doing it best. Then evaluating whether this "best practice" procedure is being followed consistently, or even at all.

A highly successful doctor client has sophisticated reporting where he tracks several critical metrics. These are displayed on just a few pages with trend graphs. It is really quite extraordinary. I share this with you because even this practice had areas where key procedures were not being followed. One example was the collection of email addresses from patients during office visits. When the doctor evaluated the results he found that the procedure was NOT in fact being followed consistently. He was able to increase results something like 800% thereafter.

The goal is to create a written procedure for the Best Methods. Based on a request by several of you, I will discuss how to develop written procedures in this session.

Session #3 - Turbo-Charging Your Success - How to "One-Up" Everything You Do Well

Once you have identified your current best practices, even if they never were developed to be such, it is time to identify incremental ways to improve these "best practices". Remember that just a 2% increase in 10 areas = 20% improvement. This process involves evaluating each step of the procedure and then brainstorming on how to do each better - I.e. change a headline? Modify script? Change the timing of an offer? Change the order of the process? Once you have developed ways to improve various procedures, you will then test each to optimize.

I will show how The Power of Implementation works its magic here

A Physical Therapy client produces tremendous profits from a cross-sell product that 30% of their patients purchase. Now this produced thousands of dollars of monthly profit. Basically the process involved asking the patient, at the conclusion of treatment, if they wanted to purchase the piece of equipment. This equipment required a medical necessity and prescription form the patient's attending physician, and pre-approval from the insurance company.

We revisited this "success best practice" and broke down the process. As we did we identified ways to dramatically improve results – pre-approval was done day 1. Medical necessity and prescription week 1. Patient interest established week three. And a follow up system set up for post treatment.

The important distinction here is that there was tons of improvement potential on something that was already producing mind-boggling results.

Session #4 - “Cementing Success” - How to Ensure Your Profit Generators Always Produce

This final step involves setting up measurements and reporting that has built in automatic "alarms" that ensure you never have a big drop off in success (i.e. Paul's Pet Food cross-sell). *Had the legal practice had this critical step in place, the shortfall in cases settled by Negotiator B would have been identified week one and corrective action taken at that time.*

The critical first step in developing our measurement system is to determine your "baseline" - that is, what are you producing now i.e. 21% upsell success, 5:1 lead to appointment, 7 deliveries per hour, 85% Customer satisfaction etc.

Once you know your baseline and can measure change you not only ensure the “alarms” go off but you also can effectively test improvements in order to optimize the results of every important element of your business.

By systematically implementing these four steps, you will transform your business and develop a success model for everything you implement in the future.

Part 1 - "Taking a Success Inventory"

Ok, let's dive into the first step of the process – Taking Your Success Inventory.

Each of you does many things well – that is why you have risen to the level of performance you are at today. But, you also have tremendous opportunity to improve if you look to leverage off the successes by systematizing your successes. Quite frankly, we are finding unbelievable profit increases from this powerful dynamic.

Some of my favorite new questions are, “How many times out of 10 do they ask? Are you sure? When did you last observe? Do you track results? As so on.

As I mentioned, this involves taking an inventory of everything that is working well in your company – marketing campaigns, sales processes, lead generation techniques, upsells, referrals, collections, inventory management and so on.

To help you Take Your Success Inventory, let's look at your procedures and processes in two categories:

1. Systemization
2. Process Improvement

Systemization

This is where you have a process that works well but it is not being done consistently - essentially because you do not have written procedures to follow or a mechanism to measure and monitor outcomes.

Systemization also includes techniques or procedures that are being left to individuals to do “their own way” instead of modeling the best way. In these cases you will experience tremendous variance in performance – as was the case between Negotiator A and B.

Process Improvement

Process improvements include procedures that are relatively systematic but where there is clearly an opportunity to improve elements of the procedure that will make a measurable difference. This is often the fastest way to increase profits. After all, you have a documented procedure. Your staff follows the procedure and is getting results. Therefore, you can easily make changes (test) that often produce profound results.

DC Marketing has a referral system that produces something like 480 referrals a year. It is highly professional. Clearly communicated. Very systematic. However, upon revisiting the “success system” we are making one profoundly simple change that is expected to increase referrals 25%-50% or more. And it literally will take less than 30 minutes to modify.

What are some successful procedures where you can improve one or more elements that will incrementally improve results?

Taking Success Inventory Workshop

I am going to “kick start your inventory process by giving you ideas that may or may not apply to your business. Write down ideas as I share these. Later we will do a workshop to help you hierarchy these.

At BGD we have crunch our focus down to helping clients in three critical business areas:

- 1) 1) New client acquisition
- 2) 2) Maximizing Transactional Value
- 3) 3) Management – Process and Procedures

Management

1) Evaluate tasks that your best employees (or you) do well - Are there any areas where one employee seems to outperform the others? If so, simply duplicating the formula and teaching it to others will dramatically increase performance.

- • As an example, one of our coaching members is **Gamma Sports**. We are currently working on upselling and cross-selling. They have several reps that handle orders. We recently conducted a test and found that one sales rep outperformed the others by 4:1. At that superior conversion rate, it will produce \$600,000 in business life profits (and this is just with 4 of their 2,000+ products they carry).

- • **WORKSHOP** – Write down 2-3 tasks or functions where your top employees outperform the others by a significant margin. These can be sales tasks – i.e. getting appointments, closing deals, or operational as I just discussed.

2) Evaluate what products or services warrant your resources, investment and energy. Like prospect and customer types, I see many of you exhausting your limited time and resources on providing and/or promoting products and services that do not represent your greatest opportunity to increase revenues and profits.

- • **Bunn Olde Tyme Pharmacy** offers prescriptions along with standard pharmacy type items. And this area has grown significantly in the past few months. In fact, they have achieved an enviable revenue level in just two short years in business. Although the prescription business is necessary, it is marginally profitable at best. In contrast, the alternative treatment and compound prescription products are highly profitable.

Shifting energies to these products has the potential of increasing Bunn's profits by literally 1,000%.

- • **WORKSHOP** – Write down 2-3 product or service offerings that represent significantly greater profit opportunity if you shift certain resources to focus on them.

Max Transactional Value

- Upsell
- Cross sell
- Frequency of purchase
- Customer satisfaction
- Expand Purchase patterns

1) Evaluate the top 5%-10% of your customers – Why do they produce the greatest profits? Often you will find characteristics about your top customers that are duplicatable. These may be pertaining to how you service or sell them, or how they in turn sell your product or service to the end user.

- • **Cardello Electric** is a multi-generation electric supply powerhouse. In their industry it is common for the contractors to use six vendors, three predominantly. Although we are just in the beginning of the process, it appears that with the top 5% (where they get 40-50% of the volume vs 15% by others), they are doing tangible things that contribute to the high success of these client relationships.

So the question they are working on is, “What are the things we do to motivate them to give us more of the work and how can we apply this success formula to the next 5% and so on”. Success will mean millions on business life profits.

- • Another example is **Bell South**. I worked with their cellular phone independent reseller channel division. They distributed phones through small business like car stereo companies and the like. The average resellers were averaging just 2.3 phone sales per month. Upon our evaluating the database, we found that they had similar size companies moving 35 phones per month. Further, they had no clue why? Nobody had ever evaluated what the best were doing. By uncovering the Success Formula, they could teach it to other resellers that would benefit from increased commissions.

ALL success is tied into a formula – you just need to find out what it is and duplicate it.

- • **WORKSHOP** – Write down 2-3 customers, clients or patient types that outperform the others by a significant margin. Then write down 2-3 reasons why? Are they duplicatable?

Marketing –New Client Acquisition

- CCA – Strategic positioning
- Targeting - Prospect database
- Lead generation
- Multi-step marketing process
- Compelling Incentives
- Success campaigns, ads, programs

1) Evaluate what types of customers or prospects warrant you resources, investment and energy. This is directly related to **targeting** your highest leverage prospects (a core Power Strategy of The Power of ONE program).

I see many of you exhausting the limited time you have (remember, this is the #1 issue on your list) on prospects and customers that do not represent your greatest opportunity for increasing revenues and profits.

Are there certain types of businesses or individuals that are easier to sell, or that represent greater profits? If your time and resources are limited, it is an intelligent move to focus your energies on the best prospects and customers.

- • **Ultima Real Estate** is a client that has increased their business 300% since working with us. The vast majority of this success stems from concentration of focus. They use to market to all agents to get them to join their team. But upon evaluation, they determined that the moderately successful agents were the ones that were the

easiest to attract and convert. Since they too have “time” availability issues, it only made sense to spend all their energy on these prospects. The results, they have gone from 105 agents to 280 agents in one year and increased the average dollars per agent.

- • **WORKSHOP** – Write down 2-3 prospects or customer types that represent significantly greater profit opportunity if you shift certain resources to focus on them.

2) Evaluate past (and present) campaigns, selling techniques, and offers that produced significantly greater revenues than others. Often I discover that clients have stopped using successful techniques or only use them sporadically.

- • In continuing with the **Gamma Sports** example, they have done several successful upsell and cross-sell promotions in the past. However, they had not taken this to the next level and incorporated into every sales opportunity. Now they are focusing on increasing the frequency of such wins and dusting off the successful campaigns they have used.

- • **McCarthy Painting** is a highly successful painting contractor. They send a mailer every six months to customers and prospects that consistently produce results. My question to Greg was, “Why not mail it 12 times”. Simply test it. After all, Victoria Secrets mails their list over 100 times a year.

- • **Spectrum Financial** has blown the lid off of applying our **Strategic Endorsements** concepts. One technique that they are using involves meeting with clients to review their tax returns before April 15th. During such time they can identify opportunities to help clients reduce expenses using one of their other partners products or services.

In contrast to the other examples, this is a once a year opportunity. However, they can only meet with 50% of their clients. This means a missed opportunity for the other 50% to apply the most potent marketing tool they have. So in this case we looked to duplicate the success by using other vehicles – namely fax and phone interviews and setting up appointments for just after tax season.

- • **WORKSHOP** – Write down 2-3 campaigns, selling techniques, or offers that produced significantly greater revenues than others.

Sales

- Initial contact - script
- Appointment setting
- Meeting/presentation
- Proposal Process
- Follow up process
- Closing process

I suggest that you expand upon the mini-workshops we just did. Take your top 2-3 ideas and conduct a workshop on each.

"Workshop Training" Revisited

In a previous session we discussed the use of a simplistically powerful technique for getting your staff on board so that they contributed to the mastermind process and emotionally buy in to the changes you are looking to incorporate in the business.

For review, this involves having weekly one-hour staff meetings where you pose a question about something you want to improve and then getting consensus and breaking down responsibilities to complete the task.

Some of you are having challenges applying these successfully with your teams.

Really go for it over the next 30 days and I look forward to speaking on our next one-on-one session together.

To your success!