

## Grow your business with old clients

Sales reps sitting around? Orders down? Less customer traffic? It's time to take action. The best way to get new business quickly is to get in touch with old customers.

Despite the efforts and money companies spend on attracting new customers it's surprising how little most businesses do to stay in touch with those they once served. Often the attitude is that "once a job is done, it's done; once a product is sold, it's sold," and the relationship with the customer is over.

Many businesses do not have any form of customer retention plan and adopt the approach that it somehow seems rude or "pushy" to contact old clients.

That's short-term thinking. Past and existing customers are the single best source for future sales, even in businesses where customers make purchases only every other year. Regardless of whether they need your product or service again immediately, satisfied customers speak with peers and friends, so they're essential for getting referrals. If you want to build word-of-mouth business, it's your former (and current) customers whose mouth the words are going to come from.

**Remember:** it's easier and less costly to KEEP a customer than to ACQUIRE a customer. In fact, estimates are that it costs anywhere from two to 20 times as much to attract a new client than to retain one, when you take into account how much money you spend on prospecting, advertising, networking, trade shows etc. If you don't keep in touch once you have acquired a customer all that money is down the drain.

Here's some ideas to get started on an ongoing customer contact programme:

**Build a customer database:** Most businesses have customer information in many places, such as business cards, invoices and letters, but few have them in one place. Put together a complete list. Start with past customers and

go back at least three years. Add anyone who has been – or might be – a source of referrals and don't rule out problem customers of the past – things may have changed since your last dealings.

**Choose your contact methods:** A phone call is a personal, simple, and effective way to touch base. It also allows you to assess your effectiveness and fine-tune your tactics quickly. The down side of course is that, calling takes time, so you may want to limit it to your most likely prospects, particularly if you have limited staff. Email can also be effective, but you need to make your email personal to avoid seeming like spam. If you have the resources, create a regular email newsletter. The key is to find something you can do repeatedly and regularly.

**Decide on your message:** You don't need a specific reason to contact a former customer. It is quite acceptable to be direct, "It's been a while since we've talked, and I'm just touching base to see how you are and how business is going". Be a little cautious if you haven't been in contact with someone for while and take the time to find out what's going on with them before making a sales pitch; their situation may have changed considerably.

It doesn't matter how well your business is doing, it's essential to get back to those fundamentals. Remember, "word of mouth" advertising doesn't just happen; it has to be made to happen.

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# New employee orientation

New employees are often so pleased at the prospects of their new job, they may not recall all of the information that was discussed during the hiring process.

Orientation is the key to a better start and a happier, more productive employee. This is an ideal time to provide new employees with information that will ease their transition into the work place and inspire them to have a good attitude towards the company and their new job.

Generally the employee's orientation should cover three key areas:

- A general orientation – meet the company
- A departmental orientation – meet the team, and
- A specific job orientation – how they fit in.

When new employees are well informed at the outset, they are better prepared to take on their new responsibilities and are not as likely to take up valuable time of other team member unnecessarily.

## Starting Out Right

A well-planned orientation program avoids potential miscommunication and lost productivity and helps the new employee adapt to the new job and workplace faster.

- Plan and prepare an orientation schedule for the employee's first day.
- Indicate the time and locations of meetings with other staff, their titles, departments, local telephone numbers and the expected length of each visit.
- Provide each of these individuals with a copy of this schedule so they are well prepared to help the new employee learn about the company and its people.
- Schedule time for completing and signing documents for income tax purposes and other employment matters. Make sure the employee's address, and resume are on file.
- Make sure the new employee's work area is equipped with the tools needed to do the job.

## The Company

- Provide a brief overview of the company, including the company's history, its products and services, the management structure, the competition, and the company's strategies and goals. If possible, have a chart available that shows how the company is set up and includes photographs of the key personnel and their titles.
- Provide information about the company's customers, suppliers and any other parties that the company interacts with.
- Consider matching the employee with a mentor in the work place to turn to for information or to discuss any difficulties.
- Discuss the daily operations and matters such as staff meetings, hours of work, time cards and lunch breaks.



## The Tour

- Take the employee on a tour of the company to familiarise him or her with the various areas, staff, and equipment.
- Introduce the employee to co-workers and provide information about their positions, career background and personal interests.
- Point out any areas that are restricted for administrative, security or safety reasons.

## Administrative

- Explain the administrative details of the employment, such as the pay period, company benefits, statutory holidays and vacation time.
- Explain the company's policies on staff development, advancement, salary/wage review and sick leave.
- Discuss the probationary period and clarify aspects of the job and expected performance.
- If it is a contract position, ensure that the employee signs the contract.
- If the employee is to receive salary plus commission, put the commission rate in writing.

## Training

- Schedule the employee for any training that must be taken to meet business, production or safety requirements.
- Make sure the employee is aware of all safety regulations in the building and the procedures that must be followed in an emergency.
- Ensure the employee is aware of the safe and proper use of any equipment that is required for the job as well as any safety equipment that must be worn.

Most employees start a new job with some anxiety about meeting their new co-workers and measuring up to their new duties and expectations. While a good orientation program takes time and effort, it is an important investment. A well planned orientation can ensure a smooth transition, avoid miscommunication, and ultimately reduce staff turnover.

# Building a brand

It seems obvious, but brands are so much a part of our lives that we forget how much we depend on them. We use brands as short-hand to make our trips to the supermarket easier; we use brands to reassure us about our purchasing decisions; we even use brands to define ourselves in society.

Corporations spend of millions of dollars building their brands – for good reason. Brands help:

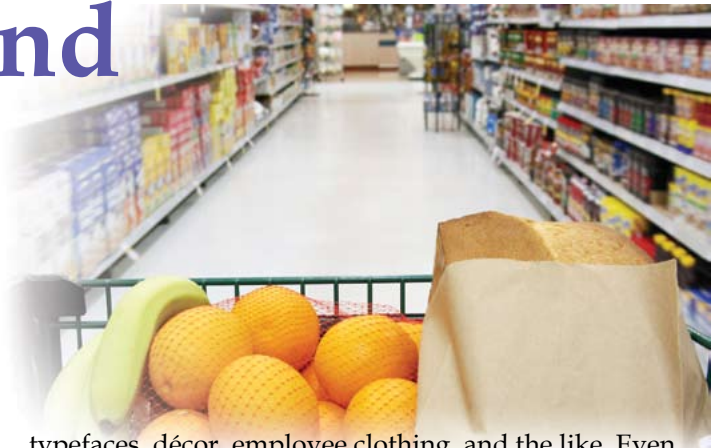
- Your customers to remember you or your product
- Build customer loyalty and lead to repeat purchases
- Make it easier for current clients or customers to refer you to others
- Send a message about what your customers can expect

Many businesses assume that a brand is an image, or more simply a logo. That's only one part of it. The most important thing to remember is this: a brand is a promise. With a brand, you set customer expectations. When someone buys your product or service, they count on those expectations being fulfilled.

The components of your brand promise are based on:

**1. Consistency of experience:** This is a critical component in building a brand. Take the McDonald's example. No matter where you go you can expect their product to look and taste the same. For a small business that can be a challenge. Start with the basics. This may begin by answering the telephone in a consistent way. Then move on to standardising some of the operational aspects of your business.

**2. Consistent appearance:** At the most basic level, to build a brand you must develop a strong brand image. Consistent look-and-feel extends to your logo, colours,



typefaces, décor, employee clothing, and the like. Even a professional services company, such as a law firm or an architect, should make sure their brochures, business cards, website and stationery all have a consistent look-and-feel.

**3. Consistent quality:** It's not enough to deliver a consistent experience to your customer, the experience must also be of a certain level of quality. McDonald's French fries don't have to be the best French fries in the world, but they have to be good French fries. And they have to be fresh every time.

**4. Competitive position:** A brand must stand for something and distinguish you from the competition. These primary benefits make it easy for a consumer to choose the brand that suits them. The easiest and simplest way for a small company to develop this distinct brand position is to focus in on a niche or specialised market so that there are fewer competitors. Small businesses often ignore this and attempt to cover the whole market by being everything to everyone.

Remember, a brand is a promise not just an image. When you make and keep your promise to your customers, they'll keep coming back.

## Put it in writing

Once in business, you are exposed to all kinds of legal concerns and issues. Despite best intentions, nothing ends up as simple as it seemed in the beginning. Combine that with the human weakness of forgetfulness and it is not difficult to reason that it's a good idea to get just about everything you do or agree to with others, from employees to partners to distributors, in writing. Writing things down – clearly and completely – both avoids misunderstandings from the start and protects you if something goes wrong later.

The best time to prepare a written agreement is at the beginning of a deal or relationship – long before any problems start to appear. That way, you can all stay objective, since you're just talking about theoretical possibilities and no specific details or feelings are involved. Try to anticipate how you'll solve problems if things don't work out.

### A word of advice

In simple circumstances take at least the minimum step of recording the minutes of the discussion and providing every person participating with a copy.

For anything complicated – or where stock, company ownership, or large sums of money are involved – consult a solicitor. Be careful if you decide to go it alone and write your own agreements. What seems simple may turn into a minefield if it needs to be interpreted by a third party who was not part of the initial discussions, such as in a courtroom. Professional costs to prevent problems pale into insignificance when compared to costs for damage control.

Whilst the days of doing business with just a handshake may not be entirely over, doing so leaves you at risk. We live in a litigious society, and the best way to avoid ending up in court or hot water is to have things spelled out long before any problems arise.

# Avoiding the traps in strategic planning

Some form of strategic planning is essential for all businesses that want to improve their long-term financial performance. However, it can be difficult to do so effectively, especially without external help and constructive feedback.

## Common pitfalls

For many businesses, 'strategy' is too often:

- An overly simplistic vision, which does not reflect a tangible, competitive advantage
- Concerned only with general objectives, without spelling out the 'how'
- Insufficiently focused on how the business can improve its service to customers
- Controlled exclusively by too few a number of individuals
- Based upon inaccurate or wishful financial projections
- Focused only on profitability or sales measures, meaning that other important issues, such as exit values on sale of the business are not factored in.

## A new perspective

To avoid these traps, it is useful to take a fresh perspective on the business. You should look at the wider picture, including such things as the 'PEST' factors (political, economic, social and technical); the actions of your competitors; the efficiency of your systems and cost management; and the factors that drive growth in your business.

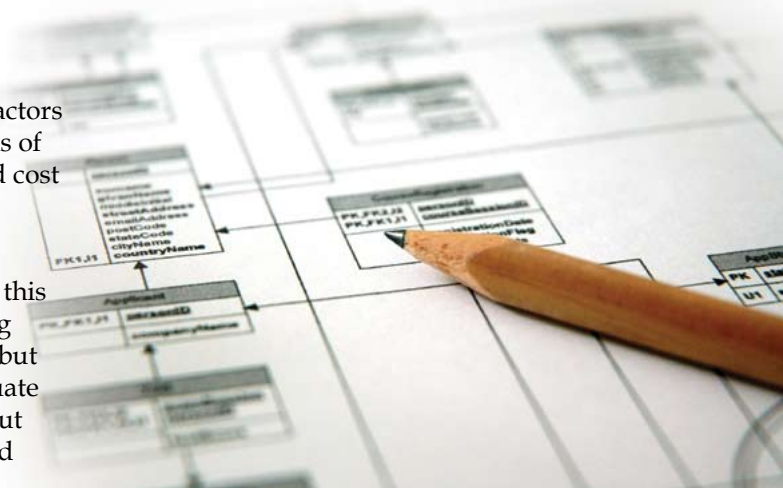
A good external adviser can often help in achieving this perspective. He or she can do this not just by coming up with imaginative ideas for growth and strategy, but also by facilitating discussions, helping you to evaluate options, and by asking you searching questions about your business, which stimulate creative thinking and help you find your own solutions.

## Practical measures

Above all, strategic planning must result in practical measures which ultimately benefit your bottom line. Strategies should be broken down into step-by-step processes, deadlines and responsibilities and agreed upon. Project management guidelines should be put in place so that ideas can be implemented. Measures that will enable you to track success should also be established.

As your accountants, we can help with much more than just preparation of your financial statements. We can assist in many of the areas that will enable your business to achieve long-term financial success. These include such things as preparing cash-flow forecasts and business plans, minimising your tax burden and helping you to maximise the opportunities for raising finance.

Contact us, and we will be delighted to discuss these issues with you.



## OUR SERVICES

## What big firms don't want you to know

Do you know why large firms rank marketing highly? It's because they know it is essential for attracting new clients and keeping existing ones, and is a powerful way of directing business towards services that deliver the best results for the firm.

What they don't want you to know is that you don't have to be a big firm with a big budget to do it. The secret is finding the right tools to do the job.

A great start is communicating with your clients frequently and meaningfully. A newsletter such as The Profit Improver makes it incredibly easy. Imagine this professionally prepared publication with your logo and your personalised message in this space instead of ours.

Now that you know the secret, what are you waiting for? Call Practice Advantage today to get started. Tel: 1300 853 171 (Australia), or +61 2 9962 9251 (from New Zealand).

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