

# **The 27 Common Financial & Marketing MISTAKES**

**That Right Now  
Are Costing  
Owner-Managed  
Businesses  
£Millions Each Year**

# Contents

<b>The 27 Common Financial &amp; Marketing Mistakes That Right Now Are Costing Owner-Managed Businesses £Millions Each Year .....</b>	<b>4</b>
‘FATAL MISTAKES’ You Must Absolutely, Positively Eliminate From Your Business Right NOW! .....	4
<b>Financial Mistake #1 .....</b>	<b>7</b>
Failure To Have An Ultimate Goal And A Plan For How To Get There .....	7
<b>Financial Mistake #2 .....</b>	<b>9</b>
Failure To Keep Good Financial Records.....	9
<b>Financial Mistakes #3.....</b>	<b>11</b>
Not Selling For Your Best Profit .....	11
<b>Financial Mistake #4 .....</b>	<b>12</b>
Not Billing Promptly ...If At All! .....	12
<b>Financial Mistake #5 .....</b>	<b>13</b>
Making It Easy For Customers Not To Pay .....	13
<b>Financial Mistake #6 .....</b>	<b>14</b>
Paying Too Much.....	14
<b>Financial Mistake #7 .....</b>	<b>15</b>
Failing To Account For Regular Overheads. ....	15
<b>Tax Mistake #1.....</b>	<b>16</b>
Not Talking To Your Accountant .....	16
<b>Tax Mistake #2.....</b>	<b>17</b>
Thinking Tax Legislation Is Fair And Logical .....	17
<b>Tax Mistake #3.....</b>	<b>18</b>
Assuming HMRC Will Respect Good Intentions .....	18
<b>Tax Mistake #4.....</b>	<b>19</b>
Thinking “Everybody Does It In This Business... I’ll Get A Slap On The Wrist If I’m Caught” .....	19
<b>Tax Mistake #5.....</b>	<b>20</b>
Trying To Change Things After The Event .....	20
<b>Tax Mistake #6.....</b>	<b>21</b>
Keeping It All To Yourself (1) .....	21

<b>Tax Mistake #7.....</b>	<b>22</b>
Not Paying Attention .....	22
<b>Tax Mistake #8.....</b>	<b>23</b>
Not Keeping Proper Records .....	23
<b>Tax Mistake 9.....</b>	<b>24</b>
Keeping It All To Yourself (2) .....	24
<b>Marketing Mistake #1 .....</b>	<b>25</b>
Marketing To Everyone .....	25
<b>Marketing Mistake #2 .....</b>	<b>28</b>
Not Having A Unique Selling Proposition (USP) .....	28
<b>Marketing Mistake #3 .....</b>	<b>30</b>
Not Using All 3 ‘Business Multipliers’ .....	30
<b>Marketing Mistake #4 .....</b>	<b>32</b>
Only Using A Small Number Of Marketing Strategies Across The 3 Business Multipliers.....	32
<b>Marketing Mistake 5 .....</b>	<b>34</b>
Using ‘Institutional’ Advertising .....	34
<b>Marketing Mistake #6 .....</b>	<b>39</b>
Failing To Use Testimonials.....	39
<b>Marketing Mistake #7 .....</b>	<b>42</b>
Not Having A Risk Reversal Or Guarantee In Place .....	42
<b>Marketing Mistake #8 .....</b>	<b>46</b>
Not Using ‘The Acres Of Diamonds Principle’ .....	46
<b>Marketing Mistake #9 .....</b>	<b>49</b>
Not Testing Your Marketing Strategies Or Using The ‘Minimum Risk-Maximum Return Formula’ .....	49
<b>Marketing Mistake #10 .....</b>	<b>54</b>
Not Calculating And Profiting From Lifetime Customer Value.....	54
<b>Marketing Mistake #11 .....</b>	<b>60</b>
Not Using Headlines .....	60
<b>CONCLUSION .....</b>	<b>64</b>
These Financial & Marketing Mistakes Can Seriously Damage Your Business’s Health.....	64

# The 27 Common Financial & Marketing Mistakes That Right Now Are Costing Owner-Managed Businesses £Millions Each Year

**‘FATAL MISTAKES’ You Must Absolutely, Positively Eliminate From Your Business Right NOW!**

**W**e see it every day. People making these fatal mistakes. And even if they’re not fatal, they are having a massive detrimental effect on a business. It's not that the business owners are doing it on purpose. Of course not. It's just that these Financial & Marketing Mistakes are being adopted because people simply don't realise that what they're doing is having a catastrophic effect on their businesses.

Call it ignorance. Call it lack of knowledge. Lack of professional guidance. Call it what you like. The point is that almost every business is wasting hundreds of thousands of pounds because they’re making these mistakes – without even knowing it!

Statistics tell us that 80% of businesses go bust during the first five years of trading. And of those that remain, 80% will not be in business ten years from when they started. That’s a scary but true statistic – especially when you think these figures don’t include the current difficult trading conditions!

The fact is the success and failure of any business is almost entirely down to how well the business is financially ran and marketed – and not down to how good the product or service is – or the people in the business!

## NOTES

This may be difficult for you to agree with at the moment, but as you read through each one of the following mistakes you'll quickly understand that 'He who has sound financial foundations and markets most effectively – wins – and wins big.' That's why inferior products and services have stood the test of time. It's because they were (and still are) marketed well – often better than superior products and services. And the business is supported by sound financial and tax saving strategies.

In other words, to build a better business you need to apply AND combine proven financial and tax saving strategies with proven marketing strategies.

When you understand what this means, it's easy to appreciate why businesses all over the world struggle or don't do as well as they should...

**They simply haven't found a way(s) to generate a constant stream of customers and keep them buying – time after time and at the same time create a financial infrastructure that helps the business flourish.**

This is WHY businesses fail – or don't prosper as much as they should. Sure we've all heard the same excuses...

- Too much competition
- Price-sensitive market
- Poor staff
- Economic slowdown/recession
- Blah, blah, blah!

But when the business owner dedicates a large proportion of their time to effective financial management and marketing, then they make the business 'immune' to outside factors such as the competition.

Better still...

Because these Financial & Marketing Mistakes are **SO common**, this presents a huge opportunity for you **RIGHT NOW**. We guarantee your competition will be committing these mistakes in their own businesses. Mistakes they're not even aware of. Mistakes you can now transform into **winning** strategies.

## NOTES

By looking at the common mistakes and what negative impact each one has on a business, you'll get an appreciation of the significant improvements you can make in your own business. You'll be able to spot the mistake before it happens. And you'll ultimately be in a position to transform each mistake into powerful financial and marketing strategies that generate windfall profits the moment you take action!

As you read through each mistake, think about your business and see how well you're doing in each of the areas – are you now committing suicide on your own business right now?

Some mistakes are admittedly worse than others. Some can be catastrophic (hopefully you aren't committing any of these!). But if you catch them soon enough – you'll have time to act. And ACT is what you must do. If you keep doing the same things – you're going to get the same results.

If you take control of your business and ensure you avoid making these common mistakes, you can expect truly amazing results! That's the true purpose of this report. Identify what you're doing wrong, put it right, and skyrocket the sales and profits of your business.

### **PLEASE NOTE:**

After each Financial, Tax And Marketing Mistake you'll see a box like this explaining how we, as an organisation, help our clients eliminate the mistake from their businesses and create a powerful and winning alternative.

Please read these 'Side Bar' comments. They will help you further understand what incredible results can be achieved when you use an accountant that's focused on helping you build a better business!

Okay, let's get started...

# Financial Mistake #1

## Failure To Have An Ultimate Goal And A Plan For How To Get There

**Y**ou wouldn't set out on a long car journey without knowing your destination, not unless you want to waste an awful lot of time and money. The same applies to your business.

If you don't know what your goal is then you have no target to focus on. Your decision making becomes reactive since there is no forward looking element to it. Business management lacks consistency since there is no point on the horizon to guide your thinking.

Whatever stage your business is at, taking time to think about what you are actually trying to achieve is invaluable. So if you haven't already done so...

Take a blank piece of paper.

- Mentally, put to one side all your current problems, issues and constraints (Trust us!).
- Write down in bullet point fashion what it is that you really want to achieve with your business. This should be no more than half a dozen points but could be as few as one.
- Frame It! Now you have some goals.

Now let's return to the car journey. You know your destination, but that's not enough on a long trip. You need a map or a SatNav to get you there; otherwise you run the risk of a wrong turn at every junction.

In business, knowing your goals is a big step forward but it is equally important that you have a plan for getting there.

A plan will show you the most effective route and will tell you what's possible and what needs change. More importantly, as circumstances require change, so the existence of a plan, like a map for your business, will help you pick the most effective route for getting back on track. Guesswork is removed from your decision making.

## NOTES

Creating an effective business plan isn't a five minute exercise. Critically it must be your plan, not something put together by an accountant to keep the bank happy.

However, it is very difficult to create an achievable and meaningful plan without a trained professional to guide and assist you and your accountant should be ideal for this role.

The plan should never be seen as fixed. It will continue to evolve, both during its creation and implementation.

**PLEASE NOTE:**

We have a cost effective programme for helping you to create and maintain this critical business tool. It's your plan but we use our expertise to facilitate and help you complete it.



# Financial Mistake #2

## Failure To Keep Good Financial Records

We know what you're thinking...typical accountants banging on about the boring stuff! Well, here are two facts that you may not be aware of...

1. Failing to maintain proper records is, in many cases, illegal and can lead to personal prosecution.
2. Failing to maintain proper records is recognised as one of the main causes of business failure in the UK.

Imagine taking your car on a long journey (again) without any dashboard information being available to you. You don't know what speed you're doing, whether any faults are developing or when you are going to run out of fuel.

You may think that you have enough driving experience to be able to gauge these things in your head but at some point you are going to get it wrong and there is nothing to tell you otherwise. You are heading for trouble.

Running your business without good financial information is exactly the same. You may think that things are okay but you have no meaningful record of what you've actually done and, more importantly, what's coming up.

"I don't have the time" is the most common excuse we hear, followed by "I'm not an accountant, I don't know how". In reality they are saying "I don't think that it's important and I can't be bothered to sort it out". When you consider that the alternative is prosecution or business failure then any excuse seems pretty weak.

It's all well and good having an accounting system in place but if it's not kept properly or up to date then you still can't get hold of accurate information on your business as quickly as you need to.

## NOTES

We come across businesses which have invested in an accounting system such as Sage, for example, but use it for little more than doing their vat returns. A wasted investment and opportunity. If you don't have up to date, accurate accounting records then:

1. You have no reliable information to assist you with your everyday business decisions;
2. You pay unnecessary fees to your accountant;
3. You cannot supply information to your bank, mortgage lender etc and so get financial help when you need it.

In other words... You put your business at serious risk.

### **PLEASE NOTE:**

We know you have many priorities to address when running your business but we can help you fix this one easily...

1. Get one of the many cost effective 'off the shelf' accounting software solutions available – we can help you select the right one.
2. Get some training, for you and/or a staff member. Again, we can help you with this.
3. Set up a regular reporting system, giving you the key information for running your business and making the right decisions. We can talk you through what is best.

The solution is simple. A little training and guidance from us. It will pay for itself many times over.

Alternatively, we can come out on a regular basis and do it for you. Give us a call and we'll talk to you about the best option.

# Financial Mistakes #3

## Not Selling For Your Best Profit

**D**o you really know how much profit you make on each and every sale? Do you even know if you make a profit? Many businesses are unaware of the exact profit they make as they don't monitor closely enough the different elements that go to make up the sale. Costings are generally incomplete or outdated. Price lists are not regularly reviewed. Sales volumes and sales mixes change and become out of step with the costing model.

A simple check lies within your management accounts and is yet another reason why you must keep these up to date. Monitoring your gross profit percentage will identify any negative trends before it's too late.

If you don't have a tried and tested costing system in place for your goods and services then it is vital that one is created.

With so many variables influencing your costings they should be regularly reviewed, at least annually and after key economic changes.

Regularly review your own price lists and match to your costings.

Closely monitor gross profit yields.

### **PLEASE NOTE:**

It goes without saying that we can help you in these areas, by creating a new system for you or reviewing the accuracy and validity of your existing ones.

# Financial Mistake #4

## Not Billing Promptly ...If At All!

**F**undamental to any commercial operation is being paid for any sale. The hard work associated with a sale together with costs of product and marketing have all been incurred. Yet we still come across many businesses who simply don't know whether they have been paid or not!

The main reason for this is simply that they don't have a system to ensure that all sales are invoiced.

The cost to any business of weak controls in this area can be catastrophic. Like many things however the solution is relatively simple. It comes down to having a good physical and accounting process in place.

A good exercise is to produce a flow chart of how your goods and services are stored, processed and billed. This will identify physical and accounting weaknesses to be addressed.

**PLEASE NOTE:**

We can come in and independently audit this process for you.

It's one of those exercises that pays for itself by identifying and blocking to holes currently leaking profit.

# Financial Mistake #5

## Making It Easy For Customers Not To Pay

**G**ood credit control starts long before you get on the phone to chase overdue accounts. You can dramatically reduce the chance of disputes and bad debts by being aware of the risk from the moment they first become a customer. The damage has already been done by the time you raise your invoice unless consideration has been given to some key areas first:

1. Credit and background checks on new customers
2. Annual reviews of existing customers
3. Clear and concise terms and conditions for all customers
4. Clear and precise order, despatch and sign off system

If you have a clear record that the customer has received exactly what they ordered, fully in line with terms and conditions that they have agreed, then disputes are going to be significantly reduced.

If you have taken every step to ensure the financial security of the customer then bad debts are going to be significantly reduced.

Now, you complete your defences by having a robust system of credit control aimed at managing the payment of every invoice and you have an effective system for ensuring your hard work is properly rewarded.

**PLEASE NOTE:**

We work closely with clients in creating such systems.

# Financial Mistake #6

## Paying Too Much

Watching the pennies is as good advice now as it has ever been. Often, a money saving opportunity is missed because it seems insignificant given the grander picture. The truth is that the opportunities for dramatic savings are rare whilst a range of small savings over a period of time can have the same effect but are much more achievable. Taking just 1% or 2% of each line of your overheads will be significant year on year.

There is a balance to be achieved between cost and value. Cheapest often isn't the best and you should be looking to achieve best value for your budget as opposed to the lowest possible solution.

It is too easy to cut back on 'soft' spending such as training, marketing and advice non-essential, but all are critical to the development of any business.

The key is to ensure that your spend in these areas is cost-effective.

### **PLEASE NOTE:**

We regularly assist our clients with cost reduction exercises across their overheads as part of our 'Profit Improvement Service'.

And on the subject of the cost of advice, all the work that we do with clients is tailored specifically to fit their individual budgets.

# Financial Mistake #7

## Failing To Account For Regular Overheads.

Every business should know when it is due to pay its wages, rent, tax and vat and also have a good idea of how much they are going to be. But when it comes round to paying them, they are often the overheads which many business owners simply don't have the cash flow for, and its these bills which cause many businesses to go under.

The reason is partly understandable as these tend to be big bills but it is often a symptom of an internal problem as the business fails to account for them.

A cash flow forecast is a fundamental management tool for a business. It is the means by which future bills can be factored into current decisions and help to avoid spending money that ought to be allocated for other uses.

It is a policy that requires discipline, particularly for new and growing businesses and is a difficult shift to manage for a business already experiencing tight cash flows but it is the only way in which the situation will be brought under managed control.

Create or update a cash flow for your business. The process of recording known and expected 'ins' and 'outs' is time consuming to set up but essential for a managed business. The timescale will depend on purpose but a rolling monthly and annual plan is fairly common. Over a period of time it will help to bring the business back under your control with more effective decision making helping to avoid unnecessary financial costs and reduce stress levels.

**PLEASE NOTE:**

We can help you to implement and manage a cash flow system for your business that will significantly increase your financial and management control.

# Tax Mistake #1

## Not Talking To Your Accountant

**T**he good news when it comes to mistakes with your tax is that they are very easy to avoid. There is one simple solution that will enable you to avoid every common mistake... **TALK TO YOUR ACCOUNTANT FIRST!**

Seriously, most mistakes made by people with their tax affairs arise out of understandable ignorance. Not only is tax law complex but it is inherently unfair) and full of all sorts of inconsistencies and illogical pitfalls.

Without the prior involvement of an expert the chances of expensive error or missed opportunity are high.

**PLEASE NOTE:**

Tax mistakes are many and varied. What follows are just some of the most common. And there are many ways to legitimately save tax. Our expert 'Tax Planning Service' will help you through the minefield and help you avoid all the common mistakes and of course help you pay as little tax as possible – the savings can be considerable with the right advice.



# Tax Mistake #2

## Thinking Tax Legislation Is Fair And Logical

**N**o its not! Neither is the way in which it is applied by HMRC. Whatever the marketing men from the Revenue may say, HMRC's job is to use voluminous and complex legislation to extract as much tax out of you as possible regardless of your situation or intent.

**PLEASE NOTE:**

Proper planning and paper trails are your defence against all forms of HMRC attack... TALK TO US FIRST!

# Tax Mistake #3

## Assuming HMRC Will Respect Good Intentions

Only if it suits them! You may have acted for sound financial or commercial reasons but that argument will count for little in the face of a Revenue enquiry.

**PLEASE NOTE:**

Proper planning and paper trails are your defence against all forms of HMRC attack... TALK TO US FIRST!

## Tax Mistake #4

### Thinking “Everybody Does It In This Business... I’ll Get A Slap On The Wrist If I’m Caught”

**T**his is not the 1970’s. HMRC take tax evasion of any form extremely seriously and use the law courts to their full in order to criminalise those who break the law. Even where legal action is not followed through the penalty regime is painful and there is still the tax and interest to pay.

The fact is that any business not taking its tax responsibilities seriously is heading for a fall...so, no, they don’t all do it these days! A good, well run business is tax compliant because it can’t afford to be anything less.

**PLEASE NOTE:**

We run tax health checks for our clients to improve the effectiveness of their tax compliance and reduce the risk and cost of a tax enquiry. For those with a problem, we can handle negotiations with HMRC to minimise the damage.

# Tax Mistake #5

## Trying To Change Things After The Event

**M**ost transactions are date sensitive when it comes to tax. Key deadlines are just that and tax planning is always more effective if it is done whilst there is still time for it to work!

**PLEASE NOTE:**

Where tax is concerned you have to plan, plan and plan. Our Tax Planning Service can be completely tailored to your requirements and budget to ensure you're taking advantage of all the best and most up-to-date tax saving strategies.

# Tax Mistake #6

## Keeping It All To Yourself (1)

**K**eeping everything that you have within your grasp may feel safe and secure but sharing assets and income around is an effective means of reducing personal tax liabilities, in life and death.

However, it comes with a health warning as sharing assets around can be no paper exercise.

**PLEASE NOTE:**

If you want to save tax and be properly informed of all the risks... TALK TO US FIRST!

# Tax Mistake #7

## Not Paying Attention

**P**ersonal and corporate deadlines for filing tax returns are known many months in advance. Yet every year, £millions are paid over in late filing penalties simply because individuals couldn't be bothered to get themselves organised.

**PLEASE NOTE:**

Harsh sounding but true in the vast majority of cases...We advise clients well in advance of their filing dates and work with them to meet the deadlines...but it's a team effort.

# Tax Mistake #8

## Not Keeping Proper Records

**W**hether it be your normal accounting system or a specific tax-sensitive transaction, your defence to HMRC enquiry will depend on the quality, accuracy and correctness of your records.

**PLEASE NOTE:**

We run tax health checks for our clients to improve the effectiveness of their tax compliance and reduce the risk and cost of a tax enquiry. Where specific tax planning has taken place we ensure a full and proper paper trail... as always...  
**TALK TO US FIRST!**

# Tax Mistake 9

## Keeping It All To Yourself (2)

**H** MRC know that they will collect most from you if they can keep you trading and give you a future. Consequently they will work with you on managing your liabilities providing you keep them informed and are open and honest with them.

Ignore them or treat any financial arrangements casually at you will feel the full force of their collection powers.

**PLEASE NOTE:**

We help clients to manage their financial affairs with HMRC, acting as both advisor and liaison.



# Marketing Mistake #1

## Marketing To Everyone

“You can’t be all things to all men.”

**W**e know this may come as a shock to you, but it's true. You cannot hope to market your products or services to everyone even if you think everyone needs them.

We’re not saying you can't be successful doing this. What we’re saying is business owners really do limit their potential by not focusing on select groups of people or businesses. These specific groups are called ‘niches’.

By focusing on one or more niches you will connect with these people at a much higher level, and consequently automatically gain more business.

I'm sure you've heard people say things like, “This person really connects with me, and they really understand my business.” This is what you do when you choose to market to these different groups.

Think about it...

It stands to reason that certain groups of people or businesses are likely to want and need your products and services more than others. More importantly your niche must focus on the groups who can **AFFORD** your products or services. There’s no point in targeting groups who want and need your products or services if many of them can’t afford to buy or pay for them!

A common question we’re often asked is this – “If I limit my market, won’t I be reducing the chances of doing business with more people?”

Of course this is a concern you may have too, but to succeed in today’s competitive market place, you need to concentrate your marketing on a smaller number of well-chosen segments or niches, into which you pour all your marketing resources.

**A niche market is a specific group of people or businesses that want and need your service and can afford to pay for it!**

## NOTES

Because you are targeting smaller numbers, the same amount of money you were previously using to acquire customers, is spread across a smaller number, and therefore you have more to spend on each prospect than you would if the market was bigger. This alone makes you more successful.

In a nutshell, the ideal niche market is the segment(s) that represents your best chance of getting a good return from your marketing efforts.

### **These niches are critical to you.**

Of course, if you focus on a smaller group you may not get the business of other people or businesses outside the target group. However, what actually happens is you increase the amount of business you receive from the target group(s) or niche(s).

This is because you are now specifically meeting the needs and requirements of the chosen niche. You're saying to them that you are THE company that knows about their situation. No other company specifically meets their needs in this way, and therefore you are seen as the logical company to turn to.

Here's an example to show the power of defining your market or niche...

Let's say you're a start-up business and you need an accountant. Your first choice is to look in the Yellow Pages® under the 'Accountant' category. Although there are a number of ads, the first one reads...

**'ABC Chartered Accountants. Tax preparation, auditing, bookkeeping, payroll services, help for start-ups, management accounts', and so on.**

The second ad reads...

**'XYZ Chartered Accountants. Specialising in helping start-ups get their businesses running quickly, profitably and effectively.'**

Which firm of accountants are you likely to choose? The answer is obvious, but it serves as a good example to show how effective this strategy is – yet how widespread it is that few businesses follow this simple approach!

## NOTES

If you can create this bond between you and your niche market(s) we guarantee you'll grow your business to unprecedented levels. That's the power of niche marketing. By concentrating on specific groups, you can achieve very high market shares in that particular segment because people automatically come to you.

### You will 'own' the market.

You're viewed as the only choice because your product or service is 'designed' to solve the specific problems of those people. An obvious example is SAGA who cater for the over-50s.

Not focusing on one or more niches is perhaps the biggest Marketing Mistake! And for you it represents your greatest opportunity!

#### ***SIDE BAR COMMENT:***

No matter what anyone tells you – your target market is by far the most important element of your entire sales and marketing and business growth.

Get this spot on, and anything is possible. Get it wrong and growing your business is harder and more challenging than it really should be.

Put another way, you can send a poorly written and executed sales letter to the right people and get decent results. Send a fabulous sales letter to the wrong people and it will bomb. That's why getting the target market right has to be the first and most important element of growing your business.

That's why our **FREE Sales & Profits Optimiser Service** takes you 'by the hand' and explains how you can create the right target markets for your business – no matter what product or service you sell.

# Marketing Mistake #2

## Not Having A Unique Selling Proposition (USP)

This will knock your socks off...

**T**his is by far the most common Marketing Mistake people make. Let us explain... USP is the one thing that differentiates your business from your competitors in the minds of your customers and prospects.

The USP is what makes the difference between having a truly outstanding business or merely a good one, or worse still a poor one.

Occasionally the USP already exists in your business – you just need to discover it and then articulate it in a way that makes you stand out from the crowd. However, in most cases the USP has to be created, often out of ‘thin air’. We can’t stress enough how important this is to you. How can you expect your customers to be able to choose you, over and above any of your competitors, if the customers can’t quickly see what it is you do that is so unique and beneficial to them?

Outstanding businesses have been founded on a USP alone. For example, here's a very well known USP...

**"Red hot pizza delivered to your door in 30 minutes or less - guaranteed."**

Tom Monahan of Domino's Pizza created one of the most successful fast-food franchises in the world from the strength of this USP. So did Fred Smith of FedEx ("When it absolutely positively has to be there overnight – FedEx").

Please don't dismiss the importance of USP. We guarantee your competitors are unlikely to have one. This will make a massive difference to the growth and profitability of your business.

Plus, there are other factors to consider...

If you are viewed by your customers and prospects as being the same as your competitors, what do you think becomes the important criterion when customers want your product or service?

## NOTES

That's right – price.

There's no hiding the fact that as soon as you create the USP, you automatically take your business out of the 'price war' and into the nirvana of higher prices/fees – and less competition!

And that, my friend, is the power of USP.

### **SIDE BAR COMMENT:**

We've actually used the term 'USP' here because most people have heard of it. In actual fact we prefer to use the term – 'Unique Perceived Benefit' (UPB). That's because most business owners are so poor at promoting their uniqueness's, that if you're the only one promoting the benefit – even if it isn't unique – it is of course perceived to be unique.

In other words, let's say your 'Midas Touch' gadget has this big benefit – you point it at any wooden object and it turns it into gold. This big benefit, although amazing, isn't unique – three of your other competitors have the same benefit on their gadgets.

However, these three competitors don't communicate this benefit (even though it's a major one). On the other hand, you do communicate it. So in the minds of your prospects, only YOU offer this fabulous benefit, making it unique. That's what Unique Perceived Benefit is all about.

So although identifying the target market is always our first and most important priority, the next thing you must do is articulate your UPB in one or two sentences. This alone can have an immediate and significant impact on your sales and profits and explains why in our **FREE Sales & Profits Optimiser** and **FREE Marketing Piece Optimiser Critiquing Services** we focus on helping you create a powerful UPB.

# Marketing Mistake #3

## Not Using All 3 'Business Multipliers'

**H**ow many ways do you think there are to grow a business? You may be surprised to learn there are just three ways. Each one of these is what we call a 'Business Multiplier'.

You must use all three Multipliers to successfully grow your business. If you do, we guarantee your business will quickly reach, or at least get very close to, its potential.

It is our estimation that no matter how young or old or successful (or not) your business is, you will be only using one or possibly two of these Business Multipliers (and the ones you're using could be improved significantly). Here they are...

### **The 3 Ways To Grow A Business 'The Business Multipliers'**

- **MULTIPLIER 1: Lead Generation – Getting More Qualified Leads**
- **MULTIPLIER 2: Sales Conversion – Generating More Customers From Your Leads**
- **MULTIPLIER 3: Customer Maximisation, which includes:**
  - Increasing the Average Sales Value
  - Increasing the Number of Purchases
  - More Referrals from Customers
  - Increasing Buying Lifetime
  - Reducing Customer Losses

There are numerous proven strategies you can apply to massively improve each of these three Business Multipliers and by combining the power of each Multiplier you have the ability to grow your business to heights you never thought possible.

## NOTES

### **SIDE BAR COMMENT:**

Applying the Business Multipliers is perhaps one of the easiest ways to grow any business.

It's just a matter of choosing the most appropriate media piece (as, letter, website, etc) for each media and for each Multiplier (depending on your business), executing them correctly and then optimising each one so you get the greatest return for the least amount of money spent.

Of course, once again the skill is choosing the correct media pieces and then creating them so they generate windfalls of cash for your business.

That's why our **FREE Marketing Piece Optimiser Critique Service** is so cherished by our clients. Send any of your marketing pieces (ad, letter, website, etc) and we'll critique it for you and provide concrete suggestions for improving them.

# Marketing Mistake #4

## Only Using A Small Number Of Marketing Strategies Across The 3 Business Multipliers

**M**ore often than not people come to us and say, “I’m just not able to grow my business. I’ve tried lots of things, but nothing seems to work.” The first question we ask is this, “How many media channels (such as Printed Media (newspapers, Yellow Pages, magazines etc), E-Media (internet, Google etc), Direct Mail (letters, postcards etc) and media pieces (the physical marketing piece used in each media channel to communicate your message – such as an advert in a local newspaper) are you using at the moment?”

I think you can see where we’re going with this. The reply often goes something like this...

**“Well we do some Yellow Pages advertising and send some letters out.”**

Despite your success, you’ll probably find you only use one or two or a handful of media channels and media pieces.

Now we’re not saying you can’t have success just from using the likes of Yellow Pages advertising and sales letters, but just think what you could do if you applied an extra 5, 10, 15, 20 or more proven media pieces across each Business Multiplier to grow your business. What effect would this have if each media piece was working and returning a profit for you?

This is how you create multiple streams of income. How many media pieces you’re using right now?



**SIDE BAR COMMENT:**

You may have read that there are hundreds of media pieces (commonly – but incorrectly called ‘marketing strategies’) that any business can use. There’s a big problem with this – which ones do you use for YOUR business?

Our philosophy is simple – use as many proven media pieces as possible, but launch them gradually into the business, so the business can cope with the increase in sales.

Once again our **FREE Sales & Profits Optimiser** and **FREE Marketing Piece Optimiser Critiquing Services** will help you here. Plus every month our **FREE No-Nonsense Marketing Newsletter** gives you practical, proven and easy-to-apply examples of successful media pieces that you can use in YOUR OWN BUSINESS right now.

# Marketing Mistake 5

## Using 'Institutional' Advertising

**W**e would say 99% of people still use this technique. Institutional advertising is advertising that doesn't ask for a direct and instant response. It is characterised by ads that have...

- The company name as the headline at the top of the ad...
- Very little copy on the ad...
- A list of products or services provided by the company...
- Lots of white space...
- Lovely pictures or images with no direct relationship to the product or service sold...
- No incentive to call now... etc.

Pick up your Yellow Pages® directory and go to any page. You'll see this type of ad all over the place. **We urge you to stop advertising like this right now.** Your ads may be working okay, but in reality you are losing thousands (you should be making much more money).

Institutional or image advertising is fine if all you want to do is promote the image of your company, your products, or the services you offer. But let us tell you – image itself doesn't generate sales!

And when you consider the fact that people really don't care about a business, or what the business sells – image or institutional advertising is a complete waste of money.

Always remember this... People don't buy products or services – they buy the result. They buy 'What's in it for me?' They buy a solution to their problem(s).

It's true that institutional or image advertising can help build 'brand-awareness'. And that's okay for large corporations such as Coca-Cola. They have multi-million pound advertising budgets (having said that, these companies would prosper even more if they used direct response advertising).

But most small or medium-sized businesses simply cannot afford to spend their hard-earned money like this.

## NOTES

What would you prefer?

Advertising that generates sales almost immediately (direct response), or advertising that builds name awareness or the 'brand' (institutionalised advertising) – in the hope that sometime in the future someone who wants the product or service remembers the ad and may or may not decide to buy from you?

Do you really have any option?

Consider the two adverts on the following pages. Both ads are promoting the same product. Both ads cost the same amount of money to place in each print trade magazine. Compare the two ads. One ad is a 'traditional' institutionalised ad and the other is a direct response ad.

Which ad do you think generated £1,500 worth of sales and lost money, and which ad is still working today – six years after its first placement, having so far generated several million pounds in over 18 different countries!

As you can see, the direct response ad shows the reader the benefits of the product and explains the steps he or she must take to get the 'Information Kit'. It's written to give enough information to elicit an immediate response, to send in the coupon, or to pick up the phone and call for the information. Each ad is accountable, measurable, and tracked to ensure the ad is running at a profit!

And this is just one example! We could show you hundreds more that have generated millions of pounds for the advertisers. Every one of these ads are direct response ads. NONE are institutionalised ads! Hopefully that's enough to make the point!

We guarantee as soon as you start writing direct response adverts (i.e. those characterised by powerful headlines, large amounts of copy written in a very personal style, a reason to call now, a free bonus for calling – special report, etc., etc...) you'll increase your responses and sales many times over. And your profits will skyrocket!

Break from tradition. Start writing ads that give you a fast and immediate response that you can monitor and assess in terms of cost and return. You'll not only save money – but make much more money by following this advice!

**‘Classic Institutionalised Ad’**



- Fits STAHL & MBO folding machines
  - Sets up in seconds
  - Perfect creases time after time on stock ranges 150-350gsm
  - Totally eliminates fibre cracking
    - Two crease depths
    - Three crease widths

Telephone [REDACTED]  
Mobile [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

**Now you can save thousands of pounds each year and improve the quality of your work...**

## **"They Laughed When I Put The Tri-Creaser On My Folding Machine, But When They Saw The Results..."**

"It's so frustrating. Even the so called leading manufacturers haven't come up with a creasing device that eliminates cracking on many materials.

And we have to out source most of our folding and creasing. It costs us thousands each year as well as hours and hours each week."

Have you heard yourself saying the same things? Despite all the technological advances we're making - no-one has solved the age old problem of fibre cracking. Okay some machines work 40-50 percent of the time - but is this good enough?

### The Solution: A Simple And Very Effective Device

I agree it's unacceptable. So about two years ago I decided to do something about it. After 78 prototypes (yes, I don't give up easily) I finally achieved my goal. I created the "Tri-Creaser," - a rotary creasing device that **totally eliminates fibre cracking** on materials ranging from 150 gsm to 350 gsm.

Already **hundreds** of printers and print finishers are benefiting from using the Tri-Creaser. Here's what a few of them have said...

"Your Tri-Creaser is simple - easy to use, and works on a wide variety of stocks. It has saved me some £100 - £200 perweek."

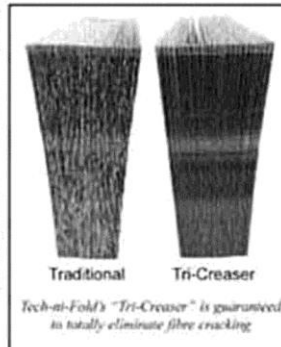
**Mr J Cole, Eden River Press Ltd**

"The Tri-Creaser is simple to use with 100% quality. On average it saves us £10,000 per annum."

**Mr B Tucker, BRG Print Finishers**

"The Tri-Creaser is very straight forward - operator picked it up quickly. 80% of our scoring is now done in house."  
Mr D Yokins, **Hunts Printing**

As you can see the Tri-Creaser is achieving **startling** results. And we have literally hundreds of comments like these from other customers all over the world!



## "Secret" Creasing Agent Is The Key

So why hasn't anyone made this "discovery" before?

That's simple really. The Tri-Creaser uses a "secret" specially formulated creasing agent that stretches the fibres (doesn't crush like all other methods). Therefore fibre cracking just isn't "allowed" to occur.

You're now probably thinking, "Great, no more cracking, but I bet it takes ages to set up!" Here's the really good news...

**Takes Just A Few Minutes  
To Set Up**

The Tri-Creaser takes just **minutes** to set up even by inexperienced operators. In fact the Tri-Creaser takes the skill out of quality creasing operations, so no one needs any training.

The operator is given **simple instructions** on how to adjust the settings to the stock thickness. All this takes is just a few minutes! Better still...

**Attaches To All Popular  
Folding Machines**

The Tri-Creaser attaches to all popular makes of folding machine such as Heidelberg, Stahl, and MBO.

Here are some more important benefits...

- **The Tri-Creaser doesn't need demonstration.** It will start saving you time and money the moment you open it.
- **All the settings (3 creasing widths and 2 deep settings) are built-in to the design** so the Tri-Creaser is like having a very specialised operator working tirelessly for you, hour after hour, day after day, week after week - without the cost
- **The Tri-Creaser will crease as fast as your folding machine can run.** It is 100% effective even over 25,000 sheets per hour!
- **You'll never have to outsource straight creasing jobs again.** Massive savings in time and money!
- **Superb for normal section work**
- **Excellent on digital stock**
- **Pays for itself on average between 1 and 3 job runs**

The Tri-Creaser also comes with a  
unique money back guarantee.

I'm not asking you to order today. Send for our **FREE "Tri-Creaser Information Kit."** I'll give you all the details. Only then do you have to make up your mind.

Call us now on (800) 222-2222 or complete the coupon below and post it to us at the address below. Do it now. You really will be surprised at the vastly improved quality of your creasing work as well as the savings you'll make!

☐ Yes! Please send me your FREE Tri-Creaser Information Kit.

Name: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

Tel: \_\_\_\_\_

Send To: Tech-ni-Fold Ltd, \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**SIDE BAR COMMENT:**

Most people fall into two categories...

1. We don't advertise because it doesn't work
2. We advertise but we use institutionalised ads (or brand building ads)

Which category are you in? If you're in (1) this is likely to be for one of four reasons...

- You chose the wrong publications (i.e. the target market was wrong)
- The ad you used was in all probability an institutionalised ad
- If it was an institutionalised ad, you realised you couldn't keep advertising long-term because of the cost for little or no return
- If it was a direct response ad, it wasn't put together by a direct response expert

If any of these reasons apply to you then your advertising could and should be generating you significantly more than it's doing at the moment.

If you fall into the second category, simply transforming your ad into a direct response ad will give you a lift in enquiries or sales (depending on the objective of your ad) that you never thought would be possible!

Once again that's the real value in our **FREE Marketing Piece Optimiser Critique**. We'll explain how to create your ad as a direct response ad (it's easier than you think) and provide improvements to your existing ad.



# Marketing Mistake #6

## Failing To Use Testimonials

**L**et's be honest - selling isn't easy. Unless a prospect is convinced the product or service will give them the result they're seeking, the sale won't be made.

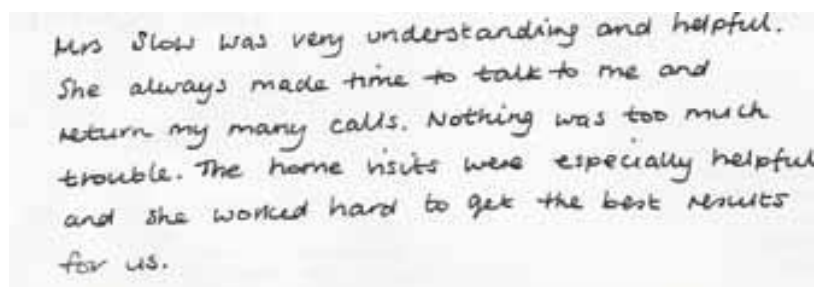
And what people say themselves about their business and their products or services is often taken with a 'pinch of salt'. After all, we're all sceptics these days. So how can you almost instantly prove to the prospect you can deliver on your promises?

It's actually much easier than you may think. All you need to do is use 'customer testimonials'.

Again we can't tell you how often we see businesses trying to sell and market their products or services without the use of testimonials. They make life very, very difficult if they don't use testimonials. Testimonials have the power to get customers by the bucketful (we also call this 'Social Proof').

Take a look back at the direct response ad on page 23. Notice how much credibility the testimonials add to the sales copy. Notice how believable the 'story' now becomes. Without testimonials this ad would have been nowhere near as successful.

Here's a simple example from a firm of personal injury solicitors...



Mrs Slow was very understanding and helpful. She always made time to talk to me and return my many calls. Nothing was too much trouble. The home visits were especially helpful and she worked hard to get the best results for us.

Notice the number of benefits in this one testimonial alone...

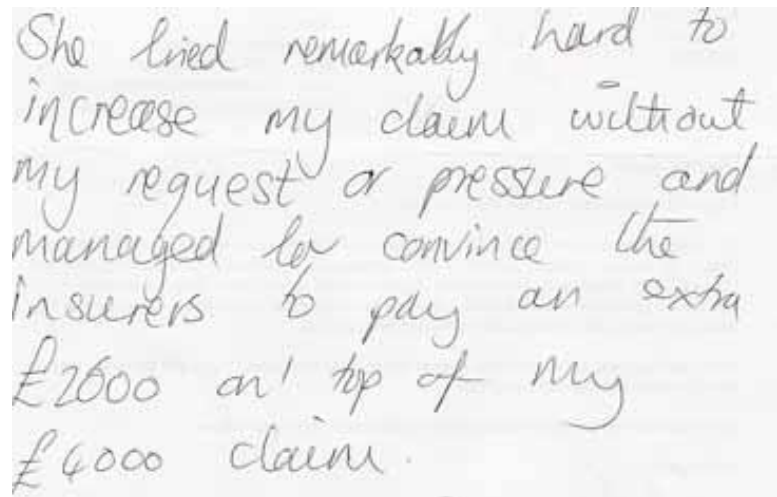
- Understanding and helpful

## NOTES

- Make time to talk
- Returned many calls
- Nothing was too much trouble
- Helpful home visits
- Worked hard to get the best result

If you were looking for a personal injury lawyer, don't you think this testimonial would make you believe this firm would do all they could to get you the best possible result?

And that's just one of dozens they got, many with the damages amounts given, just like this one...



She tried remarkably hard to increase my claim without my request or pressure and managed to convince the insurers to pay an extra £2000 on top of my £4000 claim.

(Please note: Each testimonial when shown includes the full name and partial address of each client, although we've omitted them here for obvious reasons.)

You can't have enough testimonials. Place them in all your marketing communications. Place them where your prospects will see them – in your offices, in your reception areas, on your walls. Blow them up and parade them. Use video, audio and written testimonials and you'll see an immediate and noticeable difference in your sales and profits once you start using them.



## NOTES

### ***SIDE BAR COMMENT:***

Don't think 'But my customers won't give me testimonials', because our unique **'Testimonials By The Dozens Letter'** ALWAYS works. Just like it did in the case above.

The 'Social Proof' you provide in your marketing ('testimonials' is one small part of Social Proof – 1 of the 7 elements) has a direct impact on the level of sales you make.

In other words – the more Social Proof in your marketing, the more sales you make and vice versa.

Once again ALL our **FREE Business Building Services** will help you here.

# Marketing Mistake #7

## Not Having A Risk Reversal Or Guarantee In Place

**I**mportant news flash... If you were to advertise a powerful risk reversal or guarantee, you'll be staggered by the success it achieves within weeks!

As you know, the benefit of any product or service is gained **after** the sale is made. Sometimes this can be days, weeks, months or even years after the first sale was made. This in itself places an enormous risk on the shoulders of would-be clients or customers. It's this risk that often prevents them from buying.

However, if you lower or eliminate this risk, then the natural consequence is people will be more inclined to buy.

That's the secret of creating a powerful risk reversal.

A risk reversal is nothing more than a simply taking away the barriers from the sale and ensures that the prospect keeps progressing towards the sale.

As soon as you add a risk reversal or guarantee, it...

- Removes the risks of buying, ensuring more customers are gained
- Automatically differentiates the business from the competition
- Adds value. Prospects will value your products or services much more, because they'll assume the product must live up to expectations, or the business must be excellent at delivering the service ("Why would they offer a guarantee if the product or service wasn't great?")

**The result is a BIG increase in sales and new clients or customers!**

The ultimate aim is to guarantee the result or main benefit of your product or service, and add a 'penalty' should the service or product fail to live up to your promises.

Here's how it looks...

<b>Perfect Guarantee</b>	<b>=</b>	<b>Guarantee the result or benefit of your product/service</b>	<b>+</b>	<b>Penalise your business if result not achieved</b>
--------------------------	----------	--	----------	--

Here's a simple example of how risk reversal works:

A man wants to buy a puppy for his daughter. He responds to two ads in the local newsagent's window. He examines the first puppy and it seems ideal in temperament and looks. The owner says to the man, "If the dog isn't right for your daughter, bring it back in one week and I'll give you your money back."

Clearly he appreciated the value of risk reversal but he didn't fully understand it!

The man then goes to look at the second puppy...

Again it seems ideal in temperament and looks. Only this time the owner says, "Your daughter is obviously looking forward to her new puppy and it's important that she's totally happy with it. Please take the puppy, let your daughter play with it, look after it, and get to know it. If after three weeks the puppy is not right for her, bring the puppy back, and I'll refund your money in full and give you £25 for your time, effort and trouble."

Now this man really understands risk reversal. First he extended the 'trial' period. He knows that his puppy is a good dog. He also knows after three weeks the puppy and girl will be inseparable. He totally reverses the risk.

You also need to understand this...

The company that reverses the risk, automatically gains competitive advantage and wins more business – in fact much more! This competitive advantage is very significant when attracting new clients or customers to your business.

Here's another example. It's one of the best we've ever seen. It's from a pest control company called BBBK. Their guarantee is aimed at hotels and restaurants:

## NOTES

**“You don’t owe one penny until all the pests on your premises have been eradicated...if you are ever dissatisfied with BBBK’s services you will receive a refund for up to 12 months of the company’s services...plus fees for another exterminator of your choice for the next year.**

**If a guest spots a pest on your premises, BBBK will pay for the guest’s meal or room, send a letter of apology, and pay for a future meal or stay...and if your facility is closed down due to the presence of roaches or rodents, BBBK will pay any fines, as well as all lost profits, plus \$5,000.”**

Although we don’t know for certain, it’s easy to **assume** several things about BBBK from this guarantee:

- They are very good at pest control
- They understand the concerns of their customers with regard to hygiene
- They are very successful at attracting new customers!
- They are probably providing very similar services to their competitors. However, they understand risk reversal. Their **profits** I’m sure will reflect this!

Hopefully you now have a basic grasp of risk reversal and what it can achieve for your business. If you’ve given any thought to the strategy several questions may be entering your mind...

**“Won’t people try to abuse what I am offering?”**  
**“Won’t I lose a lot of money with this?”**

The key, of course, to successful risk reversal is this – if you offer a good product or service then you have nothing to worry about.

Unfortunately we cannot say no one will ask for a refund or for their money back (or whatever your risk reversal states). What we can say is that for every one of these, you will attract many more prospects and customers by simply offering a risk reversal in the first place.

## NOTES

Don't worry about this. Your risk reversal strategy is usually the one thing that tips the scales in your favour. Because you offer risk reversal your prospect thinks and assumes the following things about you...

1. If you're offering this risk reversal, you must be very good at what you do
2. You would be 'stupid' to offer such a guarantee if you were poor at delivering your promises
3. In the prospect's mind the risk reversal has 'proven' to him or her that you can give them exactly what they need
4. More importantly, when most people choose to buy a product or service, they choose it for perfectly **good reasons** and intentions. And they spend time making their decision. They wouldn't choose you in the first place if they wanted to capitalise on the risk reversal

Isn't it time you put in place a risk reversal or guarantee for your business?

### ***SIDE BAR COMMENT:***

This is one strategy that should be mandatory for every business!

The good news (as with the majority of these Marketing Mistakes) is most businesses are failing to capitalise on the power of guarantees and risk reversal.

Our **FREE Sales & Profits Optimiser Service** helps you put in place a powerful guarantee that will instantly increase your sales!

# Marketing Mistake #8

## Not Using 'The Acres Of Diamonds Principle'

**W**e can go into almost any business and release thousands of pounds of revenue and profit, literally overnight. We can do this NOT because we're expert marketers (as it happens we are!), but because we tap into 'The Acres Of Diamonds Principle' that every business possesses.

Often the difference between people like us and anyone else is that we know where to look, and we know what to do

What is this 'Acres Of Diamonds Principle'?

Let us explain...

One of the most interesting Americans who lived in the 19th century was a man by the name of Russell Herman Conwell. He was born in 1843 and lived until 1925. He was a lawyer for about fifteen years until he became a clergyman.

One day, a young man went to him and told him he wanted a college education but couldn't swing it financially. Dr. Conwell decided, at that moment, what his aim in life was – besides being a man of the cloth, that is. He decided to build a university for unfortunate, but deserving, students. He did have a challenge, however. He would need a few million dollars to build the university. For Dr. Conwell, and anyone with real purpose in life, nothing could stand in the way of his goal.

Several years before this incident, Dr. Conwell was tremendously intrigued by a true story – with its ageless moral. The story was about a farmer who lived in Africa and through a visitor became tremendously excited about looking for diamonds.

Diamonds were already discovered in abundance on the African continent and this farmer got so excited about the idea of millions of dollars worth of diamonds that he sold his farm to head out to the diamond line.

## NOTES

He wandered all over the continent, as the years slipped by, constantly searching for diamonds, and wealth, which he never found. Eventually he went completely broke and threw himself into a river and drowned.

Meanwhile, the new owner of his farm picked up an unusual looking rock about the size of a country egg and put it on his mantle as a sort of curiosity.

A visitor stopped by and in viewing the rock practically went into terminal convulsions.

He told the new owner of the farm that the funny looking rock on his mantle was about the biggest diamond that had ever been found. The new owner of the farm said, "Heck, the whole farm is covered with them" – and sure enough it was.

The farm turned out to be the Kimberley Diamond Mine...the richest the world has ever known. The original farmer was literally standing on 'Acres of Diamonds' until he sold his farm.

Dr. Conwell learned from the story of the farmer and continued to teach its moral. Each of us is right in the middle of our own 'Acre of Diamonds', if only we would realise it and develop the ground we are standing on before charging off in search of greener pastures.

Dr. Conwell told this story many times and attracted enormous audiences. He told the story long enough to raise the money to start the college for underprivileged deserving students. In fact, he raised nearly six million dollars and the university he founded, Temple University in Philadelphia, has at least ten degree-granting colleges and six other schools.

When Doctor Russell H. Conwell talked about each of us being right on our own 'Acre of Diamonds', he meant it. This story does not get old...it will be true forever... Opportunity does not just come along – it is there all the time – we just have to see it.

So how does this relate to you and your business?  
Any ideas?

Well, by far and away the most lucrative part of your business is your customers...

It's your customers who are your own 'Acres Of Diamonds'.

## NOTES

No surprise there then, yet 99% of organisations fail to tap into their most lucrative part of their business.

Once a new customer is acquired it's your duty to enrich their life by giving them more value. More services. More products. More benefits. This is known as 'Back-End Selling'. And when this is carried out successfully (it isn't hard when you know how!) you'll begin to realise the potential your business has just waiting to be developed.

Strategies such as up-selling and cross-selling, for example, will enable you to increase the profitability of each customer.

As long as you look after your customers, they'll keep buying from you – but you must keep selling to them – or someone else will!

### **SIDE BAR COMMENT:**

You should use a number of tactics, media pieces and strategies to make sure you tap into this extremely lucrative part of your businesses.

Some of the main ones are...

- Moments Of Truth
- The Customer Penetration System
- Referrals
- Collecting customer details

With the right application all these strategies and several others, work together to help you get much more share from your customers' wallets.

This is THE easiest way to grow any business and our **FREE Sales & Profits Optimiser Service** helps you take full advantage!



# Marketing Mistake #9

## Not Testing Your Marketing Strategies Or Using The 'Minimum Risk-Maximum Return Formula'

**W**e have yet to come across a business that fully tests their marketing campaigns. Here's what we mean... Let's say you decided to send a sales letter to your target or niche market. You've bought a list that has 10,000 names on it.

You're certain that out of 10,000 you're going to get many orders, so even though sending 10,000 letters costs you well over £5,000 (postage £2,400, the list £1,250, fulfilment (printing and packing) £2,000), you have to do very badly to NOT make a profit.

You then sit back and wait for your windfall. Unfortunately the response was just 0.1%. You received just 10 orders at £500 each, and each order has a 50% gross profit.

That means based on this first order you made a loss of £2,500.

Now depending on the amount of profit you can extract from these new customers over the lifetime of their relationship with you (Lifetime Customer Value – Marketing Mistake 17) this could be either awful or very good for you.

However, we've seen several businesses go bust using this approach, because they were so sure their product or service would be sold by the bucket load, only to find that people simply weren't interested – or more likely the marketing strategy used just wasn't effective. This approach is very risky and will never yield the sort of results you can expect when you start TESTING.

This is where it gets interesting...

When you test, you automatically apply what we call 'The Minimum Risk-Maximum Return Formula'. This means you limit your financial exposure whilst maximising the return (isn't that what we all want?).

Using the same example above, here's how it works...

## NOTES

Instead of mailing everyone on the list with one sales letter, you mail just 3,000 people. And instead of using one sales letter you send one version to 1,000 people (selected randomly), another version to the next 1,000 people, and a third version to the final 1,000 people.

You've now got three tests running against each other.

The key is this...

Since you know that a headline change can increase response by 500% or more (see Marketing Mistake 19), you keep the same letter except the headline is different on each version. Here are the results...

**Headline 1:** 1,000 sent. Response 0.2% (2 sales at £500)

**Headline 2:** 1,000 sent. Response 1% (10 sales at £500)

**Headline 3:** 1,000 sent. Response 0.6% (6 sales at £500)

Now that looks better. Headline 2 returned 10 sales. This headline and letter now become your 'control' (the best performing one) so you mail the last 7,000 names on the list and now here's what you get...

**Headline 2:** 7,000 sent. Response 1% (70 sales at £500)

From the same list of 10,000, your testing enables you to generate 88 sales (2+10+6+70) generating a revenue of £44,000 and a profit of £22,000 against a loss of £2,500 (without testing).

Also let's say that even after testing (to the initial 3,000), your figures looked awful – you made a loss. At least you can cut your losses right now. You'll have saved 70% of the costs you would have spent if you'd mailed 10,000 people in the first place!

That's what testing can do for you – it maximises your return and minimises your losses!

Here's a true-life example (these headlines were ones we tested for the direct response ad you saw previously)...

## NOTES

**Headline 1:** Revolutionary Creasing Device  
Totally Eliminates Fibre-Cracking, And Takes  
Just Minutes To Set Up – Even By  
Inexperienced Operators

**Headline 2:** They Laughed When I Put The  
Tri-Creaser On My Folding Machine, But  
When They Saw The Results...

**Headline 3:** The END Of Cracking Problems

Which headline do you think pulled an extra 350%, and has been used in ads for over six years to generate millions of pounds? (The answer is on the ad on page 23.)

And here's another simple example showing the virtues of testing...

On the next page are two small ads for a restaurant. Which ad do you think worked best?

Ad - 1

**“Who Else Wants  
A Night To Remember?”**

**FREE Offer To Those Who  
Care About Fine  
English Cuisine...**

If you enjoy eating out and understand that good quality cuisine is worth paying for - this is for you...

Book a table for 2 or more people in the next 7 days and we'll give you a complimentary bottle of house wine.

There's no strings. We just want you to give our superb restaurant a try.

And what if you don't agree your evening was one of the most enjoyable evenings you've ever had? Easy. We don't want you to pay us a single penny.

That's how confident we are that you'll have a great meal and a fabulous evening! I guarantee you'll be delighted you chose us.

What's more our family owned restaurant

has the following specialities...

- Unique table layout - a mixture of private intimate booths, and party tables seating up to 40 people
- Exclusive private dining room for up to 12 people
- High quality fine English cuisine
- Comfortable bar area
- Extensive wine list from all major producing areas
- Award winning chef

To take advantage of this free offer please call us now on **01530 411116** and quote the code **AT1**. Thank you. I promise you'll have a wonderful evening and a delicious meal!

**The Pump Room**  
12 Bath Street, Ashby de la Zouch, LE65 2FH.  
Tel: 01530 411116 Fax: 01530 415111

Ad - 2

**“How You Can Get A FREE  
Bottle Of Wine Worth £15”**

**FREE Offer To Those Who  
Care About Fine  
English Cuisine...**

If you enjoy eating out and understand that good quality cuisine is worth paying for - this is for you...

Book a table for 2 or more people in the next 7 days and we'll give you a complimentary bottle of house wine.

There's no strings. We just want you to give our superb restaurant a try.

And what if you don't agree your evening was one of the most enjoyable evenings you've ever had? Easy. We don't want you to pay us a single penny.

That's how confident we are that you'll have a great meal and a fabulous evening! I guarantee you'll be delighted you chose us.

What's more our family owned restaurant

has the following specialities...

- Unique table layout - a mixture of private intimate booths, and party tables seating up to 40 people
- Exclusive private dining room for up to 12 people
- High quality fine English cuisine
- Comfortable bar area
- Extensive wine list from all major producing areas
- Award winning chef

To take advantage of this free offer please call us now on **01530 411116** and quote the code **AT2**. Thank you. I promise you'll have a wonderful evening and a delicious meal!

**The Pump Room**  
12 Bath Street, Ashby de la Zouch, LE65 2FH.  
Tel: 01530 411116 Fax: 01530 415111

## NOTES

Any ideas which ad secured the most bookings?

**Ad 1 generated 186% more bookings.** That's nearly double. You never know unless you test. Just think if the restaurant hadn't tested, and just stuck with ad 2, how much money they'd be losing each week!

What this shows is that if you don't test, you'll never be able to get the best possible return on your marketing. Test your lists (target market and different media/readership), headlines, and offers – these three elements will give the best returns.

Plus by testing, you adhere to our 'Minimum Risk-Maximum Return Formula'. Before you invest any significant amounts of time, money or effort in any marketing or promotional drive, you must test the effectiveness of your campaign. That way, if it doesn't work the way you thought it would or should, you haven't wasted unnecessary resources. Plus it gives you the opportunity to maximise your returns.

### ***SIDE BAR COMMENT:***

The more you apply measurable marketing strategies to your business – the more you'll realise that marketing and business growth is scientific rather than creative. Our FREE Sales & Profits Optimiser Service explains this in much more detail allowing you to build your business confidently and with minimal cost and risk.

# Marketing Mistake #10

## Not Calculating And Profiting From Lifetime Customer Value

One of the biggest mistakes is to base all your results on the first sale. Here's what we mean... Let's say on the first sale a new customer pays you £1,000. Your gross margin after delivering your product or service is 50%, which means you make £500 per new customer.

However, it costs you £600 to generate this one customer (the cost of advertising) so you actually made a loss of £100. Based on these assumptions you could conclude that this approach was not profitable and you'd no doubt cease using it.

That's how 99% of business people evaluate their success – based on the first transaction or sale.

Now in most businesses, the customer keeps coming back for more. And even if you sell a 'one-off' product or service, you can and should get referrals from your customers and start looking to 'partner' with other non-competing but aligned businesses, so you can offer their products or services (for a commission, of course!).

That means the customer is actually worth much more to you than the amount generated on the first transaction.

This, in effect, is what's known as Lifetime Customer Value.

Quite simply, Lifetime Customer Value is the total profit an average client or customer generates during the duration of the relationship with you.

A good guide to use is five years for the duration (but you will know what your average lifetime is).

Let's use the above example to show you the BIG difference this approach can have...

Now let's say one new customer generates the same £1,000 per year but they pay this every year for five years. The gross margin for delivering the product or service is the same 50%.

## NOTES

That now means by looking at the value over the duration of the relationship, the average lifetime value is £1,900 ( $£5,000 \times 50\% = £2,500$  – cost of advertising £600) and not -£100 as we had in the first example! Plus these figures don't include any referrals the customer would also bring!

Do you see the difference? All it takes is a simple shift in thinking, and you can leverage your business so much that it astonishes your competition.

And where does this leverage come from, I hear you ask?

Well, now you understand what each customer is worth to you, it means you actually know how much you can spend to acquire the customer in the first place. This is where the whole issue of creating 'Irresistible Offers' comes into play.

The Irresistible Offers you create, make it impossible for your prospects to ignore them, and as a result you rapidly increase customer acquisitions!

Just to whet your appetite, and prove it can be done, here's an offer (and the full letter) we created that catapulted the outside catering sales for O'Briens (the Irish franchiser) from sales of £0 a week to over £6,000 a week in less than three months – for each franchisee!

(Just so you know, the actual offer is the 'FREE O'Briens Five Star Sandwich Platter'...)

## NOTES

“Are You Planning A Business Meeting  
That Requires Fresh High Quality Food At  
A Very Reasonable Price?”

***“Order Your FREE O’Briens  
Five Star Sandwich Platter”***

Dear <Name>

Here’s the deal:

You can receive a delicious O’Briens  
Five Star Sandwich Platter (serves five  
people) - totally **FREE**. Or you can deduct  
the cost from your first order.

I’m not talking about your standard  
“buffet” food. I’m talking about high  
quality food made daily from fresh  
produce. I’m talking about presentation  
and packaging that makes an instant impact  
on people. Perfect for any meeting or  
special occasion with staff, associates or  
Clients/Customers.

**So why am I doing this?**

Quite simply, I’ve found that as soon  
as people taste our food and see our  
presentation and packaging they’re hooked.  
Nothing compares to this. They love it!  
And I’ve learnt that by providing a **free**  
platter we stand a better chance of  
getting your business in the long run.

I suppose the “proof of the pudding  
is in the eating”. You can instantly form  
your own impression, having sampled our  
food. And that’s it. No strings. No  
obligation.

Frankly, our platters are not for  
everyone. If you’re **not** concerned about  
the impact your food has on your staff,  
associates and Clients/Customers, then we  
aren’t for you. If, on the other hand, you  
truly **appreciate** the importance of having

(Over, please...)



## NOTES

superbly presented high quality food and the positive impact this creates, then I urge you to call our **FREEPHONE Platter Hotline** on <Number>.

### **So what's the catch?**

Well there isn't one - as long as you respond quickly. Clearly I can't keep this offer open indefinitely. You must reply before Friday 6<sup>th</sup> July to get your FREE Five Star Platter. So the quicker you reply the less likely you are to be disappointed!

### **Why should you even try us out?**

I appreciate the offer of a "free lunch" may not be enough to persuade you to place your order. After all, I know how important your meetings can be. However, I consider ourselves the **only** specialist caterers for the business market in Leicester. Sure, other companies do it - but have they really thought about your real needs and wants. For example, do they offer...

- A guarantee to deliver on time?

**Guarantee 1:** We will deliver your entire order on time or you don't pay us a single penny

**Guarantee 2:** If we do deliver your order late, your next meal is FREE (to the same value as your original order)

- A varied and delicious menu with 10 choices of bread, choice of drinks (hot or cold), and catering for vegetarians?
- An instant meal where the food arrives ready for presentation on your tables?
- Catering for 5 to 5,000 people?

We offer all this as "standard". How many people do you think would be willing

(Over, please...)

## NOTES

to offer such a guarantee? But that's the point. We guarantee on-time delivery because we know how important this is to you. If we fail, we suffer – not you. Isn't that how it should be?

I'm sure you can now appreciate why I think you should take advantage of my **FREE** offer. Do it now. Call our FREEPHONE Platter Hotline on **<Number>**. We are eagerly awaiting your call.

Kind regards

Rosemary McIvor  
Managing Director

PS Don't delay. This offer is only available until July 6<sup>th</sup>. Call me now on our FREEPHONE Platter Hotline on **<Number>**. Thank you.

PPS FREE DELIVERY! Whether your meeting is early in the morning, at lunchtime, or in the evening we will deliver to you FREE of charge!

---

This was the offer sent to businesses operating within a one-mile radius of the retail outlet.

The companies targeted were large organisations that have a greater need for outside catering (Remember 'Marketing Mistake 1' about marketing to everyone?).

Because we knew these organisations would be ordering **frequently**, we were confident that if we could get them to sample the food and the service – we'd secure their business. And that's just what happened!

## NOTES

### ***SIDE BAR COMMENT:***

This conveniently fits into Business Multiplier 3. But when you calculate the Lifetime Customer Value of a customer and you use **irresistible offers**, for example, you can transform the success of your lead generation (Business Multiplier 1) and sales conversion (Business Multiplier 2).

So in reality this is one of the few strategies that transcends across each of the three Multipliers. That's why it is one of the most **potent weapons** any business can use.

Again, that's why we focus on this in all our **FREE business building services**.

# Marketing Mistake #11

## Not Using Headlines

**T**he headline is the one thing that grabs the prospect's attention. Whether it's in an ad, sales letter, leaflet, brochure, the opening sentence of a telephone script, and so on, the headline can be the difference between failure or incredible success – it's that important!

If prospects or customers dismiss the headline – that's it, you've lost them. They won't start reading your letter, ad, brochure, etc or listening to your telephone script or radio ad – and you won't get a response or a sale.

To emphasise the importance of headlines, here are a couple of quotes from two of the most highly respected copywriters of all time...

"If you can come up with a good headline, you are almost sure to have a good ad. But even the greatest writer can't save an ad with a poor headline."

**John Caples - How To Make Your Advertising Make Money**

"On average five times as many people read the headline as read the body copy."

**David Ogilvy - Confessions Of An Advertising Man**

What does this mean? Basically, if you get your headline right you almost guarantee your success. Get your headline wrong - and your results will suffer!

Here's a simple example to show how few people understand the basic principle of using headlines...

We've just picked up my copy of the Yellow Pages® directory. I'm looking in the Accountancy category. These are the 'headlines' of the ads on one page:

- Peirson E.T & Sons
- Powdrill & Smith
- R Garner & Co

## NOTES

- Richard Pennack
- Sturges Hutchinson & Co
- Sharpe Langham PLC
- Sharmon Fielding
- S.R. Cox
- Running your own business

With the exception of the last headline, the headline for each ad is the name of the business that's advertising.

Because so many people are doing it wrong, if all you do is lead with a strong headline on all your marketing communications you'll improve the response and success many times over.

### **Effective Headlines Fulfil These Four Key Objectives...**

- Get attention
- Select an audience
- Deliver a complete message
- Draw the reader into the body copy (or keep them listening to you, etc)

The good news is that creating winning headlines can be achieved by following some simple and proven 'headline types'. We've listed seven of the most successful ones here. By applying a number of these different headline types you'll start to see how you can create winning headlines...

- **Benefit headlines** (all your headlines should contain a benefit of some sort)
- **Use a two- or three-word headline** (but remember long headlines are almost always more successful than short headlines)

Burn Fat Faster

Get June Free

Double Bonus Sale

Oh My God!

## NOTES

Gosh

At Last

Millionaire Secrets

If Only...

- **Headlines that focus on quick and easy solutions**

Fast And Simple...

Ridiculously Easy And Fast...

Idiot Proof...

In Just 10 Days...

The 7-Minute Workout...

The Lazy Man's Way To...

Instant, Automatic Results...

The Quick And Easy Way To...

- **Warning headlines**

Read This Before You...

Don't Buy...Until You've Read These Facts

- **Testimonial headlines**

A Specific Benefit Written Testimonial From  
One Of Your Customers

“Or It Can Just Be A Headline In Speech Marks  
Like This Written Like A Testimonial”

- **Reasons why headlines**

Seven Reasons Why You Should...

37 Invigorating Reasons...

6 Ways To...

7 Steps...

Here's How...

- **Offer headlines**

Put your offer in the headline...

Try-Before-You-Buy Carpet Cleaning

***SIDE BAR COMMENT:***

If any of your existing marketing material doesn't have a headline on it, we can right now say you're losing thousands, hundreds of thousands, even millions of pounds every year. We guarantee it.

That's the power of headlines. Your company name, although something you're very proud of, means very little to your prospects or customers. And the sooner you appreciate and understand this the better.

That's why our **FREE Marketing Piece Optimiser Critiquing Service** includes a section on the headline and we always provide you with powerful headline alternatives that will transform any of your marketing pieces.

# CONCLUSION

## These Financial & Marketing Mistakes Can Seriously Damage Your Business's Health

We've highlighted the 27 Common Financial & Marketing Mistakes in this report – there are of course dozens more. Make yourself a promise and start reversing the effect these mistakes are having in your business. Believe us, it will have a huge effect on the performance and the success of your business.

And we can help you build a better business even quicker.

### Arrange Your FREE No-Obligation Meeting Now...

If you're looking for an accountant with a difference, one who genuinely cares about the financial health and growth of your business, call us now on **01909 472310**, to arrange your **FREE no-obligation initial meeting**.

Kind regards,



John Harrison  
John Harrison and Company

.