

The Business Growth System



How To Transform Your Business Into A Money-Making Machine

The 3 Little-Known Business Strategies That Can
Double Your Sales & Profits Overnight

(and your FREE Bonus)



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Moments Of Truth

Introduction

In 1987 Jan Carlzon, the CEO of Scandinavian Airlines, wrote the book, 'Moments Of Truth'. It explained how he took the airline from deficit to profit by 'moving' the airline to a customer-focused organisation.

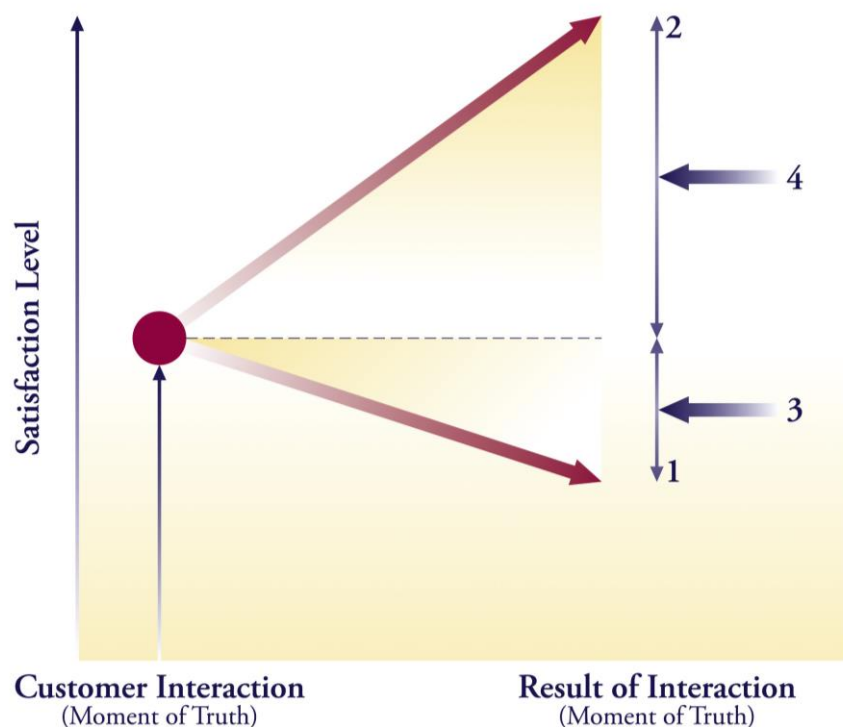
Now as you know, there have been many books written on customer service, but where this book and Carlzon's strategies really differ, is his focus on each interaction the customer has with the business.

He calls these 'Moments of Truth' and, of course, each interaction can be a positive or a negative experience.

Scandinavian Airlines prospered because they worked very hard to make sure each Moment Of Truth with their customers was a very positive experience and the results they achieved were a testament to this.

Take a look at the diagram below. It shows how at each contact (Moment Of Truth) you need to ensure each interaction is a favourable one for the customer...

Moments Of Truth Explained...



Legend:

1. The effect on the customer using traditional marketing strategies. Notice the Moment Of Truth was a negative experience reducing the customer's satisfaction down – and therefore creating discontent with an existing customer.
2. Moments Of Truth Approach. By breaking down each step **even further** the interest level and satisfaction level is raised even higher.
3. Shows the drop in interest level and satisfaction using traditional techniques (or none at all).
4. Shows the increase gained by using Moments Of Truth techniques.

Therefore what you need to do is increase the satisfaction level of each customer any contact occurs (Moment Of Truth).

A contact can be a meeting, a letter, a fax, an e-mail – or any way in which your business comes into contact with a customer.

So how can you use this to your advantage? There are just three simple steps. Let's take a look at each one...

Step 1: Write Down All Possible Interactions (Moments) You Have With Your Customers

This is simple. Here's what you do...

1. Identify every single interaction you have with your customers
2. Next, break each interaction down so you can identify each specific area

Step 2: Create And Systematise The Positive Experience At Each Moment

1. Now simply prepare how to maximise the interaction so the customers have a positive experience with you at each interaction.

For example...

Let's say you have periodic meetings with the customers. Each meeting is, of course, a Moment Of Truth.

What you need to do is break down each phase of the meeting right from the moment the customer walks through your door to the moment they leave...

What happens as they enter your offices? Who greets them? What do they say? What drinks will be provided? Etc. All these things are very important and will make a significant difference to the 'experience' the customer has.

In effect, you're systematising the whole Moment Of Truth to ensure the best possible outcome.

Step 3: Now ADD 'Special' Moments Of Truth

What Moments Of Truth focuses on is the 'normal' interactions you have with your customers. The final piece of the jigsaw is to introduce NEW Moments Of Truth that heighten the experience for the prospect or customer.

Here's a good example...

The Radisson chain of hotels is excellent at including ‘Special’ Moments Of Truth in the customer experience. Let’s compare their approach to receiving new customers with the ‘standard’ service of other good hotels...

| Moment Of Truth | Good Hotels | The Radisson |
|------------------------|---|---|
| Check-In | Prompt, courteous welcome and efficient checking in | Prompt, courteous welcome and efficient checking in, plus an acknowledgement that this is your first visit and a complimentary upgrade |
| Entry Into Room | Maybe a complimentary bowl of fruit, bottle of water and a welcome message on the TV screen | <p>Welcome message on TV screen. A chocolate dessert with your name written in the chocolate sauce saying ‘Welcome Mr Jones’. A book entitled ‘This Is My Favourite...’ with the favourite recipes from 100 of the UK’s best chefs – and a complimentary note sticking out of the top saying:</p> <p>‘Dear Mr Jones,</p> <p>We believe this is your first visit to the Hotel. Please accept this book with our compliments’</p> <p>And finally a ‘Welcome Card’ from the Hotel Manager, personally addressed.</p> |

This is just two Moments Of Truth – but as you can see, by adding ‘Special’ Moments Of Truth to the experience, you really do set yourself apart!

So the question is – what ‘Special Moments Of Truth’ can you build into the business when serving prospects and customers?

A Great Example Of Moments Of Truth

Just in case you have any doubts about the power of Moments Of Truth and the effect it can have on your business, here’s a great example of how any industry can capitalise on this fabulous tactic...

Harvey Mackay (author of *How To Swim With The Sharks Without Being Eaten Alive*), tells a wonderful story about a cab driver that demonstrates Moments Of Truth perfectly...

He was waiting in line for a ride at the airport.

When a cab pulled up, the first thing Harvey noticed was that the taxi was polished to a bright shine.

Smartly dressed in a white shirt, black tie, and freshly pressed black slacks, the cab driver jumped out and rounded the car to open the back passenger door for Harvey.

He handed Harvey a laminated card and said:

“I'm Wally, your driver. While I'm loading your bags in the trunk I'd like you to read my mission statement.”

Taken aback, Harvey read the card. It said: Wally's Mission Statement:

To get my customers to their destination in the quickest, safest and cheapest way possible in a friendly environment.

This blew Harvey away. Especially when he noticed that the inside of the cab matched the outside. Spotlessly clean!

As he slid behind the wheel, Wally said, “Would you like a cup of coffee? I have a thermos of regular and one of decaf.”

Harvey said jokingly, “No, I'd prefer a soft drink.”

Wally smiled and said, “No problem. I have a cooler up front with regular and Diet Coke, water and orange juice.”

Almost stuttering, Harvey said, “I'll take a Diet Coke.”

Handing him his drink, Wally said, “If you'd like something to read, I have *The Wall Street Journal*, *Time*, *Sports Illustrated* and *USA Today*.”

As they were pulling away, Wally handed Harvey another laminated card.

“These are the stations I get and the music they play, if you'd like to listen to the radio.”

And as if that weren't enough, Wally told Harvey that he had the air conditioning on and asked if the temperature was comfortable for him.

Then he advised Harvey of the best route to his destination for that time of day. He also let him know that he'd be happy to chat and tell him about some of the sights or, if Harvey preferred, to leave him with his own thoughts.

Then Harvey said “Tell me, Wally, have you always served customers like this?” Wally smiled into the rear-view mirror. “No, not always. In fact, it's only been in the last two years. My first five years driving, I spent most of my time complaining like all the rest of the cabbies do.

“Then I decided to do things differently. I looked around at the other cabs and their drivers. The cabs were dirty, the drivers were unfriendly, and the customers were unhappy. So I decided to make some changes. I put in a few at a time. When my customers responded well, I did more.”

“I take it that has paid off for you,” Harvey said.

“It sure has,” Wally replied. “In my first year I doubled my income from the previous year. This year I'll probably quadruple it. You were lucky to get me today. I don't sit at cabstands anymore.

“My customers call me for appointments on my cell phone or leave a message on my answering machine. If I can't pick them up myself, I get a reliable cabbie friend to do it and I take a piece of the action.”

Wally was implementing Moments Of Truth, even though he didn't realise it!

**This true story shows if Moments Of Truth can be so successful for a cab driver
– it can work for any type of business!**

Creating Your Sales Conversion System

Introduction

Many business owners spend a considerable amount of money to generate enquiries. And they put all their effort, time and money into the Lead Generation Media Pieces that get these enquiries.

Unfortunately there's no point in having a brilliant lead generation system that brings in dozens or hundreds of leads each month if they only convert a small percentage of them – they're wasting a massive opportunity!

Even if the business sells a high priced product or service and one or two customers from a total of 100 or more leads is profitable – just think what the business would achieve if it converted 5 or 10 or 15 times this amount?

Concentrating more on 'converting' leads into customers will ensure two things:

1. You'll literally transform the business overnight
2. You'll maximise the investment the business makes on ALL its Media Pieces

The good news is that putting in place a system to convert more enquiries into customers is simple and costs very little (if anything at all).

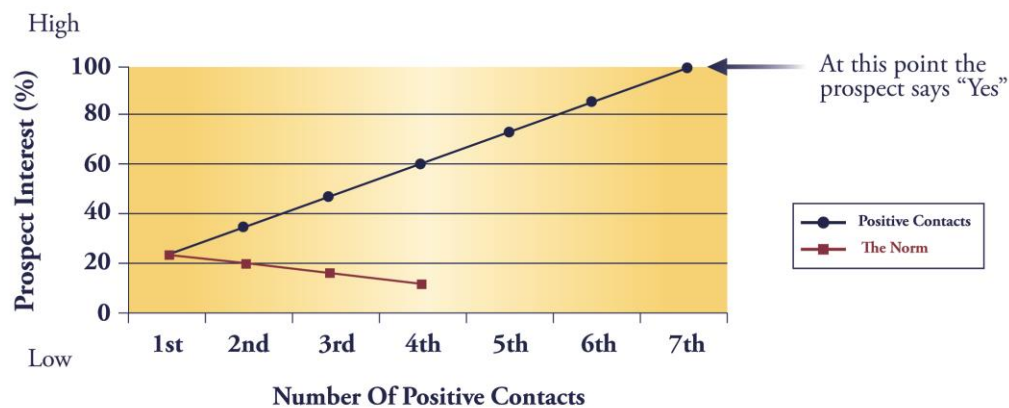
So what is a Sales Conversion System?

In simple terms a sales conversion system is a system used to ensure the business generates more customers from the number of enquiries generated.

It starts the moment the enquiry is received, right through to the point where that enquiry becomes a customer. And remember the enquiry could be from a prospect or an existing customer.

Here's a simple explanation of why every business needs a sales conversion system...

The Effect Of Positive Contacts In The Sales Cycle



The Norm – By the fourth contact the prospect’s interest is lower than where it started. They are now further away from the sale! That’s why 90% of sales people have given up!

Positive Contacts – By the fourth contact the prospect’s interest is high. Now it’s only a matter of time and a couple more positive contacts before the sale is made.

What this chart shows is that the prospect must reach a certain level of interest before he or she is prepared to say “Yes” and buy your product or service.

Therefore what you need to do is increase the prospects interest each time the business makes contact with them. A contact can be a meeting, a letter, a fax, an e-mail – or any way in which you make contact with prospects or indeed existing customers.

On average it takes 7 positive contacts (‘The Rule of 7’) before the prospect says, ‘Yes’. By using sales conversion these steps are automatically built into the system, which increases the chances of getting a positive result with the vast majority of highly targeted prospects.

No matter what the business, there are several easy identifiable steps between the lead coming in and when the prospect says, ‘yes’.

The sales conversion system focuses on each stage and as a result many more enquiries turn into customers.

...and there’s one more important piece of the jigsaw to consider. We call it the ‘Follow-Up Ladder’ which when you combine this with ‘The Rule Of 7’ you have an unbeatable sales conversion system. Let us explain...

The Prospect Follow-Up Ladder explains the importance of following up and shows the strong correlation between people buying on the 7th positive contact combined with the fact that most people give up on the prospect too early.

In other words, Follow-Up is not practiced by many businesses. This means those that follow up correctly will always gain more customers. We think you'll find these research results very interesting...

- A recent study conducted by Performark (a research company in the USA) showed how few companies follow up properly or even at all.

They found that out of 10,000 advertising enquiries – 22% never received the information they requested, 45% received the information more than 65 days after their request, for 12% it took more than 120 days to receive their information, and 87% were never contacted by a sales representative.

- A recent study by Thomas Publishing Company showed that most salespeople give up too early, regardless of the industry.

According to the study, 80% of sales to business are made on the fifth sales call, but only 10% of salespeople call more than three times (the diagram on page 79 shows the complete details of the study).

- A recent study conducted by Tom Rayfield, a UK direct marketing expert, showed that companies are very poor at follow-up. Taking 200 randomly selected advertisers, he replied to them all to measure follow-up responses.

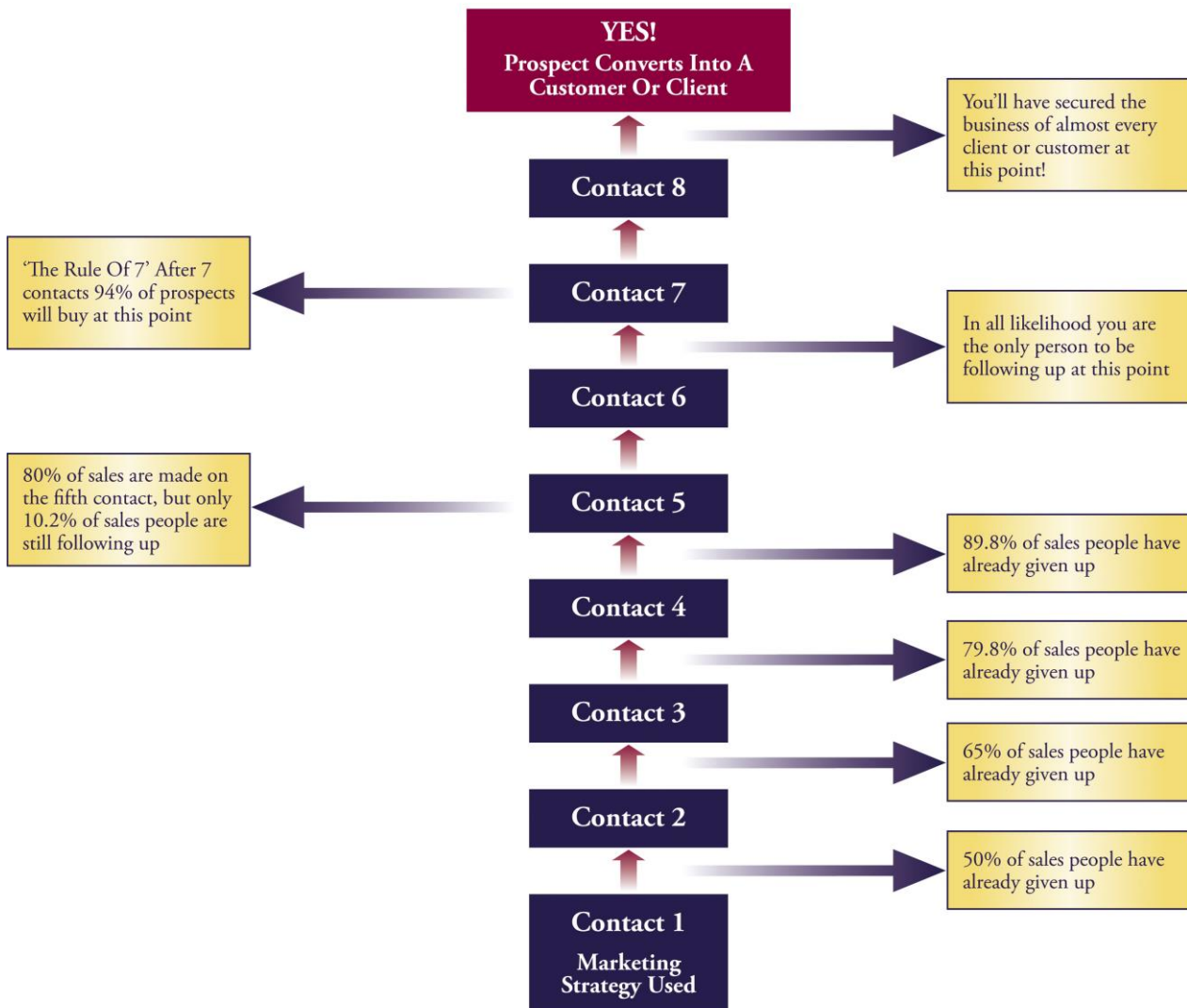
To his amazement, the average time taken for people to reply to him was eight days, and 17 companies (8.5%) didn't even bother to reply!

- Dr Geoffrey Lant, the renowned marketing and research consultant, reasons that most buying decisions are made after seven contacts over an 18-month period. He calls this the 'Rule of 7', and many more studies support this.

What you need to do is make a positive impression on the prospect at each contact. By doing this, you speed up the sales cycle and keep more prospects in it – resulting in more sales. Eventually your persistent (but not too persistent that it pressures the prospect) communications make it virtually impossible for the prospect to refuse you.

If one of your contacts has a less than positive impact on your prospect, their interest drops, making it harder for you to close the sale. This is a basic but very important tactic for you to apply and understand. The diagram below shows how it all fits together...

When Do Prospects Turn Into Buyers?



Data based on Thomas Publishing Company research findings

Why Don't 99% Of Businesses Have A Sales Conversion System?

There are four reasons why:

- People are too busy working in their businesses to take time to develop a system.
- People simply aren't aware of the importance of a sales conversion system – even though it makes total sense
- People just focus on generating enquiries from their marketing activity and are content with the number of enquiries that turn into customers – they don't realise how much business they're losing out on!
- People don't even know what their sales conversion rate is (the percentage of customers you get from the total number of enquiries received).

Because people don't know their sales conversion rate, they automatically think they're doing well. In most cases the opposite is true!

Why Is A Sales Conversion System So Powerful, And Why Every Business Must Have One?

Let's just take this hypothetical but very realistic situation...

Let's say at the moment your business converts 20% of enquiries into customers. The average order is £1,000, and 10 enquiries are generated each month. Look at the table below and see the effect a sales conversion system can have on the business in just 12 months:

| Conversion Rate | Enquiries Per Month | Customers Per Month | Average Order (£) | Annual Income (£) |
|-----------------|---------------------|---------------------|-------------------|-------------------|
| 20% | 10 | 2 | 1000 | 24,000 |
| 30% | 10 | 3 | 1000 | 36,000 |
| 40% | 10 | 4 | 1000 | 48,000 |
| 50% | 10 | 5 | 1000 | 60,000 |

Improving the sales conversion rate from 20% - 30% results in a growth of 50%. Doubling the sales conversion rate from 20% - 40% results in a 100% growth in new business. That's why a sales conversion process is so powerful and so important.

By the way, if you think it's difficult to improve the conversion from 20% to 40%, or 30% to 60%, or more – it isn't!

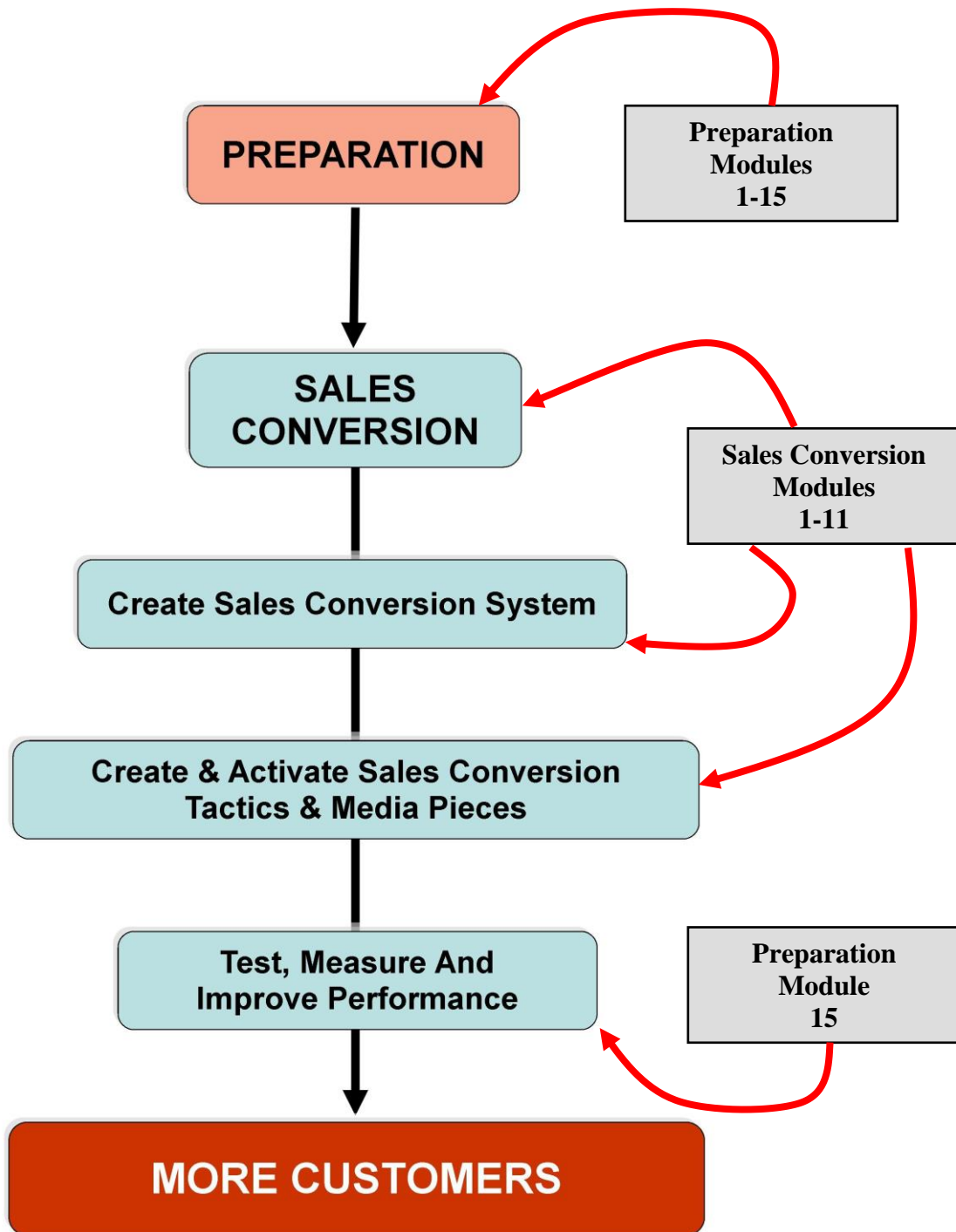
One of our recent accountancy clients improved their sales conversion rate from just under 20% to 90% in 6 short months. That's converting 4 enquiries out of 5 into clients as opposed to 1 in 5.

Remember, improving the sales conversion rate is achieved without any extra cost, or additional success from each Media Piece. And that's the beauty of it!

The key to improving the sales conversion rate is first to find out what the sales conversion rate is at the moment. You should have calculated that back in System Module 6 – Preparation Vault (KPIs & Performance Benchmarks).

Let's now take a look at the Sales Conversion System. All you need to do is apply each section and in no time you'll have created an extremely powerful sales conversion system...

The Sales Conversion System



Simply follow the system through each element and in no time you'll have created an extremely powerful Sales Conversion System for your business.

Let's look at how you do that...

Step 1: Existing Sales Conversion Tactics & Media Piece Optimisation

If you haven't done so already make sure you've optimised and improved your existing Sales Conversion Tactics & Media Pieces. This will enable you to get quick increases in enquiries without any extra expense. For details on how to do this please go back to System Module 4 (Preparation Vault).

Step 2: Map The Stages Of The Sales Conversion System To Create Your 'Framework'

Using 'The Sales Conversion System Design Table' shown on the next page, map the key STAGES that have to occur as part of your sales process. A stage could be any of the following...

- A meeting
- A form received
- A visit to the store
- Etc.

The system starts the moment the interest or enquiry is generated and ends when the sale is made. By adding the critical stages in between these two points you've created the 'Framework'.

You may have any number of stages. Simply include all of them in the pink rows on the Sales Conversion Design Table.

The Sales Conversion System – Follow-Up Design Table

| DAY | OBJECTIVE | MEDIA CHANNEL | CONTACT |
|--|-----------|---------------|---------|
| INTEREST/ENQUIRY GENERATED | | | |
| 0 | | | |
| | | | |
| | | | |
| Critical Stage 1: <Enter Details> | | | |
| 0 | | | |
| | | | |
| | | | |
| Critical Stage 2: <Enter Details> | | | |
| 0 | | | |
| | | | |
| | | | |
| Critical Stage 3: <Enter Details> | | | |
| 0 | | | |
| | | | |
| | | | |
| Critical Stage 4: <Enter Details> | | | |
| 0 | | | |
| | | | |
| | | | |
| SALE & NEW CUSTOMER ACQUIRED | | | |
| CUSTOMER MAXIMISATION SYSTEM | | | |

Step 2: Decide How Many Contacts In Total You Require

Now you have your framework in place you need to decide on the number of contacts within each critical stage.

As a guide – the higher the price of your product or service and/or the longer the sales cycle (i.e. the average time it takes for a prospect to move to the next Critical Stage) – the more contacts you'll want to build in.

Your contacts go in the 'Contact' column of the Design Table.

Step 3: Decide The Exact Nature Of Each Contact

Here's what you need to consider...

- Decide what each contact will consist of. For example 'Contact 1' could be a 'thank you for requesting our brochure'.
- Choose the Media Channel you'll use for each contact. Remember, your main Media Channel Categories are – Published Media, Direct Mail Media and E-Media. So using the example above, you may decide to send the 'thank you for requesting our brochure' as an e-mail (a Media Channel of E-Media).

Please Note:

It's very important at this stage to make sure that when the initial enquiry is made, you collect the necessary details from the prospect. If you're going to use e-mail and post you must get the e-mail address and postal address of the prospect.

Your contact description goes in the 'Contact' column of the Design Table. The Media Channel goes in the 'Media Channel' column.

Step 4: Write Down The Objective Of Each Contact

This is imperative. As you know every contact has to have an objective. There are two types of objectives you need to think about...

1. Courtesy Objectives: For example, thanking the prospect and informing them of what will happen next...

Here's an e-mail you could send...

Subject: Thank you John

Hi John,

I just wanted to say thank you for requesting our brochure. I'll send you a quick e-mail to let you know when we've despatched it.

Look out for the Introductory Special Offer on page 5.

Thanks again John.

Kind regards,

Dave Jones
Managing Director

2. Next Step Objectives. For example, the covering letter with the brochure has the objective of getting the prospect to request a meeting.

Having already constructed your Framework (made up from each stage) the objective is easy. It is simply to get the prospect to reach the next Critical Stage.

Add the objective to Design Table in the 'Objective Column'.

Step 5: Add Timeline

Now for each contact simply decide on when the contact will occur. Day 0 means the contact happens the same day as the Critical Stage is reached. Day 3 means the contact is delivered three days after the stage was reached and so on.

Once a critical stage is reached the timeline starts again at zero.

Your timeline for each contact goes in the 'Day' column of the Design Table.

Step 6: Add Other Tactics & Media Pieces

Steps 1 -5 take you through the procedure you need to follow to put your actual Sales Conversion System (sales process) in place. Now you're going to look back in System Module 13 (Preparation Vault) when you created your Action Plan. You identified all the Sales Conversion Tactics & Media Pieces you can apply to your business. Simply add the ones that apply.

Remember it is essential that you have at least 6 Sales Conversion Tactics & Media Pieces working for you at any one time.

Step 7: Budget Planning

Before you create any additional Sales Conversion Tactics & Media Pieces you must first look at the extra costs that each one will incur. Having said that, most of the Sales Conversion Tactics & Media Pieces are free or low-cost to apply. Make sure your cash flow can support any initial extra spend.

Step 8: Create The Sales Conversion Media Pieces And Apply Tactics

Now create each Sales Conversion Media Piece and Tactic for each contact in your Sales Conversion System.

Step 9: Key Marketing Assets

Of course ALL the Marketing Assets (System Modules 10-12 - Preparation Vault) should be used in each Media Piece of your Sales Conversion System, however the following Marketing Assets are especially important for improving Sales Conversion...

- Guarantee / Risk Reversal (M11)
- Sales Barrier Demolition (M11)
- Social Proof (M12)

Step 10: Keep Following Up To Take Advantage Of ‘The Moving Parade’

Selling any product or service is all about timing. Just because someone isn't interested in buying the product or service today, it doesn't mean they aren't going to be interested tomorrow.

That is in essence what ‘The Moving Parade’ is all about. Let us explain this further...

Let's say that at the moment you're really happy with your car. You've got no intention of changing it. Therefore every advert, every mailing or any contact you have with a car dealer or car manufacturer is wasted on you.

Letters go in the bin without a second thought. You pick up your newspaper when the adverts come on TV. You simply aren't interested. And nothing will prompt you at this stage to even consider changing your car.

However, three months later your circumstances have changed. You need to do more travelling, and so you decide it's time to look for a more suitable car.

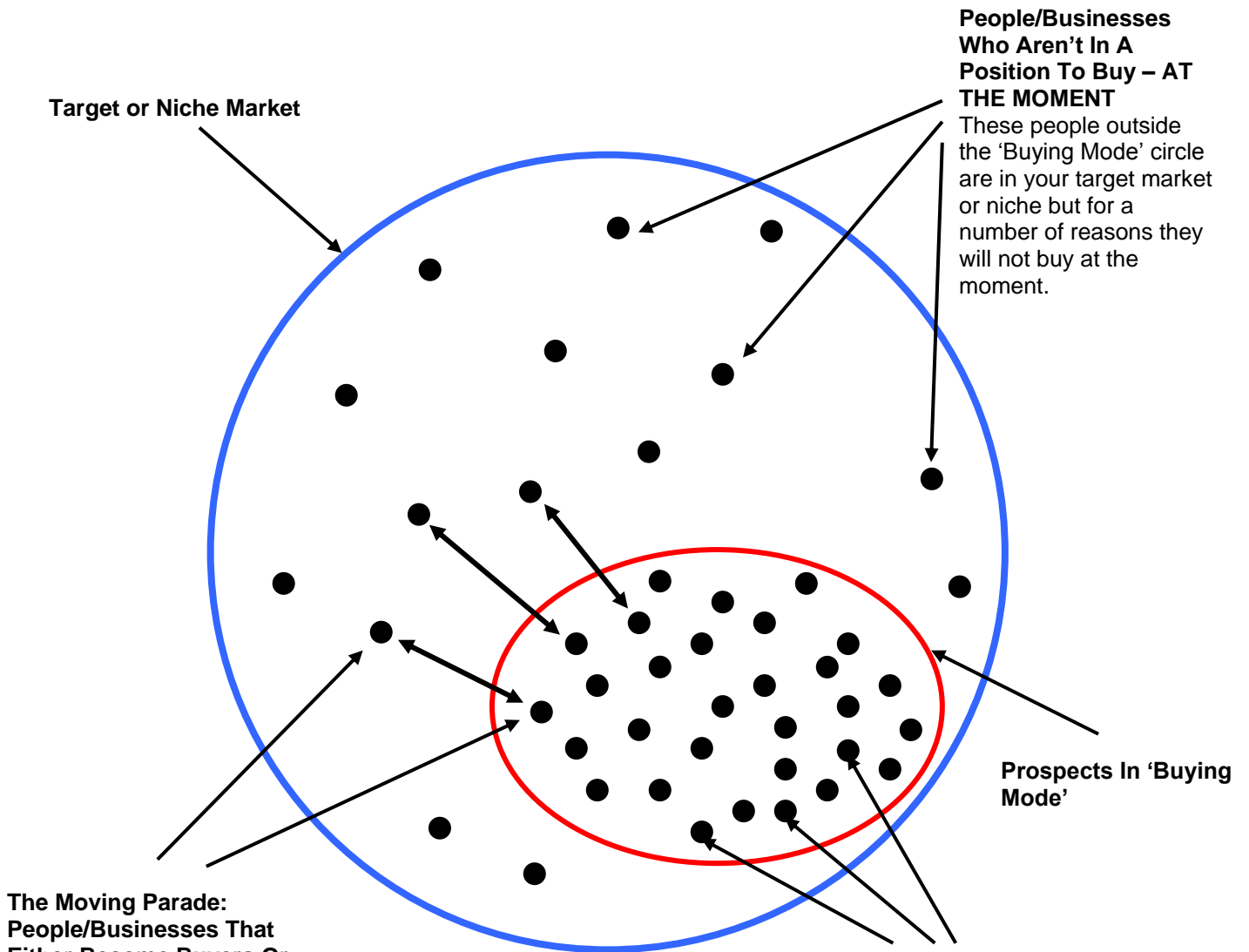
Now every mailing, advert, or communication to do with cars is instantly given attention by you. You're ‘in the market’ for a new car and you develop an insatiable appetite to find out as much as you can about the cars which would suit you best.

This happens every single day when people are buying products and services.

If you don't keep in touch regularly with your prospects and customers you'll never get ‘lucky’ with the timing – people move in and out of the market, depending on changing circumstances (see diagram on the next page).

By keeping in contact at least once a month, the chances that the business will hit the prospect at the right time are increased tenfold. You will get ‘LUCKY’!

The Moving Parade – What It Looks Like



People/Businesses Who Aren't In A Position To Buy – AT THE MOMENT

These people outside the 'Buying Mode' circle are in your target market or niche but for a number of reasons they will not buy at the moment.

Prospects In 'Buying Mode'

People/Businesses Who Are Ready To Buy Right Now

These people inside the 'Buying Mode' circle are ready to buy right now – remember, they can only buy from YOU or your competitors.

The Moving Parade: People/Businesses That Either Become Buyers Or Non-Buyers

People or businesses move in and out of 'buying mode' all the time. Circumstances change resulting in people or businesses either becoming buyers or non-buyers. This movement in and out of 'buying mode' is what we call The Moving Parade.

The Result

Using The Moving Parade to your advantage by constantly keeping in touch with the target market and your customers means when movement occurs out of non-buying mode into buying mode by any prospect, you have a high probability of getting the sale.

Using the Marketing Assets helps you win a large proportion of these customers.

Do this one thing and your sales and profits will increase. Do NOT take this lightly. Taking advantage of The Moving Parade is one of the simplest yet most rewarding marketing strategies you can apply to any business.

By far the easiest thing to send every month is your Monthly Printed Newsletter!

Step 11: Monitor, Test & Improve

Once your Sales Conversion System is operating you can measure, test and improve the results of each Tactics & Media Piece. See System Module 15 (Preparation Vault) on testing and improving the effectiveness of your system and each Tactic & Media Piece.