

How to Grow Your Business In Tough Times

Session Notes

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BIGG life on your own terms
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Small Business Seminar Series

Session 3
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Objectives

During this session, you will discover:

- ✓ a new attitude about growth
- ✓ the essential ingredient to gain a competitive advantage now
- ✓ 2 essential paradigms for growing your business
- ✓ why decreasing costs makes a greater impact short-term than increasing sales
- ✓ 2 methods to cut costs even more than you may have already
- ✓ the most common mistake when looking for new sales
- ✓ the true cost of customer attrition
- ✓ 3 levels of value
- ✓ How adding value to your customers creates value for your business
- ✓ the 3 most cost-effective ways to grow your business
- ✓ 2 questions to ask every customer
- ✓ how to prioritize your customer list for regular communication
- ✓ how to allocate resources for optimal growth
- ✓ why you need a 3-tiered product or service menu
- ✓ understand how to design ads that deliver results
- ✓ the real benefit that your customers buy from you



Outline

- ◆ Essential paradigms
- ◆ Sustain-ability
- ◆ Smart growth
- ◆ Q&A



Part 1

Essential Paradigms ▶ **BOTTOM LINE** ▶ **CUSTOMER RETENTION**

BOTTOM **L**INE

- ➔ \$100 decrease in costs > \$100 increase in sales
- ➔ **Zero-base** your budget
- ➔ **Holistic decision** making

Small is the new big.

Sustainability is the new growth.

Trust is the new competitive advantage.

Why Small Companies Will Win in this Economy

Peter Bregman, March 23, 2009

Harvard Business blog

RETENTION

- ➔ **50 over 5** loss
- ➔ **7x cost factor**
- ➔ **5 to 95** gain

Part 2

Sustain-ability ▶ **3 LEVELS OF VALUE** ▶ **3 BEST GROWTH SOURCES**

3 LEVELS OF VALUE

- ➔ Business Value = Cash Flow ÷ Cost of Capital
- ➔ Value **OF** a customer = (Sales – Costs) ÷ Cost of Capital
- ➔ Value **TO** a customer = Benefits ÷ Price

3 BEST SOURCES OF GROWTH

- ➔ Average sale
- ➔ Frequency
- ➔ WOM

Part 3

Smart Growth

- ▶ PRODUCT LINE FOCUS
- ▶ TARGET CUSTOMER SEGMENT
- ▶ MEDIA & MESSAGE

PRODUCT OR **S**ERVICE LINE

- Most profitable
- Product / Service Menu
- Best – Better - Good

TARGET CUSTOMER SEGMENT

- Most profitable
- Engagement level

		CUSTOMERS	
		EXISTING	NEW
P R O D U C T S	E X I S T I N G		
	N E W		

MEDIA & MESSAGE

- Driven by target customer segment
- **Single purpose ads**
- Purpose of **headline**
- Features vs. Benefits

People don't buy:	They do buy:
Minty fluoride toothpaste	A clean, kissable mouth
500 HP, S-blade bulldozer	A pool to enjoy with the family
100% cashmere sweater	A memorable Valentine's Day

The Key to Advertising Success, copywriting.com

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