

THE EIGHT PISTONS OF MARKETING SUCCESS



What is marketing? Marketing is everything you do which influences a client's or prospect's perception of the value of your service. Marketing is not activities. It is not newsletters, ads, commercials, mailings, or the like. Nor is marketing about things. Marketing is about results. All good marketing comes about when a business has its eye set squarely on what it seeks to achieve. Everything you do should be analyzed against how it will contribute to achieving your ultimate revenue and personal lifestyle goals.

Many people mistakenly believe that if they just become better marketers the path leading to new clients and profits will lie clearly before them. This is not the case. It is possible to be very good at getting people to your door, yet still not have a profitable business. Good marketing guarantees nothing. More business does not necessarily equal more profits.

In fact, if you don't have your act together, good marketing

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can actually hasten your demise.

My belief is that there are eight pistons which provide power to the profit engine of a service business. These eight areas of your business must be running smoothly in order for good marketing to have its maximum impact on your bottom line.

PISTON #1: The first piston is *Marketing Efficiency*. There are two ways of looking at this. The first part has to do with getting the maximum impact for your dollar by focusing on your very best prospects. Every business has a limited amount of time and money for marketing and it is imperative that you focus on your very best prospects. To the extent that you allocate resources to communicating with a second class, third class or even lower class of prospect, you are not getting the maximum benefit for your money. For example there is the professional firm that spent thousands of dollars on newspaper ads just to get their name out. They were spending money inefficiently, as they were not reaching their best prospects in a meaningful way.

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The other way of looking at the first piston, marketing

efficiency, is not to lose what you already have. A common mistake service businesses make again and again, and which costs them dearly, is to always look for new clients. Service businesses love to spend money talking to strangers, people who don't know and love them. As a result, they are inefficient because they lose business that is already in their hand. It is common sense, and has been proven many times over, that communicating with previous customers is the fastest, least expensive and highest use of any marketing dollars you will ever spend. Yet many service businesses don't do this.

PISTON #2: Piston number two of your profitability engine *is Sales Effectiveness*. It does you little good to attract inquiries to your business, to have people come into your place of business for an interview or to prospect, if you can't convert a very high percentage of these individuals or companies into paying clients. Sales effectiveness is about developing rapport, discovering a prospect's hot buttons, and communicating how your service will solve the prospect's problems in a way they feel comfortable with.

Sale effectiveness skills can always be improved. A professional service provider in St. Louis called me a few years ago in a very angry mood. This was a very talented, caring, skilled professional who was sick and tired of seeing others, less skilled and less caring, attracting, servicing

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and profiting substantially from a much higher quality type of client, while he was left working horrendous hours at substandard pay.

He provided tremendous results for people, yet worked with clients who didn't seem to be able to pay him what he was worth. He called me in total frustration, and said in essence, "I give up! Tell me what I have to do to turn this around." We started the process of analyzing his marketing, and I came to realize that this person was not good at communicating value with his clients. He was a nice guy, very personable, and people naturally liked him. However, when it came down to communicating in a meaningful way just how good a professional he was, so that people expected to pay a fair rate and were willing to pay fully for his services, he was lousy.

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These were difficult and sometimes uncomfortable

discussions, but within 9 months this practitioner doubled the revenue he was generating. He raised his rates and retainers and people willingly paid. He saw his bank accounts increase. One of the last times I spoke to him, he told me that he had grossed \$25,000 in a month. A year before that it would have been unthinkable for him to generate that amount of business.

I asked him what he felt had made the difference and he said that being more conscious of what people wanted and how he communicated his worth had enabled him to sign up more business and increase the average value of every client. It is essential to make sure you are maximizing your sales effectiveness.

PISTON #3: The third piston of profitability is *Client Retention and Referral*. This has to do with the service relationship you have with your clients. Using marketing to get new business is great, but the greatest influence on your profits is your ability to keep your clients and have them come back to you again and again. It also includes your ability to stimulate referrals from your client base. This is probably the most important of all the pistons which drive your profit engine. You could do an average job of getting people to your door, but if you do a great job of getting them to come back and refer others to you, you are going to considerably increase the amount of money you make.

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PISTON #4: The fourth piston is *The Ability to Cross Sell Services*. Tremendous amounts of business and profits are lost merely because individuals and companies who know you, like you, and would happily do more business with you, are not aware of the other services you can provide them. I hear story after story of service businesses complaining about the great piece of business they lost simply because a previous client wasn't aware of all the ways they could help them or people they know.

I remember sitting down with someone who generated a million dollars yearly in business for his law firm. Before I spoke to the firm I asked him, "What's your secret to developing new business?" He said it was very simple. He made it a point to let everyone he met know all the services the firm could provide, and let them know that if they ever had a need or a problem they could feel free to give him a call. He said "I have been doing this for 20 years and it works for me."

This technique is so simple that many people have a hard time accepting how much it can contribute to profits. But think about it, how many times have you been aware of a satisfied client taking business elsewhere, simply because they didn't know about all of the ways that you could help them? It happens too frequently. It is even scarier to think of how many times this may happen and you are not aware of it.

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You have to tell people what it is you can do for them without any excuses.

PISTON #5: Piston number five is *Realization*. Marketing exists to deliver revenue and profits to you. Marketing does not do you any good if your business is structured in such a way that you do not realize the most revenue for your effort. For example, consider a consultant charging \$100 an hour. After all is said and done they actually collect \$90. The realization rate is 90%.

If you don't have an effective marketing program, you may charge \$100 an hour. After you consider the discounts, write-offs, favors and mistakes you encounter, you may actually only collect \$50. Your realization rate is 50%. You can tell people you are a \$100 an hour consultant, but you are really only a \$50 an hour consultant.

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Your realization rate is influenced by many things, and you have to track it and constantly seek to increase it if you want to maximize the profitability of your service business. Marketing helps you to do that.

PISTON #6: The sixth piston is *Staff Training and Development*. You may know that marketing is great, but if you are going to make serious money you need to delegate tasks to the lowest level of competency. You must make

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money from the efforts of others in your organization. Good marketing can deliver people to your door, but if you don't pay attention to staff training and development, you will strangle your business. It won't grow, people will not be satisfied with the service, and you will deprive yourself of additional profits.

PISTON #7: The seventh piston has to do with your *Internal Systems and Organization*. It is not marketing that keeps people happy, gets them to pay their bills, and keeps them coming back to you and telling others about you. It's how satisfied people were with your service. People's satisfaction has an awful lot more to do with all the little things that are done as part of your organization's dull, daily and boring routine than all the great ideas you may have. Service is a result of both systems and organization. Know what clients like and make a conscious effort to deliver that as a part of your daily business routine.

PISTON #8: The eighth piston which drives your profitability engine is plain old *Sound Business Management*. It is about running a real business versus running around. This includes having goals, budgets, reporting, and measurement systems.

If you have all these things, marketing efficiency, sales effectiveness, a high retention and referral rate, the ability to

cross sell, a high realization rate, good staff training, systems which deliver great service routinely, and practice sound business management, your service business will have a profit engine which will deliver you new clients and high profits over and over again.