

Strategy #3

Onward to Massive Success

Building brand awareness and differentiation is always your job

CHAPTER 5

An Entrepreneur at Heart

My early start, why marketing is at the heart of your business and learning what focus means

You miss 100 percent of the
shots you don't take - Wayne
Gretzky, NHL Hall of Famer

At age 13, I was a young, naïve kid looking for acceptance, wanting to feel important and starting to look at those cute girls, of course. The problem was that I wasn't accepted, I didn't feel important, and of course, I kept looking at those girls only to feel that they were out of my league.

The only thing I had going for me, at the time, was the school band which I was in. The band decided to conduct a fundraiser, selling candles, of all things. One of the boys balked at the whole idea. I was just about to put in my full support for

the fundraiser when Vicki, the girl of my dreams, said that she could - and would - do it, of course. She said that she would raise more money than any boy in the band. Pressed about it, Vicki then made a deal I have never forgotten. "If any boy beats me, the highest seller can take me to the dance next month!"

When I got home, I immediately begged my mother to buy a candle but dad, a union electrician, was unemployed at the time. Money was really tight. So, I went to six homes on our street to solicit funds and was turned down flat by all of them!

I was undeterred - a date with my dream girl was on the line - and I was going to be the winner! I knocked on, door after door, going down one street after another. Sometimes doors were slammed in my face immediately. At other times, they politely declined and then slammed the door.

I finally locked in my first candle sale eighteen doors later. The exhilaration was nothing that I had ever experienced before! I went to the next house and sold another. Three hours later, I ended up with four candles sold. It was just my first day!

I was awake, the next morning, at 6:00am. It was a full eight hours before band class, where we would get an update

on candle sales and I would be able to announce my master salesman results.

When class finally started, the numbers were up on the board. Being early in the alphabet, my numbers were listed further up, gaining a few "ahs" and "wows". To my shock though, Trevor, the boy who spoke to my dream girl directly, put his number up shortly after and it was a nine. The class roared with excitement!

Vicki, on the other hand waited patiently, and when her time came to announce her numbers, the class gasped as she calmly announced that she had sold ten, with a further four people who would likely buy tomorrow!

I sank down in despair. I went home that day, with my tail between my legs, having no hope in the world of ever getting a date with Vicki. Being understandably irritable, I started to grate on my siblings. So my dad took me with him when he went to visit my grandmother at the seniors home. On arriving, my grandmother quickly caught wind of my misery and asked me what the problem was. I told her I had tried but failed to sell some awesome candles, leaving out details as to

why. She listened to the whole story and then bought five candles. That was just the beginning.

Next, she brought me to visit her neighbor whose house is full of candles and managed to sell six more! Then, we proceeded to a few more homes and sold even more. My entrepreneurial spirit was alive and well! With the help of my grandmother, I was back in business and determined that Vicki would, in fact, be my date!

When I finally got to band class the next day, I was in a world I had never before lived in! With 19 candles sold, I was three ahead of everyone! Even Vicki came up to me after class, (I was shaking in my tennis shoes from the moment she started walking over to me until school finished an hour later), almost as if she was taunting the others, to tell me that she looked forward to being my date if I could hold the lead. The game was on!

We ran the fundraising campaign for two weeks and for that duration of time, I sold a couple more candles every day. I heard through the grapevine that the only reason Trevor had sold nine was because of his mother and aunt. So he was out.

Then, to everyone's shock, a new master salesman emerged - Cory!

In the first week, Cory sold only two but after that first weekend, when he had gone to an adult event, he came in tying with me at a record 24. Then, the following Tuesday, he sold three more and took the lead!

It was a blow but I had come this far and I would not lose now. I quickly learned that my target market was senior citizens.

So, I covered miles around my neighborhood in search of them! By Friday, I was back in the lead but that weekend would be the last chance for all of us. Rumor had it that Cory was going to the same adult event that weekend and would sell hundreds more, knocking me out of a date with Vicki.

With everything on the line - my developing reputation as the best salesman ever and my date with Vicki, of course - I left school Friday on foot. It was five miles to our home and I was determined that I would sell ten candles before I walked in my front door.

Slammed door after slammed door, I worked the side streets, asking, even begging for anyone to buy my candles. At 7:30pm, with three candles sold, my entrepreneurial spirit began to fade. Soon, I was skipping houses, heading home, trying to convince myself that my parents were likely to be getting worried about me.

As I rounded the corner on my street, I suddenly had an idea. Why not ask my neighbor if she needed her flowerbed weeded in exchange for buying five candles? It worked. Wow!

The next day, I did the same with two others. After a few hours of work, I had sold a grand total of 38 candles! This was going to give me a decisive victory and a date with Vicki!

All day Monday, I tried to find out how many candles Cory had sold but to no avail. When band class started, I was more nervous than I had ever been in my life! Cory looked way too proud of himself, sitting in the trumpet section.

“Okay, Jake, how many did you sell?” my band teacher asked. “I sold 38 candles!” I responded with great pride, glancing quickly at Vicki and then Cory, who didn’t appear to have heard me.

Vicki had sold just 23, so my first objective was achieved! After going through nearly everyone else in the class, Cory finally got to announce his numbers. “36 candles,” he said, barely audible.

My dreams had come true! So yes, I did go to the dance with Vicki, an experience I shall never forget as a 13 year old boy. More importantly, I realized that I could do anything if I set my mind to it and I could make good money doing it too.

That was my beginning as an entrepreneur. In high school, I would win a computer, a “state of the art” Apple II, for my efforts. I did five paper routes for a year. I also started and ran a successful lawn mowing business which I sold after four years when leaving for college. I was then self-employed once again after college ended. I am now on my sixth business. Yet, let me tell you that it has not all been a bed of roses!

90 percent of every business's
success lies in marketing.

YOU WIN SOME, YOU LOSE SOME

In 2011, I was ripe for a new adventure, and after nearly a year spent searching, I acquired an existing medical spa business. We didn't start out well!

I hired the wrong manager. I didn't take the reins and try to make it work until it was too late. For several months, I tried to recruit good staff, advertise and build the team back. The manager I had hired caused a number of my staff to leave, and in leaving, they took my clientele with them. Things were just not happening as I intended. Within a year, I closed the doors to what was a very profitable business and ended up losing \$334,000! Luckily, I still had my CPA firm, which was continuing to blossom but it would take some years to get over those losses.

When you go through an experience like that, you learn a lot about yourself and how to profitably run a business. Like I said earlier, the single best decision I ever made was to hire a

business coach. The worst decision I ever made was to invest in a business that I did not understand, and did not actively, at least for a period of time, invest my time and talent in directly.

Being an entrepreneur is very much like riding a rollercoaster. There are ups and downs. There's the exhilaration of being on top of the world and then, there's the shock and weight of being at the bottom suddenly! Yet, the experience is worth it and I wouldn't trade it for all the employment opportunities I could have taken.

Many of you reading this are entrepreneurs, so likely, you've experienced similar highs and lows. I congratulate you for taking the leap and for sticking it out through thick and thin. Most do not appreciate nor understand the risks and challenges involved nor the ups and downs you face. The good news is there is a wealth of resources out there about every facet of running a business. In the rest of this chapter, I plan to share some of these resources and things I have learned with you.

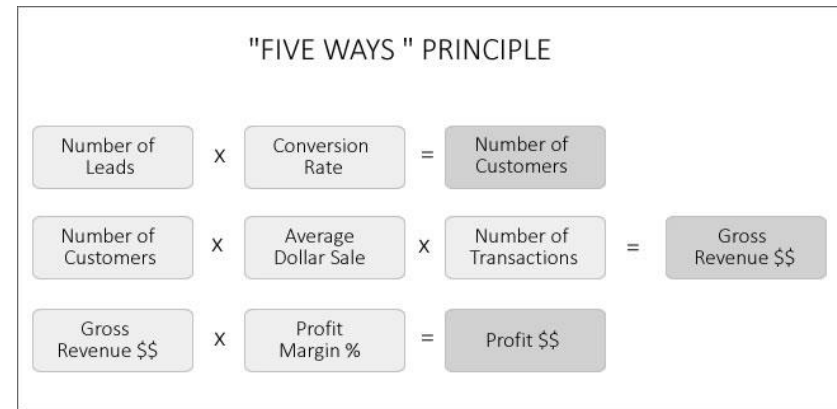
THE HEART OF YOUR BUSINESS SUCCESS LIES IN MARKETING

90 percent of every business's success lies in marketing. The key to success is understanding the business formula to use and then, with great dedication, implementing this formula in your business.

The formula I have been taught, and which I know works is termed "The Five Ways" Principle. It is based on the premise that all businesses are driven by five key profit generation areas

:

- the number of leads you have;
- the conversion rate of these leads;
- the average dollar sale;
- the number of transactions sold; and
- the profit margin.



How does this formula work? When you advertise, you create leads (the **No. of Leads**) for your business. A lead, in a marketing context, represents a potential sales contact. It could be an individual or an organization that expresses interest in either the goods or services you offer. If you do things correctly, you will be able to convert some of these leads, effectively turning interested parties into customers (the **Conversion Rate** %).

Although there are several variables, you will have a certain dollar amount of revenue generated from sales (the **Average Dollar Sale**). Provided you do right by your customer, they are likely to make more purchases in any given year (the **Number of Transactions**). The end result is gross revenue for

your firm. If you spend your money wisely and can keep your overheads low (**Overhead Percentage**), this will mean you can make a decent profit.

So let's break this down with an example.

BEFORE

Let's say I spend several hundreds in advertising and produce the following results: 10 interested leads. Next, since I am effective in selling my services, I manage to close 30 percent of those leads. This means three new customers.

I sell an average of \$500 to each customer and I do this five times a year. My results : $10 \times 30\% = 3 \times \$500 \times 5 = \$4,500$ earned.

My overhead costs are set at 40 percent which makes my gross profit \$1,800. Not too bad, right?

AFTER

Now, let's say I implemented the marketing strategies I mentioned (which I will cover in greater detail in Chapter 6) and increased each area by just 10 percent. What would the resulting profit be?

$11 \times 33\% = 3.63 \times \$550 \times 5.5 = \$10,980.75 \times 36\% = \$3,733.46!$

We more than doubled the profit! By simply making a 10 percent improvement in five key areas of our business, we will now be taking home \$3,733.46 rather than \$1,800!

The question is : how do you achieve these results? The good news is that there are more than 300 strategies that you can choose from to increase your success in each of the Five Ways mentioned. The implementation of these strategies, on a consistent basis, will help a business of any size increase their profits. However, it takes dedication and commitment to implement these strategies.

The most important of these strategies is Testing and Measuring Results. Test and measure the results of each of these strategies, as you implement them, so that you are able to decide which to keep and which to discontinue using. Guessing doesn't work. The numbers tell a story every time and acting on the numbers is what a wise business owner does to grow consistently.



The ultimate marketing secret?

It is the CTA (Call to Action). It is an instruction to your audience to provoke an immediate response, whether that is to call you, find out more or visit your store or site. The CTA needs to be placed on every single piece of marketing you conduct, from your advertising, in-person presentation or your business card. It needs to be everywhere!

GOAL SETTING IS CRITICAL

A great book that I was assigned to read, by Kevin my business coach, is *The Ultimate Sales Machine* by Chet Holmes. This is a must-read for small business owners in professions

where selling is required. There are very few small businesses that do not fit in that category, whether they sell as owners or hire salespeople. Many effective ideas from that book have become part of the systems I use to operate my profitable firm but there is one particular idea I would like to address here - setting and achieving your goals. Chet dedicates an entire chapter to how he succeeds in setting and achieving goals.

This is the crux of it : he identifies seven things he will do each day towards reaching his short and long term goals. I have implemented this strategy for many years, and owe much of my success to this process. Each day, I put the seven things I will accomplish that day in writing on a simple yellow sticky note and place it on my computer monitor.

The workday can get quite busy at times, I may even be in and out of the office for meetings or I could just spend most of the day completely focused on one big project. Yet, those seven items are stuck in my mind and the reticular activating system in my brain somehow, almost automatically, finds ways and means for me to complete most, if not all, of those items each day. Consequently,

I have consistently reached my quarterly and annual business objectives, year after year, and have the successful business I want.

Let's dig a little deeper here. With the help of my business coach, I have established milestones I need to hit at the quarter mark, year mark and five year mark. The quarterly milestones are the best, because once a quarter, I meet with my coach and dozens of my clients who are fellow business owners. We get away from work and work "on" our business. For eight hours, we focus on what we want to achieve over the next three months. The result is a precise and concise list of things we will achieve over the next 90 days. Then, each and every day, I identify seven items I will complete to support this goal.

ENTREPRENEURIAL BURST

Several times a month, I provide a free consultation session to anyone looking to start their own business. I started this in 2012 because for several years now, business has been booming across many industries. If you are hoping to start your own business or have been in business for less than two years, this section below is for you!

For most, the hope of starting a business is what many call an entrepreneurial burst. They have a temporary rush of entrepreneurial hopes and desires. Some act on it, dropping their JOB (what we, as self-employed individuals, define as 'Just Over Broke') and fly into the wind. They are absolutely thrilled to be their own boss and set their own hours, with big dreams of making mega profits. This continues, sometimes, for a year and then the money begins to run low. They find themselves wearing the hat of the technician. They are the salesman, the bookkeeper, the receptionist answering every call and they have the worst boss in the world....themselves! I recognize this because I was once here.

Now, after I began working on my business, business owners who come in to meet with me, get to reap the rewards. How? In my free consultation, I provide them with a 90 Day Action Plan (as outlined on page 66). We carefully answer six questions relating to marketing, accounting and business structure. The answers to these six questions help these business owners focus. They provide a specific direction towards succeeding in their business. I have summarized these

six concepts to help you quickly evaluate if you are ready to take the leap.

SIX QUESTIONS ON MARKETING TO HELP YOU FOCUS

Think of the widget you're selling. It could be powerful, life-saving or perhaps, incredibly interesting and useful. Yet, if you cannot market it effectively, you can forget about any success. So, here are the six questions that can help you focus your efforts.

- 1) What are the 10 ways you are marketing your business?
- 2) What are the 10 things you are doing to close the sale with your prospective leads?
- 3) What are the 3 things you are doing to follow up with each lead you get? How often are you following up until they eventually do business with you?
- 4) What are you upselling to your existing clients?
- 5) What are the 3 things you are doing to increase the number of times they buy from you in a given year?
- 6) What are 2 things you are doing to maintain a relationship with your customers, for client retention?



The Complete Follow-up Strategy



Step 1
Re-state, re-sell and extend the same Offer.

Step 2
Stern/humorous "2nd Notice tied to a hard deadline.

Step 3
"Third and Final Notice

Step 4
Change the Offer and repeat.

This, in essence, is what the 90 Day Plan (as discussed on page 87) focuses on. Once you have reviewed the more than 300 ways to answer these six questions, you can then drill down on a list of action items. You then focus on 10 things you can do in the next 90 days to complete these tasks. If you can work on more than 10, that's great.

There are, of course, many other aspects to running a successful business which I am not discounting here. However, if you are able to gain predictable cash flow by marketing your services or products effectively, you solve many problems that effectively kill businesses within their first few years.

Create a 90 Day Plan

This is a huge Sneak Peak at the next chapter, coupled with what has already been shared.

1. More than 350 ways to market your business, separated by categories as outlined in the "Five Ways" Principle together with some training on how these can be implemented.

2. At least 50 questions about your business situation, that when answered, will prompt you to consider improvements you should be making in your business.

3. A method for setting and then achieving several SMART (ie specific, measurable, attainable, relevant and time-based) goals within the 90 days itself.

4. Specific training and tools that can help you develop the necessary systems and procedures in your business.

5. Tools that will hold you accountable to reaching all of your 90 day goals. Get details about this on our website, www.smallbizzoom.com

5 MARKETING MISTAKES TO AVOID

1. Focus all your advertising efforts only on you and your business name.
2. Write advertisements designed to create "brand recognition". Coca-Cola can do this but you don't have multi-billion dollar ad budgets. Forget it.
3. Fail to recognize and then reward those who refer business to you.
4. Allow your customers to walk out angry or unsatisfied with your service/ product.
5. Create boring, mundane or copycat advertisements.

A GIFT FOR REAL ESTATE AGENTS

Real Estate professionals present a unique category. They have distinctive ways of attracting business and are supported by an entire industry comprising powerful business coaching. Such a professional is also classified as a 1099 contractor, rather than as a business owner.

For years, we have supported Real Estate Agents by providing resources and support specifically in marketing and taxation issues. We also frequently meet with Agents at their broker and coaching meetings and provide continuing education, tax consulting and business structure advice.

We have a toolkit developed just for Real Estate Agents. It covers all of the core topics in this book together with specific tools Agents can use to drill down on simplified recordkeeping, a challenge for many busy Agents.

THIS TOOLKIT INCLUDES

- tax shelters every Real Estate Agent should actively integrate;
- the latest and best cell phone apps for Real Estate Agents;
- systematic procedures to automate record keeping;
- entity structuring, banking and account management tips for Real Estate Agents;
- 12 Marketing Tips used by top-producing Real Estate Agents;
- several tips and resources to help you become audit proof; and
- and several more excellent resources.

This toolkit contains five sections of easy to implement business strategies that could potentially save you an average \$9,690 within the first year of implementation!

Visit us at www.smallbizzoom.com for all the details!

POWERFUL MENTORS - 20 MUST-READ BOOKS

Succeeding in business is hard but you don't have to do it all alone. Successful leaders and business owners can guide you on this journey. Below are some of the best books to read as a business owner, whether you're new or a seasoned professional. Happy reading!

If you're new in business:

- The E-Myth Revisited by Michael E Gerber;
- The Entrepreneur Roller Coaster by Darren Hardy;
- Rich Dad, Poor Dad by Robert T Kiyosaki;
- Make Every Day Count by John C Maxwell;
- The 5 Love Languages by Gary Chapman.

If you're an active business owner:

- The 7 Habits of Highly Effective People by Steven R Covey;
- The Ultimate Sales Machine by Chet Holmes;
- 21 Irrefutable Laws of Leadership by John C Maxwell;

- The Entire ActionCoach series by Bradley A Sugars;
- The 5 Levels of Leadership by John C Maxwell;
- Influence by Robert B Cialdini;

- The One Minute Manager by Ken Blanchard;
- Who Moved my Cheese? by Spencer Johnson;
- The Entire NO BS series by Dan S Kennedy;
- Guerrilla Marketing by Jay C Levinson;
- Marketing Professional Services by Mike Schultz;
- How to Fascinate by Sally Hogshead.

If you're a senior business owner:

- Billionaire in Training by Bradley A Sugars;
- Good To Great by James C Collins;
- Money: Master the Game by Tony Robbins.

These books are a good start. You might have noticed that I threw in a few books you may think are not related to business but they are. If you are in a relationship and running a business,

The 5 Love Languages is a must-read. It will help you get through trying times. Many may not think of leadership books as business books but those who think that way do not understand what leadership really is.

End of Chapter Action Items

1. **Begin working 'on' your business today.**

As we have covered in several areas of this chapter, the 90 Day Plan (as outlined on page 66) is the key to successfully growing, systematizing and leading your business. We give you more than 300 ways to grow your business, tools to help you systematize your business so that it is a business that runs itself without you as well as loads of other resources. Enquire at www.smallbizzoom.com and you will receive detailed instructions on how to turn your business into a profitable enterprise capable of running itself without you.

2. **Bridge the knowing-doing gap**

When reading this or any other book, do the following:

- 1) Take exhaustive notes of ideas you'd like to implement as well as ideas that come as a result of your reading great material;
- 2) Once you've completed a book, create a list of actionable items to work on;
- 3) Integrate your list into your goals and daily action items; and
- 4) Celebrate every time you complete one of the actionable items!

3. **Develop this habit**

Make it a habit, every morning, as you begin your work day, to write down seven things you will do each day. Keep this in view all day long. If you are incredibly busy working in your business each day, this becomes even more important. Your goal is to begin working 'on' your business, so that eventually, your business will do more work for you.