

Introductory Business Worksheets



Agile' Marketing Services, LLC

535 County Rt 54

Pennellville NY 13132

315-439-7326

www.AgileMarketingServices.com

Starting Point Worksheet

You're about to embark on a journey. A journey to a place where your marketing efforts yield more and better results. But in order to journey towards something, you have to start somewhere.

Many people have no idea where they are. Imagine saying to someone, "I want to go to Boston." How will you get there, if you don't know where you are now? Are you half way across the country, or two steps out of town? Will you go north? East? South? If you want to know how long it will take to reach your destination, you need to decide the route you're going to travel, and what locomotion will move you along. Walking is a lot slower than driving a car, but walking in a straight line might get you there faster than driving and taking every twisting, turning back road known to man!

The most important part of any journey toward something or some place, is knowing where you are now, and how you're going to get from one place to another.

Listen to people talk about their goals. "I want to be doing better, and I want it to happen soon." That's very vague. What is their definition of "better?" How will they know when they're doing "better?" How soon is "soon?" Is a million dollars next year "better" and "soon?" Here's a big secret: They're not trying to keep you in the dark. They're trying to find their own way out of the dark. Providing a light, to know where you are, is the best start.

Since Agile' is a Marketing Services company, we're going to be helping you getting more out of your marketing efforts. One of the best ways of "scoring" your business is your financial statement, but that's something you need to go over with your accountant. To get started, we need only the most basic of financial information, so don't be scared. You can get more detailed as we go along if you want.

Part 1

1) What is your business's total income for the year? (This can be year to date, or projected for the whole year.)

2) How much money have you spent/will you spend on marketing, advertising and promotional efforts this year?

3) Take the marketing dollar amount, and divide it by your total income. This should give you a fractional number (decimal). This is the percentage of your income you spent on marketing. (*That is, .12 would be 12%, etc.*)

4) How many new customers did you get from spending the marketing money in question #2? Write down that number.

5) Now, divide the dollars you spent on marketing by the number of new customers you brought in. This dollar amount is how much it cost you, on average, to bring in a new customer. (*Example - \$4,128/12 new customers is \$344 per customer*)

Part 2

6) How much are your expenses for the year? This would include rent, utilities, payroll (remember - pay yourself first!), marketing - anything you need to spend money on in order to stay in business and continue working at your current level.

7) Take the dollar amount you came up with in #6, and subtract it from the dollar amount in #1. This is your net profit. (Hopefully, it's not a negative number!) (*Example: \$120,000 income minus \$97,534 in expenses = \$22,466 profit*)

8) Take the answer dollar amount for #7, and divide it by the dollar amount in #1. This is your profit margin. (*Example: \$22,466 / \$120,000 = .187 or approximately 18.7%*)

Part 3

9) How are you currently marketing to prospects? What media (newspaper ads, trade shows, employees on the sidewalk twirling signs, etc.) are you using?

10) Do you have a system in place to track the impact of each marketing/advertising effort? That is, are you counting people or collecting contact info for each one?

11) Which of your marketing efforts is pulling in the highest number of qualified leads? Which of your efforts is pulling in the least number of qualified leads?

Part 4

12) What is the dollar amount of income you want your business to achieve next year?

13) How many new customers do you want next year?

14) How much do you want to spend on each new customer next year?

15) What do you want your profit dollar amount to be next year?

16) What do you want your profit margin to be next year?

We'll use the answers from Part 4 in our next chapter.

Cocktail Napkin Business Plan

All small businesses need a business plan. Most don't need Profit & Loss statements and multi-stage expansion projections, especially when starting out. You just need something that will fit on the back of a cocktail napkin (or one side of a small sheet of paper), and explains briefly what your business does, who your intended customers are, and how you propose to reach them. Plus, as a "scorecard" of sorts, you should look at your current income, and set a goal for the next year. Below is a sample (and simple) outline.

(1) is a (2) engaged in (3). We specialize in:

- (4) for (5)
- (6) for (7)
- (8) for (9)

This year we are on track to make (10). Next year, our goal is to make (11) with a (12).

We will reach out to our target markets by (13), (14) and (15).

Here's what the numbered spaces mean:

1 = business name

2 = type of business (DBA, partnership, LLC, etc.)

3 = general business description

4, 6 & 8 = specific tasks or jobs

5, 7 & 9 = specific target markets

10 = gross income in \$ for this year

11 = gross income in \$ for next year

12 = profit margin for next year's goals

13, 14 & 15 = specific marketing tasks

Let's look at a couple examples:

Joe's Garage is a DBA, engaged in fixing cars. We specialize in:

- *regular maintenance for careful car owners*
- *drive train repairs for people who have broken down*
- *minor body repairs for drivers who have had minor accidents*

This year we are on track to make \$25,000. Next year, our goal is to make \$50,000, with a 10% profit margin.

We will reach out to our target markets by sending direct mail pieces, using social media and partnering with local insurance agents.

* * * * *

The Knitting Corner is an LLC, engaged in selling knitting supplies. We specialize in:

- *sourcing wool yarns for knitters who care about quality*
- *stocking quality yarns for knitters who care about quality*
- *providing knitting lessons for women who want to learn to do complex projects*

This year we are on track to make \$100,000. Next year, our goal is to make \$125,000, with a 7.5% profit margin. We will reach out to our target markets by creating a knitting club, establishing a referral program and advertising on AM radio.

The last sentence of the plan is actually the basics of your marketing plan, shoehorned onto the napkin. This should be fleshed out into a complete marketing plan. Again, this really won't take much more than the back of another napkin. It's a simple, step-by-step outline of who your target markets are, and how you plan to reach them.

This should give you a good idea of how to create your business plan!

Cocktail Napkin Marketing Plan

We created a simple business plan, using a simple formula. The final line of the business plan told the reader how we planned on achieving the goals. In other words, the final line stated our marketing plan.

Your marketing plan should also be able to fit on a cocktail napkin, or small piece of paper. Well, you might want to use both sides of the napkin, or a single sheet of letterhead. ::grin:: It will look like this:

The target market of ___(1)___ is ___(2)___ . They work in ___(3)___ . For entertainment, they enjoy ___(4)___, ___(5)___ and ___(6)___ . The conversation in their head we want to enter is about ___(7)___ . We can help them with the following things:

___(8)___ by ___(9)___
___(10)___ by ___(11)___
___(12)___ by ___(13)___

They can trip over us in the following ways:

In ___(14)___ with ___(15)___
In ___(16)___ with ___(17)___ and
In ___(18)___ with ___(19)___

Here's what the numbered spaces mean:

1 = your business name

2 = short description of exactly who you want to sell to

3 = a listing of their industry or niche, and their physical location

4, 5 & 6 = the things they like to do in their down time

7 = what they're thinking about that you can help them with

8, 10 & 12 = problems they're having or "itches to scratch"

9, 11 & 13 = education, advice or solutions you can offer to their problems

14, 16 & 18 = media they consume (read, watch, listen to, etc.)

15, 17 & 19 = some content that you produce that directly or indirectly promotes what you have to sell

Let's use our examples from the business plan sheet, and see what their marketing plans might look like.

The target market of Joe's Garage is married men with children. They work in white collar jobs in the Onondaga County area. For entertainment, they enjoy televised sports, fantasy sport leagues and a quick beer away from their family. The conversation in their head we want to enter is about keeping their auto running so they can get to work and spend money on their family. We can help them with the following things:

- *Keep their car running inexpensively by performing regular maintenance on it*
- *Get them back on the road quickly by stocking the parts to fix drive trains quickly*
- *Removing minor dents and fixing scrapes by keeping dent pullers and different paints on hand*

They can trip over us in the following ways:

- *In local bars with the drink coasters we supply*
- *On the Internet with the local fantasy leagues we sponsor and*
- *On our blog with our advice on minor maintenance they can do at home*

* * * * *

The target market of Knitting Corner LLC is local stay-at-home moms and retired women. They live and work in the affluent housing developments in the suburbs of Gatlinburg . For entertainment, they enjoy knitting, sewing and other crafts. The conversation in their head we want to enter is about how they can enjoy a hobby where the results benefit others. We can help them with the following things:

- *Getting quality supplies by asking them what they want and keeping it in stock*
- *Finding specialty products by working with small suppliers to find specialty products*
- *Learning advanced knitting techniques by scheduling classes led by superior teachers*

They can trip over us in the following ways:

- *In complementary crafting shops with signs and recommendations*
- *On Instagram and Pinterest with pictures of our customers' projects and*
- *On local AM talk radio with our weekly crafting discussion show*

This will help you to write a basic but effective marketing plan.

Recognized Expert Plan

As with your business and marketing plans, you should have a simple one-page plan for how you intend to develop Recognized Expert Status.

Recognized Expert (RecEx) Status is a tool Agile' helps their clients develop. At its most basic, developing RecEx Status helps turbo charge your other marketing efforts, giving highly increased ROI on almost everything else you do to promote your business. It also helps to rapidly build a bank of testimonials, word-of-mouth recommendations, and customer referrals - all of which are some of the very best sales you could have.

Businesses, mascots and logos can't develop RecEx Status. No one is going to believe Peppy the Packaging Penguin wrote a book on using earth friendly ink on cereal boxes. It has to be a person. And as tempting as it might be to shine the light on someone else, it should be you as the business owner that becomes the RecEx. That's why the first line of the plan has you fill in your own name.

This plan is as straightforward as the other two. Once you figure out what you're going to do, it should be easy to fill out.

I, Name , am developing status as an expert, specializing in Detailed Subject .

My first three Expert Proof Materials will be:

- 1 about 2
- 3 about 4 and
- 5 about 6

I will make sure my target market finds me in these ways:

- 7 in 8
- 9 in 10 and
- 11 in 12

Name and Detailed Subject should be self explanatory.

1, 3 & 5 are types of media; books, blogs, video clips, podcasts, etc.

2, 4 & 6 are the subject matter of the content you're creating.

7, 9 & 11 are the promotional activities you'll use to get yourself out there; advertising, writing magazine articles, standing beside the road with a sign, etc.

8, 10 & 12 are the specific places you'll put each promotional activity; Businessweek Magazine, Huffington Post blog, the corner of Maple and 7th, etc.

This is just your initial plan. It's been said that all plans are perfect until they're implemented - then they fall apart. That's okay. You may find you need to tweak your specialization (Detailed Subject), your EPMS, or your planned places to be tripped over.

* * * * *

I, Greta Beemish, am developing status as an expert, specializing in what art pieces to rent for commercial buildings. My first three Expert Proof Materials will be:

- *A blog site about art and where to find it*
- *A book about how renting art for commercial buildings affects tenants and*
- *A video clip series about how to choose rented artwork*

I will make sure my target market finds me in these ways:

- *Writing articles in Commercial Real Estate Magazine*
- *Getting interviewed by CommercialDecorator blog and*
- *Attending commercial real estate conventions in Las Vegas*

* * * * *

I, Joe Greenleaf, am developing status as an expert, specializing in residential plumbing maintenance. My first three Expert Proof Materials will be:

- *A video clip series about what homeowners can do to keep their plumbing problem free*

- *A short book about residential plumbing maintenance and*
- *Article series in the local paper about which home upgrades give best resale value*

I will make sure my target market finds me in these ways:

- *Hanging door cards in Bayside, North Fork and Frobisher Heights*
- *Renting a booth at the annual home show and*
- *Guest hosting in Larry Gault's Home Upkeep podcast*

Goals: Strategy & Tactics

Goals have been called “wishes with deadlines.” A goal is some activity or result that you want to accomplish. This could be losing weight, making money, owning a home, or even small things like getting to bed by 11 PM.

When defining goals, they should be set up as **SMART** goals. That is, they should be:

S = Specific

M = Measurable

A = Attainable

R = Realistic

T = Time-bound

Instead of saying “I want to have a lot of money,” a better way of defining the goal might be:

By my 35th birthday, I will have \$500,000 in my bank account.

It’s got a specific amount of money, which you can measure (you either have it or you don’t) with a date (your birthday) you can time yourself against. As long as your income allows you to generate that type of income before your 35th birthday, then the goal is attainable and realistic as well.

An even better way of writing your goals is in an active present tense. This helps to psychologically reinforce the goal. It will also help if you state the steps you’re taking to achieve the goal.

I am working my regular job and my side job, and depositing a minimum of \$500 each week so that in 5 years, on my 35th birthday, I will have a minimum of \$500,000 saved.

Strategy

The main goal is your strategy. This is your overall desired result, and a general idea of how you're going to get there. During WWII, the US strategy was something like, "We will move our troops into Europe, and defeat the Axis powers." The tactics, to be completed by the troops on the ground, were something like, "Take this field, then take this village, liberate the citizens and eliminate the enemy. Then, do the same thing 10 miles down the road."

In our war in Afghanistan, the powers that be declared our strategy was "to win the hearts and minds of the citizens." On the ground, that meant smiling, playing soccer, giving out candy, helping farmers, and so on.

Tactics

In our strategy examples, the actual day-to-day steps for achieving the result are called tactics. They are the individual steps (or building blocks, actions, work - what have you) that move you toward the final result.

In our "get rich" example above, the \$500,000 is the goal. You'll meet it by putting \$500 into the bank over and over again. This is the tactic.

If you have a goal to lose weight, you might structure it something like this:

I am eating healthy, lower-calorie food, drinking more water and exercising 3 times per week [tactics] so that by July 31st I will lose 3 inches around my waist line [strategy].

Habit Or Process

Many people will tell you the best way to reach a goal is to break it down into simple, easy to accomplish steps. For goals that are based on repeat actions (*clean, healthy teeth = brush twice daily; book 5 orders per week = make 50 sales calls*), you are often advised to make the steps a regular habit. A habit is an action that has been repeated so many times you do it without thinking about it. If you write “make sales call” into your calendar often enough, you’ll eventually just pick up the phone to make them even if you don’t plan for it.

If the steps are non-repeating (first do A, then B, then C. . .), you might instead refer to this as a process that will lead you to your goal.

To my way of thinking, it doesn’t matter what you call the steps as long as you schedule and complete them. Some people are afraid of the word “habit,” and have negative associations with it. Perhaps it’s from phrases like, “bad habit” or “nasty habit.” Write all the steps down in a planner, in the order they need to be completed. For large projects involving teams, there are special *project management* software packages. Simple or complex, you need to set out the steps you want to accomplish - perhaps with milestones along the way to check your progress - in some kind of planner or calendar.

Keep Them In Front Of You

You need to set your goals and actions out in writing mainly so that you can see them every day, and be reminded of them. We all need a push from time to time. Some people like to set everything out on a white board as well as writing down the steps and timeline in a calendar or planner. You can write the steps and goal on a piece of paper and tape it to your computer monitor if you want. Having these written out in front of you, and being forced to look at them daily, or several times per day, will spur you to take action on the items and accomplish them. You’ll find examples for the plans above at the end of this booklet.

Accountability

Sometimes, it helps if we share our strategy and tactics with others, perhaps those that hold a similar interest. If you're trying to lose weight and your friend is getting back into shape, sharing your goals and either visiting the gym together, or holding one another accountable for gym visits, is not a bad idea. Similarly, joining a writer's group where the members encourage one another to write a chapter a week (or whatever the agreed steps are) can help each member write faster.

You might want to build in negative and positive rewards with your accountability partners. If you accomplish your tasks, you get a small reward. When you reach your goal, you get a larger reward. If you fail to complete tasks, you get a negative inducement, while failing to meet a goal gets the person a larger negative consequence.

You can refine your goals and processes over time. The important this is to start, and move ahead!

Worksheet

On a separate sheet of paper, list up to ten of your personal and business goals. They can be big or small, it doesn't matter.

From those 10, pick the top three goals and write them below. Try to make them **SMART** goals, and use active, present tense sentences ("I am doing such and such").

1)

2)

3)

For each of these goals, spend a few moments thinking about the steps you need to perform to accomplish each goal. Try to break each process down into at least three smaller, simpler steps. Each of those steps should become it's own **SMART** goal. Try to set a reasonable timeline for each major goal, and dates for each step leading to the accomplishment of the major goals.

1)

- A)
- B)
- C)

2)

- A)
- B)
- C)

3)

- A)
- B)
- C)

Example:

1) *I am losing 30 excess pounds of weight by July 30th*

- A) I have joined a gym and am attending 3 times per week, where I work out for an hour.*
- B) I am committed to drinking at least 4 liters of water during my day.*
- C) I am keeping a calorie diary and cataloging what I eat, how much and when.*

Discovering Your Target Market

By answering a number of questions, you can discover who's interested in you and your products and services. Once you get their skeleton (their basic demographic facts), you can begin to flesh them out (discover what motivates them with psychographic information and give them a face and name). At the end, using everything you know about your ideal customer, you'll write the story of the avatar (the fully fleshed out idealized person): what their "itch" is, why they came to you, and how your products/services helped them.

Demographics is the easy part. That data answers the questions *What*, *When* and *Where*. Psychographics will help you build on those answers, and get you to the *Who* and *Why* of your target audience.

Don't just make up the data. If you already have one or more great clients that you'd like to duplicate, interview them. If you're searching for a target market, interview members of a group you want to target. Make copies of this worksheet for each one, and write down their answers. Then combine them to discover your "average best" client.

Demographics

Country:

Region:

Urban or rural:

Age:

Race:

Own or rent:

Marital status:

Number of children at home:

Combined household income:

Religious affiliation:

Psychographics

Top three personal interests:

Top three business interests:

Top three recreational interests:

Daily activities:

Hobbies:

What makes them happy:

What makes them sad:

What makes them angry:

What one thing would they add to their life:

What one thing would they remove from their life:

Daily commute:

Attitudes on religion:

Attitudes on politics:

What media do they consume:

Daily time spent working:

Daily time spent on recreation:

Daily time spent on hobbies:

Daily time spent on family:

Daily time spent on other:

Where do they shop:

For what do they shop:

How do they dress:

Food they like:

Food they don't like:

What vehicles do they own:

What keeps them up at night:

What gets them out of bed in the morning:

Who do they admire:

Who do they hate:

To what do they aspire:

Avatar

Once you have the combined information for members of your target market, you should write a short description of your idealized customer - an avatar of your target market - so you can and your staff can understand who they are and how and where you'll reach them.

For an example, please see the next section, *Greta*.

Greta - Our Avatar

Greta is a 31 year old, single, African American artist. She lives on her own in the city with her dog, Max. She has a job working at a museum, but has recently started her own business leasing paintings to companies managing high rise office buildings.

Greta makes around \$45,000 per year, but the city is expensive. Between what she saves for retirement and what she pays for rent and public transportation (and her dog), there isn't an awful lot of disposable income left over.

She is liberal in her political and religious views, and tries to be aware of how she's impacting the environment. She like popular music, and although she lives several hours away from her family, she tries to Facetime with them every week.

In starting her business, Greta decided she needed her own web site. She's planning on offering some of the paintings for sale, so she'll need a secure site for e-commerce. She can draw pictures of what she wants her site to look like, but she's not a web designer, and has no desire to learn. She needs someone to host her site, set it up and design it, and make sure it's secure enough to handle credit cards. She doesn't expect a lot of sales volume, but the paintings won't be cheap - at least a couple thousand dollars each.

She has goals of growing her business over the next two years. She's not really afraid of the economy driving her out of business, but she knows she doesn't know everything about running her own business. She's taking some online classes covering marketing and accounting. She's cut back on time she spends with friends to spend more time hanging out with other small business owners.

Greta shops for clothes a couple times each month. She doesn't really care about fashion, but she wants to look professional as a young business owner. Most of her shopping lately has been for technology to help her run her business. She upgraded her home internet service, and bought a desktop computer.

She is looking for a reputable company that can host her site, help her develop the e-commerce side and even design it to her specifications. One of the Chamber of Commerce members recommended our company as someone who could handle her requirements. He told her we aren't cheap, but we're worth the expense.

Expert Proof Materials Worksheet

Expert Proof Materials (EPM) are part of the foundation for Recognized Expert Status. They are the materials we can distribute to educate prospects. They get people thinking about our jobs from our point of view. If you specialize in cleaning high-end carpets, you might produce a book explaining that these carpets are a highly visible investment in their house. To keep the value of the house as high as possible, you have to clean the carpets in such a way as to remove the dirt, but keep the carpet intact over time. That's why your process works so well - it's an investment in the value of their house, not just the carpets.

EPM can be in almost any format. Books are great - they can be handed over in person, or sent through the mail. Many people have a tendency to look at books and think, "That's impressive. I could never write a book." Instant credibility and expert status! But EPM can also be created as DVDs, audio books, work books, online courses - even live speeches or presentations. Digital products are fine, but they can't be literally tripped over the way a physical product can be.

EPM should be based on a topic about which you know a great deal; that is, something on which you're an expert. It should educate the person who consumes (reads, watches, or listens to) it on your particular topic. It should show them your way of thinking about the subject, and try to get them to see it the same way. It should also talk about you and the products or services you provide in the most positive of lights.

EPM do not have to be long, monstrous vehicles. A 40 page booklet is fine, as is a 20 minute presentation or audio recording. Just long enough to convince your prospect that you do, in fact, know what you're talking about.

Don't worry about giving away the secret to your process. The product is often impressive enough on it's own that few people will read or view it. Those that do, and actually perform whatever action you advise, will be happy if it comes out correctly. Most who read, watch or listen will probably hire you to do whatever it is you advise, and that's the point of creating the EPM.

Worksheet

By filling in the following, you can start working on creating your first EPM. It's really not that difficult if you begin by reading over your answers and taking small steps.

1) What do you do? List three things.

- A
- B
- C

2) What can you teach others? List three things.

- A
- B
- C

3) How are you different ("better") than your competitors? List three ways.

- A
- B
- C

4) What certifications/licenses do you have?

5) Who is your target market?

- 6) Where will your target market trip over you?
- 7) What information/education does your target market need/want?
- 8) What media mix do they consume? Mark the one that best gets their attention.
- 9) After you *give*, what can you *sell*?

The next three steps are actions:

- 10) Look at the answers you wrote to questions 1 - 9 above, and begin putting together your EPM. It can be as simple as the answers to the 10 most frequent answers about your profession, or as complex as explaining a process or system, and why that's the one you choose to use. Write if you can (or hire a ghostwriter), record the content as audio (you can distribute it in two formats - audio, and get it transcribed to put out a written version) or even video.
- 11) Start giving out the EPM, and begin building a list of your prospect's contact info
- 12) Start collecting and displaying examples of social proof. Record audio/video testimonials from satisfied customers. Get letters of praise and the authors' photos and publish them. Record yourself actually performing the service in which you claim expertise, and then incorporate that into your next EPM and other marketing efforts.

Customer Acquisition Cost

The amount of money it costs you to bring a new customer to your business is a very important number to know. At the very least, you'll have an idea of how much cash out of your pocket each smiling face cost you. You can also start figuring out if the products and services they're buying are actually covering what it cost you to find them.

Beyond the basic numbers of cost and return on investment (ROI), CAC can begin to tell you things about your business. For instance: if you're aiming at the right target market, and if your marketing mix can be tweaked to lower cost or bring in more people.

Worksheet

You can break numbers down into almost any increment. For this worksheet, let's use the numbers generated per month in your business.

1) Total up the following monthly costs: All advertising, marketing and promotional expenses, plus any 1st time transactional discounts you offer new customers, plus the percentage of your overhead equal to the percentage of what new customers contribute to your revenue.

2) Divide the answer to #1 by the number of new customers acquired.

Example: \$12,000 on advertising, marketing and promotion
 \$ 1,000 on social media (say 20 hrs x \$50/hr cost basis)
 \$20,000 (\$60,000 overhead x 30% of 1-time customers)

 \$33,000 / 300 new customers per month equals
 \$ 110 per new customer acquisition cost

By calculating with the “big numbers” and not getting too worried about the finer points, each lost customer (one that simply doesn’t come back) is worth 2X the acquisition cost. It costs 1X the cost to bring them in, and 1X the cost to find someone to replace them.

Example: Using the numbers from the example in question #2, it costs - at minimum - \$220 to bring in a customer who never repeats.

In actuality, the costs are much, much higher. Let’s say your average customer makes purchases totalling \$845 the first year they’re your customer. You bring a customer in once, and they never return. You’re out the \$220 acquisition cost, plus the average \$845 they would have spent with you that first year, for a total of \$1,065 per lost customer. And that’s just for the first year.

Regulars

How much do you make from people who repeatedly buy from you month after month, year after year?

Often, you make a certain average amount from customers who stay with you for a year. In following years, this often goes up a bit, because they’ve decided that for whatever reason - your customer service, your pricing, your stock levels, etc. - they will buy more, and buy it more often.

Example: Using the numbers from #1 and #2 above, each customer spends an average of \$845 at your store per year the first year. If they stay, let’s say they spend an average of 20% more the next year, for a total of \$1,014. From a customer whose base cost is \$220, you’re making sales for the first two years of \$1,859. Rather than continually spending money to find new customers, it’s much better to make money from customers who come in on a regular basis.

Referral Loss

Part of your marketing plan should be to get your regular customers to refer new customers to you. It's beyond the scope of this book to cover a referral program, but let's look at some numbers briefly.

Regardless of whether they become regular customers or not, each of your current customers could (and should) give you a minimum of 1 referral. That's one new customer whose acquisition cost is nearly \$0, but who could generate approximately your annual average revenue per customer.

If you lose one customer, you actually lose two or more customers because of the lack of referrals.

Using your CAC

Once you know your current CAC, you can use this number as a baseline for comparing against changes you make to your marketing process.

For instance, just making a change in where you spend \$1,000 in advertising one month can't tell you anything by itself. But when you compute the CAC for that month and compare it against your baseline, you'll know whether shifting those dollars to a different media was a good move, a bad move, or had no impact at all.

Building Regulars

As we saw in the last chapter, there is an actual out-of-pocket dollar cost to bring in a new customer. Even more costly is finding another customer to replace one that, for whatever reason, has decided not to come back.

Customer Service

The very easiest and most cost efficient way to turning a new customer into a regular is to make them happy they do business with you. That is, to provide a superior customer experience. Make their visit pleasant, and make every interaction they have with an employee pleasant. If they have a question or experience a problem, make sure they end the encounter not only satisfied, but delighted.

Again, this isn't a book about customer service, but building a customer service system, and making sure each and every employee understands and practices it, is essential.

Ask

By simply asking customers what they want, what will make them happy, you've taken a giant leap towards actually making them happy. Ask them what they want that you don't provide. Ask them what additional services they might enjoy. Ask them if their experience with you has been superior. While you may not hit the mark every time, by simply asking these questions, you show that you care about them. For most customers, doing business with some place that shows it cares about them is a novel experience.

Of course, if you hear the same suggestions over and over, it might be a good idea to implement that suggestion, and let people know you're responding.

The most important thing to ask: Ask them to become a regular customer!

Poll

Going beyond simply asking “What can we do for you?” is the formal poll. Don’t be afraid to ask customers to fill out a meaningful questionnaire after doing business with you. Listen to both negative and positive comments and, if need be, follow up on them.

Write

How much mail do you get? I mean, via the United States Post Office. I’ll wager it’s not as much as you got just 5 years ago, and certainly not like 10 years ago. And what you do get is probably sales fliers, bills, and solicitations for donations - all with pre-printed labels and envelopes.

When was the last time you got an envelope that was hand addressed, and contained something that was hand written? When do you think was the last time *your customer* got something like that?

Between the cost of stationery, a stamp and five minutes of your time, hand writing a note to a customer pays big dividends versus the cost.

Social Media Marketing

Some entrepreneurs and small business owners hear the phrase “social media marketing” and default to the idea of running advertising on Twitter, Instagram or Facebook. All of which you can do, and have it turn out alright, if you run it through their ad systems. Unfortunately, some folks start posting 100% ads in their feeds.

This is a *fast* way to get ignored or even banned by your connections. The only people who will want to connect with you at that point are people trying to sell you things - either their own products and services “guaranteed to drive buyers through your doors,” or people who are just as clueless about using social media.

The most important thing to remember about social media, is that it’s called **social** media for a reason. This is where people hang out and relax, let their hair down and talk about things that are important to them. Just a quick browse of a site like Facebook and you’ll see posts about children, sports, concerts, exercise, video games, school, significant others - I could go on and on. Almost no posts about “Where can I buy. . .” or “who makes the best...”

Social media can be anywhere. Today when we use that phrase, we’re often talking about web sites that promote interaction between people based on shared interests or social groups. This perfectly describes the stereotypical “general store” of ages past. I know many people who “hang out” in diners late into the night, interacting with people in their group, the staff, and others who come in for food or coffee.

Imagine one of these groups sitting together and talking in a diner. Suddenly, a man dressed in a suit comes in and insistently starts telling members of the group why they need to buy a car from him, and why they need to do it now. He’s an interruption, a bother. They are at minimum going to ignore him. If he becomes too much of a

nuisance, they'll ask the staff to kick him out. And that's the mistake that many people make when they hear the phrase, "social media marketing."

The best tactic here is to join the discussion as a friendly participant, sharing help or comments on the topics that come up. Occasionally, if the subject comes up, you can gently offer your services.

Let's go back to our social group at the diner. Now a new gentleman comes in, dressed in casual clothes. He listens to ongoing conversations, making comments and observations when appropriate. One night, during a conversation about kids, one of the group members notes that his teenaged son just crashed the family car, and they need to find a new one. The new gentleman casually mentions that he sells cars, passes over his card, and tells the other group member to call if he can help. And that's it - they go on to other topics.

Social media marketing is about contributing to ongoing conversations, not commandeering the discussion. Social media members make small talk about different subjects, sharing information with one another. *The real "marketing" that goes on is building relationships with members of the group.* Sometimes you build relationships by introducing yourself with your marketing messages. In this case, you build relationships by being friendly and helpful first, and then sharing your marketing messages when people have the need for them.

Cocktail Napkin Business Plan

(1) is a (2) engaged in (3). We specialize in:

- (4) for (5)
- (6) for (7)
- (8) for (9)

This year we are on track to make (10). Next year, our goal is to make (11) with a (12).

We will reach out to our target markets by (13), (14) and (15).

Here's what the numbered spaces mean:

1 = business name

2 = type of business (DBA, partnership, LLC, etc.)

3 = general business description

4, 6 & 8 = specific tasks or jobs

5, 7 & 9 = specific target markets

10 = gross income in \$ for this year

11 = gross income in \$ for next year

12 = profit margin for next year's goals

13, 14 & 15 = specific marketing tasks

www.AgileMarketingServices.com



Cocktail Napkin Marketing Plan

The target market of ___(1)___ is ___(2)___. They work in ___(3)___. For entertainment, they enjoy ___(4)___, ___(5)___ and ___(6)___. The conversation in their head we want to enter is about ___(7)___. We can help them with the following things:

___(8)___ by ___(9)___

___(10)___ by ___(11)___

___(12)___ by ___(13)___

They can trip over us in the following ways:

In ___(14)___ with ___(15)___

In ___(16)___ with ___(17)___ and

In ___(18)___ with ___(19)___

Here's what the numbered spaces mean:

1 = your business name

2 = short description of exactly who you want to sell to

3 = a listing of their industry or niche, and their physical location

4, 5 & 6 = the things they like to do in their down time

7 = what they're thinking about that you can help them with

8, 10 & 12 = problems they're having or "itches to scratch"

9, 11 & 13 = education, advice or solutions you can offer to their problems

14, 16 & 18 = media they consume (read, watch, listen to, etc.)

15, 17 & 19 = some content that you produce that directly or indirectly promotes what you have to sell

www.AgileMarketingServices.com



Cocktail Napkin Recognized Expert Status Plan

I, Name , am developing status as an expert, specializing in Detailed Subject . My first three Expert Proof Materials will be:

- 1 about 2
- 3 about 4 and
- 5 about 6

My will make sure my target market finds me in these ways:

- 7 in 8
- 9 in 10 and
- 11 in 12

Name and Detailed Subject should be self explanatory.

1, 3 & 5 are types of media; books, blogs, video clips, podcasts, etc.

2, 4 & 6 are the subject matter of the content you're creating.

7, 9 & 11 are the promotional activities you'll use to get yourself out there; advertising, writing magazine articles, standing beside the road with a sign, etc.

8, 10 & 12 are the specific places you'll put each promotional activity; Businessweek Magazine, Huffington Post blog, the corner of Maple and 7th, etc.

This is just your initial plan. It's been said that all plans are perfect until they're implemented - then they fall apart. That's okay. You may find you need to tweak your specialization (Detailed Subject), your EPMS, or your planned places to be tripped over.

www.AgileMarketingServices.com



What Now?

You've been through a number of instructional chapters. At the very minimum, I hope you've accomplished the following:

- Produced a Cocktail Napkin Business Plan
- Produced a Cocktail Napkin Marketing Plan
- Written out 3 major goals and the steps you'll take to accomplish them
- Discovered your target market
- Written a description of your target market avatar
- Decided what type of Expert Proof Materials you're going to produce
- Approximated your Customer Acquisition Cost (CAC)
- Talked with your customers about visiting/buying on a regular basis

That's the very minimum I hope you've gotten done. But I know some of this may be intimidating, especially when you're on your own.

But that's the thing - you're *not* on you own! Agile' runs an on-line program at

ProfitAsAnExpert.com

We can walk you through all the steps here with the guidance of our staff in our Gold Level program. You'll also interact with others who are going through the program.

If you'd like to continue without the program, your actions should probably be

- Start working towards your goals
- Start working on your EPM
- Expand your marketing plan

The point is, you must begin to take action. It's amazing what you can get accomplished by taking small, regular steps to accomplish a goal. As they say: you eat an elephant one bite at a time.

*Make a step-by-step plan, and start doing something
today!*