

**The 27 Common
Financial &
Marketing
MISTAKES**

**That Right Now
Are Costing
Owner-Managed
Businesses
\$Millions Each Year**

Marketing Mistake #10

Not Calculating And Profiting From Lifetime Customer Value

One of the biggest mistakes is to base all your results on the first sale. Here's what we mean... Let's say on the first sale a new customer pays you \$1,000.

Your gross margin after delivering your product or service is 50%, which means you make \$500 per new customer.

However, it costs you \$600 to generate this one customer (the cost of advertising) so you actually made a loss of \$100. Based on these assumptions you could conclude that this approach was not profitable and you'd no doubt cease using it.

That's how 99% of business people evaluate their success – based on the first transaction or sale.

Now in most businesses, the customer keeps coming back for more. And even if you sell a 'one-off' product or service, you can and should get referrals from your customers and start looking to 'partner' with other non-competing but aligned businesses, so you can offer their products or services (for a commission, of course!).

That means the customer is actually worth much more to you than the amount generated on the first transaction.

This, in effect, is what's known as Lifetime Customer Value.

Quite simply, Lifetime Customer Value is the total profit an average client or customer generates during the duration of the relationship with you.

A good guide to use is five years for the duration (but you will know what your average lifetime is).

Let's use the above example to show you the BIG difference this approach can have...

Now let's say one new customer generates the same \$1,000 per year but they pay this every year for five years. The gross margin for delivering the product or service is the same 50%.

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That now means by looking at the value over the duration of the relationship, the average lifetime value is \$1,900 ($\$5,000 \times 50\% = \$2,500$ – cost of advertising \$600) and not -\$100 as we had in the first example! Plus these figures don't include any referrals the customer would also bring!

Do you see the difference? All it takes is a simple shift in thinking, and you can leverage your business so much that it astonishes your competition.

And where does this leverage come from, I hear you ask?

Well, now you understand what each customer is worth to you, it means you actually know how much you can spend to acquire the customer in the first place. This is where the whole issue of creating 'Irresistible Offers' comes into play.

The Irresistible Offers you create make it impossible for your prospects to ignore them, and as a result you rapidly increase customer acquisitions!

Just to whet your appetite, and prove it can be done, here's an offer (and the full letter) we created that catapulted the outside catering sales for O'Briens (the Irish franchiser) from sales of \$0 a week to over \$6,000 a week in less than three months – for each franchisee!

(Just so you know, the actual offer is the 'FREE O'Briens Five Star Sandwich Platter'...)

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“Are You Planning A Business Meeting That Requires Fresh High Quality Food At A Very Reasonable Price?”

“Order Your FREE O’Briens Five Star Sandwich Platter”

Dear <Name>

Here’ s the deal:

You can receive a delicious O’ Briens Five Star Sandwich Platter (serves five people) – totally **FREE**. Or you can deduct the cost from your first order.

I’ m not talking about your standard “buffet” food. I’ m talking about high quality food made daily from fresh produce. I’ m talking about presentation and packaging that makes an instant impact on people. Perfect for any meeting or special occasion with staff, associates or Clients/Customers.

So why am I doing this?

Quite simply, I’ ve found that as soon as people taste our food and see our presentation and packaging they’ re hooked. Nothing compares to this. They love it! And I’ ve learnt that by providing a **free** platter we stand a better chance of getting your business in the long run.

I suppose the “proof of the pudding is in the eating” . You can instantly form your own impression, having sampled our food. And that’ s it. No strings. No obligation.

Frankly, our platters are not for everyone. If you’ re **not** concerned about the impact your food has on your staff, associates and Clients/Customers, then we aren’ t for you. If, on the other hand, you truly **appreciate** the importance of having superbly presented high quality food and the positive impact this creates, then I urge you to call our **FREEPHONE Platter Hotline** on <Number>.

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So what' s the catch?

Well there isn' t one – as long as you respond quickly. Clearly I can' t keep this offer open indefinitely. You must reply before Friday 6th July to get your FREE Five Star Platter. So the quicker you reply the less likely you are to be disappointed!

Why should you even try us out?

I appreciate the offer of a “free lunch” may not be enough to persuade you to place your order. After all, I know how important your meetings can be. However, I consider ourselves the **only** specialist caterers for the business market in Melbourne. Sure, other companies do it - but have they really thought about your real needs and wants. For example, do they offer...

- A guarantee to deliver on time?

Guarantee 1: We will deliver your entire order on time or you don' t pay us a single penny

Guarantee 2: If we do deliver your order late, your next meal is FREE (to the same value as your original order)

- A varied and delicious menu with 10 choices of bread, choice of drinks (hot or cold), and catering for vegetarians?
- An instant meal where the food arrives ready for presentation on your tables?
- Catering for 5 to 5,000 people?

We offer all this as “standard” . How many people do you think would be willing to offer such a guarantee? But that' s the point. We guarantee on-time delivery because we know how important this is to you. If we fail, we suffer - not you. Isn' t that how it should be?

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I' m sure you can now appreciate why I think you should take advantage of my **FREE** offer. Do it now. Call our FREEPHONE Platter Hotline on <Number>. We are eagerly awaiting your call.

Kind regards

Rosemary McIvor
Managing Director

PS Don' t delay. This offer is only available until July 6th. Call me now on our FREEPHONE Platter Hotline on <Number>. Thank you.

PPS FREE DELIVERY! Whether your meeting is early in the morning, at lunchtime, or in the evening we will deliver to you FREE of charge!

This was the offer sent to businesses operating within a one-mile radius of the retail outlet.

The companies targeted were large organisations that have a greater need for outside catering (Remember 'Marketing Mistake 1' about marketing to everyone?).

Because we knew these organisations would be ordering **frequently**, we were confident that if we could get them to sample the food and the service – we'd secure their business. And that's just what happened!

SIDE BAR COMMENT:

This conveniently fits into Business Multiplier 3. But when you calculate the Lifetime Customer Value of a customer and you use **irresistible offers**, for example, you can transform the success of your lead generation (Business Multiplier 1) and sales conversion (Business Multiplier 2).

So in reality this is one of the few strategies that extends across each of the three Multipliers. That's why it is one of the most **potent weapons** any business can use.

Marketing Mistake #11

Not Using Headlines

The headline is the one thing that grabs the prospect's attention. Whether it's in an ad, sales letter, leaflet, brochure, the opening sentence of a telephone script, and so on, the headline can be the difference between failure or incredible success – it's that important!

If prospects or customers dismiss the headline – that's it, you've lost them. They won't start reading your letter, ad, brochure, etc. or listening to your telephone script or radio ad – and you won't get a response or a sale.

To emphasise the importance of headlines, here are a couple of quotes from two of the most highly respected copywriters of all time...

"If you can come up with a good headline, you are almost sure to have a good ad. But even the greatest writer can't save an ad with a poor headline."

John Caples - How To Make Your Advertising Make Money

"On average five times as many people read the headline as read the body copy."

David Ogilvy - Confessions Of An Advertising Man

What does this mean? Basically, if you get your headline right you almost guarantee your success. Get your headline wrong - and your results will suffer!

Here's a simple example to show how few people understand the basic principle of using headlines...

We've just picked up my copy of the Yellow Pages® directory. I'm looking in the Accounting category. These are the 'headlines' of the ads on one page:

- Peirson E.T & Sons
- Powdrill & Smith

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- R Garner & Co
- Richard Pennack
- Sturgess Hutchinson & Co
- Sharpe Langham PLC
- Sharmon Fielding
- S.R. Cox
- Running your own business

With the exception of the last headline, the headline for each ad is the name of the business that's advertising.

Because so many people are doing it wrong, if all you do is lead with a strong headline on all your marketing communications you'll improve the response and success many times over.

Effective Headlines Fulfil These Four Key Objectives...

- Get attention
- Select an audience
- Deliver a complete message
- Draw the reader into the body copy (or keep them listening to you, etc.)

The good news is that creating winning headlines can be achieved by following some simple and proven 'headline types'. We've listed seven of the most successful ones here. By applying a number of these different headline types you'll start to see how you can create winning headlines...

- **Benefit headlines** (all your headlines should contain a benefit of some sort)
- **Use a two- or three-word headline** (but remember long headlines are almost always more successful than short headlines)

Burn Fat Faster

Get June Free

Double Bonus Sale

Oh My God!

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Gosh

At Last

Millionaire Secrets

If Only...

- **Headlines that focus on quick and easy solutions**

Fast And Simple...

Ridiculously Easy And Fast...

Idiot-Proof...

In Just 10 Days...

The 7-Minute Workout...

The Lazy Man's Way To...

Instant, Automatic Results...

The Quick And Easy Way To...

- **Warning headlines**

Read This Before You...

Don't Buy...Until You've Read These Facts

- **Testimonial headlines**

A Specific Benefit Written Testimonial From
One Of Your Customers

"Or It Can Just Be A Headline In Speech Marks
Like This Written Like A Testimonial"

- **Reasons why headlines**

Seven Reasons Why You Should...

37 Invigorating Reasons...

6 Ways To...

7 Steps...

Here's How...

- **Offer headlines**

Put your offer in the headline...

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Try-Before-You-Buy Carpet Cleaning

SIDE BAR COMMENT:

If any of your existing marketing material doesn't have a headline on it, we can right now say you're losing thousands, hundreds of thousands, even millions of dollars every year. We guarantee it.

That's the power of headlines. Your company name, although something you're very proud of, means very little to your prospects or customers. And the sooner you appreciate and understand this, the better.

CONCLUSION

These Financial & Marketing Mistakes Can Seriously Damage Your Business's Health

We've highlighted the 27 Common Financial & Marketing Mistakes in this report – there are of course dozens more. Make yourself a promise and start reversing the effect these mistakes are having in your business. Believe us, it will have a huge effect on the performance and the success of your business.

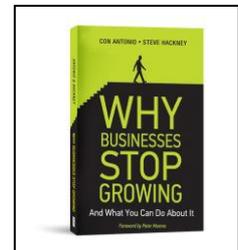
And we can help you build a better business even quicker. In fact, here are **7 reasons** why our clients choose us to help them through the start, growth and maturity of their businesses...

1. The Accounting & Tax EXPERTS For Ambitious Business Owners, Puts More Money IN Your Pocket...

First, we're true experts in helping small and medium-sized owner-managed businesses to grow and financially manage the challenges that their development or a lack of it throws up.

And when you've made your money, you want to keep as much of it as you can by paying as little tax as possible. Our owner-managed business tax solutions do that for you.

In fact, our book titled 'Why Businesses STOP Growing & What You Can Do About It' is regarded as one of the best self-help books for small and medium-sized owner-managed businesses.



Get a FREE copy of our book when you meet with us!

2. 3 Step Risk-Free Guarantee Puts Your Mind At Rest And Keeps Us On Our Toes...

All our accounting and tax saving services are backed by our 3 pronged no-risk guarantee...

- All work is based on a fixed fee, quoted in advance. You'll never, ever get a nasty surprise.
- All deadlines will be met. If we are ever late, you pay us nothing and we'll pay all fines for late filing, plus give you \$250 for the inconvenience.
- Our work will exceed your expectations every time, or you decide the fee.

3. Easy Payment Plan So You Can Spread Your Costs...

To help you manage your cash-flow, you pay us monthly.

4. Unlimited FREE Support...

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You get unlimited support for FREE. That means unlimited e-mails, unlimited phone calls and unlimited meetings are all included in your low monthly fee, subject to our fair use policy (worth \$2,000 a year). Never again worry about being 'on the clock' even for a meeting!

5. **We Pay For Your Business Growth...**

We are the only firm in Melbourne that invests \$thousands of our own money to give you FREE access to arguably THE best step-by-step system for growing your business (worth \$6,000.00 a year).

This truly astonishing system comes complete with video tutorials, step-by-step guides and fill-in-the-blank templates.

Over a 17 year period the system has helped to generate tens of millions of dollars for businesses all over the world.

Since getting and keeping customers is THE most important element in any successful business, we decided to 'bite the bullet' and invest our own money so ALL our clients get full and free access to this fabulous system.

6. **Monthly Newsletter For Owner-Managed Businesses Helps You Get Even More Growth & Sales**

You get one of the world's best sales and marketing newsletter for FREE! Every month it includes 12 pages of brilliant sales-generating and marketing advice for small owner-managed businesses (worth \$500.00 a year).

7. **FREE Business Analysis...**

And finally you get a FREE and comprehensive business analysis, which will show you all the hidden opportunities available to you, at the push of a button (potentially worth \$thousands).

...and since we're experts in helping owner-managed businesses, our work is streamlined, efficient and cost-effective. So not only do you get the best possible financial and tax saving advice – you get it all for a low monthly fee.

If any of these 7 things appeal to you, then we need to meet.

However, we don't work with just anyone. Our 30 years in practice have taught us a valuable lesson – we only work with ambitious owners who want to build a better business.

If that's you then you're going to get a huge amount of value from meeting with us. Yes we offer a 'FREE No-Obligation Meeting' just like every other accountant or CPA, but OUR MEETINGS ARE VERY DIFFERENT. In fact, here's why you should take the time out of your busy schedule to come and meet with us instead of anyone else...

- **POWERFUL FINANCIAL SOLUTIONS:** After learning more about your business we'll be able to give you powerful solutions to your most pressing financial challenges (cash flow, cost management, profitability, etc.)

- **3 PROVEN BUSINESS STRATEGIES:** We'll also give you 3 proven but little-known and easy-to-apply business strategies that right now will add hundreds of dollars (even thousands) to your business
- **FREE COPY OF OUR BOOK:** We'll give you a FREE copy of our highly sought-after book titled 'Why Businesses STOP Growing & What You Can Do About It (worth \$30.00)
- **GUARANTEED GREAT MEETING:** And finally, if at the end of the meeting you don't think it was one of the best, most inspiring and educational meetings you've ever had, we'll give you a cheque for \$100 made out to your favourite charity. That's how confident we are that you'll be delighted you took the time to meet with us.

I hope that has given you a feel as to what we are about. All you have to do to arrange your meeting is to phone us on 03 9341 7333. I look forward to meeting you soon.

Kind regards,

Con Antonio
Managing Director