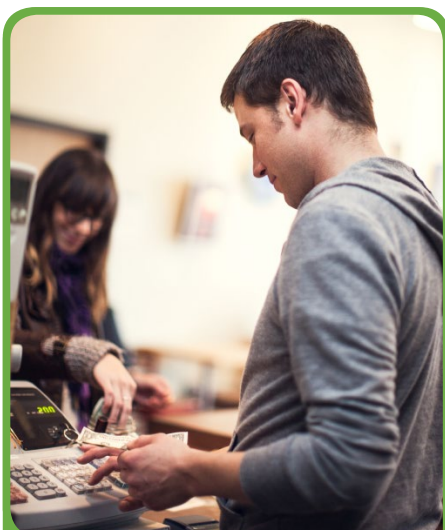


THE PROFIT IMPROVER

helping you realise your full profit potential



INSIDE:

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Deliver customer service

Every business has a basic obligation to provide customers with quality goods or services. That is, quality in the sense of delivering on a promise to a customer.

It is the responsibility of a business to ensure they are not selling shoddy or unsafe products or services. However, whilst they would like every customer to be fully satisfied with their products or services, the reality is that sooner or later every business is going to have some unhappy customers.

It is sometimes easy to dismiss unhappy customers as chronic complainers. Try to think of any complaint or question as an opportunity to improve products, services, and/or performance. By developing a customer feedback and complaint-handling procedure, businesses can turn negative situations into opportunities and build customers for life. In any feedback program incorporate some or all of the following principles:

Acknowledge

As an initial step acknowledge customer concerns. Regardless of how a problem has arisen, simple recognition of a concern will make the resolution process far more effective.

Apologise

Saying “sorry” to customers is an important first step in letting them know their problem is taken seriously and will be dealt with.

Do not blame the customer

When a customer is blamed they often view

it as a personal attack. Misunderstandings can occur due to a business creating false expectations in the minds of their customer.

Admit your errors and solve the problem

Every business makes mistakes. Be determined to get to the root of the problem, make it better for the customer, and prevent the problem occurring again.

Refrain from using the excuse “it is company policy”

No phrase is more dismissive, making customer feel powerless and intimidated. The first step in any resolution is to ensure that customers feel they are on equal ground.

Empower employees to solve problems

When businesses do this they generally find they have happier staff, and save customers a bureaucratic nightmare.

Encourage feedback

Make it easy for customers to give feedback about how they feel. Providing feedback cards allow customers to rate products or services of a business. It also gives them chance to provide positive feedback.

Do not win the battle and lose the war

Trying to save a few dollars but losing a customer is penny wise and pound foolish.

There may be a small percentage of customers who will take advantage of a business, but the majority will be loyal if they know the problem will be fixed.



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Understand the target market

Many entrepreneurs and small-business owners fail to understand who their likely customers are.

They may think everyone can benefit from their offerings and are afraid to eliminate any prospects. The result – they miss their target market. What follows is then a waste of time, money and enthusiasm trying to sell to the wrong prospects.

Even if the characteristics of their likely customers have been identified on paper, they often do not spend the time really getting to know and understand their prospects' real concerns and behaviours.

This is especially true for innovative companies that have come up with new ways to solve customers' problems. The entrepreneur has created something wonderful – a new product or service that makes customers more productive, saves them money, and perhaps even delights them.

However, sales will not be made if they are unable to identify the right target market and concentrate on those customers.

Consider the example of a business, a few years back, that was one of the first investing in electronic-keys for hotels. At the time, hotels used physical keys for each room.

When a hotel guest lost a key or took one with them after checking out, the hotel was forced to have a locksmith to change the entire lock.

It was expensive and time consuming. With electronic keys, the reception desk clerk could change room access in a minute.

Clearly, this seemed like a big saving for hotels. The electronic key company should have had little trouble selling to hotel owners. That was the theory.

What happened in reality was that hotel owners looked at the expense and disruption of removing existing locks, buying then installing the electronic key system and said, "No, thanks." Company officials came to understand that their best customers would be those building new hotels and changed their marketing to suit.

Successful marketers watch what people really want and what they do. They understand the perils of trying to sell products to people who are not going to buy them.

The same principle applies regardless of the size or nature of the business. How does a small business such as a butcher shop know who might be their best customers?

They shop with a competitor. It is easier to convince a customer already in the market that an alternative product or service is "better, faster, cheaper" than the competition than to persuade someone who has never bought that type of product or service before. Their conversion costs are much lower.

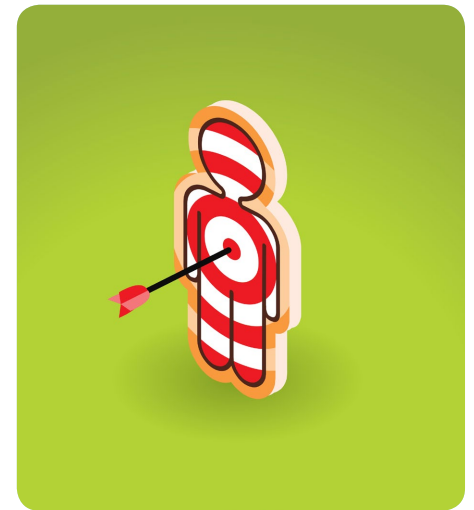
If a customer, especially a business customer, has already invested a great deal of money in

their existing solution and changing would be costly and disruptive, they are far less likely to buy no matter how good an alternative product or service is.

They look like existing customers. In other words, they have similar demographics, industry traits and buying patterns of current customers or customers who buy from direct competitors.

They buy repeatedly. These are the best customers, a source of recurring revenue. Businesses especially want to target these high-value prospects.

So take the time to learn who the best customers really are and what they like.



Building a brand

Many businesses assume that a brand is an image, or more simply a logo.

That is only one part of it. The most important thing to remember is this: a brand is a promise. A brand is used to set customer expectations. When a customer buys a product or service,

they count on these expectations being met.

Components of a brand promise are based on:

Consistency of experience

This is a critical component in building a brand. Take the McDonald's example – no matter where a customer goes, they expect the product to look and taste the same. For a small business that can be a challenge. Start with something easy.

This may begin by answering the telephone in a consistent way. From this point, move on to standardising some of the business and operational processes.

Consistent appearance

At the most basic level, a strong brand image is required to build a strong brand. Consistent look-and-feel extends to logos, colours, typefaces, décor and employee clothing.

Even a professional services company, such as a law firm or architect, should make sure their brochures, business cards, website, stationery, etc., all have a consistent look-and-feel.

Consistent quality

It is not sufficient to deliver a consistent experience to a customer; the experience must also be of a certain level of quality. McDonald's French fries do not have to be the best French fries in the world, but they have to be good French fries, and they have to be fresh every time, anywhere they are purchased.

Competitive position

A brand must stand for something and distinguish a business from the competition. These primary benefits make it easy for a consumer to choose the brand that suits them.

The easiest and simplest way for a small company to develop this distinct brand position is to focus on a niche or specialised market so that there are fewer competitors.

Small businesses often ignore this and attempt to cover the whole market by being everything to everyone.

Remember, a brand is a promise not just an image. When a promise is made to a customer and kept, they will keep coming back.



Play it safe – put it in writing



Business owners are exposed to all kinds of legal concerns and issues.

Despite the best of intentions, nothing ends up as simple as it seemed in the beginning. Combine that with the human weakness of forgetfulness it is not difficult to see the benefit of recording just about everything that is agreed upon with others, from employees to partners to distributors, in writing.

Writing things down, clearly and completely, avoids misunderstandings from the start and protects parties if something goes wrong later.

The best time to prepare a written agreement is at the beginning of a deal or relationship – long before any problems start to appear.

That way parties can be objective, when they are just talking about theoretical possibilities and no specific details or feelings are involved. Try to anticipate how problems will be solved if things do not work out.

Whilst the days of doing business with just a handshake may not be entirely over, doing so creates risk. Society has become very litigious, and the best way to avoid ending up in hot

water or court is to have things spelled out long before any problems arise.

Quick Tip

In simple circumstances at least take the minimum steps of taking the minutes of the discussion and provide every person participating with a copy.

For anything complicated – or where stock, company ownership, or large sums of money are involved – consult a solicitor.

Be careful, if parties decide to go it alone and write their own agreements. What seems simple may turn into a minefield if it needs to be interpreted by a third party who was not part of the initial discussions, such as in a courtroom.

Professional costs to prevent problems become insignificant compared to costs for damage control and resolving disputes.

It is not easy being a boss

Being a boss is tough. It is one of the most demanding challenges of running a company. A boss has to inspire, lead, motivate, discipline, and reward.

Some of the most important leadership skills are:

- **Communicating goals:** Let people know why they are doing something, not just how to do it. Employees are more motivated when they understand the purpose of a task.
- **Setting standards:** Bosses are responsible for establishing – and demonstrating – the standards expected of others to maintain.
- **Being fair:** Ensure that standards are reasonable and fair and that goals are actually achievable.
- **Listening:** Learn to talk with – not just to – employees. Enlist their suggestions, and set goals together
- **Making decisions:** The buck has to stop somewhere. Employees look to their leaders to make choices and stick with them.

It is easier to become a better boss than many people think. Each day opportunities are presented to take advantage of some of the ideas shown above. Taking small steps will result in happier and more productive team members.

Ensure staff receive the right kind of praise

Good employers, want to praise and reward hard-working staff. However, according to researchers the way that praise is conveyed could be directly impacting the employee's decision making and creativity.

A leading study by the London Business School has shown that the traits employers choose to praise an employee impacts the way praise affects them.

Experiments showed that professionals who were praised on a core trait, such as creativity or leadership were more likely to make confident and smart decisions, compared to those who received no praise.

Another experiment involved praising a group of professionals for their skills on a decision-relevant trait, such as decision making. The professionals were then asked whether they would continue to work with an underperforming employee they had hired or choose to find a replacement.

The results showed that 40 per cent of professionals were more likely to continue with the underperforming employee.

The study also showed that participants who were praised for a skill set that did not directly

Wise Words

Statistics suggest that when customers complain, business owners and managers ought to get excited about it. The complaining customer represents a huge opportunity for more business.

Zig Ziglar

relate to job hiring were 40 per cent less likely to continue with the employee who was underperforming.

The professionals who were praised for creativity were also more likely to admit fault in their decision making.



Making sales calls

There are few aspects of running a business that are as intimidating as actually making sales calls.

Nevertheless, making sales calls is a vital part of any business. Regardless of whether or not a business has a sales person or sales team it is important for the business owner, to make sales from time to time – not just to make money, but to learn from customers and prospects.

Sales calls keep them close to the market and give them a reality check. Here are seven tips on successful small business sales:

Know what is being sold

What differentiates a business from their competition? What are its features and benefits? A good salesperson has to be able to present the product/service clearly and concisely.

Make a sales plan

Determine who the key prospects are, identify decision makers and come up with a six-month or annual plan of action.

Set a quota

Ensure sales people set a goal of how many key customers they are going to call each day, week, and month.

Create a database

A record of who is being called is critical. That can be easily done with one of the many online systems now available.

Listen

Once the prospect has been reached, spend most of the time listening. Ensure customers have the opportunity to reveal what they want and need.

Build relationships

People buy from other people. Develop relationships with your customers; do not just make a one-time sale.

Be persistent rather than insistent

Many people think they have to be “pushy” to be a successful salesperson. That is not the case.

Creating website landing pages that engage

Website landing pages are a key tool in capturing the attention of visitors and encouraging them to engage further with the content.

An effective landing page should convert the casual browsers into paying customers. A landing page is the page that a visitor arrives at after clicking through an online search result or a link in an advertisement.

The page they land on can either be the home page or any other page created on the website. Those concerned with the effectiveness of their website landing page should consider the following strategies:

1. Create custom landing pages

There is no limit to the amount of landing pages that can be created for a website, so it is a good

idea to create multiple pages and customise each to target a particular type of visitor. A website landing page is the link between the referral source, such as a link on a Facebook page, and the rest of the website. The page the visitor clicks through to should provide information that has been specifically tailored to their needs and will entice them to engage further.

Another approach is to create, or identify, a specific landing page that will provide the information these visitors are looking for right away. This could be as simple as selecting an existing product-specific landing page on a site or as complex as creating unique landing pages for each pay-per-click ad group.

2. Make it interactive with videos

Video landing pages, as opposed to blocks of text, are a great idea as engagement rates are often higher with interactive content.

The easiest way to create a video file is to use the computer's built-in webcam and record an introduction with YouTube's video recorder. Once the video has been recorded it can be embedded in the landing page in place of text. Remember that effective videos are short and concise and explain the benefits of the website and the actions the visitor needs to take.

3. Test, test and retest!

Landing page optimisation does not stop once custom pages for distinct groups of visitors are completed. To improve the performance of a website, consider running split tests on individual landing pages. Split testing essentially compares two or more versions of

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Our services include virtual CFO, tax agent, financial accounts, salary packaging, budgeting & cashflow analysis, management reports, business health checks and corporate compliance.

a web page to determine which elements or features are most effective. Testing customised landing pages allows for different versions to be compared, determining what features and elements are most effective.

If a decision is made to experiment with video landing pages, keep them short and to the point. Concisely explain the benefits of your website and the actions that viewers should take next.

The Google Analytics 'Content Experiments' program compares how different web pages perform using a random sample of visitors. It tests small variations of the website to determine which designs lead to the most customer interaction. Some test variables that could be changed include; headlines, font, colour or images.

Putting a little extra effort into a website's landing pages – whether through customised text-based pages or engaging video files – will likely improve its performance.

