

Top 10 Tips

Know and Understand Your Numbers

It may not sound exciting but nothing is more important. You wouldn't want to drive a car blindfolded and failure here probably causes more business casualties than anything else. You need to make informed decisions and for that you need evidence and data. You must ensure you can see and understand your P&L (all income and costs), your cash flow position and forecast. Other critical measures are your margins (right down to transactional level) and your marketing spend and payback. There are numerous other useful indicators but at least get these right to start with.

We all need Goals and a Plan

Plans change the minute they are written but successful people and businesses have clear goals, priorities and an understanding of how to get from A to B. Keep things simple by all means but set your goals, write your plan and review and amend it systematically.

Understand Your Role and Manage Your Time Effectively

If you own or run a business you must be clear on your role and manage your time effectively. Ensure that you or other directors have the key functions covered which typically include Finance, Marketing, Sales, Production, Service, Leadership and Management. When it comes to managing your time, it is all about impact and return on investment. There is no shortcut. Work out the £ value of everything you do, stop or delegate low value tasks and focus on what really counts. And don't forget to work to a schedule as much as you can.

Make Existing Customers Your Number One Focus

When we are chasing new business it is very easy to overlook existing or former customers. Marketing to an existing database is usually far more cost effective and rewarding than searching for new people. And even more importantly we should never take our current customers for granted. "Lifers" are precious and losing them can be very expensive.

Manage Your Margins Meticulously

No amount of sales will help you if your margins are weak. Ensure that you understand your costs and margins in detail, right down to product and service level. Once your costings and prices are right, market your business accordingly and focus on building up those margins in any way you can by selling up and selling additional products and services.

Work on Conversion and "The Customer Journey"

Although clients often tell me that their priority is more leads, I often find that conversion is far more important. It's a case of fixing the "leaky bucket" before buying more leads. When you consider how much it costs to generate enquiries, it makes complete sense to be brilliant at converting enquiries into sales. Map out your "customer journey" (the step by step process that takes your customer from first contact to buying) and work out how you can improve conversion from each step to the next. One other key point, ensure that a fail-safe "follow up system" is built into the journey.

Test and Measure Your Marketing

Attracting new leads usually costs money. You need to get a good return on your investment and that means measuring both your outlay and results. Testing is very important. It is best to fire bullets before cannon balls. Always compare the average cost of acquiring a customer with the customer's average lifetime value. If a customer buys from you several times on average, it may be well worth making a small loss on the first transaction.

Invest in Your People – They Must Be Productive

Investment isn't always about money. In this case it is more about time. Unproductive people are a nightmare. They cost you money, lose you customers and damage your profitability. Employees are often unproductive because they are not clear about their role, your expectations and how they are doing. Training is very important but the single most important factor in helping people achieve their potential and increase productivity is FEEDBACK. It doesn't matter which industry you are in, there is no viable alternative. No excuses - clarify everyone's role and invest a little time in providing structured, quality feedback for your team. The payback is huge.

Invest in Developing Your Systems

Build a system once and it will reward you forever. Successful businesses run on systems and checklists. This is a great example of leverage. A small amount of time put in at the start will pay dividends many times over. The only way a business can maintain quality products, services and profitability is to develop the processes that enable their team to achieve consistent standards and allow new people to work effectively fairly quickly.

Look after Number One – Develop Yourself

It is neither egotistical nor selfish to acknowledge that the leader of the business is the most critical part of it. Businesses thrive with great leaders and vice versa. Therefore you must invest in your own development. If you don't care about your own learning and development you cannot expect anything better from your team. Make your own development a business priority for commercial as well as personal reasons. And I would say this of course, find a great mentor or coach.

