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Often Overlooked Options to Drive Revenue Growth

In today's new normal business environment, characterized by sluggish growth, tight liquidity, elevated customer expectations and a general theme of "more for less", there's no doubt revenue has to be a top priority. Add demographic trends, and revenue becomes a critical priority.

As baby boomers begin retiring, spending will decline - of course, certain areas of spending such as travel and luxury goods might increase; however, spending overall will decline. Most retirees no longer are purchasing diapers, paying the high cost of college tuitions, etc. - at least we hope not too many! And, with spending at 70% of the U.S. economy, it will undoubtedly impact sales growth. Soon, 1% sales growth might be considered stellar performance.

On the other hand, studies from the last three significant depressions/ recessions show that those companies who invested when everyone else cut back emerged on top. Why not make revenue growth a top priority and think about how to grow profitably and stand out in the crowd with significant revenue growth while your competition struggles?

There are two main ways to increase sales: 1) New customers. 2) Expanding current customers. As each of these topics could be a series of articles, I thought I'd start by focusing on what is often overlooked but can be the more important of the two - existing customers. There are a myriad of ways to increase revenue with existing customers, so why do so many companies focus so much more attention on seemingly everything else?

Those who nurture existing customers will come out on top. Let's consider several often overlooked options to increase revenue with existing customers:

1. **Repeat business** - Are you taking this for granted? I've been called into many clients over the years that lost customers. It is actually much easier to lose a customer than it seems - poor service, long lead times, no personal relationship, not listening to product/ service feedback, lack of a complete package, price, etc. Interestingly, price was rarely the sole cause.
2. **Expanded business** - If you perform consistently better than your customers' other suppliers, are easy and enjoyable to work with and provide a quality experience, it is likely you'll increase business over time - in essence, you'll take business from the competition. Certainly, I know that I personally buy from those who consistently perform. Who doesn't shop where they are treated well and have an excellent experience?
3. **Partner for business growth** - assuming you already have the highest share of business possible (sole supplier or you have the top percentage excluding backup suppliers), don't give up. I've seen many examples where partnering with your customer can lead to increased business for both parties.

4. **New products & services** - Who better to purchase additional products or services than someone who already knows and likes working with you? Many times, they just have to understand your complete product and service portfolio, and it's a win/win for them to expand with an existing partner.
5. **Referral business** - Your current customers are a goldmine for referrals. What is better than a win/win/win? Your customer refers your company to their business network and supply chain, knowing they'll be looked at in a positive light for providing an exceptional source. You receive additional business, and the company you're referred to receives your value. Perhaps you partner with your new customer to deliver better service than is otherwise achievable so that they grow their business. Or you develop new materials or a new logistics program or a product that helps to grow their business. The options are endless.

And the list goes on. Undoubtedly, focusing attention on existing customers is not just a good idea, it is essential. Brainstorm the ways you can provide value to existing customers, and stay tuned for future newsletters as we delve further into this key to success. You don't have to start with a complex plan - what is one action item you can do to improve current relationships?

Lisa's Tips: Communications

As the 80/20 of business success can be traced back to leadership and communications, what could be more important?

1. **Be clear & concise** - it is amazing how often the messages can become garbled (similar to the old game of telephone). Take the time to be clear and concise. Extra, non-essential information is just confusing.
2. **Communicate often** - people need to hear the same communications/ messages multiple times in order to absorb it successfully. Don't expect once to be enough.
3. **Use varied mediums** - not everyone hears in the same way. Who do you know who learns better with written communications? All-hands meeting? Email? Newsletter? Videos? Phone calls? Social media?
4. **Do what you say you'll do** - much easier said than done. Think about what you commit to, as having credibility in communications is vital.
5. **Explain the backstory** - take the time to discuss the "whys". It is amazing how much more successful your communications will be when folks understand the whys.

Recommended Reading

"[Relationship Economics](#)" by David Nour and Alan Weiss - I found this to be an interesting book on the value of relationships. It also discusses how to transform your most valuable business contacts into personal and professional success.

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