The Hourglass Profit Model™
Joe the Window Washer

The Top of the Hourglass in Action

LeadGenerator™

ProfitDriver™ 1 - Get More Market Reach – Joe's business caters to high-end homes and businesses. Joe has grown his business nicely over the last year and now has the bandwidth to be able to expand outside of his current 20 mile radius. He has identified an attractive market just five more miles north. This can increase his qualified potential prospects, currently 10,000, by about 5%, or to 10,500.

HOW can Joe Get More Potential Prospects?
➢ Increase geographic area he serves, as above.
➢ Increase the number of households marketed to by lowering the required household income (especially once he learned to turbo-charge his overall client conversion, and therefore his cost per lead and client acquisition).
➢ Increase the number of businesses he markets to now.

Assuming all other ProfitDriver™ conversion rates remain the same, Joe can expect to increase the number of new customers by about 5%. I understand that this is a simplistic assumption and that there are many variables which could result in a different conversion rate. But assuming that Joe tested the market and verified that these 500 added potential prospects were in fact "like-kind" prospects to those he currently markets to, it's a reasonable assumption.

ProfitDriver™ 2 – Get More Message Exposure – Currently Joe generates many of his high-end home owner leads from his newspaper display ads. He also generates many of his business leads from his inside sales reps.

Therefore, Joe has the opportunity to increase both of these lead generation channels in order to increase the exposure to his targeted prospects.

HOW can he Increase his Marketing Message Exposure?

- Simply by looking for other publications that reach the same market and duplicating the ads placed. Joe realized that in addition to the Northwest newspaper, there also were local weekly publications within each of his prime target high-end home markets.
    - o So Joe can do a simple, inexpensive test to verify that these will generate additional leads at an affordable cost.

- One of Joe's biggest challenges is the inability of his sales staff of three to call all the prospects often enough to utilize the power of repetition. After all, there are over 10,000 qualified prospects.
    - o Therefore, one way Joe can increase his exposure to these prospects is by adding another sales rep. In fact, Joe can do this on a commission only basis, and his sales rep generates leads that otherwise would have never happened. It's a win-win for everybody.
    - o Of course Joe can utilize technology as well but we will save these discussions for future videos.

ProfitDriver™ #3 – Get *More* Leads

Okay, so now Joe has OPTIMIZED and maximized the number he is marketing to, and the amount of exposure he is getting to these qualified prospects. Now it's time to OPTIMIZE the response rates to his current marketing activities.

Joe currently gets about 4000 leads per year. So what does it take to get a 5% improvement, one extra lead-per day!

Perhaps Joe drives in leads with Direct Mail, PPC, Advertising – such as Newspaper, Radio, TV, or Live Events and Trade Shows; or Tele-Sales; Store Signage; JV's, Affiliates; Referrals; and/or Social Media.

HOW can Joe increase leads 5%?
- ➢ Change his offer – Perhaps Free Gift just for meeting
- ➢ Change the positioning of his ad … location in the publication, day, or even size of the ad
- ➢ Modify the timing of the marketing campaigns based on when consumers and businesses typically clean
- ➢ A/B Split Test different ads and elements of his marketing to find the highest conversion winning formula.

So how's Joe doing so far? We'll, he has increased his annual leads from 4,000 to 4,200 or about 4 extra leads a week.

The Hourglass Profit System™   **Client Generation Optimization**

3% increase in each step of the marketing and sales conversion process   *Joe's Window Washing Service $1M / Year*

First 5 ProfitDrivers™	Current Annual Performance		New Annual Target		Increased Performance	Cumulative Increase
ProfitDriver™ #1						
Get More Leads	4000		4200		5.0%	5.0%
ProfitDriver™ #2						
Get More Meaningful Communications	2800	70%	3087	73.5%	3.5%	10.0%
ProfitDriver™ #3						
Get More Sales Engagements	1680	60%	1911	61.9%	1.9%	16.0%
ProfitDriver™ #4						
Get More Proposal Requests	1008	50%	1204	53.0%	3.0%	22.0%
ProfitDriver™ #5						
Get More Client Conversions	302	30%	380	31.6%	1.6%	25.8%
Total Revenue Increase					**15.0%**	**25.8%**

SalesEngager™

ProfitDriver™ #4 and 5 – Get *More* Meaningful Communications

Now Joe needs to have a conversation on the phone with these interested homeowners or businesses to learn more about their needs and communicate the unique benefits of using his services so they agree to take the next step in his Marketing-Sales process. If he fails to do so then he loses this lead forever.

Quite honestly, Joe really has never tracked profit driver metrics but he understands that even without the exact numbers he can make measurable improvements, especially those that they have not worked on improving in these areas before.

CRITICAL DISTINCTION: Joe's realization is an important one. The fact, you were unaware of ALL your ProfitDrivers™ before this program. Therefore, now that you have identified these, many for the first time, there's no way you could have metrics or tractable data available. But you do know key metrics that will help you to be able to make reasonable guesstimates throughout the process. In the case of Joe, if he knew the number of leads and appointments he currently had then he could make some guesstimates as to the number of reaches and meaningful communications.

With that said Joe guesses that they are currently successful in REACHING about 70% of those that contacted him or responded to his marketing. Some called after hours, some went to voice mail when call volume was high, and some responded via email and now Joe's team must get them on the phone.

And getting them to answer the phone is just the first step. In fact, even answering the phone call live is just the first step. Now Joe's team must engage the prospect into a meaningful communication, which he is doing X% of the time currently. This is where they have the opportunity to qualify the prospect and educate them about the benefits of doing business with Joe's Window Washing Service.

So Joe's focus now is to increase the number of leads in which they effectively "Reach" and have a "Meaningful Communication" with by 3% each.

HOW can Joe increase the number that he Reaches and engages in Meaningful Communications?
- ➢ Answer more calls live (voice mail that requires them to chase down prospects)
- ➢ Improve follow up on emails received – speed, repetition and message (prospects may have called 2-3 other Window Washers)
- ➢ Leave a more compelling voice message (70% of outbound calls will be voice messages)
- ➢ Incorporate questions that engage the prospect
- ➢ Obtain better quality contact information.

I will give you far more specifics in the **SalesEngager™** module.

ProfitDriver™ #6 – Get *More* Sales Interactions

Now Joe needs to motivate the prospects he has meaningful communications with to agree to an in person appointment at their home or business so he can evaluate the job and provide more details about his services. As you can see, Joe is currently able to convince 60% to set an appointment with him. By improving this rate by just 1.9%%, he now gets 61.9% to agree.

IMPORTANT: **Notice that Joe now is getting 231 additional appointments for zero added cost!!**

HOW can Joe increase the number of appointments?
- ➢ Change the appointment booking script
- ➢ Model his best rep and train others
- ➢ Add a compelling value-add incentive, Free Stain Removal Kit
- ➢ Improve the follow up when appointment was not booked
- ➢ Improve the number of appointments kept by sending reinforcing emails

ProfitDriver™ #7 – Get *More* Proposals

Ok, time for Joe to turn the prospects into paying clients. Joe runs through his Appointment to Proposal process and is currently getting 60% of those he meets with to agree to a written proposal. Now he will target 63%.

HOW can Joe increase the number of proposals or quotes?
- ➢ Integrate his proposal into a laptop or tablet so he can generate and print right on the spot
- ➢ Strengthen their Presentation with powerful data that differentiates Joe
- ➢ Follow up email or letter after the appointment to reinforce benefits, followed by a call

> **Let's check in on Joe's progress.** We are only showing 5 of the 10 New Customer Generation ProfitDrivers™ to keep things simple. As you can see, he has increase the total Proposals by 22% (see Cumulative Increase column)!

The Hourglass Profit System™   **Client Generation Optimization**

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Get More Client Conversions	302	30%	380	31.6%	1.6%	25.8%
Total Revenue Increase					**15.0%**	**25.8%**

We will cover the details of Getting More Proposals/Quotes in the **SalesEngager™** module. We will also cover several other "sales steps" that may be used instead of getting the opportunity to provide a proposal.

<div align="center">

ConversionIgniter™

</div>

Ok, time for Joe to turn the prospect into a paying client. Joe is currently converting 30% of them… now he will target 31.6%. Joe has three opportunities to increase the Ultimate Closing Rate:

ProfitDriver™ #8 – Get More Initial Closes – Currently Joe's sales reps follow up to review proposal, answer questions, and close the deal. There may be a series of follow ups and back and forth communication required to finally get the prospect to make a decision. In Joe's case his Initial Close is likely a few weeks at most.

HOW can Joe increase the Initial Close Rate?
- ➢ Change the offer by adding a bonus, perhaps free screen cleaning.
- ➢ Model best rep. The best rep at getting appointments may not be the best at closing.
- ➢ Strengthen the guarantee by offering a 30 Day No Streak Guarantee.
- ➢ Add term such as 3 Easy Payments.
- ➢ Add 2-3 more closes (one of my clients, Business Breakthrough International, a Chet Holmes, Tony Robbins company, has 7 CLOSES in their standard sales script! They have seen sales conversion rates go up 100% from this ONE tactic alone!!!)

ProfitDriver™ #9 – Get More Follow up Closes – Prospects that were not ready to buy, but who eventually purchase due to diligent, systematic follow up. Perhaps the prospect decides to put off the purchase due to cost or other issues. Or perhaps they buy from a competitor THIS TIME. Either way, diligent, long term follow up can result in extra sales.

HOW can Joe increase **Follow Up Close Rate?**
- ➢ Joe can call or email prospect in 30 days to see how the cleaning went with the other company (powerful, especially if the other company never called).

➤ Begin sending them educationally-based information to build the relationship over time.
➤ Based upon the date of the cleaning, amplify his marketing efforts when it is time for them to clean once again.

ProfitDriver™ #10 – Get More Downsell Closes – If the price was too high due to the scope of the proposal, then offering a lower cost option may result in additional new customers. Remember, this is NOT discounting the service offered.

HOW can Joe increase his Downsell Close Rate**?**
➤ Joe can offer to clean only the exterior windows
➤ or clean only the windows that are most visible
➤ or clean one-half of the windows now and the other half in the future

We will cover the details of Increasing Your Ultimate Close Rate in the ConversionIgniter™ module.

DRUM ROLL PLEASE…..

The Hourglass Profit System™   **Client Generation Optimization**

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Get More Client Conversions	302	30%	380	31.6%	1.6%	25.8%
Total Revenue Increase					**15.0%**	**25.8%**

By achieving just a 3% average performance increase in each of the ProfitDrivers covered so far Joe has created a **25.8% increase!** As you can see, the Power of Compounding is fully at work here. Each increased ProfitDriver™ is being applied to an ever increasing number from the previous step and this creates a compounding effect.

The Bottom of the Hourglass
Existing Customer Value Maximization

Joe has now OPTIMIZED the ProfitDrivers™ in the Top of the Hourglass, New Customer Generation; it is time to OPTIMIZE the revenue generated by his current, existing clients.

The Window Washer's Simple Way to Riches

A few years ago my wife had our windows cleaned, as she does twice a year. The service charged us $400 for this service. After they completed the job and left, I opened our bedroom window and noticed that the sills and outside of the window frames were full of dirt, spider webs, and so on. In addition, the screens looked horrible. I asked my wife, *"What if the window cleaning service had offered to clean those for you <u>while they were up on the ladder</u> for $100, would you do it?"***<Profit Driver #12-Point of Purchase An on Purchases>** She immediately said, *"Yes, I would agree to that."*

T**his got Joe excited as he began to realize that the process, procedure and systems he put into place in the Top of the Hourglass were applicable to the Bottom of the Hourglass as well …a**s is the case with upselling on EVERY transaction.

I next asked, *"What if they offered to clean your screens and gutters for say another $50-$100 each?"* <Stacking **Profit Driver™ #12**> She said, *"Well, I probably would do that as well. I mean, after all, they need to be cleaned as well and we will absolutely pay someone to clean them at some point.*"

KEY DISTINCTION: Yes, but not necessarily by this particular Window Washer!

I then asked*, "How many times has one of these window washing services asked you these questions?"* She said, *"Never that I can remember."*

Pause for Profit Impact #1

If she just had just <u>one</u> of these extra services done it would have increased Joe's revenue 25%. They started off with $400 in revenue and now are adding one of these $100 extra services to achieve the 25% increase! Heck, the crew is there, the ladders are up, the customer is in need. You can see the impact in

Chart #1.

Chart #1	
Original Revenue	$400
Sills, frames, screens or gutters	$100
New Total Revenue	$500
Increase over Original as a %	**25%**

Let me emphasize that it is not just adding this offering, but OPTIMIZING the system to make sure the question is asked every time.

Ok, continuing with the story.

At the time of this event, we had lived in Chicago 3 ½ years and have had <u>seven different window cleaning services!</u> Why? Because (and this is no joke) **not one company had ever contacted us to see if we needed our windows done again!**

> Now as Joe has these new clients, it is critical that he get them to clean their windows more often, and use him every time they do. He is looking for just a 4% improvement (not that a 10% one is not welcomed, and highly achievable).
>
> To put this into perspective, a 4% increase means cleaning once a year versus once every 11 months, 2 weeks, and 1 day!! But you will see that Joe can blow that away easily.

I continued with questioning my wife. "*If the owner came and inspected the windows after the job was complete (*something they have seldom done*), and ensured your complete satisfaction would you use them again?*" She said, *"Well of course, it is a hassle to find a new service each time I want our windows cleaned."*

So I asked my wife <u>another question</u>, "*If the owner told you about an annual discount program* (discount not needed by the way)*, where they will call you automatically every 5-6 months to schedule your cleaning, would you say yes?" And if he methodically and systematically sent you regular educationally based follow-up e-mails with cleaning or household tips, and made a special effort to schedule you, or remind you, of your next cleaning when the time came, would you use them?* Once again, she quickly acknowledged that she would. **<ProfitDriver™ #13 – Frequency of Repurchase>**

She said, *"I definitely would do that because it is so hard to find good, reliable help."…*Remember, 7 different companies in 3 ½ years.

How cool thought Joe. I can now attract the attention of my clients more effectively (lead) and close them effortlessly by applying what we created for NEW customer acquisition!!

HOW can Joe Increase Cleaning Frequency?
- By providing stellar service, by scheduling next cleanings, and diligently follow up to get those that don't schedule, to get them scheduled.
- Create a Frequent Cleaning Program.
- By using educational marketing to build a powerful relationship and loyalty.
- By following up to build relationships, instead of just when it is about a sale.
- By identifying what times of the year are most important to their individual clients to clean… upcoming graduation, spring etc.

CRITICAL DISTINCTION – Sounds simple, perhaps. But in dealing with thousands of businesses first hand, the vast majority fail to SYTEMATICALLY execute these simple things… and therefore the 3% are easily achievable with little effort.

Also, throughout this story I am providing ideas Joe can utilize, some of which he is likely not doing currently. Since this program is focused on OPTIMIZING what Joe is already doing, I am keeping these simple so he can easily implement them within his company.

We will cover the details of this in the **PurchaseMaximizer™** module.

Pause for Profit Impact #2

This simple process (which is not followed by so many businesses) literally **doubles** the window cleaning service's revenue from us, doesn't it? Even if half of his clients would have called the service on their own to schedule their next service, the impact of this simple follow up is still a 50% increase in revenue. Make sense?

So looking at **Chart #2**, you can see a 25% revenue increase by providing more services, and now another 50% simply by increasing frequency by following up consistently with his customers when they are ready to have their windows cleaned (excluding this repeat business for years to come). *Due to the power of compounding interest, we are at an 87.5% increase so far.*

Chart #2	
Original Revenue	$400
Sills, frames, screens or gutters	$100
Total Revenue	$500
Repeated Service by 1/2 of Clients	$250
New Total Revenue	$750
Increase over Original as a %	**87.5%**

Let's Continue.

Now if you have small kids, pets or live where you have a lot of bugs and spiders, there are always those windows that get dirty rather quickly. Often they are located where you have to look at them daily. I had the idea for a cool service that the window washer could provide.

So I asked my wife, (I was having fun now) "*Well what if the second time they performed their service, the owner told you about a special program where they will come out every two months for a "15 minute touch up". Basically, when we are in the neighborhood we will call ahead and pop in for 15 minutes to clean your problem windows. The cost is just $25 each visit. Would you do it?*" **<ProfitDriver™ #14 –Expand number of products/services purchased>**

She said, *"Well, absolutely!"*

Pause for Profit Impact #3

That would be another increase of $100 (they come four times between their normal 6 or 12 month cleanings) or said another way, a **25% increase in the original revenue.** That is, another $100 added to our initial $400 baseline sale. As you can see by **Chart #3,** we have now **MORE THAN DOUBLED the revenue.**

Chart #3	
Original Revenue	$400
Sills, frames, screens or gutters	$100
Total Revenue	$500
Repeated Service by 1/2 of Clients	$250
Total Revenue	$750
"10-Minute Touch Up"	$100
New Total Revenue	$850
Increase over Original as a %	**112.5%**

Now admittedly, every customer will not pay for this particular service or all of these add on services. But even if only 25% did, you can see significant results for little effort.

So the new baseline average customer revenue is now a whopping $850!

Plus, it dramatically increases raving fans <**ProfitDriver™ #18>,** the frequency of their repurchases <(**ProfitDriver™ #13>**, their desire to utilize other services that Joe provides <**ProfitDriver™ #14>**, and referrals that Joe happily will give them <**ProfitDriver™ #16>**.

IMPORTANT DISTINCTION:
The 112.5% increase is actually 200-500%!

For review, although the Window Washer may show a 10% profit at the end of the year, this is a fully-costed profit. As you may recall, this means that ALL costs have been deducted, including overhead.

But as you learned in Foundation Module Video 2, the added revenue of $450 (112.5% in our example so far) will likely increase Variable Contribution Profits by 2 to 4 times that figure, or 200-400%! Why? Because, as you may recall, the only "added costs" of providing these services are the direct labor, supplies, and sales commissions, and perhaps a bit of clerical time to bill and a few minutes in scheduling. No additional trucks, managers, buildings, etc are needed.

Now as Joe has OPTIMIZED the frequency of his Window Washing Service (the "primary service") per client, he now wants to focus upon getting clients to utilize MORE of the products and services that they provide. After all, Joe also cleans screens, gutter and window sills… as well as hardwood floors. If he can motivate just 3% of his clients to utilize one of these services, he achieves his target.

Ok, let's continue questioning my wife….
I continued hounding my wife as I was excited about the profit strategies I had been working on… and what better way to see if they worked than to ask the person that tells me "no" the most!! So I asked Donna, *"Suppose now that Joe has built trust and rapport with you, when it comes to quality and efficiency of washing our windows, Joe then educated you about some of their other services they provide, i.e. buffing of hardwood floors, cleaning exterior siding, and power washing patios and decks (whether* provided by Joe or a strategic partner)? **<ProfitDriver™ #14 – Expand the number of products/services purchased>** *If we needed those services, would you give Joe a try?"* Once again, she looked at me and said, "Of course I would."

If we assume that the cost of just one of these services is $200, Joe increases the baseline window washing services that we started with by another 50%!!!!

Chart #4	
Original Revenue	$400
Sills, screens or gutters	$100
Cumulative Revenue	**$500**
Repeated Cleaning by 1/2 Clients	$250
Cumulative Revenue	**$750**
15 Minute Touch Up	$100
Cumulative Revenue	**$850**
Clean floors, siding, power wash	$200
Cumulative Revenue	**$1,050**
Increase over original revenue	*163%*

HOW can Joe Get More of his Other Services Sold?
  ➢ Follow up and educate his customers CONSTANTLY on what he provides and how it benefits them!
  ➢ Create a Client Path - that targets follow up at logical times when they are ready for the next product or service.
  ➢ Upsell, at steep discount or even bonus customers other services he wants to introduce them to that have repeat order opportunity, such as his hardwood floor cleaning and conditioning.

But we are not done yet…..

What if, after confirming my wife's total satisfaction, he says to my wife, "*If you will simply provide me with a testimonial about your satisfaction level that I can share with your neighbors and I get just one as a customer, I will do this "15 Minute Touch Up" service for you for FREE for a whole year!*" **<ProfitDriver™ #16-Referrals>**

Getting Referrals should be a focus of every business. They are generally the highest quality clients and they cost almost zero to obtain.   Joe gets his fair share of referrals but he has done nothing to Systemize and Optimize this process. In fact, they seldom ask for referrals but instead are provided them because clients like doing business with them (I call this getting referrals "by accident").

And since Joe went through our Speed2Profits™ training, he knew how to get effective testimonials by capturing or putting the client in a Peak Referral State, as you will learn in ClientLeverager™ a bit later.

> **IMPORTANT DISTINCTION**: In each and every case we are looking at improving what you are **already doing.** So if you don't have a referral system in place now, then simply start asking satisfied customers for referrals, seriously (we also have extensive step by step training programs to help companies develop new methods of generating new clients and maximizing their transactional value).

HOW can Joe Get More Referrals?
  ➢ Capture or "Activate" them into a "Peak Referral State" before asking for referrals.
  ➢ Turn his Raving Fan customers into his sales ambassadors by arming them with information they can share with friends, family, and neighbors.
  ➢ Simply start asking EVERY satisfied customer when the job is complete.
  ➢ Create an incentive for team leaders to obtain referrals.

We will cover the details of getting, and converting referrals in Business Accelerator™ VI.

Pause for Profit Impact #5

We had 38 immediate neighbors that owned 4,000+ square foot plus homes, of which most, if not all of them, contracted out window cleaning services. When I speak I always ask the crowd, "*How many of these neighbors, if introduced by letter by my wife (a fellow neighbor) would become a customer if the window washer diligently followed up with them until they were ready to clean?*" (Keep in mind my wife's challenge with finding good help.)

> *How many say at least 1? ... Every hand goes up.*
> *...2? ... every hand goes up.*
> *...5? ... 50%+ of the hands go up*
> *...10? ... 25% or so of the hands go up*
> *...20? ...10%+ of the hands go up*

What would be your expectation?

Well, to keep things really conservative, if just <u>one</u> of my 38 neighbors, who probably experienced the same problems as we had, became a customer due to this letter and follow up, the window cleaning service more than **doubles their business again** (assuming they utilized the same services and frequency of cleaning as my wife)!

This brings the new average client revenue to $2,100 or a 425% increase over our $400 baseline revenue (assuming this new customer also becomes a continuous customer and chooses some of the additional services as well. We are only using a few simple techniques found in this book.). See **Chart #5**.

Chart #5	
Original Revenue	$400
Sills, screens or gutters	$100
Cumulative Revenue	**$500**
Repeated Cleaning by 1/2 Clients	$250
Cumulative Revenue	**$750**
15 Minute Touch Up	$100
Cumulative Revenue	**$850**
Clean floors, siding, power wash	$200
Cumulative Revenue	**$1,050**
Get 1 Referral Client	$1,050
Total Cumulative Revenue	**$2,100**
Increase over original revenue	***425%***

Now, admittedly I am fudging a bit because the 2nd customer is a separate customer but they never would have existed without the success techniques we are using in this story.

Let me ask you a question, "*How difficult were any of those steps?*" Piece of cake, right? How much did they cost to implement? Virtually nothing! What was his risk of implementing this simple program? Absolutely zero!

Now this is a very simplistic example, but let me ask some basic questions:

> *Do you currently employ these simple techniques in your business <u>systematically</u> and <u>consistently</u>?*

Do you have measurements in place to track progress so performance increases instead of decreases over time?

If applicable, have you trained your staff on when, how, and to whom these offers should be made?

My experience working with thousands of companies, in over 300 industries worldwide, suggests that the vast majority of them do not …and certainly they are not using these applications **systematically.**

"*It's too simple. I own a more sophisticated company*" you say?

At Business Growth Dynamics, we have never had one client that could not produce measurable results from these simple profit strategies unveiled in this simple story—not one out of thousands.

But what about the big corporate guys?

Well, these simple growth/profit strategies apply to large companies as well. I have a water filter system made by a major icon corporation. The filters are supposed to be changed annually. Yet in 5 years this company has <u>never once</u> followed up with me to perform this $150 service! Instead I have changed the filter twice in this time—*they could have more than doubled their profits if they just <u>systematically</u> followed up.*

But Wait There's More… WAY MORE

Joe mastered the **LoyaltyCreator™** module that enabled him to turn his customers into RAVING FANS. And now is where the math gets real interesting!

Getting New Client Orders to Stick <ProfitDrivers™ #17> **-** Now as Joe has these new clients, it is critical that he gets them to stick as a first time client. Currently, he loses 5% of new client orders to cancellations and refunds from his Money Back Guarantee. So he has set a new target of 3%, or a 2% improvement.

HOW can Joe increase Purchase Retention?
  ➢ By scheduling the Window Cleaning sooner. Book to Service lags can dramatically increase cancellations.
  ➢ By following up to secure the cleaning date reinforces that they made an excellent decision.
  ➢ By initiating a Win-Back Program that gives him the opportunity to turn around a customer that attempts to cancel the service.
  ➢ By having payment terms, if necessary.

Turning Customers into Raving Fans <ProfitDrivers™ #18> - Joe's business, like most every business, relies upon repeat transactions, over time. Therefore it is critical for Joe to turn his clients into RAVING FANS. If he fails to do so he will lose them as clients for years to come, and in turn leave tons of money on the table.

This is different than the initial purchase retention above, where the focus was on first time purchase stick rate. In contrast, here the focus is on the lifetime value of Joe's existing customers.

At HCC, my hospital services company that was named to the INC 500 list, #59, we developed a "10 Step Raving Fan Program" that resulted in an incredible 96% client retention rate over an 8 year period! Now that is certainly impressive, but when you realize that our leading competitor had a 25% turnover rate per year, it is downright incredible.

HOW can Joe increase Client Loyalty?
  ➢ Provide Education Based Information via a Newsletter.
  ➢ Provide An Over the Top Experience During first 30 Days.
  ➢ Create a Frequent Cleaner Program.
  ➢ Survey Clients regularly to get a real-world view of how you are doing.

Statistically the average family remains in their home for 6.6 years. Therefore if our Window Washer continues to follow his new success system, the $2,100 grows to an incredible $13,860 or 3,365% over the original baseline revenue of $400… and that is with just ONE neighbor referral. **See Chart #6.**

Chart #6	
Total Cumulative Revenue	$2,100
Loyal Client Life	6.6 years
Lifetime Value of Client	**$13,860**
Increase over original revenue	*3,365%*

Now it is time to **REACTIVATE** past clients.

Joe's "clean and run" way of doing business means that he has hundreds of businesses and homeowners that they once, or perhaps more than once, cleaned their windows and yet, due to the lack of follow up they no longer have the privilege of being their vendor of choice.

As Joe has gone through this process of Optimizing his business, he now realizes that he has hundreds of homes and businesses that used his service one or more times but are no longer using him. Now it is quite likely that the vast majority of these continue to have their windows cleaned **by somebody**, just not Joe.

So if Joe is like most businesses, he has not reached out to these past clients for months, or perhaps years. In this case Joe simply needs to focus upon getting 2% more of these past clients to once again do business with him.

What if Joe utilized his new, improved marketing and sales program, as well as stellar client follow-up utilizing educational marketing, to reactivate past, neglected clients that continue to have their windows cleaned by a professional service? <ProfitDriver™ #15>

What would you expect the outcome to be? Would Joe reactivate 5%, or perhaps 10% of these inactive past clients eventually? If so, it could result in $50,000-$100,000 or more in "new revenue" over time.

HOW can Joe Reactivate Past Customers?
- ➤ He can simply begin reaching out and communicating with past customers. We recently had a Nutritional Supplement client reactivate 14.2% of their more recent "lost" clients with a free voucher that had a $20 value to it, no strings attached. And the incredible thing was the average order was $128!
- ➤ Target customer based upon when they cleaned during the year, e.g. Spring.
- ➤ Joe needs to understand that he must be patient with reactivating past customers. It is a marathon not a sprint. After all, they likely have been ignored and you must reestablish both your relationship and the benefits of doing business with you.

Once again Joe reflected on the power of being able to quickly and almost effortlessly create an effective Reactivation program by integrating in the exact same elements he developed in ProfitDrivers™ #4-10.