

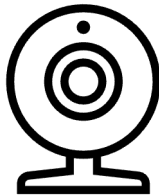
The Maximisation Matrix: how to increase your sales without prospecting

TONY GOODWIN



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Get the Most Out of Our Session Today



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What to Expect

- 60 minutes
- Rapid fire
- Q&A
- Recorded



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Today's Objective

- Create a plan to increase revenue from existing customers
- 9 strategies for maximising customer value



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1. Reward Loyalty

- Tailored content and offers



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1. Reward Loyalty

- Tailored content and offers
- Drive new customers to second purchase



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2. Create a Referral Tree

- Exercise – pick a customer you know came from a referral



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2. Create a Referral Tree

- Exercise – pick a customer you know came from a referral
- Identify the referrer



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2. Create a Referral Tree

- Exercise – pick a customer you know came from a referral
- Identify the referrer
- Calculate the value of that referrer



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2. Create a Referral Tree

- Exercise – pick a customer you know came from a referral
- Identify the referrer
- Calculate the value of that referrer
- Reward referrers



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The Lifetime Value of a Customer

How do we calculate an individual customers' value?

Average sale = £100 (A)

Number of purchases per month = 5 (B)

$A \times B = £500$ (C)

$C \times 12$ months (value per year) £6,000 (D)



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The Lifetime Value of a Customer

Average length in years of relationship = 5 (E)

$D \times E = £6,000 \times 5 = £30,000$ (F)

Number of referrals from a customer per year = 2 (G)

Value of a customer $F \times G = £60,000$ (H)

Total value of one customer $(F + H) = \underline{£90,000}$



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3. Ask for referrals

- How often to you ask for referrals from your existing customers?**



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3. Ask for referrals

- How often to you ask for referrals from your existing customers?**
- Create a campaign to drive referrals**



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4. Ask for reviews

- Leverage existing relationships to create new ones



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4. Ask for reviews

- Leverage existing relationships to create new ones
- Ask for a review



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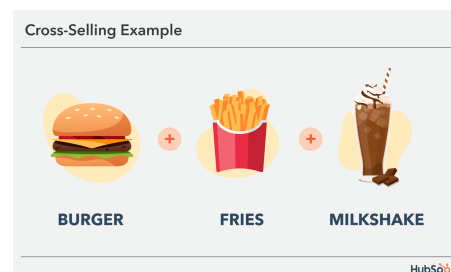
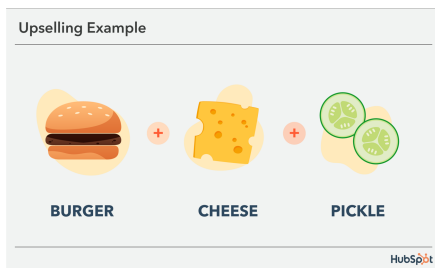
4. Ask for reviews

- Leverage existing relationships to create new ones
- Ask for a review
- Website, brochure, LinkedIn



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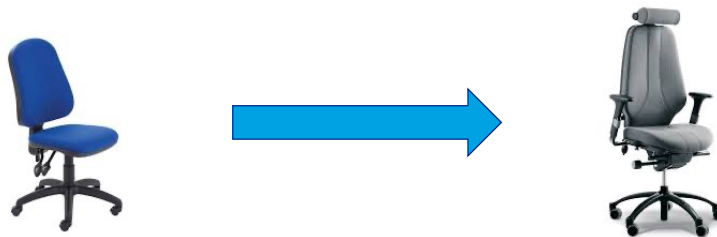
5. Upsell and cross sell



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5. Upsell and cross sell

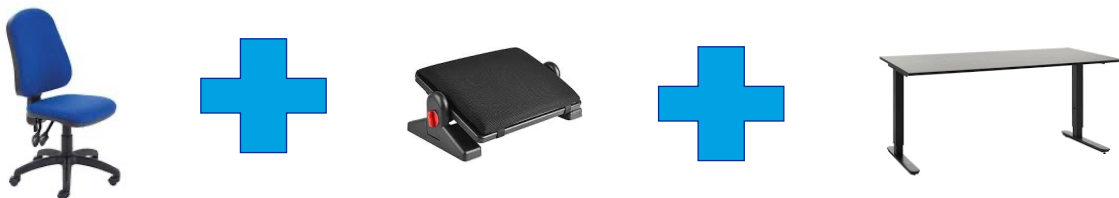
—Upsell



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5. Upsell and cross sell

—Cross sell



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6. Ask them what they need

- Customer review conversations**



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6. Ask them what they need

- Customer review conversations**
- Quarterly reviews**



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6. Ask them what they need

- Customer review conversations**
- Quarterly reviews**
- Spot conversations**



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7. Review your buying process

- Simplify the buying process**



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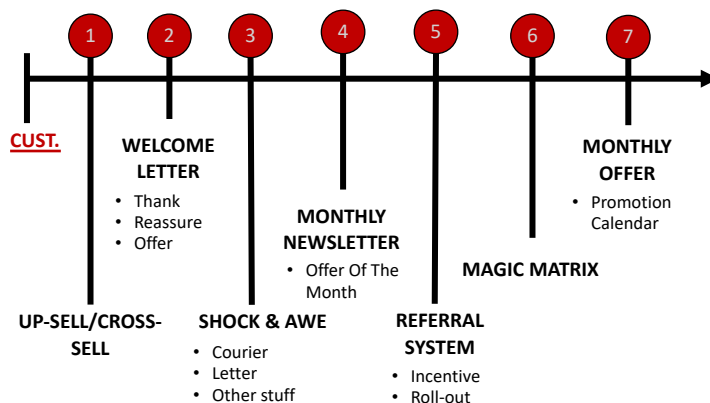
7. Review your buying process

- Simplify the buying process
- Map out your customer journey



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Customer onboarding



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8. Review your pricing

—Discounting



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Discounting Your Prices
 When you discount your prices you have to significantly increase your sales to maintain your margins! The table below indicates the increase in your sales volumes that are required to compensate for a price discounting strategy. For example, if your margin is 40% and you reduce your price by 10%, you would need your sales volume to increase by 33% to maintain your profit. Rarely has such a strategy worked in the past and it's unlikely it will work in the future. Find your current margin on the top line of the table...

Margin ▶	20%	25%	30%	35%	40%	45%	50%	55%	60%
Discount ▼	Your sales would have to INCREASE by the amount showing to keep the same amount of profit								
4%	25%	19%	15%	13%	11%	10%	9%	8%	7%
6%	43%	32%	25%	21%	18%	15%	14%	12%	11%
8%	67%	47%	36%	30%	25%	22%	19%	17%	15%
10%	100%	67%	50%	40%	33%	29%	25%	22%	20%
12%	150%	92%	67%	52%	43%	36%	32%	28%	25%
14%	233%	127%	88%	67%	54%	45%	39%	34%	30%
16%	400%	178%	114%	84%	67%	55%	47%	41%	36%
18%	900%	257%	150%	106%	82%	67%	56%	49%	43%
20%		400%	200%	133%	100%	80%	67%	57%	50%
25%			500%	250%	167%	125%	100%	83%	71%
30%				600%	300%	200%	150%	120%	100%

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8. Review your pricing

- Discounting
- Price increases



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Increasing Your Prices
 When you increase your prices you can sustain a drop in your sales before your profitability is affected! When you adopt a premium pricing strategy (or simply a price increase), this table shows the amount by which your sales would have to decline following a price increase before your gross profit is reduced to below its current level. For example, at the same 40% margin, a 10% increase in your prices could sustain a 20% reduction to your sales volumes. Find your current margin on the top line of the table...

Margin ▶	20%	25%	30%	35%	40%	45%	50%	55%	60%
Increase ▼	Your sales would have to DECLINE by the amount showing before your profit is reduced								
4%	17%	14%	12%	10%	9%	8%	7%	7%	6%
6%	23%	19%	17%	15%	13%	12%	11%	10%	9%
8%	29%	24%	21%	19%	17%	15%	14%	13%	12%
10%	33%	29%	25%	22%	20%	18%	17%	15%	14%
12%	38%	32%	29%	25%	23%	21%	19%	18%	17%
14%	41%	36%	32%	29%	26%	24%	22%	20%	19%
16%	44%	39%	35%	31%	29%	26%	24%	23%	21%
18%	47%	42%	38%	34%	31%	29%	26%	25%	23%
20%	50%	44%	40%	36%	33%	31%	29%	27%	25%
25%	56%	50%	45%	42%	38%	36%	33%	31%	29%
30%	60%	55%	50%	46%	43%	40%	38%	35%	33%

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9. Magic matrix

- Create a matrix
- Purchases vs products



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Magic matrix

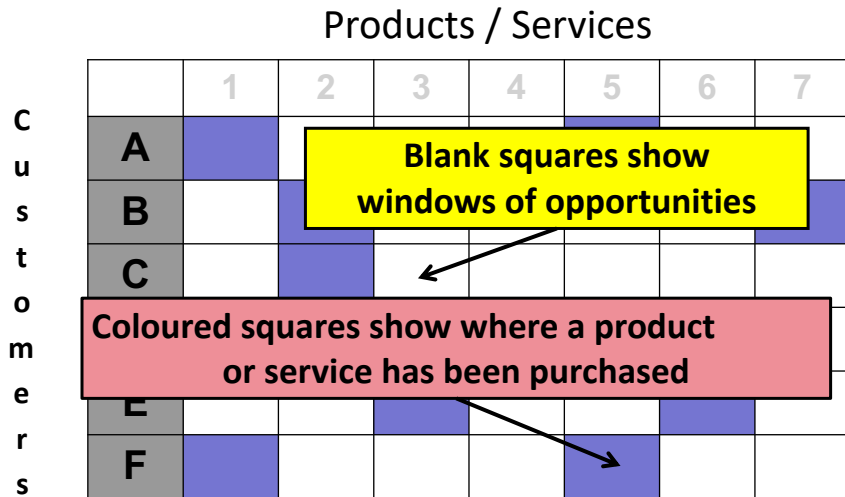
Products / Services

	1	2	3	4	5	6	7
A							
B							
C							
D							
E							
F							



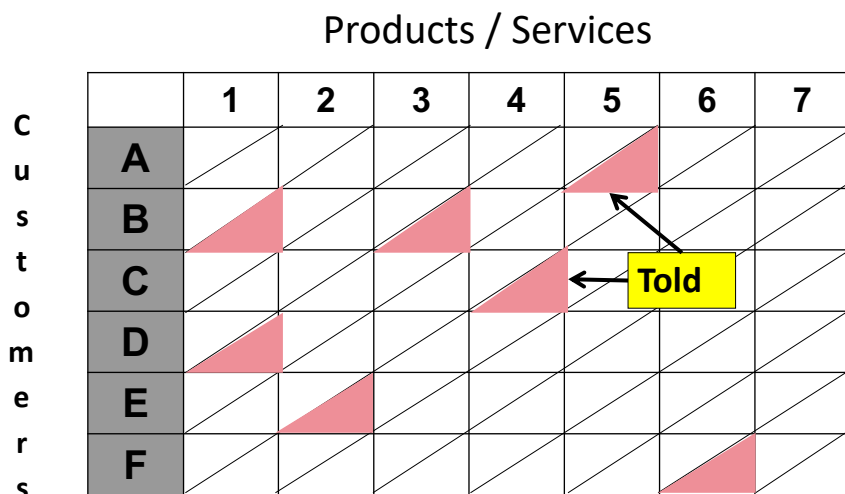
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Magic matrix



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Magic matrix - told



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Magic matrix - sold

Products / Services

		1	2	3	4	5	6	7
C u s t o m e r s	A							
	B							
	C						Told	
	D							
	E						Sold	
	F							



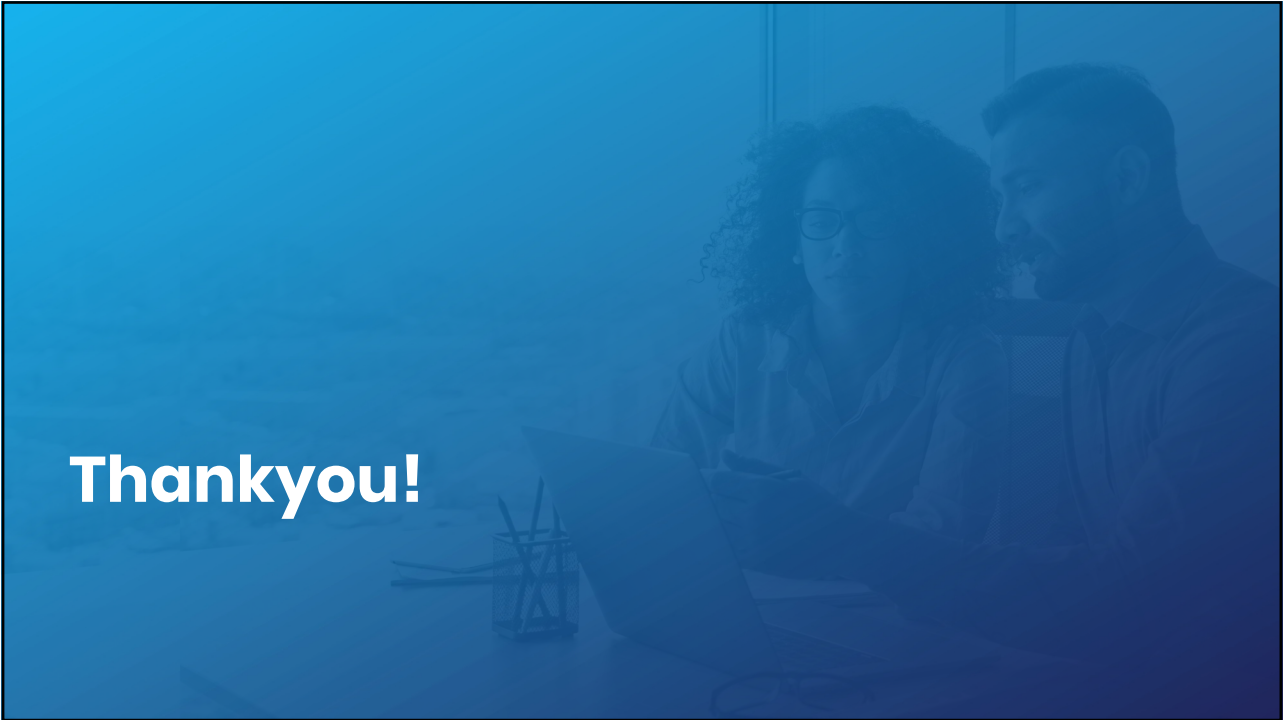
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Wrap up

- It's significantly cheaper to keep a customer than acquire a new one
- Plan your week/month to incorporate current customer maximisation strategies
- Create your magic matrix for the top 10 customers
- Keep it visible



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