



Profiting From Your Existing Customers

How many of us are so caught up in growing our business and courting new customers that we forget where our bread is buttered. Think about it right now: who is supporting you? What are you doing to ensure that these customers are happy and continue to come back? When was the last time you asked them if they are enjoying your relationship? When was the last time you thanked and appreciated them? Many companies that have outside sales use a Customer Relationship Management (CRM) system. Often sales teams use these CRMs extensively when they are recruiting new customers but forget them once the customer has been landed. The key to profitable business is to ensure that your customers are extremely satisfied with what you are providing them. This means that you need to be in regular contact with them. This also means that the relationship must go two ways. We can't just expect that our customers will continue to buy from us just because we are advertising to them. We need to engage our customers and listen. Listening to our customers can take a variety of forms but it is a critical step in building a profitable business.

So What Do We Want to Know About Our Customers?

In his classic book, *How to Win Friends and Influence People*, Dale Carnegie says, "You can make more friends in two months by becoming interested in other people than you can in two years by trying to get other people interested in you" (Carnegie, 1936). If we exchange the word in that phrase from people to customers, there would not be much difference. So when we are talking to our customers, we want to know everything we can about them. Who are they? What brought them to your business? Where are they from? How many kids do they have? What do they like doing? What are they interested in? But, before we start trying to build long-term relationships with our customers, we need to understand why we are doing it.

How Much is Your Customer Worth?

Many people have tried to calculate the value of each customer. Using an economic formula, we can estimate the potential value of the customer. If we want to consider the lifetime value of each customer by thinking this way, we need to take some factors into consideration. Depending on your industry, churn rate, average annual customer purchases, and margin will all be different. However, you should get the idea that, even though the customer might be making you \$100 profit this year, over the lifetime relationship with that customer, the value and the profit they end up putting in your pocket can be significant! This is the very reason why we, as business owners, need to focus on keeping our customers happy.



What Do You Need to Do to Retain Customers and Reduce your Churn or Attrition?

- Wow Them.
- Invite Them Back Regularly
- Engage Them On A Regular Basis
- Make It Easy For Them To Buy From You

Make a list of 3 things you can do to wow your customers!

1.

2.

3.

What Are 3 ways you could invite your customers back more frequently?

1.

2.

3.



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What are 3 ways you think your company could engage with your customers more over the next 3 months?

1.

2.

3.

What 2 things could you add that would make it easier for your customers to buy from you?

1.

2.