

Clone Your Best Customer

by Josh Patrick, CFP®

*How to promote and increase
your bottom line by cloning your best customers!*



Over the years I've noticed that some companies in an industry make a tremendous amount of money and others in the same industry just barely scrape by. When I look at the two companies, they both have competent managers and understand how their business works. So, the question comes to mind, why is one company so much more profitable than the other company?

After much thinking and analyzing hundreds of companies and operations in a variety of industries, the only thing that stands out is how effective one company is in marketing versus the other company. In other words, are the new Clients your company is gaining the type of Customers you really want? I find the companies in the top quartile of profitability always profile their best Customers and then put together cost effective programs to gain more of these types of Clients.

The First Step

Before setting up a marketing program to gain access to these best Customers, you first must have a clear picture of what this Customer looks like. So, the very first thing you must have is *an excellent measuring system that tells you which of your Customers you make the most money with.*

In past articles you've heard me talk about the importance of knowing which accounts provide the bulk of your profits. I have maintained that you should treat your very best Customers with kid gloves and make sure they remain loyal to your company. Another reason to profile all your Customers from a profit point of view is to give you the first step in building a Customer cloning program, which is, knowing what you are looking for.

When examining the profitability of your Customer base, you must also factor in the your sales and service cost. If a Customer provides a high profit margin, but you only sell them one item, then they are not the Customers you want to clone. However, if that Customer provides high margins and you are going to do a lot of repeat business with them over the years, then this Client is gold.

The second step, build a profile

After identifying who your best Customers are, then you will want to build a profile of who that Customer is. Some of the things you will want to know are:

- What industry does this Customer come from?
- What geographic area does the Customer come from?
- What sort of income does the Customer have or how profitable are their companies?
- Is the decision maker the person you are talking with in the sales process?
- How many employees or Customers does the company have?
- What personality types are the buyers and how do they fit in with your organization?
- How do they feel about quality?
- How much hand holding does this Customer need and how would you know if you found one that requires little hand holding in the future?
- How many services does this Customer purchase from my organization?

Identifying the traits of your best Customers will start you on the path of knowing when you come across someone else who fits those traits. After you develop the traits list, it's crucial that your sales department understands what you are looking for.

You most likely will not be able to stop doing business with Clients who don't fit in your best profile. However, you will now have the ability to know where the Client fits in and can price your services accordingly. If you have a potential Customer who probably will not make much money for your company, you might want to charge a higher price out of the box. That way, if you do get the business, then you will get some margin to make the extra effort worth your while.

I believe the most important portion of a marketing program is the development of the process of profiling. This way you will know what you are looking for and everyone in your organization will become aware of what makes the company more profitable. That way, everyone can be your eyes and ears for new Clients.

Step three, develop a cost effective plan for approaching your target Clients

Once you know what your best Client looks like, it's now time to start finding more of them. To find this list you might want to use a list broker such as Info USA or Dunn and Bradstreet. Both of these organizations will allow you to purchase mailing lists in small quantities, sorted by a host of selection criteria such as SIC code, location, number of employees, total sales, etc.

Once you have your list, you will then need to find out who the buyer is for your services. I suggest using a telemarketing service for this process. You will write a script and the calling service will then call these potential Clients and find out who the contact names are. If you are under a contract service, then you will also want them to find out when the contract comes up.

After getting the proper name for your potential Clients, you will want to design a campaign to get yourself in front of them on a favorable basis. To do this you may want to use direct mail, faxes or just cold calling. I would suggest that you provide a series of mailings to this person on why they would want to talk with you. After three to five mailings, I would then have my sales department call and attempt to make an appointment. Your potential Client will have heard of your organization by then and if you truly have targeted the correct audience, they will be more likely to give you and your staff an appointment.

If you like public speaking and you have a product that has an educational component that can be taught in a seminar, this is a great way to have your potential Customers hear about your services in a non-threatening manner. It also allows you to showcase your wares and put your company and services in a very positive light.

To promote a seminar you will again want to have a target list of people who might be interested in your service. You then would invite them to the seminar and provide some education with great take-home value. You also will want to give your attendees the option of meeting with you to learn more about your subject and company.

I like seminars for cold selling because I am able to make an initial presentation to several people at once. Participants in a seminar can decide whether they have interest in your service in a non-threatening and low profile manner. If you decide to go this route, it's crucial that you provide real educational value in your program and not just a sales presentation. If you use your seminar for obvious selling, then you will turn off your Clients and they will not give you an initial appointment.

The final way to use your Customer profiling in a very powerful manner is through referrals. Once you have identified what you are looking for in new Customers, you can then go to your present best Customers and ask them if they know of anyone else who would fit the profile you want. Most people who are great Customers know more people like themselves. If approached properly, they will want to help you build your business and send good high quality prospects your way.

Conclusion

Having an effective, high quality Customer profiling program in your company will pay huge dividends. We are a goal seeking species. Once we understand what we want in great clarity, then what we are looking for will become immediately identifiable. This will help you find the Customers that will make you the most amount of money.

Remember, the most profitable companies I know all have one thing in common, the ability to find and service very profitable Customers on an extremely cost effective basis. Following a few of the tips above will help put you in this category.



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