OLDMUTUAL

EBOOK:

Your guide to **growing** a **stronger business**

Table of contents

Introduction

Welcome to your comprehensive guide to growing your business from a small business into a large business. Our goal is help you to accelerate your growth and transform your business.

In this guide we'll help you design a powerful brand and marketing plan, strengthen your value proposition to win more customers and how to calculate your return on investment on your marketing spend.

We'll also unpack the financial management tips that will help you grow your business, and why you should consider working with a business coach if you're serious about growth.

Success begins with you

It isn't easy building a business of value. It takes time, dedication and focus. We understand how many long hours you've put into your business and your desire to take it to the next level.

We're here to help you focus on the areas that will boost that growth, save on your bottom line and increase your top line revenue.

How to use this growth guide

First, grab a pen and notebook – you'll need to take notes, jot down ideas and document what you're thinking. Through this guide you'll be building a marketing plan, calculating if you're spending too much – or enough – on marketing, and evaluating whether you have a value proposition that your customers are responding to.

Work through the guide slowly. There's no rush. Our aim is to take your business to the next level, and that type of step change happens slowly and methodically.

As you go through this guide, choose which areas you want to focus on first. Track your progress.

Once you've successfully implemented one idea or tactic, move on to the next one – don't try to do too much at once; focus is your secret weapon.

Lets get started.

1: 6 **Growth** accelerators to **transform your small business** into a **big business**

Not every business grows from start-up to rock-star. Some just coast along. They stay the same size, make the same amount of money and never really change.

This happens for one of two reasons. Some business owners just don't want to grow. They're happy with a small business that meets their needs.

A more common problem though, is business owners who want to grow, but are so busy chasing customers and deals that they don't focus on the 'growth' areas of their business.

Identify the factors blocking your business growth

Don't let your hustle today get in the way of your future tomorrow. Your hustle should be your superpower – not what's keeping you from shooting the lights out.

So, what's the solution? Step one is understanding that you need to shift gears as you move from your start-up phase into your growth phase.

DON'T FLY BY THE SEAT OF YOUR PANTS

- Most start-up entrepreneurs follow their gut instead of business theory. This isn't a bad thing - it's your entrepreneurial DNA and it gives you the ability to see opportunities and pursue them. But now's the time to get serious.

- It's time to realise that every successful SME reaches a point where a more systematised approach to business needs to be implemented.

GROW YOUR CUSTOMERS, NOT YOUR COSTS

- Growing a business is all about doing everything better, for more people, at a lower cost.

If you want to build your start-up into a bigger, more profitable business, then this reference guide is for you.

We will take you through the fundamentals of business growth, from yourself as the leader of your business, right through to your business model, employees and customers.

With the right mindset and foundations in place, you will take your business to the next level.

Build yourself to build your business

Which means the more you focus on your own development and skills, the more you'll understand what your business needs.

Allon Raiz, founder of Raizcorp, Africa's largest business incubator, has this question posted on his wall:

"How are you standing in the way of Raizcorp's Growth?"

It's a message to himself that he never forgets. The more he knows about himself, his market, his competitors and his business, the greater his ability to lead Raizcorp's growth.

1. Conduct a personal SWOT analysis

To determine where your gaps lie, perform a personal SWOT analysis. Draw four squares on a piece of paper labelled Strengths, Weaknesses, Opportunities and Threats.

To complete your SWOT, ask yourself these questions – and be as honest as possible. This is only a valuable tool if you are critically honest.

STRENGTHS

- What skills, talents, degrees or certifications do you have that others around you do not?
- How strong is your network? Who is in it that is a real strength?
- If your managers or co-workers listed your strengths, what would they say?

- Do you have values or ethics that others in your field or industry lack? What are they?

WEAKNESSES

- Where are you lacking in terms of skills, degrees or qualifications?
- If your managers or co-workers listed your weaknesses, what would they say?
- Do you have negative personality traits or work habits that impact your success or those around you?
- Is there anything you avoid because you lack confidence?

OPPORTUNITIES

- Are there any trends currently affecting your industry that you could leverage?
- Are there areas where your industry is growing?
- Where could you leverage new technology in your business?
- In what ways could you leverage your networks or connections?

THREATS

- List the obstacles that you're currently facing.
- Who are your competitors? List those in your industry, and players who could enter your market.
- Are there new technologies or certification demands that could hold you back?
- Is your industry becoming commoditised, with everyone competing on price?

Create a personal development growth plan

Based on your personal SWOT analysis, you can now determine where your gaps lie. It might be a good idea to hire someone to fill that role so that you can concentrate on your strengths, but on the whole, it's important to focus on increasing your skills.

Your personal development plan should include goals, timelines and what you will do to achieve certain benchmarks.

Don’t do it alone

Start working with a business coach or a mentor who can hold you accountable to your personal growth journey. You can read more on this in PART SIX of this guide. You can also join a networking group or a business association. Your local chamber of commerce should be able to connect you with like-minded business owners.

Most importantly, read as much as you can, listen to business podcasts and even take short courses.

The world’s top entrepreneurs are focused on personal development:

- Bill Gates reads a book a week, or about 50 books a year.
- Warren Buffett read between 600 and 1000 pages per day when he was beginning his investing career, and still devotes about 80% of each day to reading.
- Mark Zuckerburg reads one book every two weeks.
- Elon Musk is an avid reader.

Become more efficient – at everything

1. Guard your time

Hiring people to fill the gaps and take pressure off you is important, but you also need to become the most productive and efficient version of yourself possible. There are two key areas to work on if you’re going to become a productivity machine: Time and focus.

DETERMINE WHAT YOU’RE WORTH

- Spend a week keeping track of everything you do in a day. At the end of the week, assign amounts to each activity – how did that task directly impact

BE DELIBERATE

- Distractions derail us from tasks every day. To get your most important, revenue-generating activities done, block time out in your diary. Let everyone know you’re in ‘focus time’, which means no distractions unless the building is burning down.

LIMIT MEETINGS AND EMAILS

- We spend a lot of wasted time in meetings, on unnecessary emails and on being cc'ed. Delete all internal meetings in your diary and start from the top with only the most critical meetings. Implement short 'walking' meetings where appropriate. Tell your staff not to cc you unless it's critical.

2. Prioritise your focus areas

Are you focusing on admin tasks or revenue-generating and strategic activities? The more focused you are on what you do – and don't do – in your business, the more you'll be able to drive growth.

- To figure out where you should be focusing your energy, draw four squares on a piece of paper labelled - Low priority, low urgency, high priority, high urgency.
- Now put each and every activity you do into one of these four squares.
- You'll find that you spend most of your time on urgent tasks, but that high priority tasks are often carried over – you know they're important, you just never get to them

Use time-blocking and your focus hours and become radical about spending a few hours (at least) each week on your high priority tasks – and watch your business grow.

Get the right people on board

1. Hire right

The great thing about getting the right people into your business is that once you have a good team, a lot of things start taking care of themselves.For example, smart people have good ideas, which result in better systems and processes. They spot problems in the company and come up with suggestions on how to do them better.

The three rules of thumb when hiring:

1. Hire for skills and attitude. Skills can be taught but you can't change someone's attitude.

2. Business can often feel like war. Make sure you're in the trenches with people you trust.

3. The cheapest option is most often the most expensive option down the line.

Success comes down to the right staff, in the right positions, adding the right value. Here's how you hire the best people for the growth phase of your business:

HIRE THE BEST TEAM ON THE PLANET

- This means that if you need a marketing person, hire the best marketing person. Don't look for all-rounders.

THE BEST ARE MORE EXPENSIVE

- But the 20% more you pay on their salaries gives you exponentially more skill and productivity within the business.

HIRE SLOWLY AND FIRE FAST

TEST SKILLS

- Include real work examples that need to be completed alongside the interview to ensure candidate skills match their CVs.

AS THE FOUNDER, CRITICALLY EVALUATE YOURSELF AS WELL

- If you're not good at marketing, hire someone who is. Know your weaknesses.

2. Make the most of your employees

1. CLEARLY DEFINE JOB DESCRIPTIONS AND KPIS

Here's what Shark Tank investor and self-made millionaire Marnus Broodryk did at his company, The Beancounter. Every employee (from the cleaner to the CEO) has a standard employment agreement, but they also have a second agreement, which lists each and every single thing that they do.

This includes Key Performance Indicators (KPIs) that can be reviewed. It creates a shared understanding between the business and its employees, as well as a clear roadmap that employees are measured on.

2. PROVIDE CLARITY ON EVERYTHING YOU EXPECT FROM YOUR EMPLOYEES

If you give tasks and briefs, ask your employees to repeat what is expected of them in their own words. This will make sure everyone is on the same page.

3. CHECK WORK AND PROVIDE FEEDBACK

Take the time to check work and provide feedback regularly. Keep the tone of these conversations positive (highlight strengths), but include learnings on where there can be improvements.

4. RUN DAILY STAND-UPS

Quick 15 to 20 minute morning meetings ensure everyone knows what the entire team is doing that day, where there are hold-ups or 'stucks' and keeps everyone accountable to the tasks they have committed to that day and/or week.

5. ENCOURAGE STAFF TO PROBLEM-SOLVE AND TO WORK INDEPENDENTLY

The more clarity you provide on your briefs and in feedback sessions, the more confidence you give your team that they know what you want. The key is consistency.

Once employees are confident in their work, encourage them to problem solve without coming to you first. Give them the freedom and latitude to make mistakes (which they will), but hold post-mortems where everyone learns from the mistakes without feeling persecuted. The goal is for everyone to work better as a team.

More Customers Equal More Revenue

Here are 4 ways to get more customers buying from your business.

1. Sell something they really, really need

Business guru Peter Drucker said that the purpose of a business is to create a customer. To accelerate a business, you have to get very good at creating customers, above and beyond what you've always done. So, how are you creating customers?

Before you launch your smart, cost-effective marketing plan, make sure you have the right product or service offering for your target market.

Do you have a 'nice to have' business or a 'must have' business. Does your product or service qualify as a vitamin pill, or a headache pill?

A vitamin pill is something that a customer doesn't notice if they don't take it.

A headache pill is the opposite - you notice each minute you don't take it.

The closer your solution is to a headache pill, the closer you are to a product that your customers will continue to pay full price for, even when times are tough. They feel the pain when they're not using your product, which keeps them loyal.

2. Make sure you offer real value

Once you have determined that you are a 'must have' business, concentrate on making sure that you're fulfilling a core need. The way to do this is to actually start small.

The rule of thumb is that before you can cater to 100 000 users or customers, you need to have 100 extremely happy customers.

The founders of Airbnb for example, made sure their model worked for a small customer base before they started scaling their business. Most entrepreneurs want to build big businesses, but if you can't find your first 500 customers, how will you find 5 million?

"We all know that if you build a great product, people will want to buy it. The problem is when they come once – and then never come back. You need to make sure you have repeat customers. That's how businesses grow."

Vinny Lingham, Tech entrepreneur and investor

Ask yourself these questions:

- How do your customers feel when they are engaging with you, your team or your brand?
- Do you have a high-level of repeat customers?
- Are you able to cross-sell and up-sell your customers?

4. Get customers on board at a reasonable cost

YOUR AIM IS TO GROW YOUR REVENUE, WHICH MEANS YOU NEED TO BE ABLE TO:

- Get each customer on board, and
- Delight those customers, at a lower cost than what you spent getting them.

The problem is that with growth comes complexity: more people, more systems and processes, and of course the actual cost of producing your goods or services, including investing in machinery These complexities come with a price tag. Your revenue might go up, but your profits may not.

Where costs and revenue go wrong

Here's an example: If you invest R100 and produce ten products that you can sell at R15 each, will R200 produce 20 products? Often, the answer is no. R100 produced ten products because you had a smaller team and lower overheads. To produce 20 products, your team has to double, you need bigger office space and probably a manager to oversee your team. This all comes with costs.

Now, to produce 20 products, it's costing you R600, instead of R200. The problem is that for a R100 investment you made R150 (at R15 a product). But your R600 investment only makes you R300, because the product's price has remained R15. Your business has grown, but you're losing money.

- To get this balance right, re-evaluate everything your business does. Look at everything you do and work out what costs the least to deliver but makes the most money. Your financial plan will help you to do this. You're basically comparing your costs to your revenue through specific formulas.

Build robust systems and processes

The goal of systems and processes is to set up your business in such a way that you can service 5 000 customers in the same way as your first 100 customers (which is 100% what you're aiming for).
Here's the most important thing to realise about operations: A business that has no systems and processes is completely reliant on the entrepreneur. If your business is completely reliant on you, it can't grow, and you can't ever take a holiday.

1. Streamline your processes

Determine where there are bottlenecks in every process the business follows, across departments. What can be removed, automated or outsourced?

2. Document everything

Get each employee to document what they do and each step in their process. These become process documents that all employees and new hires can follow.

Short videos and operational documents will speed up the onboarding process of new hires, and ensure everyone knows what they should be doing, the culture of your company and how they are measured.

3. Look for tools that can help you

Get eThe reality though is that setting up systems and processes doesn't need to be expensive. There are many free tools you can utilise, from Google Docs to Slack to *www.mysmetools.com*.

Table of contents

PART TWO:

2: 6 Top financial management tips for super-charged growth

Most businesses reach a point where they need to make a choice: To grow or not to grow? It sounds simple. After all, who wouldn't want to grow? But the truth is that with growth comes complexity – particularly around financial management.

Here are 6 ways to ensure your business stays financially on track while you focus on growth.

Embrace a lean philosophy

Successful businesses keep things lean. Every expense is tracked, and there's no unnecessary expenditure.

There are a number of ways to curb your expenses:

REVIEW WHAT YOU ARE SPENDING ON RENT

- Do you require so much office space? Perhaps your employees can hotdesk or you can move to a co-working space.

Case in point:

- When Dial-a-Nerd first hit a growth phase, they were still focused on a mix between hardware sales (selling computers, laptops and other IT equipment) and services.
- The problem was that hardware sales required stores, and so they were opening stores and offices across the country. The problem was that stores are expensive: high rentals and high overheads.
- The more stores they opened, the more their margins shrank.
- When co-founders Colin Thornton and Aaron Thornton realised that the cost of hardware sales didn't make sense, they repositioned the business as a service-only business, and moved into much more functional, less flashy offices.
- The result? Profits soared.

HAVE YOU MIGRATED TO THE CLOUD?

- If possible move everything into the Cloud. It saves you the expense of running servers, and allows your team to work remotely.

OUTSOURCE WHERE YOU CAN

- If it's directly related to how you make money (your IP, product or service) you shouldn't outsource it. Everything else can be. Outsourcing also allows you to access experts without salary overheads.

DON'T LOCK YOURSELF INTO LONG-TERM CONTRACTS OR LEASES

- Stick to short-term leases and pay-as-you go pricing keeps control in your hands.

REVIEW EVERY LINE ITEM ON YOUR PROFIT AND LOSS STATEMENT

- Check everything and cancel what you don't need such as phone contracts for employees who have left, software licenses and member fees that are no longer needed.

Build up your cash reserves

Cash flow is the lifeblood of any business. Profits on paper are meaningless unless your customers have paid you. Being owed money doesn't help when you need to pay salaries, overheads and suppliers.

Healthy businesses have strong cash reserves that they can be used to grow the business or cover unexpected expenses.

The key to building up cash reserves is to ensure that more cash is coming into your business than you are spending.

- Ensure your cost of sale isn't too high and that your price point is correct.

  Keep your expenses as low as possible.

- Make sure money is coming into your business before you need to spend it. Ask customers to pay upfront or on 30-days where possible, and negotiate to only pay your suppliers on 45 or 60 days. This ensures you don't need to use debt funding to cover expenses.

- Save your extra cash.

Consider debt financing or equity financing

Not all debt is bad. In fact, some debt is healthy for your business – particularly if you're focused on growth.

Unhealthy or bad debt is used to finance things that your cash flow should be covering such as salaries, overheads and suppliers.

Healthy debt on the other hand is used to finance growth, such as:

- Materials for a large order
- Importing or purchasing products
- Purchasing additional equipment to expand your operations and service new customers.

Remember, there is a cost to accessing finance. Use the funds to grow your business and not to cover debts.

Here's what to consider when you're thinking about debt or equity finance:

DO YOU WANT DEBT OR EQUITY FUNDING?

- Debt funding is repaid. Equity funding gives ownership of shares to the funder. This makes them an equity partner, or part-owner of your business.

WHAT WILL THE FINANCE BE USED FOR?

- Is this a growth play? Does it make sense to invest in your business right now? Do you have the clients lined up for the additional investment to make sense?

CAN YOU SERVICE THE LOAN?

- If you're purchasing a large new machine, for example, how many more clients will you be able to service or products will you be able to manufacture? Will the additional sales cover the finance debt?

Top Tip: Many businesses invest in growth, purchase additional equipment, expand office space and hire new employees expecting additional contracts and deals to come in, and then they do not. Make sure your market is big enough for the growth you're planning. If it isn't, but you still want to grow, look at other verticals. What other industries or customer groups could benefit from your offerings?

Keep a keen eye on the financials

Healthy businesses are run by owners and management teams who keep a keen eye on the financials.

KNOW YOUR COSTS

Margins fluctuate. You will have some fixed costs, but others will be variable. If there are any big shifts, investigate why. Also ensure that you have accounted for variable costs in your financial planning.

KEEP WATCH FOR RED FLAGS

When reviewing your income statement, don't include revenue before it is earned and don't record incomplete sales (if the sale is tied to a condition that has not yet been delivered, for example).

When reviewing your expense statement, keep an eye out for inconsistent expenses and large fluctuations month-on-month. Also ensure that your expenses don't go higher than your income.

"We lost out on about R1 million because I wasn't scrutinising my books. At the end of the day, this was my responsibility, and I didn't do it properly."

Miles Kubheka, founder of Vuyo's

When Miles Kubheka launched his business, Vuyo's, he hired a bookkeeper. He worked with her for years, trusting everything she did. Because of this, he signed off his books without critically evaluating every line.

- This meant he missed the fact that the business's rental rates weren't reported on.

- The end result was that the bottom line looked much healthier than it actually was.
- Confident that his business was doing well, Miles didn't look for areas to streamline costs and reduce expenses.
- The end result was R1 million that he could have potentially saved.

> **Top Tip:** The numbers are your responsibility. You don't have to physically be the bookkeeper or the accountant in your business, but you are responsible for evaluating every line item in your income statement and profit and loss statement.

Ensure your collections function is tip top

Your ultimate goal as a business owner is to make more money than you spend. When you design your invoicing and payments process, keep the following top of mind:

- Avoid bad debts by checking credit history and references before extending credit terms to customers
- Invoice correctly and on time
- Follow-up on unpaid invoices
- Incentivise customers to pay upfront.

Get the best financial muscle possible

There are a number of ways to do this. You can outsource to financial experts on a monthly retainer basis or hire top financial employees.

The thing to remember is this: Investing in good, solid financial management will make you much more than it costs you in the long run. This isn't an area to cut costs if you can avoid it.

If you are not a financially-savvy or experienced person, upskill yourself as much as possible. You don't need to become an accountant, but there are many financial courses for business owners available. The more you understand your numbers, the healthier your business will be.

“We lost a lot of time and resources thinking small. If we’d invested in a top financial director sooner, we would have spent a few hundred thousand – but saved a few million through smart financial insights”

Ran Neu-Ner and Gil Oved, co-founders,
The Creative Counsel

Gil Oved and Ran Neu-Ner believe that one of the biggest errors they made in building The Creative Counsel, a business that they sold for over R1 billion in 2015, was not putting a proper finance department in place sooner. Here’s why:

- The difference in cost to company between a mediocre employee and the best in the market is about 20%
- The difference in output, however, is 100%
- Ran and Gil learnt to just pay the money
- A good financial director costs about R250 000 per year more than an okay financial director
- But the mistakes that the good financial director stops you from making can be in the millions.

Table of contents

3: How to build a **powerful brand** and **marketing plan**

Starting a business is all about the hustle: Finding your first customers, putting the operational elements of your business together and hiring your first employees. It's also about tweaking your business model and product or service offerings based on customer-feedback.

Once all of these are in place though, it's time to grow. Now you can put your business out there. You've tested – and proven – what you have to offer. It's time to start marketing your brand and attracting customers.

In this marketing guide, we will unpack what you need to consider while you develop a strong marketing strategy, including who to talk to, how to connect with them and when to land your messaging.

The role of your brand in marketing

Master the terms

A Brand Identity is much more than your company name, logo and tagline. It's the combination of what you say and the promises you make, what you do in the market, what your values are and how you interact and communicate with your customers and community. It's the personality of your brand.

"Branding is what people say about you when you're not in the room."

Jeff Bezos, founder of Amazon.

WHY YOU NEED A STRONG BRAND IDENTITY

Most businesses aren't first to market. Instead they're entering crowded markets filled with other competitors. In reality, everyone is trying to out-shout each other for customer attention.

Successful businesses understand this one key secret: If you're going to succeed, you need to stand out from your competitors.

So, how do you do that? Well, you begin by building a strong brand identity.

A strong brand identity:

- Lets your customers know who you are and what you stand for
- Distinguishes your business from other brands in your market
- Gives your business a face and values
- Builds trust and credibility
- Makes a promise that you can deliver on.

HOW TO DEVELOP A POWERFUL BRAND IDENTITY

To develop a distinctive brand identity, begin by asking yourself these key questions:

1. What makes us different and sets us apart from our competitors?
2. What are our values?
3. What is our mission?
4. How are we making the world (or our community) a better place?
5. Who is our target audience or ideal customer?
6. What is our brand voice – are we fun, educational or serious?
7. What is the most effective way to reach our target audience?

Once you have a clear picture of who you are, what you stand for and who you are speaking to, you can design (and more importantly, take control) of your brand identity.

- Blend your vision with creative design. Align your vision with a visual representation of what you stand for and who you want to work with (i.e. your ideal customers).
- Control the narrative. If you aren't sharing your identity, you're leaving it up to the market to define you. Ask happy customers for references and reviews, share your story and values online and on social media, and monitor what others are saying about you so that you can respond quickly and transparently.
- Deliver an exceptional experience. Brand identity is all about building a reputation that everything you do – from messaging to customer service – aligns. Customers should know exactly what to expect from you.
- Build relationships. Network, share insights and thought-leadership, form partnerships – just get your name out there, consistently and authentically. Brand identity and brand building is based on the experiences that others have with your brand, so get out there and create experiences.

Top Tip: The key to successfully building a brand that stands out from the crowd is consistency. People should know exactly what they can expect from your brand, your products or services and your team. This builds trust – and trust builds long-term loyalty.

Study Your Competitors

Once you have a clear picture of who you are, what you stand for and who you are speaking to, you can design (and more importantly, take control) of your brand identity.

- What do your competitors stand for?
- What are their values?
- Who are they targeting?
- What's working for them, and what isn't working?
- Based on this, how can you differentiate yourself?

Build a powerful marketing plan with the 5 P s of marketing

The '5 P s of marketing' represent a simple but powerful formula: People, Product, Place, Price and Promotion. Successful marketing campaigns consider all five of these elements: Am I selling a product or service to the right people, at an attractive price, in the right places, using the best attention-grabbing tactics?

1. People: Why will these people buy from me?

If you don't understand who your ideal customers are and why they will buy from you, you won't communicate the right marketing message to them. You might not even have the right product.

When determining who you're speaking to, ask these key questions:

- What do they care about?
- What challenges are they facing?
- What values influence their decisions?
- What do your competitors stand for?
- What are their values?

Top Tip: Use everything you've learnt about customer-centricity while answering these questions.

The people pillar relates to your team as well. Do you put your people first? Do they put your customers first as a result? How do you interact with the various stakeholders within your business? Are you transparent and consistent? All of these things will impact how people respond to your brand.

2. Product: What are you selling?

This is your product (or service). You need to understand what benefits you offer and why you're different from your competitors. The language you use needs to be customer centric, but you also need to understand exactly how – and why – you will change your customer's lives.

A key question that you need to be able to answer here is: Why will my customers buy from me? Be critical when youanswer this question. You might find you need to make some adjustments.

3. Place: Where am I selling my product?

Where you engage is just as important as who you're speaking to.

This relates to a number of things:

- Are you online or do you physically sell something through sales people or a store?
- Are you linked to your neighbourhood or community in some way?
- Where are your customers in terms of their physical space and their online presence?
- Are you working through a supplier or distributor?
- Are your customers on Twitter, Facebook or LinkedIn?

4. Price: How much are you asking for your product or service?

Price is a critical factor in your business. Ensure that you can sell your product or service at a profit.

To find out more about how to work out your cost of sales, read our financial planning guide here. Don't offer discounts you can't afford, although promotional campaigns can work well when you're new to a market and need people to try you.

Second, if you're too expensive people won't buy from you, but if you're too cheap, they won't buy from you either – they won't trust the value you bring to the table.

To determine your price point, research your market, your competitors and speak to customers. Understand what they are willing to pay for your solution. If they won't pay your asking price it's probably because you're too expensive or you're not articulating your value well enough.

5. Promotion: How am I going to grab the attention of my target market?

This is where your marketing and sales strategies come together. Now that you know who you're targeting, where you're speaking to them, what you're saying and why they will care, you can craft your message and get it out there.

Top Tip: Speak in your customer's language. This doesn't only refer to actual languages, but the tone and style that they respond to. You need to build trust signals and show that you understand who they are, and what they care about.

Track your results

Ultimately, your marketing budget isn't limited, which is why after you've completed these steps and launched your marketing campaign, it's important to track what's working – and what isn't working.

A marketing campaign is only successful if it makes you more money than you've spent on it.

To find out how to track your return on investment (ROI) in terms of your marketing campaigns, turn to PART FIVE**.**

Table of contents

4: **Strengthen** your **customer value proposition** and win more customers

When we think ‘marketing’ or ‘advertising’ we generally think of the hundreds of thousands – or even millions – of Rands that big brands spend. The best sales and marketing strategies don’t need to cost an arm and a leg though. They just need you to be the innovative, action-orientated hustler that you are.

This guide will help you figure out who your best customers are, and what to say that will convince them to buy from you, instead of your competitors.

Build a Strong Customer Value Proposition

1. Know your target market: Who are you marketing to?

Today’s buyers expect solutions that specifically address their businesses, their needs, and their personal interests.

This means that if you want customers to listen to you, you need to know who they are, what they care about and what challenges they’re facing.

1. Divide your customer base into niche markets and sub-segments
    a. Who is your broad market? (anyone who needs to host an event)
    b. What sub-sets exist within this broad market? (Will the event be for business people or consumers – i.e. B2B versus a retailer)
    c. Where are your niches within the sub-sets? (for example, will you have a different conversation with a company targeting farmers, to a high-end Sandton-based boutique hosting the launch of a new store)

2. Understand the different challenges and needs in each sub-set.

3. Match solutions to needs: Which of your products and services meet the needs of your various customer sets?

CREATING YOUR TARGET CUSTOMERS

To find your ideal customer, you need to first know who they are as individuals.

List the following to create your different target customer groups:

- Their demographic profile (include age, race and gender)
- Their interests
- Their needs and challenges
- What they do
- Where they live
- Where they are interacting with other people and consuming media (both online and offline)

2. Build buyer personas

Once you know who your target customers are, you can create buyer personas. A buyer persona is a person that you invent and give a name to in order to represent each ideal customer that you've recognised.

YOUR BUYING PERSONAS:

- Are important because they take the details of your target customers and fleshes them out
- Gives each of your 'ideal customers' a name, face, habits, likes and dislikes, in other words, a human identity that you can use as a benchmark for all of your messaging
- Considers demographics, behaviour patterns, motivations and goals – the more detailed the better.

Once you have your buyer personas, you can then benchmark your campaigns against them.

For example, Lerato represents an urban, female customer who is 28 years old. She lives in a townhouse, drives a Mini and loves her two cats. She starts each morning with a Caffe Latte from Starbucks, is health conscious and eats gluten-free food. She follows the Jozi art scene, listens to African jazz, and knows who all of South Africa's cabinet members are. She has a mid-level management position but has a five-year plan to become the head of her division.

Now that you know exactly who Lerato is, you can view everything you do through her lens. For example, how will Lerato respond to this email, advert, radio segment? What will it mean to her life or career?

HERE ARE THREE REASONS WHY PERSONALISATION IS SO IMPORTANT:

- Personalised messages speak directly to key, high-value customers, taking their specific needs, challenges and preferences into account. You're essentially telling your customer: I know you, I understand what you need, and I'm able to provide a tailored solution for you.
- Knowing your customer better means you service them better, leading to repeat business and referrals.
- Speaking the same language builds trust, which is essential in B2B selling.

3. Don't waste money going to a broad market

Old 'spray and pray' marketing techniques that tried to appeal to the broadest audience possible no longer work.

THE KEY REASON FOR THIS IS THE INTERNET:

- Between the radio, TV, your smartphone, billboards, your laptop and tablet, social media and emails, there are thousands of messages competing for your attention.
- This means you can be selective about what you want to watch, read, listen to and engage with. You'll choose messaging that is **relevant and relatable.**
- Your customers feel the same way. If you're going to invest valuable resources in marketing, make sure you're being as **targeted** and **strategic** as possible.

4. Identify your ideal customers

Your best customers fall into two, connected categories:

- Customers who need the services and solutions you offer

- Customers that are valuable to your business.

Determining your niche markets and sub-sectors, target customers and buying personas will help you determine which customers are your 'Best Opportunities to Win' (BOTWs).

> *"Our entire existence hinges on our ability to generate the highest output with the lowest input. This infers that we need to know where to focus and what to invest in."*

Vusi Thembekwayo,
venture capitalist and international speaker.

Your BOTWs are your most profitable (and by extension most valuable) customers. Most importantly you can win them – and keep them – at a low cost.

You need to know these two key numbers:

- What it's worth to invest in and grow customer relationships over time
- What resources it will take to deliver on the potential of each customer.

TO WORK THIS OUT, YOU NEED TO DETERMINE YOUR CUSTOMER'S LIFETIME VALUE. THERE ARE THREE WAYS TO DO THIS:

1. Determine current value and cost to win

a. What is each customer currently worth to your business?

b. How much has it cost your company to-date to get them there?

c. If it's costing you more to service a customer than they are paying you then terminate or renegotiate the account.

d. Look after the accounts that are happy with your product or service and worth more than it costs to service them.

2. Full future potential

a. Look at each customer through a lens of what they could potentially buy from you over the course of being a customer.

b. Take your customer's size, needs and potential for growth into account. For example, if it's a business in an industry under huge strain, full future potential is probably low.

c. Is there alignment between their needs and what you offer? You might only currently be servicing one need.

3. Likely outcomes and timelines

a. This is your reality check. You're not only looking at your customers, but other businesses similar to them in their industries.

b. Evaluate what those businesses are spending in services like yours – if this figure is high, you have future business. If it's low, you need to figure out why – is the industry changing? Has something been automated? Is there a new way of doing things?

5.Target your ideal customers

Once you've determined:

- Which customers are your ideal customers
- Who your top spenders are
- Which areas you are most successful in (for example, there might be one industry that responds more to your product than another)
- Then you can determine who you should be concentrating your marketing messaging and budget on.

Your marketing plan should address these key questions:

- Who you should be speaking to
- What they care about
- The language they respond to

  How much it will cost to service them
- What other needs they have – ie. Can you up-sell or cross-sell to them?

Create Customer-Centric Messaging

1. Focus on 'what's in it for your customer'

If your messaging is customer-centric, your customers immediately become aware of a few key things:

- You understand who they are and what their world looks like

- You understand who they are and what their world looks like
- You speak the same language as they do, and understand what challenges they are facing
- You've taken the time to get to know them
- You have solutions that will help them solve their challenges.

Customers are more than willing to spend money on products and services that they want and need, but they're looking for providers who understand their world and what they care about.
How well do you know your customers?.

2. Target your ideal customers

This does not mean that the features and benefits of your product are not important – they are.

Your features and benefits unpack key things for your customer:

- How the solution works
- What added value you bring to their businesses
- Exactly what they are paying for
- The various other things your product offers or solves.

The key to remember though, is that you should only be having the features and benefits discussion once you've attracted your customer's attention – and this is achieved with a customer-centric approach.

Top Tip: *Professionalise Your Image.* Before you invest in any marketing activities, make sure your business is presenting a professional image.

- Your image influences what people will think about you and your business. Are you coming off as slick and professional or new and amateurish?
- Do you have a professional logo, website and sales presentation?

  Is there consistent branding and messaging across everything connected to your business?
- Do you have customer references on your website and in your sales presentation?
- Do you have a LinkedIn profile that customers can research?

Use Effective Advertising Channels

1. Take advantage of free (or nearly free) marketing

There are many free – or nearly free – ways to get your prospects to notice you:

- Word-of-mouth marketing: When you give your customers incredible service, they'll talk about it. The key is to make sure your customers are always delighted with you.
- Don't be afraid to ask for referrals.
- Ask satisfied customers for testimonials.
- Create direct drops to target customers: it's often difficult to connect with prospects for meetings. Use personalised direct drops which include your brochure, a cover letter and testimonials of people in a similar industry or vertical who have benefited from your solution.
- Join Business Networking groups (such as local BNI chapters) to meet other business owners. Often, start-ups and entrepreneurial businesses can benefit from each other's services, and connecting fellow members to customers who might require their solutions.

2. Use targeted marketing channels

There are a number of ways to target your audience:

1. **Online**

   The good news is that there are tools and algorithms to help you target your ideal customer. Google Ads, Facebook, LinkedIn,Instagram and Youtube enable you to define your exact audiences based on interests, demographics, industries, age, similar buying patterns, geographic location and much more. Because your campaigns are so targeted, they are also much more cost effective.

   Expos and niche publications

   Go where your audience is. This could be expos and trade shows, industry publications, industry websites and even social media groups. Your goal is to connect with your niche audience and collect leads.

2. Expos and niche publications

Go where your audience is. This could be expos and trade shows, industry publications, industry websites and even social media groups. Your goal is to connect with your niche audience and collect leads.

3. Local advertising

If you are a local business that caters to a specific geographic location, pamphlets and street pole advertising are both good ways to let your local market know who you are, where you are and what you can do for them. If you have offices or a reception, you can also provide local businesses the opportunity to leave their pamphlets with you in exchange for them carrying your pamphlets.

Leverage Traditional Sales Channels

1. Obtain testimonials and referrals

Ask satisfied customers for referrals and testimonials.

EMAIL TESTIMONIALS

- If you know a customer is happy with your service and/or product, ask them if they are willing to provide you with a testimonial
- Let them know you will be using it in marketing and sales presentations, on your website and on your social media channels
- Save them time by providing them with a template they can complete. They can comment on:

  - *How long they have worked with you*
  - *Your company's professionalism and reliability*
  - *Quality of product and/or service*
  - *The level of customer service they received*
  - *Turnaround times*

LINKEDIN REFERRALS:

- Ask your LinkedIn connections for referrals
- Reciprocate the gesture where appropriate
- Referrals and testimonials are powerful tools that reduce the perceived risk your potential

customer may be facing, because you're introducing them to similar customers who have had a positive experience.

2. Build a sales process designed to win deals

Most sales engagement processes look like this:

- Qualification of leads
- Pre-call research
- Sales call
- Meeting to diagnose the problem and understand the prospect's world
- A second meeting to present a proposal or build a solution together .
- The deal will either be signed in the second meeting, or in a third meeting.

3. Qualify your leads

Many companies make the mistake of failing to qualify the contacts they call, with two results:

- Qualification of leads
- Pre-call research
- Sales call
- Meeting to diagnose the problem and understand the prospect's world
- A second meeting to present a proposal or build a solution together .

To identify the prospects that represent your Best Opportunity To Win (BOTW), you need to qualify your leads.

This means measuring them against set criteria that you have developed based around your ideal customer.

4. Conquer the cold call

Most sales begin with a call. If you get your call script right, you are far more likely to secure meetings. Make sure your customer is front and centre – what's in it for them to meet with you?

Test out a few different scripts to see what works best and include your testimonials and customer stories where you can. For example, “I have a client, Bob from Bob’s Computing, who has a similar problem. We helped him by doing x, y and z, and saved him time and money as a result.”

5. Master your sales meetings

When you meet with a customer, don’t present too soon

- First establish your company’s credibility (do this as briefly as possible, but make sure you mention any big brands you have worked with, any awards you have won or anything that establishes you as an expert in your field)
- Conduct a basic needs analysis to understand what pain-points the customer is experiencing concerning your area of expertise
- Once you’ve established their pain-points, tell them about your service
- Don’t leave the meeting without a firm commitment for next steps, whether that is a follow-up meeting or a proposal.

5: How to **calculate** if your **marketing** efforts are **making you money** – or costing **too much**

It's a familiar story. Most businesses understand the importance of marketing, but choosing where to market and how much to invest can be daunting.

How do you ensure a return on your investment (ROI)? How should you measure if a campaign is performing well or not? How do you know – with certainty – that your sales are a direct result of your marketing efforts?

These are questions that business owners have been grappling with for decades.

"Half the money I spend on advertising is wasted; the trouble is I don't know which half"

John Wanamaker,
pioneer of marketing (1838-1922)

John Wanamaker is the American pioneer who is credited with creating the modern concept of a chain of department stores.

In many ways, marketing hasn't changed since his days, almost a century ago. The challenges are still the same: who to target, where to spend your money, and how to track if your efforts are working (and worth the spend).

Metrics-focused marketing

The difference between now and the early 1900s however (and even the late 1900s) is that marketing has become much more focused on metrics.

- Wanamaker knew he was only achieving a 50% ROI – with the right data, he would have known which 50%, and been able to double down on those efforts.
- Even better, with deep and extensive data, we can personalise, customise and tailor our marketing messages.
- Your audiences want to feel like you're speaking

directly to them; like you understand who they are and what they need.

These ROI strategies will help you determine where to spend your money, how much of your budget to spend, and who you should be spending it on.

Why is it important to calculate marketing ROI?

We understand that your budget isn't unlimited. That's why you need a scientific system to determine where you're getting the best return on your investment.

It takes the guesswork out of future business, marketing and sales decisions.

How to calculate simple ROI:

To calculate marketing ROI, take the sales growth from the business or product line that you marketed, subtract the marketing costs, and then divide by the marketing cost.
The basic formula for ROI is:

ROI = (Gain from Investment – Marketing Cost) / Cost of Investment

Here's a simple example. Let's say your sales grew by R10 000, and the marketing campaign cost R1 000. That means your ROI is 900%.

How to calculate campaign attributable ROI

This is where things get a little more complicated. A simple ROI is easy to do, but it assumes that your sales growth can be directly attributed to the marketing campaign.

To have a realistic and more accurate view of ROI, you need to track monthly comparisons. These will show you how your marketing spend is impacting sales growth.

- Let's say you calculate your sales growth over a period of 12 months and there is an average of 6% sales growth per month over this period.
- This means that your marketing campaign needs to deliver an ROI over and above that average 6% for it to be effective.

The formula will now look like this:

ROI = (Sales Growth - Average Organic Sales Growth - Marketing Cost) / Cost of Investment

Ready to start measuring marketing ROI?

Here's what you need to have in place to effectively track new business leads and allocate them to specific marketing efforts.

1. NEW BUSINESS ENQUIRIES FROM INCOMING CALLS
    a. Ask 'Where did you hear about us?'
    b. If you have multiple campaigns running, ask specific follow-up questions
    c. Capture the answers (in CRM – Customer Relationship Management –software or on a spreadsheet), and ensure you capture the person's details, company name, time and date, as well as line of enquiry, so that you can link this back to sales.
2. OUTBOUND SALES AND MARKETING ACTIVITIES
    a. Record the time and cost for each salesperson to obtain a lead via:
        - Cold calls
        - Email marketing
        - SMS marketing
3. WEBSITE VISITS
    a. Use a platform such as Google Analytics (which is free) to provide data and insights on where your traffic originates
    b. Ensure you have clear calls-to-action and easy contact tools to prompt your browsers to make contact – this could be live chat, enquiry forms, or 'call me back' notifications.
4. ONLINE ADVERTISING
    a. Ensure any online marketing is trackable; for instance, if you are running banner advertising on third party websites, ensure you are using unique tracking URLs on each platform to differentiate your lead sources
    b. If you're advertising through third parties, test that you can see sources of traffic driven to your website using Google Analytics within the first 24 hours of advertising before wasting budget on ads you can't track.

5. TRADITIONAL ADVERTISING

a. Use unique identifiers in your marketing
   - Unique email addresses
   - Unique coupon codes
   - Some companies even use unique telephone numbers to track incoming calls

6. CROSS REFERENCE LEADS AND SALES

a. Tracking marketing leads will do little good unless you are able to cross-reference them to sales made. This will show which lead sources have been most profitable, giving you an indicator for where to focus your efforts.

b. Keep a record of your sales with customer relationship management (CRM) software or in Excel, and be sure to list the ‘lead source’ as well as details of the sale (products/price/date).

6: 3 Ways a **business coach** can **super-charge your success**

At the end of 2016, the founders of Ole! Media Group, Deseré Orrill and Tim Legg, sat facing each other across their boardroom table. They had built their business up to R120 million turnover. Things should have been great. Instead, they were facing bankruptcy.

But, like true entrepreneurs, they weren't ready to throw in the towel. Anything but. Instead, they sharpened their pencils and took a serious look at their business. It was time to make some changes.

One of those changes was working with a business coach. Today, OMG is a R240-million business and growing.

"Working with a coach meant we needed to answer a lot of questions about our business that we had taken for granted. Saying everything out loud and explaining it to someone who doesn't do what we do helped us spot our gaps and our problems, which gave us the tools to fix our business."

Deseré Orrill, co-founder,
Ole! Media Group

1. Coaches Help You Set Goals – And Stick To Them

Normally, when you think of a coach, you think sports – the men and women who take potential and turn it into top-performing athletes.

Imagine if someone could take your passion for business and do the same? Businesscoaches and mentors do exactly that.

“Coaches see your potential, guide you and make sure you stick to the plan. Most importantly, they make sure key milestones are met and outstanding performance is achieved”

Catherine Townshend,
previous MD of Endeavor South Africa

2. Coaches Focus You on The Activities That Drive Results

Harry Welby-Cooke, co-master licensee for ActionCOACH South Africa, says there are five steps to a successful coaching relationship.

1. **Identify the challenge.** What needs to be changed? What are the problems that you or your business are facing?

2. **Explore opportunities.** What are the various solutions that could be implemented? Evaluate them.

3. **Make a choice.** When we’re faced with too many choices, we often make no choice at all. A coach will help you choose the path you need to take.

4. **Take action.** Create a plan that will help you achieve your goal.

5. **Review outcomes.** Your coach will review your progress regularly, keeping you on track.

“Coaching is all about taking a difficult, impossible task and breaking it down into bite-sized chunks. That’s how you get results”

Harry Welby-Cooke,
master licensee for ActionCOACH South Africa

3. Coaches Are a Valuable Sounding Board for New Ideas

If Craig Wapnick could change one thing about his business journey, it would be to have used an expert business coach while he was building his business, Joberg2c.

Why? Because entrepreneurs are always full of ideas, but that doesn’t mean they’re all good.

“We can’t always tell the difference between a great idea and something not worth doing. A coach who is just there for you and your business can give you the unvarnished truth, and push you to evaluate things more critically.”

- Craig Wapnick,
co-founder of Joberg2c

Ultimately, an impartial, world-class coach can truly challenge you to stress-test your ideas and how you think about your business.

The more you question why you’re doing something, the higher your chances are of focusing your energies and hustle in the right places.

Selecting the right Coach

Coaching is based on trust, compatibility and working well together, so choose a coach with a good track record, check their references and make sure you’re comfortable with them – you’re going to be sharing a lot of personal business information with them.

Allon Raiz, founder of Raizcorp, says that choosing a coach should be based on these 6 things:

1. You should trust them
2. They should have some level of authority leading you to respect them and their opinions
3. They should speak sense – even if you don’t always realise it in the moment
4. They should have the ability to challenge you and your thinking
5. They should ask you questions, making sure you’ve thought through everything in your business thoroughly
6. They should encourage you when necessary.

OLDMUTUAL

Get in touch with us today to find out more about our solutions and how to get the right tools for your business.

LEARN MORE