

The Secret to Building Your Business in the Post-Crisis Economy

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There's never been a more important time to develop the relationships you have with your clients – or start creating relationships if you are new in business.

Every industry – from real estate, to mortgages, insurance and financial services – has gone through two years of turmoil...almost collapse.

And what we are experiencing now is the “new normal” because the bonanza days of the past 20 years are over. Possibly for good.

The landscape of your business has already changed radically...and those changes will continue.

The days of easy credit are gone...and we've entered an age of debt. Whole economies are in crisis. Inflation crouches around the corner. Unemployment is slashing consumers' spending power.

I don't want to depress you, but rather warn you and help you. Because in this “new normal”, thousands of your competitors will see their clientele radically change and shrink.

Those that don't adapt will disappear. But those who do adapt will flourish.

That's why you NEED to look at your business with fresh eyes. To analyze every aspect of your client creation and retention strategy.

Because...what worked in the past 20 years, won't work anymore.

What My Grandfather Knew

When I was a kid, my grandfather used to tell me, “you've never had it so good.” I rolled my eyes at him then...but he was right.

My grandfather owned what was called a “gentleman's outfitter”. He sold suits, pants and shirts from a storefront on a busy street in a town not far from London, England. (Indeed, this picture shows the very street!)



He was a member of Rotary. A stalwart of local sports clubs. A real figure in the community.

Every town had hundreds of people like my grandfather. And each of these business owners was at the center of a network of relationships. They knew what was going on – who was marrying whom, who had got a promotion...who was down on their luck.

Five minutes with them and you'd be caught up.

And it didn't matter if you wanted to buy what they were selling right there and then because they knew that when you did need something,

you'd be back. And because you had a relationship, you'd never think of going anywhere else.

My grandfather worked hard at these relationships. He made sure he knew his customers personally. He knew the names of their children, he understood their preference for cotton over nylon, and of course he remembered their collar size.

He was sure to keep in touch. If he didn't see someone for a while, he'd call and ask if everything was okay. There was never an expectation of a sale.

And so his business grew.

Those Days of Easy Money

Then, maybe during the 80s, all that changed.

We started living through the free-spending days of easy money, when it didn't matter if we couldn't afford something because our credit cards had room and our houses were rising in value.

Consumers just shopped and shopped.

And this made most business owners lazy.

Because they didn't have to work too hard.

The thing is, there was always another customer. Always someone who needed them. And there was always money to slosh around.

If one customer left, well...never mind...another would be come in the door soon.

And Then Came October 2008

As the economic crisis hit, that flow of customers just dried up.

Almost overnight.

People stopped trusting vendors – especially those big businesses that thrived during the good times but which treated their customers like mere numbers.

Customers started to be careful with their money. And they certainly wouldn't waste it on a business that didn't care.

There simply was less spending to be shared around.

Those lazy businesses that hadn't bothered to build relationships with clients were shoved to the back of the line.

After all, who would spend money with those businesses...when they could with a business they actually know and liked?

In short: things just got a lot tougher.

We were back to the days that my grandfather knew, when it took real work to build a business. And that work was – in the main – devoted to building a clientele.

Why This is Good News for You

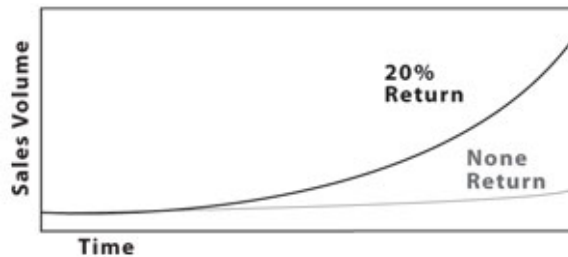
So..now it's time to go back to the future.

Yes, times just got a lot tougher. *But there are 3 pieces of good news I want to share:*

- 1) Your competitors won't be doing what I'm going to suggest – and they'll suffer, reducing your competition
- 2) Things have changed since my grandfather's day – there are now tools that can automate a lot of this for you.
- 3) If you follow this plan, you will see exponential growth in your business, through the phenomenon known as Compound Customers.

The Magic of Compound Customers

Take a look at this chart.



The bottom line shows the cumulative income of a business that has zero repeat customers.

The top line shows the cumulative income of a business that has 20% of its customers returning.

This chart shows that the more you invest in building repeat clients, the greater your income grows in the future.

Interesting, isn't it? That top line continues going up and up – just like compound interest in a bank account.

You know how compound interest works to your benefit, right? Every time you earn interest, it gets added to the cash in your account. Then, the next time interest is due to be paid, it's based on what was in your account plus the interest that was paid last time around.

The whole thing works like a snowball tumbling downhill, slowly building up layers of cash.

Same thing with your business. A repeat client is like interest in your account.

So this is what you need to do:

Instead of going for the quick sale, focus on long-term relationships. Consider what the potential value of a customer is over their entire lifetime – not just the one sale. For example, one sale might bring you \$500, but if that

person comes back just once per year for the next 10 years, their value has risen to \$5,000.

(The icing on this particular cake, of course, is that it's actually a lot easier to sell to your past customers, because they already know you, like you and trust you!)

Now...wouldn't you like that to happen to your business?

3 Steps to Thriving in the Post-Crisis Economy

1. Commit to building relationships

Decide from this day onwards, you are building a business for the long term. That means you will be considering your customers as clients for life – not as one-sale wonders.

2. Find out who your customers are

In my grandfather's day, it was easy to know who everyone was. They were all neighbors.

But now, with your customers spread across the city – or across the world – that isn't so easy.

You have to make an extra effort.

But it's not *that much* of an extra effort!

Simply do this...think of something you can give your customers and your prospects that adds value to their lives and that has some relevance to your business.

This could be a simple piece of information, such as a buyer's guide. Or it could be a small sample of what you sell.

Offer to send them that gift – if they share their contact information.

Tell them that you will use their information ethically – that you won't sell it or leave it on a laptop in a crowded bar. But tell them that

you'd like to keep in touch with them – with more valuable, interesting information.

This can be done if you are an online or an offline operation. Offline business just need to train their sales staff to collect this information. Online, just put a form on your website. (Luckily, there are lots of tools available – many of them free – that you can use to create forms.)

3. Keep in touch with them

Now, this is the part where people tell me that keeping in touch is impossible for them.

They say they can't write. Or they don't want to pester people. Or that they haven't got time.

And I'm here to tell you that these fears are unjustified.

And what's more you cannot afford *not* to do this if you want to thrive in the post-crisis economy?

Remember my grandfather? He built relationships the old-fashioned way. He did it by talking and sharing information that was useful and interesting to people in his community.

That's all you have to do to.

It doesn't matter if you can't write. You're not trying to be the New York Times – you're trying to be yourself. People respect you for who you are and what you can do for them, not the style of your writing.

Indeed, the best relationship-building communications are direct and personal. Almost visceral. They come from the heart...not from a grammar book.

Worried about pestering people? You won't be – if you communicate in the right way.

Remember...you are here to build a long-term business, not to just sell stuff. And that means you are building relationships.

And what *that* means is you are giving before getting – sharing useful information before selling.

If your newsletter is useful and entertaining, you won't be pestering. Indeed, you will be welcomed.

Think you haven't got time?

You've got time for something that will not only help your business survive in the new economy but help it thrive in the years to come?

And if you haven't got time, you'll make time.

This is *that important*.

(There are lots of people who can make a newsletter for you, of course, including the ones my company offers. That will save you a lot of time and stress.)

Once a month, send a print or email newsletter (or both!) to your clients.

It doesn't need to be fancy. It doesn't need to be long.

It just needs to be interesting and relevant to your customers.

I *promise* that if you do this for 12 months, you'll see huge benefits to your business.

While others are failing you will grow stronger.