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Fixes to Make in Your Business That Will Turn It Into a Multimillion-Dollar Revenue-Generating Machine

If your company is making less than \$1 million in annual revenue, you're not alone. Ten years ago, just 7% of businesses had broken through the million-dollar ceiling. In 2022, that number "ballooned" to 9% — which is still pretty slim odds.

The 2-percentage-point increase looks good for your chances of success, though, right? Unfortunately, the rise is only surface level. A full 1.925% of the 2% increase was gobbled up by 27.5% inflation over the same period.

That means it's still just as tough for businesses to break \$1 million in revenue, let alone \$5 million or \$10 million. We also know that between 70% and 90% of small businesses fail in their first five years.

So, here's my \$10 million question: **Why** do only .5% of businesses that start ever reach \$10 million in revenue or more?

If you were to read the data from the Small Business Administration (SBA), you might think it comes down to a lack of cash and poor demand for the product or service. While both are accurate, they don't get to the core issue holding companies like yours back from rapid revenue growth.

The Real Reason Why Your Sales Aren't Skyrocketing

For the vast majority of small businesses that can't break \$1 million, \$5 million, or \$10 million in revenue and/or close their doors in the first five years, the problem isn't lack of demand or cash.

The real problem is poor customer retention rates, substandard lead conversion rates, and poor to nonexistent upsell processes.

Don't believe me? I can prove it.

Consider this: The most expensive and difficult activity for a business is lead generation. Lead generation is a massive drain on cash flow and the business owner's time. In most cases, a business goes negative for a period of weeks or months for each new customer they close. This is an additional drain on the business's cash flow. We also know that not every new customer becomes a repeat customer. When a business is new, the percentage of new customers who do NOT become repeat customers is typically much higher than that of an established business. Yet again, more cash down the drain and more pain for the business owner.

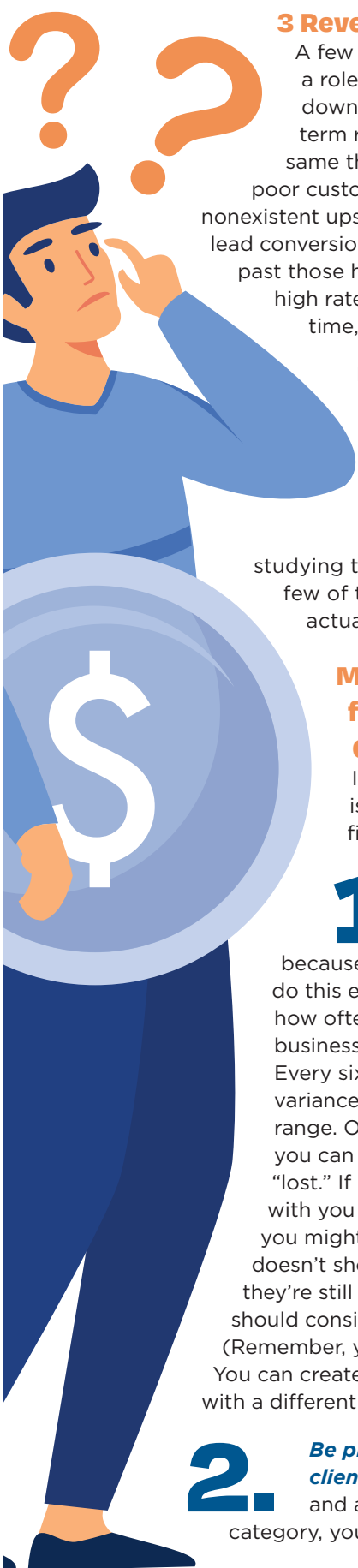
If you combine the expense of generating a lead with poor lead-to-customer conversion rates, limited or no upsell process, and poor customer retention rates, you can almost hear the sucking sound of money going down the drain.

When the SBA conducts its survey and concludes that a lack of cash and poor demand for the product or service is the primary killer of businesses in the first five years, technically, they are right. Of course, some business owners overcome the initial lead generation, customer retention, and upsell obstacles but then stall out before reaching \$1 million, \$5 million, or \$10 million.

So, why do these companies stall or go out of business?

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3 Revenue Problems to Fix NOW

A few different variables could play a role in those businesses shutting down. However, the primary, long-term reasons still boil down to the same three things I already noted:

poor customer retention rates, poor to nonexistent upsell processes, and substandard lead conversion rates. Some businesses get past those hurdles initially but fail to sustain high rates and excellent policies over time, so they stop growing.

Even minor improvements to the above numbers can significantly impact the health of your business and your profits. So, how can you make those improvements?

I've spent the last dozen years studying the subject, and here are a few of the strategies I've found that actually work.

My 5-Step Process for Retaining More Customers

If your customer retention rate isn't great, you should employ a five-part strategy to bring it up.

1. Track your churn.

Most small businesses don't track their churn well because they're unsure what to track. To do this effectively, you must determine how often your average customer does business with you. Is it every month? Every six months? There can be some variance here, so don't be afraid to use a range. Once you figure out the interval, you can decide when a custom becomes "lost." If people normally do business with you every 4-6 weeks, for example, you might not have to worry if a customer doesn't show up by week seven. But if they're still a no-show by week eight, you should consider them lost and follow up. (Remember, you may have outlier customers. You can create a separate "bucket" for them with a different follow-up interval.)

2. Be proactive about saving "lost" clients.

If you're tracking your churn and a client moves into the "lost" category, you should reach out to them as

quickly as humanly possible to identify what's wrong and try to get on top of a potential cancellation. Most people would rather keep doing business with you than find a new provider. If you listen to them, figure out their problem, and solve it (see Steps 3 and 4), you should be able to retain them.

3. Find out the real reason behind each cancellation.

Most people will claim they're canceling because they can't afford to keep buying from you, but money is rarely the real reason. If they wanted your product or service badly enough, they would find the money to afford it!

Here's what I mean: Imagine I dropped you off in the middle of North America with nothing but the clothes on your back and a hundred bucks in your pocket. Then, I told you, "You have 48 hours to make it from here to Lithuania. You can't contact any of your friends or family, and you have to fly first class. If you make it, I'll give you \$1 million."

Would you blow off the challenge because you "only have \$100 and can't afford a first-class plane ticket"? Of course not! You'd borrow the money or find someone rich enough to fly you across the ocean and split the \$1 million with you. You'd put in the effort because you want that \$1 million really badly.

It's the same situation with your clients. They'll find the money if they really want to buy from you — and if they don't find the money, that means something else is wrong. You need to figure out what that "something else" is. Start by asking your unhappy clients a question like this: "Hypothetically speaking, if money wasn't a problem, are there any other issues keeping you from working with us?" That will help you get to the root cause.

4. Solve the unhappy customer's problem to increase your odds of keeping them.

Don't get offended if a client points out a hole in your product or process. Instead, jump in and repair it! Maybe they're not happy with your customer service, or they're confused by your pricing. Those are relatively easy fixes that could save not only this customer but also hundreds of others down the line.

5. Follow up with a multichannel win-back or nurture campaign.

Whether you save the customer or lose them, you need to follow up. Ideally, you should use a combination of emails, texts, phone calls, and direct mail (if they're a high-value customer) to either nurture them and keep them happy or win back their business. Those marketing campaigns have to be as automated as humanly possible, which means you need to invest in a CRM system.

A nurture campaign can also build relationships with your other customers, prevent them from canceling, and encourage upsells. Speaking of which ...

“If you combine the expense of generating a lead with poor lead-to-customer conversion rates, limited or no upsell process, and poor customer retention rates, you can almost hear the sucking sound of money going down the drain.”

The Strategy That Will Win You More Upsells

As I said, most businesses that make under \$1 million in revenue have poor to nonexistent upsell processes. You need to plug that gap. Upselling may seem like an "extra" thing you don't have to worry about to grow your revenue, but it's actually insanely important because the more lines of business a client has with you, the lower your customer churn will be, and the more profit you make.

This isn't my opinion. This has been proven by companies worth tens and hundreds of millions of dollars. Cable companies, for example, have been all over this strategy for decades. If you want cable, they force you to buy internet and a physical phone line because they know that when you buy three different products, their customer retention rate goes through the roof! Back in the day, I personally stayed on cable for way longer than I should have because it seemed like such a pain to unbundle my cable, phone, and internet services and pay for them all separately.

So, we've covered why upsells are important — but how can you get them? The best way to successfully upsell more customers is by incorporating your offers into a high-value nurture campaign. Send out value-added emails, newsletters, and personalized gifts (think birthday cards, holiday gifts, etc.) and sneak in your asks every once in a while.

To actually get a return on those asks, you need to provide at least three pieces of valuable content for every offer

you make. **Remember: You lose value with a prospect or client every time you make a sales pitch, so you must replenish that value before asking again.** A value-to-sales pitch ratio of 3:1 is pretty standard, but I recommend a bare minimum of 7:1 for the best results.

How to Boost Your Low Lead Conversion Rate

There are dozens of reasons why your company's lead conversion rate could be low. But if I had to put money on one, I'd bet you're not using the right sales tactics.

I see this all the time when I consult for other entrepreneurs. They pour a ton of money into generating leads, then freak out because they're broke, their expenses are up, or they've overspent. That panic pushes them to do the exact wrong thing: They go in for the hard sell because they need to close as many customers as possible right now.

Let me be real with you. Screaming "Buy! Buy! Buy!" at a customer when the only valuable thing you've given them is a one-page lead magnet is the kiss of death for your sale. It's like trying to pull water from a dry well. You can't extract value from a relationship until you've put value in. If you want to actually convert leads, you have to stop selling, take a deep breath, and look for ways to add value to your sales process.

Take it one step at a time, and break down your big goal (making a sale) into smaller goals. If you have a hot lead, what is your next step? "Close the deal" is the wrong answer. Your real next step is probably getting that lead into a phone consultation or a presentation. Look at every step in your sales pipeline, identify where leads are falling off, and then fix the holes with better processes or more value. If your fix doesn't work, change it back and test something else.

Finally, you need to remember that if someone doesn't buy right away, there might not actually be a problem. They're probably still researching and comparing your offer to your competitors. If you stay in touch through multiple channels and keep adding value, you're much more likely to get the sale than if you push hard right away. Do that, and they'll go running straight to your No. 1 competitor and won't look back.

A Final Note

These strategies will help you achieve some of the best retention, upsell, and lead conversion rates in your industry. If you perfect them, you'll break through the \$1 million revenue ceiling and skyrocket your odds of becoming part of the .5% of extremely successful businesses that reach \$10 million.

- Shaun



THE ART OF CLOSING DEALS

A GUIDE FOR SMALL-BUSINESS OWNERS

Landing a promising sales prospect can be exhilarating. You've aced the outreach, had an engaging first call, and are optimistic about the results. You expect the deal to close easily, but unexpectedly, it doesn't.

We've all experienced this disappointment. Research indicates that 65% of salespeople find it challenging to close deals consistently. However, it's essential not to lose hope. The right strategies can increase your chances of closing deals and retaining satisfied customers.

This guide outlines common pitfalls small-business owners face during sales and offers strategies to transform potential clients into long-term partners. Here's what you'll learn:

- *How to establish genuine rapport swiftly via phone or email*
- *Clear communication of your product's direct benefits*
- *The art of persistent follow-up without seeming intrusive*
- *Addressing concerns with compassion and insight*

If you're experiencing stagnant sales or aiming for rapid growth, this guide will shift your perspective, turning sales weaknesses into strengths.

Where Sales Falter for Small-Business Owners

As a small-business owner, numerous tasks demand your attention. Balancing daily operations, remaining competitive, and ensuring customer satisfaction can overshadow refining your sales approach. However, perfecting this aspect is crucial for your business's growth.



Here's a silver lining: You can significantly boost conversions by steering clear of certain missteps.

Mistake 1: Neglecting to Build Rapport

It's common to start discussing your product immediately when engaging with potential clients. However, it's beneficial to develop a personal connection first. Learn about their role, interests, and challenges.

Active listening fosters trust, making the prospect more receptive to your solutions. Don't risk losing a potential deal by overlooking this crucial step.

Mistake 2: Ambiguous Value Propositions

It's unrealistic to assume prospects will immediately see your product's value. Illustrate its benefits by addressing specific challenges they face. For example, instead of making abstract promises, highlight how your CRM system can transform scattered customer information into actionable insights, enhancing retention rates by 15%-20%, as demonstrated by SuperOffice research.

Support your assertions with real-world examples, testimonials, or credible statistics, helping prospects envision the practical advantages.

Mistake 3: Absence of a Follow-Up Plan

Consistent follow-up after an initial call is paramount for conversion. It's detrimental to let silence follow your sales pitch. Set reminders for regular follow-ups through personalized emails or phone calls, and share content that adds value and builds trust.

Data from HubSpot reveals that 80% of sales need at least five follow-ups, yet 44% of salespeople stop after just one. Ensure you're persistent. Being at the forefront of a prospect's mind increases the likelihood they'll turn to you when ready.

Mistake 4: Not Addressing Concerns

It's easy to retreat when prospects express budget limitations or request more time for decision-making. However, unresolved concerns can deter a sale. Approach their reservations with understanding, then offer tailored solutions.

Prospects value your willingness to comprehend their viewpoint, especially when initial objections arise. It's imperative to address every concern, no matter its magnitude, to pave the way forward.

“ **Here's a silver lining: You can significantly boost conversions by steering clear of certain missteps.** ”

The Art of Persistent, Customized Follow-Up

Understanding common mistakes is a start, but employing effective follow-up methods is key.

Email Updates:

- Dispatch regular emails to keep prospects engaged.
- Offer pertinent content like articles and e-books.
- Use limited-time offers to instill urgency.

Phone Call Check-Ins:

- Regular phone conversations remain unmatched. Schedule brief calls to revisit the prospect's requirements and foster the connection.
- Equip your team with training focused on active listening.



Video Messages:

- Send brief, personalized videos summarizing prior discussions. Using videos personalizes the experience, enhancing trust.
- Engage after they've watched the video to resolve any queries.

Direct Mail:

In a digital era, physical direct mail offers a unique touch, capturing attention. The most compelling direct mail helps prospects see you as an individual.

- Share stories, photos, or updates that bring a personal touch to your business.
- Send handwritten holiday and birthday cards or postcards from your travels to build rapport.
- Thank prospects with handwritten notes when they make a purchase or achieve milestones, demonstrating your attentiveness.

Every piece of direct mail should aim to foster genuine relationships rather than merely promoting your business. Leveraging personalized outreach is commendable, but utilizing tools like CRMs for automation can optimize your efforts. Aim for efficiency!

Closing deals and cultivating customer relationships is an ongoing journey. With perseverance and the right strategies, your sales process can become a robust growth catalyst. Commit to continuous follow-ups and consistently deliver unparalleled value.

Now, it's time to genuinely engage with prospects and exceed their expectations!

Tired Of Leaving Profit Behind?



Discover A Simple Value-Based Pricing Model to Ethically Influence Purchase Decisions

Imagine this: You've developed a new product or service after weeks of effort and testing. Now, it's time to set the price. Like many entrepreneurs, you might:

- Slightly undercut the average price of your competitors.
- Base your price on a multiple of the cost of goods sold (COGS).
- Make an educated guess.

If any of these strategies seem familiar, know that you're not alone. But they can often result in lost potential profit.

Pricing is both an art and a science. Let's explore a technique that integrates psychology into pricing, allowing for enhanced sales and profit.

Value-Based Pricing: A 6-Step Framework

Value-based pricing hinges on a product or service's perceived value to the customer rather than on internal costs. When executed correctly, it increases profit margins and aligns the price with the delivered value. Here are six steps to master it.

1. Identify Your Customer Segments

Customers value products differently. Segment yours based on their needs, demographics, or behaviors. A B2B services firm might be segmented as:

- Enterprise (more than 500 employees)
- Mid-market (50-499 employees)
- Small business (fewer than 50 employees)

Different segments often have varied feature preferences. For instance, enterprises might prioritize advanced analytics, whereas small businesses could prefer simplicity.

2. Research Customer Perceptions

Determine the values different segments assign to products and their willingness to pay. Effective methods include:

- Surveys to measure interest
- Interviews to understand pain points
- Focus groups to evaluate reactions to pricing models

Opt for open-ended queries that yield detailed insights into customer perspectives.

3. Quantify the Delivered Value

Assign monetary values to the advantages your product offers, such as:

- Monthly time/effort saved
- Operational efficiency improvement
- Achieved cost reductions

For a lawn care service, value might be the hours homeowners save each month. Remember, you can enhance the overall delivered value by adding bonuses to your offerings.

4. Align Prices With Value

Use the value calculations to determine pricing tiers for each segment. For example, enterprises might value advanced analytics at \$5,000 monthly due to productivity boosts, while small businesses might assign a \$100 monthly value to basic features.

Ensure that after paying, customers still perceive substantial value, typically a threefold, fivefold, or even tenfold return.

5. Test and Refine Your Strategy

Initiate targeted trials to confirm your pricing strategy's effectiveness. Stay adaptable and adjust in response to customer feedback. Update your strategy as market dynamics change.

6. Convey the Value

For customers to embrace value-based pricing, they must comprehend its benefits. Create marketing messages aligned with individual segment priorities, utilizing messaging structures like value proposition design and the unique selling proposition (USP).

While transitioning to value-based pricing demands effort, the rewards in increased margins and customer satisfaction are compelling. Employ these six steps to integrate value-based pricing into your business strategy successfully.

Pricing any product or service is challenging, but with dedication, the resulting impact on profit can be significant. In our next piece, we'll delve into solution-based pricing, another effective pricing strategy.

From
Our Blog



EDUTAINMENT MARKETING:

How Making Education Fun Can Improve Your Sales

It's impossible to ignore the variety of entertainment options nowadays. We can stream the latest movies, watch reruns of our favorite TV shows, and instantly head to social media to see what's going on in everyone else's lives. Once we're done spying on our loved ones, we can craft the perfect post to make sure everyone knows how awesome our life is. If all of that gets boring, we can jump on a video game and save the world. The crazy thing is that you can do all of these things from your phone — it's like the word is literally at your fingertips!

With unlimited options for entertainment, we are entertaining ourselves to death. Regardless of what anyone thinks of all of the media and entertainment options we have, one thing is for sure: Society's attention span is shorter than ever. According to research, our attention span has dramatically decreased in the past 15 years. Some even say that a goldfish has a larger attention span than most humans.

That's where edutainment marketing comes in. Edutainment marketing is pretty much exactly what it sounds like: education-based marketing that is also entertaining. This isn't a new idea or concept. From "Sesame Street" to documentaries, there are all sorts of ways to learn in an entertaining way.

As marketers, we need to make sure we are not only educating but also entertaining so that we can hold the attention of our customers and prospects. The idea that people will only watch 97-second videos is false. The idea that people won't read a long-form sales letter is also false.

What people won't tolerate is being bored.

Why Purely Educational Content Fails

Millions of people will happily watch "The Avengers" for three hours. Or they will binge-watch a new show in a day or weekend with no issues at all. Why? Because they're entertained by it. Like it or not, all of us have been conditioned to constantly want and, in some cases, need to be entertained 24/7.

When you're creating your marketing or content pieces, you need to keep in mind that people don't consume boring content for very long. This is why your Newsletter Pro team will tell people that if they make a newsletter all about what they do and remove all of the personal stories, entertainment, and edutainment marketing, their campaign will fail.

While your educational content may be rich with information that can benefit your readers, people simply have too many entertainment options to spend time reading, watching, or listening to anything that is boring — even for a few minutes. Additionally, the jargon you use within your content may not be recognizable for your readers, making them more inclined to exit out of the blog or scroll past your post.

If you want your readers to stay engaged with your content, you must have the perfect combination of education and entertainment. In other words, you need to be using edutainment marketing. You can still talk about the data, reports, and other educational pieces in your content, but

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it's best to add components that will keep your readers plugged in and wanting more.

But how do you create compelling edutainment marketing content?

3 Strategies to Help Create Edutainment Marketing Content

The first (and most important) factor you need to consider is making high-quality content. Today, as you scroll through social media and surf the web, there are thousands of links you can click on, but is it bringing value to your audience? You can find low-quality content on the web now that is poorly written, full of grammatical and spelling errors, and hard to follow. If your business is making content, but it's low quality, you will not see any revenue come from it.

If you want to nurture the relationship you have with your targeted audience, it's essential to create high-quality content. You want to write something that's helpful, engaging, informative, comprehensive, and accurate. If you're having trouble determining what to write about, ask yourself this question: "What would I find useful if I were in my readers' shoes?" What are some of the frequently asked questions you receive when speaking with your audience?

After you decide what you want to write about, this is when edutainment marketing comes into play. Add a personalized story to your post that will give your readers something to relate to. Today, people will spend hours on social media or binge-watch their favorite show or movie because they want to feel something. A personal story will catch your reader's attention and allow them to feel connected to you and your experience. Your story will also give them something to grasp and help them understand why it's connected to the educational pieces in your article.

For example, if you're an estate planning attorney and you want to talk about the importance of estate planning for your pets, you may want to talk about your own pets, what they mean to you, your bond with them, and how you view them as family. Most pet owners will agree that they view their animals as family, and if they learn more about your animals and the measures you take to ensure they are taken care of in case something happens to you, they will be more inclined to continue reading and learn more about how they can estate plan for their pets.

Personal stories will help you create a bond, engage, and interact with your audience. It will show them that you're not just a business owner; you're also a human being — just like them.

Finally, after you incorporate personalized stories within your educational pieces, you don't want your article to just be words on a screen — now it's time to add infographics!

If you want to deliver your information quickly and simply to your audience, infographics are the way to go. You can

see these tools being used across different platforms. Not only can you educate and entertain your audience with your content, but infographics also allow your content to stand out even more due to the design. It can make your edutainment marketing pieces look organized and trendy due to the colors, fonts, and format you use.

Infographics are visually appealing, and when you use it with other web elements, your SEO will skyrocket, and your brand awareness will increase as well.

If you're having trouble creating edutainment marketing pieces, allow your team at Newsletter Pro to assist you. Our project coordinators, writers, editors, and designers will ensure all of your content is educational, entertaining, and visually appealing. Our Pros can help you with both print or email newsletters. All you have to do is hop on an interview with one of our writers and then edit, revise, or approve your newsletter afterwards — it's that easy!

How Entertaining Customers Pays Off

Rachel Hollis was once one of the most popular lifestyle and motivational authors on the planet. When our CEO, Shaun Buck, saw her speak about three years ago, she said that 75% of her content is entertainment and 25% is her message. Are you doing too much educating and not enough entertaining? How often do you use stories that are fun or personal but still have a business lesson?

We understand that having to both educate and entertain seems like more work. Frankly, it is. But there aren't any other options. The longer you're in the field, the more change sucks. Few people like the fact that we need to communicate and advertise differently today than we did 10 years ago, but we do have to change our tactics in order to be successful.

And, to be clear, we're talking about "success" in business. You can be the best in the industry, but if no one is paying you any attention, who cares? Here is the secret about edutainment marketing: Most people aren't good at it at first. Many of us are good educators, but being good entertainers takes practice and guidance.

One easy way to shortcut the process is to hire someone who can help you create this marketing, like Newsletter Pro. We have several trained, skilled storytellers who interview and tell our clients' stories, their brands' stories, and their customers' stories.

If you're more of a "do it yourself" person, that's fine. The best advice we can give you is to become a good storyteller. That skill translates to all media. Even God used stories in the Bible to get his message across. It is time-tested.

About the Author: *Shaun Buck is the CEO and founder of Newsletter Pro. In a little over a decade, he has been able to grow the business from a small newsletter company to a business that has serviced thousands of clients.*