

MY NOTE TAKING NERD

"Giving You The Edge"



**What My Note Taking Nerd Learned From
Rich Schefren's Business Growth System**

Which Of These Problems Is YOURS?

Information Overload
Need A Team
Need Money
Not Enough Time
Looking For Secrets
No Action
No Product
Lack Of Focus
Lack Of Skill
Fear and Uncertainty
Procrastination

...Money is on the other side of these excuses.

The Big Damn Secrets to Being a Real Entrepreneur that Almost Everyone Misses

Startup - Momentum - Business Building - Rapid Growth

-> First all about revenue and growing yourself...then...all about customers and employees and growing your employees to over delivering to your customers

-> The cash you need to grow your business and team comes from Momentum (and requires you stop holding yourself back)...and **Momentum is You+Finding Opportunity+Compelling Offer+Marketing Systems To Bring In Cash...which is Right Target+Right Offer+Right Marketing...**

-> **...leads to: Aligning for growth** (gets the most out of everyone you have on board), Metrics for results (keeps score - translates strategy into action - gives you the ability to get free), Recruit Run and Profit from your Team (the importance of top talent per position), JVs to gain momentum (aligning with top experts in your field - fastest way to build brand with least risk), Product development systems (increasing number of new clients and their value - removing critical dependency on you for business to grow - greatly reduces chance of product failure and eliminates major constraint preventing businesses to grow and profit)...

->...**leading to: You not being required by your business and your freedom**

-> YOU start here: Identity <-> Beliefs -> ... our map of reality...success starts here

-> Most focus here: <- Capabilities -> ... what we do, what we focus on, what we get

-> Most self help programs focus here: <- Behaviors -> ... what we do, what we focus on, what we get

-> Most people look for shortcuts here: <- Environment ... our reality

-> Gain Clarity and Take Responsibility

-> Action Orientation ("The ability of an organization to continuously learn from any source and to rapidly convert this learning into action is the ultimate competitive advantage.")

-> Resilience

-> Provide Value (Your business has to make your customer's life better...the reality of your product or service has to be better than the promise...provide so much value your customers tell others...)

-> Character and Competence (your team must buy your vision, but won't unless they believe in you, and belief requires these 2 traits...character: can they trust you? keep promises? speak with candor? give credit to others? AND competence: do you know what you're doing? get your job done? do a good job?)

-> See things as they really are...accurate thinking...

-> Always keep an eye out for talent...strike up conversations...better your team, better your business...

-> Discipline Financially (keep expenses in check)

-> Make tough decisions...Be curious...

-> Autonomous (You have to treat promises to yourself as others would to their bosses...If you can't manage yourself you will definitely have problems being an entrepreneur...)

-> Committed yet Flexible...**Good Time Management...**

-> Asset Mindset: You don't have to sell your business, because whether you sell your

business or not, YOU'VE BOUGHT IT, and you're paying for it with the most precious resource you have - YOUR LIFE...**If you approach your business the right way, you are building an asset that is sellable. If you approach your business the wrong way, it's just something that you derive income from.. "a business that works so the owner doesn't have to" ...**

-> Roles: Investor/Business Owner (roles outside the business), President/Business Builder, Manager/Coordinator, Employee/Technician

-> Management: Strategic, Proactive, Reactive

-> Function to Skill-Set Matrix: (Functions...Lead gen, Lead conversion, Client fulfillment, Client value management, Finance, Operations, Management, Leadership, Knowledge Acquisition, Product development, Strategic partners...and several skill set reqs for each)

-> **After startup...initial growth, change from doer/decision maker to delegator/direction setter/decide where company headed/delegate tasks for others take company there/monitor progress on projects** delegated noticing superior performance for long term relationship...hire smart people then delegate and trust them to manage and you focus on promoting growth - continuing to make decisions at this stage bottlenecks growth/give up some responsibility and change from reactive to proactive...Create and communicate a vision and strategy for growth that identifies the major goals and objectives and the action steps to achieve them. Your team needs clarity about the overall goal the company is pursuing and the priorities that need to be accomplished to achieve them. No clarity, no confidence, no frame to make decisions

-> First talent brought on affects others, **talent's worth paying for, hire multi talented people** (i.e. smart) who's values match yours. Smart People = the right fit. Find people who really fit, both in skill-set and values, and who will help grow the company. Don't hire the person who can do the job open right now Hire people who can grow at least two levels as the company grows and your management structure becomes more sophisticated.

-> Primary focus: 1. Continually Grow Revenue a) By customer value b) By client acquisition 2. Strategic Planning Process a) Vision b) Strategic Analysis c) Strategic Decision d) Strategic Plan e) Strategic objectives 3. Metric Dashboard – key performance indicators 4. Systems To Install a) Talent Recruitment b) Front End Acquisition Vehicle c) Backend selling system d) Continuous Improvement through feedback

-> Keep growth on target: Company Goals: Grow customer value, Grow Revenues, Develop Strategic Plan, Carve Out Market Niche...Company Characteristics: Fast Paced, Flexible / Willing To Experiment, Often Chaotic, Sales-Driven, Close To Customers, Feel like a “real” company for the first time

-> Trust others; make them accountable for results. Follow your plan and stop shooting from the hip and reacting to every opportunity, Accept the need for process and structure, Share credit and limelight with others

-> Rapid Growth Stage: Team Builder, Coach, Planner, Communicator ... Focus your time and energy on: building your management team, building a shared plan, building a strong infrastructure...You must hire and develop a management team of functional experts that is strong enough to keep the company together and develop it's full potential for growth. **At this stage: You really need people who can be better at their function than you could ever hope to be.** You need to build the cohesiveness of the group so the team operates at peak efficiency and effectiveness. The first step is to be ruthlessly honest in determining the personal strengths and weaknesses for yourself and your team. Can help you see more clearly so that you can redefine your own role to capitalize on your personal strengths. Hire others to complement your weaknesses and can direct your efforts in ways that will have the biggest payoff.

-> Rapid Growth Stage: Hire people who are smarter than you to fill in the gaps in functional expertise. Help management team work together productively with mutual trust. Define new roles / responsibilities and goals for management team. Lead team in following your strategic vision and plan for growth. Drive a meaningful communications process. Use the company's plan to focus and track its efforts Shift your focus from doing the work to managing and coaching others. Learn to facilitate effective teamwork – hold team meetings more frequently than one on one discussions. Stop tolerating company misfits. Admit you don't have all the answers or ideas; focus on unleashing the creativity of others. Be a champion for effective processes.

-> Continuous Growth Stage: Make strategy your main focus. Step out of all operations. Hold management team responsible for shared strategic leadership. Anticipate need for continuous reinvention and periodic reorganization.

-> Cash is King and Cashflow is the lifeblood: Freeing yourself from worrying comes from knowing your current cash balance and what to expect it to be in the future.

-> DREAM BUSINESS...What: Winning Strategy -> Differentiation, Positioning, Competitive Advantage, Barriers To Entry, Elements Of Value, Key Relationships, Marquee Clients, Organizational Structure, Competitive Analysis, Customer Value Mgmt...How: Flawless Execution -> Cash Flow, Project Management, Systemization,

Alignment, Metric Management, Recruiting and holding on to talent, Product Development, Launches, Simplicity, Knowing doing gap

-> Vision must be related on Personal Level, Customer Level, Employee Level, Owner Level, Society Level

-> WHY, WHAT, HOW

-> WHY ... The Why Guides Everything Else: Why are you building a business? On A Personal Level: Why did you go into business? What is it you wanted when you decided to go into business? What are you looking to get out of your business? On A Business Level: Why does my company exist? Why should customer choose my business over others or over doing nothing at all? Why should the best talent come to work for my company? Why should clients buy from my business over all others? (Who is your customer? Why will they buy from you then your competitors? Why will they buy from you instead of not buying at all? Why will they recommend you to their friends and relatives? What makes your business the logical choice for the customer? How do you want customers to describe your business?) Why Should Employees Work For Us? (I really want to work for_____, because.....Sure, I might be able to make more money somewhere else but I stay here because_____. Why are your employees proud to work for your company? What are they proud of your products or services? Why are they proud of the way your company treats its customers? Why will the most talented employees that could work anywhere choose to work with you?) Why Is This A Desirable Business To Own? (Why would any business owner want to own this business? Why would your business sell for a higher multiple of earnings than your competitors? What bigger companies may be interested in buying your company for it's lead flow? Why is this business the perfect business for you to own?) *** Begin with the end in mind. And you will work backwards from it. The end in mind is not a destination, not how much you want to make, you need to begin the why in mind – once you know the why, all the how's will fall into place, you can always find people that will help you with the how, but you have to know exactly why for you - it will guide your decision about everything on all levels from hiring, to product development, to systems to create, etc

-> WHAT... What's the business going to look like? what's it going to sell? what market is it going to target? what elements will it compete on?

-> HOW...How is the business going to deliver on its promise? How are you going to run the business? How are you going to break free from the business?

-> Rationalizations, Excuses, Stories, & Justifications For Failure

-> Miller Time – You need to find time to relax.

Isolating, Developing & Profiting from Your Money-Making Strengths

->2 Vital Areas: Customer Excellence (features, price, design, quality, speed, reliability, service, results) ...Business Excellence (recruitment, marketing, profitability, growth, execution, systemization, project management, technology)

-> Competitive Advantage: Companies create a competitive advantage by developing core competencies that enable it to serve its selected target customers better than the competition. Core competencies are the unique set of capabilities that a company develops in key areas: Superior quality, Innovation, Customer service, Team building, Responsiveness, Flexibility ... Outsource the process that are not unique to your competitive advantage...Do what you do best and outsource the rest...Core Competencies are and involved Costly to Imitate, Rare, Valuable, Inimitability, Durability, Appropriability, Substitutability, Competitive Superiority LEADING TO Competitive Advantage, Additional Created Value, Higher Profitability, Leverage New Markets

-> Critical Success Factors ensure competitive performance

-> 80/20 ... apply to everything involving Inputs/Outputs, Efforts/Results, Causes/Consequences,

-> Focus on stopping to give too many resource to low margin activities and too few to high margin activities

-> Strength underlie the whole deal, and they are inborn talents plus experience plus skills, focus on your strengths where you have an advantage over competitors...It's much easier to move from competence to excellence than it is to move from mediocrity to competence...There is a business out there when properly designed for you that you can excel at...People who identify their strengths don't want to be anyone else...Identifying Strengths: A sense of ownership and authenticity ("This is the real me"), Excitement, joy, zest, enthusiasm even ecstasy while using it, A rapid learning curve as the strength is first practiced, A sense of yearning to find ways to use it, A feeling of inevitability in using the strength ("Try and stop me"), Invigoration rather than exhaustion while using the strength...You leverage your strengths by: Isolating how you can provide your customers greater value by tapping into it, By staffing around it so you can put together the best team, By spending as much time as possible in your strengths...You understand how you deliver the highest value, Master the 80/20

principle, Finding the right fit...find out what you do well, they do a lot of it...What to look for to identify strengths? Listen For Yearnings / Watch For Satisfactions / Watch For Rapid Learning / Glimpses of Excellence / Total Performance For Excellence FLOW...

Marking Your Turf, Total Clarity on Your Big objective, Generating Immediate Momentum

-> What problem(s) are you uniquely able to solve/capable of solving?

-> Overlap between Opportunity, Strength, Resource, Passion

-> Opportunity: It is a: need to be fulfilled...want to be addressed...fear to be relieved...problem that needs to be solved...there's an: identifiable group that will buy it...way to contact and engage the prospective market

-> Attention Economy: Keep Focused, Make Decisions, Emotionally Connect

-> ...ability to turn floods of information into real knowledge has become today's scarcest and most valuable resource and the key leverage point for value creation...consumer struggle with the question: "Whom Do I Trust?", they have no idea how to decide, Division is a driving force of business. It's happening in every product category from computers to internet marketing information, From mp3 players to television stations, investment strategies to the 8,000 mutual funds...Consumers Rely on Experts...Specialists = Mind-space. A product's position is the place the position occupies in consumers' minds relative to competing products. Positioning is the first body of thought to come to grips with the problems of communicating in an over-communicated society

-> Pick An Item And Build A Business Around It: One way to get rich is to walk through any retail operation and look at the new items that have been added to the store. ask yourself - what would happen if you took that item, stocked it in depth, and then built a nationwide chain to dominate the category...Crate & Barrel - house wares, Lechters - kitchenware, Foot Locker - sneakers, Starbucks - coffee, Cinnabon - cinnamon rolls, Local 'nails only' - as opposed to beauty salons, Sunglass Hut - sunglasses, CompUSA - computers, Petmart, Petco - pet supplies

-> Business is a battle of perceptions not products: perception of quality, People drink the label, not the contents...Niches Are Continuing To Be Developed By A Tightening Of Focus And Dominating A Piece Of The Niche...Everybody Knows A Specialist Knows More About His Or Her Specialty Whether Its True Or Not...

-> ...the larger the market, the more specialization that takes place. the smaller the market, the less specialization takes place and the more generalized the companies...**the larger the market the more specialized a company must become if its going to prosper...**Man who chases two rabbits catches neither..."I'd rather have all my eggs in one basket and spend my time worrying about whether that's the right basket, than try to put one egg in every basket"...

-> Focus On A Part Of The Market: "All the lessons of war can be reduced to a single word: CONCENTRATION"... "The essence of strategy is, with the weaker army, always to have more force at the crucial point than the enemy"... Why Spend Time On Focus? That's how you get mind-space - There is no long-term positioning if there is no focus, You become the go-to person or company as the preferred provider or expert in your category... The Power Of Focus: The sun is a powerful source of energy, a laser is a weak source of energy - but with a laser you can drill a hole in a diamond because all of the power is focused When you focus a company, you create the same effect. you create a powerful, laserlike ability to dominate a market. that's what focusing is all about..."

Concentration is the key to economic results. Economic results require that managers concentrate their efforts on the smallest number of activities that will produce the largest amount of revenue. No other principle is violated as constantly today as the basic principle of concentration. Our motto seems to be; let's do a little of everything."

-> Carve Out Your Niche: ...cope with the powerful position that already exists...narrow your own focus and own a piece of the category, that's what focusing is all about...Pick a place to play where you have a shot at being the best , where its possible to know your customers and the market superlatively well. Focus intensely on this segment. The longer and the smarter you work at it, the better you'll become at serving these customers and the harder it will be for competitors to copy your strategy.

Positioning is sacrifice. Trying to be all things to all people is a recipe for failure...be clear about who your main customer is and what exactly they want, looking for a segment or segments that you can dominate with what you have to offer. When you segment, your marketing can become much more precise and therefore effective.

Answer: Where in your niche can you be the best in the world?... **YOUR FOCUS + PERCEIVED EXPERTISE BECAUSE OF SPECIALIZATION = closest you can get in business to a sure thing...** First and Best By Default: By laying a claim to a sub-niche you now have an advantage, because you are seen as the leader...Must be: a market area you believe you can win in, an area that can provide enough revenue, a group of customers you can reach.

Should be: an area that you can sell and resell customer, an area where you can leverage your strengths, a group of customers that can afford to pay, an area you care deeply about and want to provide high value...Is there a sweet spot? Is there a growing area not full of competitors? Are there any parts of the market overlooked? Do you have a natural affinity to any part of the niche? Are there new developments or new technologies where no one is the identified expert?...**Benefits to this approach:** Keyword Dominance, Affiliate + JV Relationships, Customers follow you, Link reputation / Link bait, Branding...

-> Research: What Are Customers In Your Industry's Biggest Frustration? What Are Your Customer's Biggest Problems Or Challenge?...Plus TONS of questions by Guru.com or Elance.com or ifreelance.com (specific answers required for several questions regarding x field, easy for researcher who knows what they're doing): "What are the top ten stresses, fears, or causes of failure for the small or medium sized business owner? What specific, quantifiable data backs up the validity of these stresses, fears, or causes of failure (i.e. the proof about why they should be afraid, worried, or stressed?

How many businesses failed last year (as quantity and percentage)? How many businesses failed each year for the past 20 years (as quantity and percentage)? Of businesses that exceed \$1 million dollars in annual revenue, how many of those have sought outside assistance in the form of coaching or consulting (as quantity and percentage)? In which industries do business owners seek outside business advice the most?

When choosing a business coach what are the criteria recommended by leading authorities? Who was the originator of business coaching? What are the primary reasons a business owner will seek out a coach? What are the top 10 results business owners want to get help with? What motivates business owners to seek outside assistance from a coach or consultant? When a business owner frequently seeks outside assistance, what positive (quantifiable) changes occur as a result? What is the average length of a business coaching relationship? What is the size of the small business coaching market in terms of annual expenditures? Who are the most expensive business coaches? What are the top 10 selling business books for small business owners? What is the life expectancy for a small business owner compared to that of a nonbusiness owner? What is the financial impact of a small business failure on the owner, his family, his friends, etc? What are the top 5 reason people start their own businesses? What is the average net worth of a small business owner when they retire or reach the age of 65? What percentage of small business owners hire or contemplate hiring a coach? How many small business owners filled for divorce last year?

How does that compare as a percentage to other professions? What was the suicide rate for small business owners? How does that compare as a percentage to other professions?

What was the rate of heart attacks for small business owners? How does that compare as a percentage to other professions? What are the top 10 reasons someone should not open their own business? What are the best resources online for small business coaching? What are the best resources online for business owner demographics? What are the top 10 biggest regrets that business owners have? What other statistics or research out there can be used to prove that getting a small business coach is a necessity for small business owners?

Business Systems. What statistics or research prove that setting up business systems or procedures are necessary for the success of a business? What research shows that by working on the business (and its operations) rather than in the business lead to greater success?"

-> Business Metrics Formulas:

- # of Active Clients (Add Up All Paying Clients)
- Client Value (Segment Clients By Month Started – Then Follow that group through the program, there is no shortcut to get the value for the whole company)
- Avg Client Age ((Total Active Clients In Group 1 X Month Of Program) + (Total Active Clients In Group 2 X Month Of Program) + (Total Active Clients In Group 3 X Month Of Program) / (divided by) Total # of Clients)
- Avg Client Length (At the end of each groups program add up the number of clients for each month and divide that by the number of clients started)
- Past Client List Size (# of subscribers who are finished with their coaching program)
- Past Client Value (Total Amount Of Purchases Made By segmented Past Client List (By When They Started) (so we have a long enough period to consider) divided by total number of past clients who are in the segment)
- **Other Important #'s to know:**
- Value of a Customer Acquired
- Value of a Client Acquired
- Value of a Past Client Addition...Determining Customer Value: Months as Columns and in Row = Members, Fee, Collected, Running Total, Average Worth of customer so far, Average worth of customer projected...# Of Active Clients Drives Economic Engine: Value Of Client, Value Of Opt In, Client Retention %, Aging Reports, Customer Value, Size, #...

-> Discovering Your Passions: “The real question is not, “Why greatness?” but **“What work makes you feel compelled to create greatness?”** If you ask the question, “Why should we try to make it great? Isn’t success enough?” then you are probably engaged in the wrong line of work.”...Passion without purpose is a problem without limits...You want your business to be focused on something that you care so much about that you want to make it the greatest it can possibly be, not because of what you will get, but just because it can be done...

-> VISION: Who you are will have a big impact on your company’s vision. (recall: Traits of a Winner, Gaining Clarity, Uncovering Your Strengths)...It’s not about “what can you be passionate about?” You cannot force passion, You can only discover what you are passionate about. You have to believe in your company’s purpose and that purpose has to make you passionate, because sometimes building a business is tough...**OVERLAP BETWEEN:** What are you deeply Passionate About, What you Can be The Best in the World at, What Drives Your Economic Engine...the overlap should be so clear it needs no explanation. It should be bold and exciting so that it stimulates progress inside your company...**Best In The World = breaking down the niche you serve until it is a small enough space that you really believe you could be the best in the world at serving this subniche.** (remember it’s what CAN you be the best at, not what ARE you the best in the world at)...Example of BHAG: "By December 2007 We Will Have An Average Of Over 1,000 Active Clients Every Month, With A Pipeline That Will Deliver A Minimum Of 100 New Clients Per Month"

-> Mission (i.e. common enemy who could be tomorrows ally)...Values & Beliefs (i.e. what values are important to your business? **"It is absolutely essential for a leader to buy into the company's value scheme and be able to sell those values to everyone else."** “If an organization is to meet the challenges of a changing world, it must be prepared to change everything about itself except its basic beliefs as it moves through corporate life...The only sacred cow in an organization should be its basic philosophy of doing business.”

Examples of Values and must define each: Customer Focus, Flexible, Honorable, Innovative, Open, Passion, Persistent, Result Oriented, Team Oriented...What values are so important to you that you would keep them even if not rewarded? What values would you want passed on to your offspring and heirs? If you had enough money to retire tomorrow, what values would you continue to hold? What values can you see being valid 100 years from now? Would you hold a core value even if it became a competitive disadvantage? What values would you take to a totally new organization in another industry?...Also know what you DON'T Value...Accessibility, accountability, achievement, action, attitude, balance, boldness, candor, challenge, charity, citizenship, commitment, communication, community, competition, confidence, contribution, control, cooperation, cost consciousness, courage, creativity, credibility, customer

focused, decision making, dedication, development, dignity, diligence, diversity, education, efficiency, empowerment, enabling, energy, enthusiasm, environment, equality, ethics, evaluation, excellence, expansion, experience, fairness, family, fiscal strength, flexibility, fun, goal oriented, growth, health, honesty, humor, image, imagination, improvement, individuality, innovation, inspiration, integration, integrity, intelligence, judgment, justice, kindness, knowledge, leadership, learning, listening, loyalty, motivation, objectivity, openness, opportunity, organization, ownership, partnership, performance, positivity, potential, praise, pride, proactivity, productivity, profit, promotion, protect, quality, recognition, recruitment, relationships, reliability, renewal, reputation, resourcefulness, respect, responsibility, responsiveness, results, rewards, risk taking, safety, satisfaction, security, service, simplicity, social responsibility, spirit, stability, stimulation, success, support, talent, teamwork, technology, tenacity, time consciousness, time management, tolerance, training, trust, understanding, value, vision, wisdom, work, zeal

-> McKinsey Mission:

Help clients make distinctive lasting and substantial improvements in their performance and build great firm that attracts develops excites and retains exceptional people.

Core Values: High professional standard, Client performance improvement, unrivaled environment for exceptional people

Microsoft Mission:

To enable people and businesses throughout the world to realize their full potential.

Core Values: ability to deliver on the mission depends on intelligent creative people who share the values of acting with integrity and honesty, passionate about customers and partners and about technology, open and respectful with others and dedicated to making them better, willing to take on big challenges and see them through, self critical questioning and committed to personal excellence and self improvement, accountable for commitments results and quality to customers shareholders partners and employees...ETC ETC ETC

-> Once you have established your values, then you must translate them into behaviors in order to get the maximum benefit for your business. **Define what is expected by giving behavioral examples under the 3 categories: Below expectations, Meets expectations, Exceeds expectations...**Used in performance reviews, and reviewed continuously to foster alignment...Example: Teamwork and Cooperation...

BELIEFS: Beliefs are an additional alignment tool outside the core values (even though usually grouped together) Core values can be translated into behaviors. Core beliefs can not be easily translated into behaviors Explain why you believe the work you do is important, why customers need your service, and why your approach is superior

-> GREATER GOOD: What Contribution To Society Does Your Company Make Through It's USP? (Dominoes Pizza – helping parents spend more time with their kids. FedEx – Speeding up the rate of business and therefore boosting our GDP. Or enabling consumers the ability to get what they want and need, when they need it. Strategic Profit Systems – Improving the lives of the 85% of people that are either employed by or dependent on a small business's success.)

-> “When people come to work, it's important that they be connected to a dream.”

-> How Does The Success Of Your Company Make The World A Better Place?

-> Company Purpose

-> OVERLAP BETWEEN: What are you deeply Passionate About + What you Can be The Best in the World + What Drives Your Economic Engine = BHAG -- wrapped up in YOUR USP -- wrapped up in YOUR MISSION -- wrapped up in YOUR PURPOSE (GREATER GOOD)

-> Summary: 1. Refocus On Your Niche, Divide The Marketplace 2. Put Together A Plan To Become The Expert 3. Determine Your Core Driver 4. Discover Your Passions 5. Work on: Vision -> Mission -> Values -> Beliefs -> Greater Good

Your Mafia Offer – How to Re-Craft Your Biz to Make an Offer that Cannot Be Refused

-> "If you don't have a competitive advantage, don't compete."...“The key to investing is not assessing how much an industry is going to affect society, or how much it will grow, but rather determining the competitive advantage of any given company and, above all, the durability of that advantage. The products or services that have wide, sustainable moats around them are the ones that deliver rewards to investors.”...

-> Strategy is concerned with what your business wants to do in the world.

Competitive intelligence is focused on what the world wants to do to your business...**If You Know Your Enemy And Yourself, You Will Win Every Battle...**You = 3 Circles (Passion, Core Drive, Chief Metric - BHAG), Strengths, Future Vision, Mission ...
Enemy = Competitive Intelligence, Competitive Analysis (Their strategy, Their tactics, Their value proposition, Their metrics) ... **Understand your competitors' strategies so that you can OUTSTRATEGIZE THEM, Understand your competitors' tactics so that you can OUTMANEUVER THEM, Understand your competitors' value propositions so that you can OUTVALUE THEM**

-> A competitor's strengths and weaknesses are usually based on the presence and absence of key assets, skills, and resources needed to compete in the market...Who is a competitor? Companies that could offer (or do offer now) same or similar products or companies that could remove the need for a product or service...Capture competitors' value propositions as you gather intelligence on them...SWOT analysis is the basis for putting together an effective strategy for your company's current situation To its internal strengths and weaknesses and To its external threats and opportunities...Build Upon Strengths, Eliminate Weaknesses, Exploit Opportunities, Mitigate the effects of Threats...Your winning strategy must fit you company's...Where are the current opportunities that play to your strengths? (Overlap between External Opportunities and Internal Strengths = Niche)

-> There are three key factors that must be present to guarantee the highest potential of success.

1. First is the ability to identify product opportunities. These products do not just solve existing problems, they also create possibilities for new experiences.
2. The second is a heightened understanding of customer needs translated into actionable insights that define the product's form and features. In order for products to be successful, they must have features and forms that consumers quickly recognize as useful, usable, and desirable.
3. Third is a true integration of content, service, design, and marketing...Starting Point? When customer needs are not being satisfied or It is possible to satisfy those needs in a better way than is currently being done...

-> The battle for superior insight is increasingly becoming the real starting point of business competition. Especially Online those who arrive at the right insight first, or use it best, enjoy a powerful advantage... **There are two ways to create blue oceans.** 1. You can start a completely new industry, just like eBay did with the online auctions. (this is much more rare) 2. You create a blue ocean from within a red ocean. You do this by changing the balance of the characteristics that create value for the customers. (easier – especially with tools)

-> 1. Determine the value elements of your industry 2. Rate your emphasis on a scale from 1 to 10 for each value element 3. Map out your “Value Curve” on a strategy canvas 4. Repeat the above process for your overall market and an established company in your market. 5. Use the 4 Action framework and challenge current assumptions to determine your areas of opportunity. 6. Draw a new “Value Curve”. ...A helpful tool in crafting a future strategy canvas is the ‘Four Actions framework’ because it helps in identifying the value elements to be created, increased, decreased, or eliminated...

Create (Which factors should be created that the industry has never offered?), Raise (Which factors should be raised well above the industry’s standard?), Reduce (Which factors should be reduced well below the industry’s standard?), Eliminate (Which of the factors that the industry takes for granted should be eliminated?) = A New Value Curve...What Should You Change About The Way Business Is Done In Your Market?: What problems do your customers have that you can solve uniquely? How do you make yourself irreplaceable? What are the most deeply held assumptions about your industry? -> You Sell Products And Services. Your Customers Buy Solutions To Problems. How Many Problems Do You Solve? And How Valuable Are They? To develop a Mafia Offer, invest the time to become a student of your customer’s problems.

When you find ways to solve them better than your competition and eliminate all the negative effects of all the possible solutions, will have created an irresistible offer. You will no longer think of your business in terms of what you do. You will think of your business in terms of problems you solve. Your customers will thank you for your help and perceive you as a resource and a partner. They will go nowhere else seeking for a solution to their problems because you have made them an offer they can’t refuse

-> Your USP is the driving force behind your offerings

The Most Powerful Marketing Strategies that No One Teaches or Talks About

-> The Two Most Important Metrics To Growing Your Business:

Cost Per Acquisition + Lifetime Customer Value ... You need Multiple Products and Premium Offers ... Generate Leads -> Improve Conversion -> Increase Customer Value -> Generate Leads -> Improve Conversion -> etc. ... Spend time on Improving Conversion and Increasing Customer Value ... The Profit Zone = Overlap Between 3 circles (**new product and promotions / increasing conversion rate / growing customer value**)

-> A good business model answers the questions:

- Who is the customer?
- What does the customer value?
- How do we make money in this business?
- What is the underlying economic logic that explains how we can deliver value to customers at an appropriate cost?

But a business model is not the same as strategy. Business models describe a system, but they do not factor in competition. Dealing with competition is a strategy's job. And ultimately, both a good business model and effective strategy are required for success.

-> Continue To Provide More Benefits For Your Customers. Continue To Make It Easier And Easier To Start Doing Business With You. Continue To Develop New Distribution Channels.

-> **Funnel: Suspects -> Prospects -> 1st time buyers -> 2nd purchase -> Loyal customers -> Hyper responsive ...**

Marketing Funnel: Articles, Speaking, Online Forums, White Papers, Buying Guides, Free Consultations, Teleseminars, Audio clips and Interviews, Newsletters, E-courses, ROI Calculators, Screen Saves (all free ways to get acquainted)

-> Book (low cost low risk way to build trust) -> Audio cassettes, special reports, assessments, tele-classes -> (increased commitment) coaching, consulting (higher cost trust building purchases) Marketing plans, Copywriting, Custom Services -> Goal: High-cost products or services, Repeat customers, Word of mouth referrals ... 80/20 customer pyramid...

“If you want financial security in a business, you will make it a priority to cultivate ‘hyper-responsives’ within your customer base. What is a hyper-responsive? Where do they come from? How to cultivate them? The ‘Hyper-Responsive’ is that customer who totally believes in you, your company, your products and will buy virtually every new product or service you offer or recommend. They come out of your regular customer base, typically 5% to 10% range, as a results of delivering on your promises, exceeding their expectations, and frequent and consistent, nurturing communication.” ...

-> What The Most Powerful Strategies Have In Common: Fully developed backend, Leveraging Of Other’s Email Lists, Conversion was a focus

-> What is a customer? Someone who: Has purchased from you already and Is expected to buy from you again. A customer is someone you expect to do further business with – if they aren’t they are former customers)...If currently your business is not getting a disproportionate amount of its profits from a tight segment of your customers it means you're leaving lots of money on the table...

"The Money Is In The Backend": The problem is, many business owners in their quest to acquiring more customers, often neglect or just don't recognize the importance and power of this marketing simple concept. (Example: Front End Offer -> 1300 sold @ \$400 [Affiliates \$200] [Net: \$210k / Partner Share: \$70k] ... Back End Offer #1 -> 400+ sold @ \$5k-\$6k [Affiliates \$0] [Net: \$1.8M / Partner Share: \$600k] ... Back End Offer #2 -> 40 sold @ \$12k + 50% of new revenue [Affiliates \$0] [Net: \$480k + 50% profits from 40 / Partner Share: \$160k + 50% allocation] ... Back End Offer #3 (Free And Clear Spin Off) -> 25 sold @ \$697 [Affiliates \$0] [Net: \$225k / No Partner] -> TOTAL: w/o backend \$70k / WITH backend over \$1M ...

Why The “Back-End” Is Vital: Because when your customer value is higher you can spend a lot more money to acquire customers which means channels that were once inaccessible become easy to maneuver in. (it also means you’ll have little to no competition in these areas). You can easily get affiliates and joint venture partners on your front end promotions because you don’t care whether or not you make any profit in it. Because without a back-end you put you and your business in jeopardy because you are over-reliant on current promotions being profitable

-> Your customer list is your most important and valuable asset - BUT YOUR CUSTOMER LIST IS PERISHABLE: RECENCY. Recency is when a customer last purchased. An aggregate of all your active customers is the primary measurement of your business’s vitality and it’s one of the most important indicators of the value of your business.

-> Your Ideal Customer: Selection of the right audience is the single most important element in every direct response marketing program (offline and online). If you already have customers you can use surveys to extract great information. By Analyzing the characteristics of your best customers you: identify your best prospects, anticipate problems in your current customer base, focus attention on the “real” prospect list...Dan Kennedy: “I do not believe in “generic” persuasion. In fact, my contention is that truly understanding the targeted prospect / customer is more important than any other element in a marketing success.

Yes, a true pro like me can often create offers, pitches, copy, etc. that will get satisfactory results even with a market I have little understanding of – but it’s not a very good situation. When I take on a project, I do my best to get in sync with the market. But quite truthfully, there are a handful of markets where I get much better results than with all others, because I truly understand those consumers like I know me. I am dismayed when a client, when challenged, cannot describe their ‘ideal customer’ in copious detail. Here’s a quick seminar exercise: first take a sheet of paper and write out the most detailed description you can of a TV character (from one of your favorite shows – current or past). Where does he live, how does he dress, what interests him, likes/dislikes, what does he think about money, sex, etc.? Fill both sides of the page. When that’s done, try and write out just as detailed a description of your customer. If you find it easier to profile the TV character than your customer, that tells you a lot. I absolutely guarantee you: the more you know about your customer, the more you will sell...You must make people feel miserable before you can liberate them. Whether selling a kitchen appliance or an annuity, selling to mom at home or the CEO in the tower, you must create despair to ready the person for your solution... This is the most reliable approach to selling...

Do You Know Where Your Customers Really Hurt? Make a list of all potential problems that someone might have that would want your product or service – then brainstorm how to use the different methods to build your pipeline / funnel...

Get The Scoop On Your Customers: Do they have common interests? How do they find you (which strategies are working) What’s their average age? What other stuff do they buy? Who has an existing relationship with them already? Do they have a preferred buying style?

-> Customer retention is more advisable than customer conquest...GETTING, SATISFYING, RETAINING, ENHANCING...building and maintaining long-term profitable relationships with customers by creating superior customer value and satisfaction. A philosophy of doing business that focuses on keeping current customers and improving relationships with them. the focus is less on attraction, and more on retention and enhancement of customer relationships...

Critical Non-Essentials: When you begin to understand what customers remember about your business, you will realize that it's rarely associated with the core part of what you do. These are the little things in business that are so important in determining how clients judge your product – even though they have very little to do with the product itself. (Product Packaging, Small Gifts, Thank You Cards, Voice Broadcasts, etc...)...They buy because of what you promise, they stick around because they like you...Continuum of Differentiation: Commodities -> Goods -> Services -> Experiences ... PRODUCT EXPANSION MINDSET...9 box matrix...Product Based Brainstorming / Problem Based Brainstorming / Customer Based Brainstorming

-> Customer Value Management (RFM / Delta Lifecycle Grids) ... Customer Behavior Predicts Future Behavior Better Than Demographics...Your Goal Defines The Information You Need: Demographics (To get more customers) / Customer Behavior (To increase lifetime value) ... spot changes...The Right Message, To The Right Customer, At The Right Time...look at the patterns of behavior for your customer lists and determine what is the normal way your customer act. From there you can then: tweak it to improve the profitability of your different customer segments, Determine the most profitable path towards building customer loyalty, Use exception reporting to nudge customer that are heading on the wrong path to move the right path (the profitable one)...

Understanding Your Customer Life Cycle Will Also Open Your Eyes To Where The Opportunities Lie In Your Business...Extend your Customer Life-Cycle by using predictive modeling & exception reporting to reduce your customer attrition rate.

Increase the number of purchases within the existing Customer Life-Cycle so when the customer becomes inactive they have spent more with you, even if you can't hold on to them longer...

Latency is the average time between customer actions. You then use this metric along with exception reporting to guide you to either prevent customer attrition or to accelerate the buying process because the buyer is in a hyper responsive mode.

Friction is what gets in the way of your latency periods. Friction is an indicator of current or future dissatisfaction and ultimately leads to attrition. Customer's express their level of friction (or lack thereof) by how their behavior relates to the average Latency period between actions. As friction increases the customer's potential value decreases. As friction decreases the customer's potential value increases. You'll know there is customer friction when the latency period has lapsed between expected actions.

Then you'll need to take action to overcome the current friction to get the customer back on track. Customer Value Management By Exception: When a customer's behavior falls within the latency norms – you take no action and let the customer go through your funnel. We define the latency periods to decrease our customer attrition by identifying those customers through their actions that are currently experiencing friction and developing systems (through testing) that flag the customer as an exception and take the most profitable corrective action. We define the latency periods to increase the chances of converting a customer, who we flag through exception reporting as moving through the latency periods faster than normal, into a hyper-responsive because their actions tell us that they want more.

MANAGING EXPECTATIONS. Don't incentivize action unless you need to (based on the customer's actions) When you take corrective action – do it at the time that delivers the maximum return on investment (through additional spending, discounts, or incentives) When a customer is in heat – don't deprive them or they may go somewhere else, in other words by not accelerating the life-cycle you run the risk of losing customers that are currently hyper responsive.

Customers who are either increasing their relationship with you or decreasing their relationship with you are your highest leverage opportunities. Prevent customers from becoming inactive in the first place and encourage hyper responsives...

Life-Cycle Promotions To Get The Customer Life Cycle Back On Track: 1. Determine how soon after the customer passes the latency period you want to act. 2. Create a mafia offer 3. Do a split test – every other customer who has gone the x days with no action to get the offer. 4. Deliver the offer and track both groups 5. Monitor until the difference between the 2 groups either becomes stable or begins to fall 6. Calculate ROI 7. Repeat trying to beat the previous winner. (Calculating the ROI -> You have to allow enough time after the corrective promotion to determine how many of the customers you simply incentivized to take 1 more action and how many you actually got back on track to becoming hyper-responsives)

An object in motion tends to stay in motion. Therefore a significant portion of the customers that you get back to normal Latency will once again be back on track for the next action. That Means That The ROI From The Corrective Action Can Be Enormous – Because Of The Future Purchases That Have Now Become More Likely. ...

DO NOT SPEND THE SAME AMOUNT OF MONEY AND TIME ON ALL CUSTOMERS. 1 Customer is much more likely to buy from you than another...RECENCY: Keeping active customers active is your constant objective – the alternative is that they become inactive and disappear.

Customer are either active or inactive – active means buying, inactive means they are not. Recency is also a good indicator of the customer's top of the mind awareness of you... which leads to branding. Recency is to your business what your pulse is to your life. When you rent lists the best performing names are the most recent – they are referred to as hotline buyers and you pay extra for them.

Ideal Recency Is Specific To Your Market And Your Products. When a customer buys from you for the first time, something has changed or occurred in their life that caused him/her to trade their hard earned money for it. Looking into the future there is a much greater likelihood that this change is permanent until his/her behavior tells you otherwise. Therefore the more recently your customer bought a product from you – the higher the probability is that he/she will buy again.

The More Recent A Customer 1. The more likely they are to respond to your other promotions 2. The higher their potential value is to your business. If a customer is more likely to buy they are also more likely to respond when contacted about buying. A Customer who is more likely to buy and to respond has the potential to contribute greater profits to your company than other customers and should be given the opportunity to buy more often...

After 50 Years Of Testing And Research – The One Variable That Is The Most Powerful Predictor Of Whether A Customer Will Complete An Action (purchase, opt-in, visit your website, etc...) Is Recency...You Market To Those Who Buy From You Regularly And, If you Are Smart, You Market To Them Often, up To The Point Where Profits Are Optimal And No Further...If you aren't bringing in more customers than the rate of attrition, you are going out of business everyday. That's why it's so important to manage your attrition rate and continually test to improve your retention rate. (Bathtub Analogy via Lifecycle Grids).

Your Master Plan to Blasting Through Every Obstacle that Stands in Your Way RIGHT NOW

-> Vision + Skills + Incentive + Resources + Action Plan = Success ...- Vision = Confusion...-Skills = Anxiety...-Incentive = Unmotivated...-Resources = Frustration...-Action Plan = False Starts

-> Planning: Operating Plan, Marketing Plan, Product Plan, Financial Plan

-> Apathy can only be overcome by enthusiasm, and enthusiasm can only be aroused by two things: 1. An idea which takes the imagination by storm, and 2. A definite intelligible plan for carrying that ideal into practice.

-> Current Reality -> Obstacles (skills, incentive, resources, action plan) -> Vision Achieved ... define what's in our way - obstacles - and what we need to make happen so nothing keeps us from achieving our goals. ... 3 simple elements: An ultimate objective -> Obstacles (what currently stands in your way) -> Intermediate objectives (conditions that eliminate your obstacles)

-> Intermediate objectives: These are entities that describe milestones that must be accomplished in order for the ultimate objective to be accomplished. Each intermediate objective is created in order to overcome an obstacle that stands in the way of achieving the objectives, thus becoming a necessary condition to achieving another intermediate objective or objective.

-> Starting with your vision, flush out all the obstacles that stand in the way of achieving your vision. (Obstacles -> Entities that exist in the current reality of the system and because of their existence, the objective cannot be achieved)

-> What Must We Have to Bypass the Obstacles? What Condition Would Eliminate the Obstacle? 2 ways to overcome an obstacle: Eliminate the entity from reality altogether or Eliminate the entity's relevance to the objective (achieve the objective in spite of the existence of the obstacle)

-> **Intermediate objective criteria:** The obstacle is no longer an obstacle, You are motivated to put some of your own energy into getting the intermediate objective implemented, It's feasible

-> **Start at the top of your list and brainstorm ways around the obstacle -** intermediate objectives (Remember that obstacles need not be obliterated - you need only to get around them somehow) ... What conditions need to exist to make the obstacle(s) irrelevant? (Begin brainstorming as many objectives as you can possibly conceive for each obstacle) ...

-> Now it's time to determine the order in which the intermediate objectives must be accomplished..."In order to x we must have y" ...**Necessary Condition Thinking**

-> **Connect Intermediate objectives:** Look for obstacles-intermediate objectives pairs that are clearly consecutive. You'll most likely find some obstacle intermediate pairs that don't appear to connect directly with one another - something seems to be missing. Often it's because an obstacle that has not been identified intervenes - this is when you'll discover it.

-> **Verify Obstacles And Intermediate objectives:** 1. Does the obstacle really keep you from attaining your objective? 2. Does the intermediate objective really overcome the obstacle?

-> **Theory Of Constraints:** A company must first know its Goal and the necessary conditions for achievement. Then it must identify the thing(s), the constraint(s), that is/are limiting the level of achievement of that goal. TOC claims that a change to most of the variables in an organization will have only a small impact on the global performance on the bottom line. There are very few variables, perhaps only one, where a significant improvement in local performance causes a significant improvement in global performance. Such a variable is called a constraint.

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-> Step 1: Identify the constraint ... ToC says there's always a constraint. How do you find it? Look for these clues: The constraint resource is overloaded, Work piles up in front of the constraint, Resources downstream from the constraint are idle some of the time, The constraint is what is limiting your company's performance relative to its goal., The constraint(s) can be internal to the organization or external if demand is less than your company's constraint...

- Step 2. Exploit the Constraint...

- Step 3. Subordinate to the Constraint...

- Step 4. Elevate the Constraint...

- Step 5. Don't let inertia become the Constraint (The long term strategic application of TOC does not call for the continuous removal of the constraint; rather, the idea is to choose where the constraint should be in order to best exploit business opportunities, and then keep the constraint stationary!)

-> **Anticipatory Change (most difficult to get going and least cost) - Reactive Change - Crisis Change (easiest to get going and most cost)**

The ability to anticipate is one of the key ingredients of efficient speed...Finding, Deciding, Moving & Maintaining Speed Dominating Your Niche In The Information Age:

- FAST THINKING (Knowing what you want, Having A Vision, Knowing Your Niche, Identifying Your BHAG, Knowing Your Position and Promise, Living a life of balance)
- FAST DECISION MAKING (Setting rules, Manage by exception, Knowing your metrics, Having short and long term goals, Leveraging opportunities when discovered)
- FAST TO MARKET (Having a roll-out checklist, A learning company, Embracing Kaizen, Large talent pool to draw from, A re-engineered systems approach)
- SUSTAINING SPEED (Tactical Business Metrics, Management Business Metrics, Spending time in the 4 roles, Business Process Management System, Staying close to the customer – Survey's, Clearly defined roles)

-> EXAMPLE: Avg. sale = \$1400, In office closing % = 70%, Each person who walks into a center = $(\$1,400 \times .70) = \980 , 50% of people who book an appointment show so each appointment is worth \$490, 90% of people who called book an appointment so value of a phone call = \$441, All advertising decisions become much easier and get made much faster. Ad Cost < # of calls projected X \$441, 10 people call, (90%)9 book an appointment, 4.5 show up, 3.15 buy. THE # = 31.5%, $7,500,000 / 1,400 = 5357$ sales, $5,357 / 31.5\% = 17,007$ calls needed.

-> Your Categories Of Measurement Depending on the core competencies and the critical success factors you've identified: Financial Performance, Product / Service Performance, Supplier Performance, Customer Performance, Process & Operational Performance, Employee Performance, Growth / Innovation Performance, Continuous Improvement & Company Learning, Marketing Performance, Progress Towards Vision / 3 Month Milestones

-> You don't know what currently is going on in your business – so you're not comfortable stepping away from the business (Key tactical indicators), You are not comfortable with other people making important decisions. (Because you haven't defined the vision and the criteria for making decisions)

-> Fewer is better – concentrate on the vital few rather than the trivial many. They should be linked to success – your key business drivers and your market's critical success factors. (You should have metrics that are linked to your core strengths and competitive advantage. If developing a great team is what you believe will provide you with a competitive advantage then you better make sure you have a methodology for measuring whether you have a great team. If you believe one of your core competencies that will provide a competitive advantage is your marketing ability then you better be measuring how well you market) They should cover all three dimensions of time - Past, Present, & Future. They should include all stakeholders – the needs of your customers, your employees, your financial performance, your operational performance and your product/service quality.

-> Metrics Should Be Changed As Your Strategy & Situation Changes

-> Measurement is simple. What is difficult is measuring the right things and learning to ignore other interesting data that do not help you become more successful

-> Customer Metrics: Value and Satisfaction...To measure customer satisfaction you really need to have both hard and soft data. Hard: (Evaluates the job you are doing. Measures of what customers do (not what they say) -> Repeat Customers, Lost Customers, Customer Advocates [people who are referring new clients], # of Customer Complaints, # of Customer Testimonials).

Soft: (measures customer opinions, perceptions, and feelings. Preventative, these measure are designed to alert you to problems in time for you to do something about it –

> Overall, how would you rate the quality of our products/services? How would you rate our responsiveness to your problems/concerns?

How easy are we to do business with?

What products or services should we offer that are not currently offered? What is the one thing we could do to improve your level of satisfaction)...

Customer Metrics: Customer complaints, Customer satisfaction, Customer acquisition costs, New customer gains, Customer loses, Customer churn, Retention rate, Customer lifetime value, Customer equity, Customer profitability, Return on customer, Customer referrals, Customers who take the backend...

Web Analytics: Evolution of the customer base (Growth in visitors to Web site, Growth in number of customers) Evolution of visitor behavior (Visit depth: growth in pages viewed per visitor, Growth in purchases per visit per customer, Growth in total revenue of purchases per visit, Proportion of abandoned carts, Evolution of customer lifetime value) Participation in loyalty-related activities (Percentage of customers participating in a customer-loyalty program, Percentage of customers participating in referral programs, Response rates to online surveys, Response rates to direct marketing offers)...

Future Customer Indicators: Once you know the customer life cycle you can predict with a high degree of accuracy the number of new customers you will have for your later products. Once we have our front end products in place and we know the path that the average customer takes we can predict how many client are coming for our Business Growth System.

-> **Employee Metrics:** Satisfaction, Performance, and Profits...Employee Metrics: Employee moral survey, Turnover rate, Profit per employee, Improvement suggestions by employee, Total Compensation Expense as % of Revenue, Cost per hire, % of employees with a poor/ great rating, Training metrics, Metrics showing which recruiting sources provided the highest performing employees, Broken down by percentage (with detailed explanations) [A Players B Players C Players]...

Speed to productivity is a goal that the employer and new employee agree on, and metrics can focus management attention on the right activities to ensure a fast start for both the employer and the employee. (How long does it typically take for new people to become productive? What is the business impact of achieving 100 percent productivity earlier?)

What is the long-term impact of a slow start on employee engagement—of the new people and of their work groups? Measure this by conducting an assessment 90 to 120 days after the employee starts and use the results as a metric) Employers and employees also can agree on the importance of job-related training. New and improved skills propel the business forward while enabling employees to contribute to a higher level. How can this be measured? (Ask employees to rate the impact of specific training on employee performance 30 and 60 days after training is completed. Create two metrics and compare the direction of changes in the employee view and the manager view against the direction of change in the key metrics for their organization (e.g., number of customer complaints, customer satisfaction assessment results). Use this feedback to modify training (content, timing, handouts and exercises). Track metric changes over time to determine success of adjustments)...

More employee metrics: Change in the productivity of employees (output less costs), Quality of our hires (performance of recent hires), People Profit The number of people dollars spent in order to get one dollar of profit, Employee pulse/ satisfaction / What are the employees saying?, List of hi-performing employees that are at risk of leaving, Success in becoming an Employer of Choice or improving our recruiting image, Competency 'gaps' between needed and actual capabilities...Questions to consider about employees: Are the people we have the most productive in the industry? (What is our productivity (Output) per dollar of people costs spent? What is our "People Profit" (The number of dollars of "people" costs we must incur in order to generate a dollar of profit)? What is our "Revenue per employee"?) Do we have the right number of people in our organization? (Do we have a metric/ system for ensuring we are not OVER-STAFFED? Are we UNDER STAFFED in areas, where if we added people in key areas, we would increase our profitability?) Are we overpaying our employees for the output they produce? (Does paying top dollar matter? Do the employees paid in the top quartile of the salary range produce proportionally more output than those paid in the middle quartile? Demonstrate that we have tied a higher proportion of our total compensation to productivity and company performance than our competitors. How much differently do we treat (pay) our top contributors from our average contributors? Who are we over / under paying? Demonstrate we have an effective system for identifying and forecasting whether we are under or over paying our employees. Is there evidence that our benefits programs really attract or keep people?)

-> Marketing Metrics: Find, Get and Keep Customers...

Marketing To Selling:

Sales force metrics (Quality of lead stream, Average lead to proposal, Average close ratio, Cost per inquiry, Cost per lead, Cost per sale)...You Must Know These Numbers: What does it cost to get someone on your customer list? How much is each subscriber to your list ultimately worth?...

PROCESS METRICS: Focus on the email message itself. Think of them as diagnostic tools. If you aren't seeing the results you want from your email campaigns, these metrics might help you spot problems with delivery, opt-in procedure or reader engagement. These are typical process metrics, reported in each delivery but most useful when tracked over time to spot trends: Open rate (Tracked over time to measure customer interest or engagement), Unsubscribes (Tracked to measure customer engagement), Click Through rate (Measures customer interest, offer quality and engagement), Delivery rate (Used to measure deliverability and list hygiene), Spam complaints (Usually expressed as a total number, not percentage), Referrals/Forwarded messages (Expressed as a total number or a percentage of delivered emails, the number of times recipients clicked a forward-to-a-friend link in the email. Measures customer interest, word of mouth and offer quality)...

OUTPUT METRICS: Measure the results of an email message. If you set goals for your campaign – say, a 15% increase in revenue per email or 500 new mailing-list subscriptions – these metrics will measure those and show you how close you came. Some output metrics: Total revenue generated (The total revenue generated from the start to finish of the campaign), Revenue per email delivered (Total revenue divided by number of emails delivered Used to compare different campaigns on offer quality or campaign effectiveness or progress toward goal), ROI per email (Measures return per email delivered Used to compare results between campaigns or progress toward goal), Total orders per email (Total number of orders generated by email message), Order size per email (Total number of orders divided by number of delivered emails Used to measure progress toward goal or to compare campaigns), Customer lifecycle steps (Measures successful efforts to upsell customer or to move customer through sales or life cycle), Leads generated (Total number of customer referrals or self-referrals generated by the email or over a period of time, e.g., 12 months. Measures offer quality and customer engagement), Site registrations / contest entries / subscriptions (Measures customer interest and engagement)

-> **Growth / Innovation Metrics:** New Products, New Services...

3 Key Concepts For Innovation -> Impact of Innovation (IOI) [What proportion of current and future revenues and profitability are dependent on your company's ability to handle new things (products, processes, market conditions, etc)], Innovation Capacity [How much innovation can your company handle with current resources, mind set, and skills, and what would the capacity be to hit the required your short term goals], Innovation Gap [The difference between your current Innovation Capacity and what it needs to be to reach your goal]...

-> **Customer Service Metrics:** Efficiency measures vs. customer satisfaction, Support requests, Number of interactions before issue is solved, Average amount of time to respond, Average number of requests handled per hour

-> **Financial Metrics:** Are you making money? ... Return on Investment (ROI), Cumulative Cash flow, Payback, Net Cashflow, Net present value (NPV), Internal Rate of Return (IRR)

-> **Product / Service Metrics:** Number of front end and percentage sold, Number of backends and percentage sold, % of sales from new products, ROI on new product rollout

-> **Outsourcer / Supplier Metrics:** Slides 80 – 86

-> Process / Operational Metrics:

Quarterly Goals...Identify the top 5 goals/priorities for the next 90 days. What 5 big things am I going to do over the next 3 months that will get us closer to our vision?...slide 90

-> Quantification - Metrics for Every Person + Process...Everybody in the organization needs to look at different metrics to excel in their jobs. The level of performance in a particular job can often be judged by a few metrics. These metrics would usually be watched by their boss or supervisor...

-> ...Mission, Vision, and Values (What your company will be? Your company's future goal(s)? What your company stands for?) -> Critical Success Factors, Core Competencies, and Competitive Advantage (What your company must be able to do and to leverage to beats its competitors and achieve its vision) -> Performance Metrics (A Balanced based metric sheet) -> Goals and objectives (The desired annual and long term levels for each metric) -> Strategies (Action plan to achieve the goals)

-> Create Your Strategic Indicators Sheet, Create Your Tactical Indicators Sheet, Create Your Management Indicators Sheet, and then Analyze your results to discover profit potential in your business