



7 DAY PROFIT MAXIMISER

THE ONE WEEK CHALLENGE

Jason Robertson

Contents

Introduction	1
Day 1 - Remove Unprofitable Services	2
Day 2 - Find Your Niche	6
Day 3 - Cross Sell to Existing Customers	9
Day 4 - Increase Your Conversion Rate	10
Day 5 - Review Your Pricing Structure	14
Day 6 - Reduce Costs	17
Day 7 - Increase Prices	20
Summary	22
About Me	23

Introduction

Creative agencies like you and your business provide massive value to your clients. You provide them with the visuals, copywriting, and engagement to effectively interact with their customers. Your work enables them to be who they are. Without your work, a lot of businesses would fail. They simply wouldn't be able to entice and engage with their customers or make money.

For you to serve your clients in a way that allows them to thrive, you need to do be thriving too. You need to be putting your business and profits first. You need to be ensuring that you can reward your colleagues for the hard work they do; that you can enjoy some time away from the business to come back refreshed and ready again; and that you can invest time back into the business, making strategic decisions and changes that help you help your customers more.

This book is for ambitious creatives who want to increase their profits quickly. They're not afraid to make changes quickly, and they're ready to work towards their dreams. They have an open mind and the guts to be bold and make real change.

This book gives you ideas to implement over the course of a week in workable chunks - ideas that genuinely move the needle and push you towards your goals.

The following 7 chapters break down an idea per day, and provide you with tasks to complete, workbook style.

So, download this eBook onto your iPad or computer, or print it out if you must, and let's get going!

Day 1

Remove Unprofitable Services

Every business has services or goods that make them money, and ones that don't. The old school way of thinking about it is a "loss leader" scenario, whereby a supermarket will sell bread and milk for less than what it's buying it for. The idea is that consumers will go into the shop, buy their bread and milk, but also buy other items on which the supermarket make a premium profit. As long as the supermarket makes a profit overall, they're happy.

This method doesn't work for service-based businesses like creative agencies though. You're dealing with a different kettle of fish, and this one's called VALUE. For now, just remember the term VALUE, we'll be coming back to it in future chapters.

So, what do you need to do today?

We want to be removing the loss-making services from your business. These are services that you're just breaking even on, or potentially even making a loss. You'll likely already know what these are, but if you don't, here are your options.

If you use online software like Xero, you can implement tracking categories and report on your different services. You'll need to allocate your income and expenses against certain categories that correspond to the services you offer. You can then run a profit and loss report per service.

If you don't use something like Xero, you'll need to go about it in a more manual way. Here's how:

Firstly, I'd start by downloading a CSV (Excel) bank statement of your business bank account for a period of 6 months or a year. You're going to have a whole load of ins and outs - better known as sales and expenses.

From there, put some headings across the top of your spreadsheet. You're going to want service names like "Brand Consultancy", "Website Design", "Logo Design" etc - whatever services you offer your clients.

Then, start allocating! Any income that was solely from one of the services can be put under that heading, then do the same for expenses. If there's anything that was a mix of two or more services, you'll need to try and put your best guess forwards as to the proportion.

The toughest expense to allocate will be staff costs. This is because, you or your employees are likely working on all or many of the services, and not just one. The best way to allocate staff costs is to ask your staff to complete timesheets for a period of a month or so. You'll get an idea as to the proportion of time which is being spent on certain services.

If that's not feasible - just ask them to get an idea. Most employees will be able to say "I spend 50% of my time on this service." for example.

Once you've allocated, and proportioned income and the expenses that you can against each category, you'll need to calculate the Profit Margin per service.

Profit Margin is a percentage. It's the profit from a service, dividend by the sales generated from that service.

The reason why we use a Margin rather than just the profit figure is because we could potentially have a service which has a huge profit margin, that we're just not doing enough of.

Here's an example:

	Brand Consult	Web Design	Logo Design
Income	£60,000	£40,000	£17,500
Wages	£15,000	£20,000	£6,000
Marketing	£3,500	£4,500	£1,250
Software	£250	£2,500	£1,200
Training	£500	£950	£750
Profit	£40,750	£12,050	£8,300
Profit Margin	67.92%	30.13%	47.43%

As you can see from the above example, the Logo Design service makes significantly less than the Web Design service in terms of profit, however the Profit Margin shows that it's a significantly more profitable service. If we could increase the Logo service income to £40,000, you'd see a profit of £18,972 (47.43% of £40,000).

Now, what does this tell us? Overall, the services offered are making healthy enough profits. Your figures will be different, and you'll also have more costs involved - things like Rent, Accountancy fees, etc. Your profit margins will be different, and you'll want to consider whether it's worth continuing each service individually.

If you decide that a service isn't as profitable as you want, finish the projects you have running now, and don't offer it to future customers.

[illegible]

Day 2

Find Your Niche

This chapter was going to be called "Find New Customers", but the idea of finding new customers is redundant without knowing who your ideal customer is. You can absolutely go out and get more customers, but they could end up being customers which don't suit the way you like to work, don't value your services, delay on responding to emails, and many more. These are the kinds of customers you don't want.

Instead, this chapter is about finding the customers you do want to work with - your niche.

In order to find your niche, again you need to do some work.

You might already know who your ideal customer is - they're the ones that you enjoy working with, pay your invoices, value your services and that you know you can positively impact with your services.

If you don't know what your Niche is, do this:

1. List all the possible industries you could serve.
2. Rank each of them from 1-10 for each of the following categories:
 - a. Can they pay you?
 - b. Do you like them?
 - c. Can you help them?
3. Total up the scores for each industry, and sort them highest to lowest.

If you don't know whether an industry will be able to pay you, you'll be able to find average earnings figures online. Generally speaking, a Window Cleaner will be earning less than a Vet, so you'd rank the Vet higher for being able to pay you. Whether you like working with Window Cleaners more than Vets will be your next decision to make.

Then you have Can you help them? Do they need your services? Is there something you can offer that gives them the opportunity to save money, make more money, or save them time?

Once you've ranked all the industries based on these criteria, and sorted the total scores highest to lowest, you'll have your ideal client at the top, and your not-so-ideal clients below that.

Now, you can find more customers which are within these high up groups, knowing that you're going to enjoy working with them, they can pay, and you can give them a service that they will value.

The joy of knowing who your ideal client is, is that you can target your marketing towards their wants and needs. Do what you can to understand your ideal client deeply.

[illegible]

Day 3

Cross Sell to Existing Customers

Studies have shown that it costs companies 5 times more to sell to new prospect or customer than it would to sell to existing customers. You've got to invest time in marketing processes, sales processes and onboarding processes. As well as that, you're far more likely to succeed in selling to an existing customer than a new prospect. A recent study by elasticpath.com shows the probability of selling to an existing customer is 60-70% and only 5-20% when selling to a new prospect.

The study also found that increasing customer retention rates by just 5% can increase profits by 25-95%.

Crazy!

By now, you've gotten to grips with your more profitable services, and you understand who your ideal client is. Do you have any current customers that fit your ideal client, that aren't already using one or more of your top performing services? If so, get in touch with them. Offer them a 30-minute taster session of brand consultancy, show them your portfolio of websites you've designed, and explain how a new site might be able to help them grow their business, or give them a quick mock-up of a new logo idea you've got for them.

If you can get them interested in a new service cheaply, you're going to save on advertising costs and increase profits rapidly.

Now we're moving that needle!

Day 4

Increase Your Conversion Rate

I'm sure you've had leads that you thought were hot, coming to you ready to buy, and all of a sudden, they turn cold. You've fallen off their radar and they've completely forgotten that they needed your services. The annoying thing is, when they remember they need design or creative work again, they're likely to start from scratch with their searches, and they might not come your way for a second time!

So how do we go about increasing the conversion rate of leads?

Well, you've already chosen your ideal clients, so you're going to be working with the right leads instead of lots of leads moving forwards.

Next, look to implement a sales system. This can be a manual process you follow, but usually come in the form of a CRM (Customer Relationship Management) system which can be set up to include processes that your prospects would follow starting from initial entry into the system at the point where they contact you, all the way through to the point where they sign up as a paying client.

You'll want to be building out a process that you can tweak as prospects go through it, and you learn what is and isn't working.

As a starting point though, include the following steps in your sales system:

1. Capture the initial interest and input basic data into your CRM system
2. Ensure you're a good fit for each other with a quick phone call, and book a more in-depth meeting if they're a good fit
3. Get the prospect ready to buy from you
4. Meet the prospect and discuss requirements
5. Issue a proposal
6. Follow up
7. Make the sale and onboard into your workflows

There is plenty to go into for each of the above points, however we've found that the most under-utilised step in this sequence is number 3 - getting the prospect ready to buy from you.

At this point, you (or an admin team member) have had a quick call with the prospect, and they're a good fit for your agency. They've also booked in a more in-depth meeting for you to go through the client needs, goals, pricing etc.

Normally, between the point of booking the meeting and having the meeting with them, nothing happens. There's silence and tumbleweed roll on by. You and the client are simply waiting for the date that you've agreed to talk, and nobody wants to step on any toes in the meantime - why would you? You've got a date in the diary to talk.

Well, if this is you, you're missing a trick. These few days are crucial in priming the customer to buy from you. If you can implement some steps to help get them through one or two of their initial hurdles, the priming stage has done its job.

Here's what to do.

Just quickly, the length of time of your Phase 3 will determine the amount and type of communication you can send. For this illustration, we'll assume you've booked the meeting in for 5 days' time.

As soon as you've agreed a time and date with the prospect, send a Confirmation Email. Thank them for booking the meeting, and quickly outline what they can expect during it. At this point, explain the prospect will be receiving an email in the coming days, and they need to watch the included video.

The next day, send the prospect an email with an embedded video of you running through all the standard bits and pieces that you normally run through within your meetings. Saving you just 10-15 minutes per meeting by giving the client this information to watch beforehand, gives you the opportunity to provide much more value within the meeting, and sell more effectively to your prospect.

The video should...

- Feel natural and be conversational
- Describe your story, who you are and why you're passionate about your services and the clients you choose to work with
- Outline the agenda of the meeting and what they can expect. Include details like whether they'll leave the meeting with a proposal, or whether you'll follow up after
- Advise them to bring any decision makers to the meeting so that a decision can be made promptly
- Show testimonials from other clients

This can seem like a lot of work, but remember you only need to do it once. When you've recorded, edited and published the video, this can be embedded into an automated email that goes out without you even thinking about it. You can do this via a hidden YouTube upload, and doing an email embed from your chosen CRM software.

Finally, the day before your meeting, you're going to send out a reminder email to your client. Within this email, prompt them again to watch the video if they haven't already. Explain that in order for them to get the most value from the proposal meeting, they need to have watched this video so that you don't need to waste time running through the information again in the meeting.

To wow them further, include another quick video explaining how to find your offices, what buzzer to press and who to ask for.

Day 5

Review Your Pricing Structure

Historically, you would price a job based on the estimated time it might take you to complete the job. You'd add on a buffer for overheads you'll incur, and then add on a profit margin. In a lot of cases, service-based industries would charge three times the expected wage cost for a job. For example, if a website redesign took a member of your team two weeks and they were on £3,000 per month salary - you'd factor in £1,500 of wage costs, plus a buffer for overheads of £1,500, and then add on a profit margin for yourself. You would likely charge £4,500 for this, expecting your profit to be £1,500.

But what if we were to rethink pricing completely?

Rather than pricing on time, we can price on VALUE. Yes, we're bringing that word back. We try and understand the level of value that we're bringing to the client so we can price for a healthy profit!

Imagine the website you are building is going to be an eCommerce site. The client estimates that they're going to have £10,000 of sales going through the site monthly. That's £120,000 in a year!

So, have the conversation with the client. Let them know that your expertise and skill is going to be key to getting this right and generating the level of income that they're after. Show them with evidence from previous jobs that you have done this in the past and you know the correct processes to help them reach their goals.

Explain the value that you can bring the client and sell them on you and your processes over anyone else.













Next, set up packages for the services that you offer. Research shows that offering your customers three options to choose from drastically improves the rate of conversion. Here's why:

Offering one option and price gives the buyer only two options - yes, or not.

Offering two options and price points gives them more choice. When given the choice of two, nine times out of ten the cheapest option will be chosen.

When presented with three package options and price points, clients will most likely opt for the middle option - not the cheapest, but not the most expensive. This is known as the Goldilocks Principle.

Here's an example based on the above:

	Bronze £4,495	Silver £5,995	Gold £9,995
Professional Web Design			
eCommerce Software Integration			
Branding Guidelines Pack			
Sales Consultancy Session			
Turnaround Time	8 weeks	6 weeks	4 weeks

To set this up make your current price the price of the lowest option. The idea is to make it look like an unattractive option and push customers to buy the higher offers - the ones with more profit involved. Your lowest price needs to include the bare minimum you can offer to still get the service done well for the client. You don't want any customers who choose this option to be disappointed with the result.

Your top option needs to be the bees' knees. Make this insanely profitable. This is the package you dream about your clients wanting and being happy to pay for. Doing this is called 'price anchoring' and it makes the middle option look like brilliant value for money. A real-life example of this is First Class seats on long haul flights.

The middle option is what 90% of your customers will choose. You need to be confident that this service will give them the WOW factor, give them value for money, and make you a healthy profit.

So, in the next hour, consider what makes up a service you offer, how you can split them into three packages, and how you can price each package. Give it a go in your next proposal meeting and see what the results are.

Day 6

Reduce Costs

When we think about increasing profits, we can either increase our income or reduce our expenses. We've looked at ways to increase income by offering different packages and trying to push the buyers up the package options to higher fees, but we're now going to look at cost reduction.

The costs of a business are split into two - direct costs and indirect costs. Direct costs are the expenses you incur that are directly tied to the production of a good or service. Indirect costs are everything else.

If we think about a simple manufacturing business this starts to make sense. Say your business makes pencils. A standard pencil is made of wood, with a graphite insert, a piece of rubber, and some metal to hold the rubber in place - it is probably painted too. The wood, graphite, rubber, metal and paint are all direct costs of your business.

On top of this, your business also has indirect costs, or sometimes called fixed costs. You've got rent for the building you make the pencils in, insurance costs, utility bills to keep the machinery running and the workers warm and many more.

In a service-based business like yours, it's very difficult to reduce your direct costs. They're normally made up mainly of salary costs for your employees, and reducing these could reduce workload, motivation, and job satisfaction which would end up affecting the quality of output - not something you'll want to mess with in a hurry.

You can however look at your indirect costs for savings.

Now each business is going to be spending slightly differently, but the main things to consider and how to reduce these are below:

Electricity and Gas

Utility costs can only really be adjusted if you have business premises. To reduce electricity costs, you can either reduce the price you're being charged, or reduce your usage. Compare what you're paying per unit against competitors and negotiate to get you a better deal. Once you've done that, reduce your usage by changing to energy efficient bulbs or LEDs and turn off equipment when it's not in use.

To reduce gas spend tends to take a bit more effort than electricity, however, it will pay off in the long run. Improved insulation reduces the need for heaters in the winter.

Alternatively compare the costs of electric heaters vs gas heaters - you may save some money by making the switch.

Rent

The pandemic has shown us that employees are a lot more flexible than what we thought originally. They can work from home or the office when needed. You could utilise this flexibility by introducing reduced office hours and asking employees to work from home. A rota that allows 3 days a week in the office, and 2 from home means you need 60% of the in-office desk space you have now. From there, you might be able to rent/sublet a portion of the office to another company, or you may be able to downsize your operation into smaller and cheaper premises.

Broadband and Telephone

The biggest downfall businesses make with Broadband and Telephone costs is they end up getting upgraded by the supplier to a higher package than what they need.

All businesses require different broadband speeds, outbound call minutes and more so do a review of your businesses requirements and see whether you're paying for more than what you need. Another option could be to move to a VOIP telephone system rather than traditional lines. VOIP uses your broadband to make calls and tends to be a cheaper option.

Payment Processing

Payment processing costs can rack up into the thousands of pounds so it's essential to keep an eye on this. A lot of providers charge somewhere in the region of 1-3% of a transaction amount, but on £100,000 of sales the different between 1% and 3% is £2,000 - money that, if saved, would add straight on to the profits of your company.

Technology

The benefits of technology on productivity are indisputable; automating business processes can increase efficiency, save time, and improve client satisfaction. Think of the invention of the tractor. Suddenly, fields could be ploughed in far less time than a horse and plough could.

Day 7

Increase Prices

Setting your prices is always one of the hardest things to do. Most creative agencies are undercharging for the level of value that they provide to their customers. You've probably got clients that you work for already and they're paying you the same price they have done for a while. You and the client are happy with the work you're providing them, and the fee payment you're getting in return. These are the most difficult prices to increase, because they already have a price they know to compare against the value they're receiving. In order to increase their prices, you're going to need to increase the value you're providing too.

However, there is a really simple way to get a feel for whether you could be charging your existing and new customers more. Here's how:

When your next new customer contacts you, confirm that they're a good fit for you with a quick call; schedule the proposal meeting; send them the video explaining why you do what you do, how you work and what to expect from the proposal meeting; you have the meeting and you provide the proposal to them, raise your prices by just 10% on top of what you would have charged previously. Since your costs and overheads stay the same, the increase is pure profit.

Try that for the next month and see how you get on. If it goes well, and most of new customers don't quibble, add another 10% on the following month.

If they complain about the price, you could offer them a 10% discount and you're back to where you started anyway - everyone's happy.

Remember, value is relative, and every person's perception of value is different. During your proposal meeting, and everything leading up to it, you need to be building the perceived value of the services you offer with your prospect.

Summary

So, there you have it! 7 ideas that you can work on today and implement into your business. Strictly speaking, most of them will require more than an hour to implement but giving yourself the chance to consider the idea in detail, should hopefully be enough to push you down the path of implementing change and moving the needle.

Statistics tells me that only 4% of people who attend a conference or read a book do anything with what they learn.

The most profitable creative agencies are the ones who learn, take action, make change and adapt to their changing environments. This is more important now than ever before.

I challenge you to be a part of that 4%.

About Me

My name is Jason Robertson and I've been in the accounting and finance industry for over 10 years. I've seen businesses fail, and businesses succeed and have grown to understand the deciding factors between the two.

I now work closely with ambitious creatives to grow their agencies or increase their freelance income, with the ultimate goal of helping them achieve their personal goals - whether it's more money, more time with family, more holidays or anything else.

I truly hope the 7 Days of tips that I've given you here spark positive change for you, and if you'd like to find out more about how we can work together there are a few options to do so, but they all start with booking a Discovery Call - a short 10-15 minute telephone call to discuss your business, goals, issues and to make sure we can help you. To see how we can help you, book a discovery call here:

calendly.com/acountr/discovery

