KOPMEYER & TALTY, P.C.
Certified Public Accountants

GROW YOUR BUSINESS

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Are You Driving Your Business Or Is It Driving You?

The New Year is always a good time for reflection. We touched on this point in last month's newsletter. It's often a time when we look back and wonder where the time went.

The question that often comes to the mind of the business owner centers on what has really been accomplished over the year.

We often say that a business is nothing more than a vehicle to get us to our destination and that destination is a personal one.

Chances are that when you first set yourself up in business you did it with a personal goal in mind. That goal may have been about spending more time with the family or having a higher level of disposable income or even more independence.

Too often we lose sight of these important goals as we get distracted by the things going on in our business. If we allow it to happen, the business will take control of our lives. And that's not the way it was ever meant to be.

To make 2012 your most successful year yet it is important for you to understand what it is that you would like to accomplish in your personal life.

"It's important to give your business the best chance of helping you to realize the goals."

And the best way to do that is by way of setting specific actions and strategies and ensuring that you implement them.

You can be sure of being on track by setting up waypoints, milestones or deadlines which can guide you toward these goals. As you pass each particular milestone it is so important to celebrate them. That gives the opportunity to take a breath, refocus and continue on that journey.

It is often a good idea to be accountable to a third party when you are serious about achieving a goal.

The Weight Watchers franchise excels as a result of this. The success is a result of clients making an open declaration of a goal and being accountable to a third party by regularly stepping on the scales in an environment that is more than just the individual.

This means there is less chance of making feeble excuses and provides a better chance that the action steps to achieve that weight loss are implemented.

But if you are serious about achieving the changes in your firm that are truly going to make a difference in your personal life then you should involve us in that process. We have tools and resources designed to help set specific goals for your business, monitor your progress and give you the best chance of implementing them over 2012.

Planning to Improve Your Profitability

We often say “what you measure you can manage” and “what gets managed gets done”. When it comes to achieving greater profitability, truer words cannot be found. The fourth way of growing a firm, which is improving the effectiveness of the things that you do, is a vital part of assisting you to better manage the results.

We often talk about the importance of focusing your profit improvement strategies into some key areas. They are to increase:

a) The number of desirable clients

b) The number of times each client makes a purchase, and

c) The average amount they spend on each purchase.

These are the major areas that can be managed by measuring their impact on overall profits and the good news is they can be measured with relative ease.

Identify your Critical Success Factors (CSF’s) by asking three questions:

1) What are your most profitable products/clients and what makes them so profitable?

2) What resources are required to support your firm?

3) What are the things that keep your clients coming back, recommending you and paying a good price for your product or service?

Once these questions are answered you should then plan on how you can monitor the effectiveness.

“Recognize your Key Performance Indicators (KPI’s) and place more or less emphasis on each area depending on the trend.”

At the end of the day a profit improvement plan is only effective if your return on investment (ROI), your net profit margin and your bank balance are improved simultaneously. Constant review and management of your CSF’s is the key to sustainable profit and ROI over the long term.

And that's exactly what our Financial Performance Reviews and Business Health Checks are designed to help you with.

GRATITUDE GOES A LONG WAY!

While evaluating the close of one year and making plans for the upcoming year ahead, it is a valuable tip to remember the worth of a reward. Simple tokens of your appreciation towards clients, staff and team members can pave the way to smoother transactions throughout the year.

Managing Your Sales Leads

The measure of the successful pursuit of a lead is based on whether the lead, in time, turns into a sale. The key to this transition lies in both speed and perseverance. A systematic organization and management of these leads can also help secure their progress through the stages of prospect to hot lead to profitable sale.

While niche marketing and aggressive targeting of audiences can start you off with strong prospects, these must quickly be converted to "suspects", and then "leads" (cold, warm or hot).

Consider the 5 Phases of Lead Management when constructing a system to provide you with the best chance of achieving the most successful conversion rates.

Firstly, make contact. A strong, interactive and multi-layered marketing scheme paired with a sustainable budget will begin to draw out your prospects. The better you're planning, the less work required. By immediately drawing out already interested prospects you can qualify them as suspects right away.

The next step is to assertively qualify these prospects and leads. Assess the list of prospects for the value or viability as a potential lead. Often a series of questions is the best way of determining the 'sales readiness' of a prospect.

"Lead planning and generation require active marketing and will be where you sustain most of your costs."

Follow the simple formula of D.A.R.N: Desire, Authority, Resources and Need.

Consider each factor when evaluating prospects and qualify them numerically, i.e. assigning numbers 1-5, determining the viability of the possible lead.

The third step of five is to distribute these now qualified leads for pursuit. Consider the scale of each lead and assign appropriately, for example, assign your hottest leads for fastest follow-up. Ensure that you are recording any and all information gathered on the lead.

At this point it may be a worthwhile investment to look into different software systems (Customer Relationship Management Systems or CRMS) designed for managing leads. These programs will organize and systemize your leads, allowing for simple management, clear organization and timely follow up.

Step four is to nurture your leads. The quality of your relationships will be the determining factor when it comes time for your prospect to make decisions. Perseverance and dedication will outlast your competition and increase your chances of a sale.

Lastly, take the time to evaluate and measure the success of your system. Investigate your overall costs and which strategies worked and which did not.

Measure your return by determining your client conversion rate (CCR) and your client acquisition cost (CAC). The CCR is the percentage of new clients divided into the number of leads generated. The CAC formula is to divide the cost of generating leads by the number of new clients.

New Year Email Resolutions

Someone once said "An Inbox is as personal a space as an underwear drawer — we all have one and are all embarrassed by both its organization and contents." Start 2012 off by applying some simple and effective methods to maintaining an organized and less overwhelming (or embarrassing!) Inbox.

A clean and well-sorted Inbox can save you valuable time and is less overwhelming and stressful. Email guru Debbie Mayo-Smith compares the Inbox to a filing cabinet; folders placed haphazardly in the cabinet defeat the purpose. Utilize the organizational structure provided by your email service and start by sorting your emails into Folders and reduce the pile-up.

Set up a time, preferably twice a day, dedicated to email sorting and organization. Take this time to focus solely on filtering your emails into Folders and assigning them levels of urgency. Utilize this opportunity to reply to your most time-sensitive emails.

Allow this time to go uninterrupted. Even consider turning off the New Email notification (if you use one) to limit distraction.

Continue to scan emails throughout the day so as not to miss last minute or urgent messages but resist the temptation to deal with routine emails on the fly.

"Employ the use of auto-replies to do some of the response work for you."

One organizer suggested using the "Four D's" when processing emails. Start at the top and assess each message according to the following:

1. Delete it
2. Do it
3. Delegate it
4. Defer it

This will give you a much needed start on what can seem to be an otherwise overwhelming task.

They suggest that sometimes as much as 50% of daily emails can be deleted, 30% delegated or completed in minutes and 20% deferred to be completed later.

Utilize your email system to its fullest abilities. Take a few hours out of your day to explore your carriers' options and really get to know its capabilities. Most email systems offer add-in programs designed to simplify and manage email organization.

Filtering emails is one of the easiest ways to promote and maintain sorting and upkeep. Filter however it works best for your needs; based on contacts, categories or subject lines and as messages come in they can be automatically relegated to their designated filter Folder.

Emptying your Trash Folder daily, creating To-Do and Follow-Up Folders and archiving important messages can save you mountains of time.

With a small amount of time each day you can take back control of your Inbox and improve your response time, reduce your stress levels and keep up with due dates and important notifications.

I hope you had a great Holiday Season and enjoyed some time with the family. During the break we put together a Facebook page for the firm. We will be posting tax tips during the tax season. Please check it out by clicking the link below.

http://www.facebook.com/ktcpa

Please call us anytime you have a question. This is a busy time and I often hear the comment "I did not want to bother you." We are here to be a resource for you and your business. Please call on us anytime!

Sincerely,

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