



# Profit Growth Strategies

By Brian Tracy

## Introduction

Hello, I'm Brian Tracy, and welcome to this program. In the next few minutes I'm going to give you a series of practical, proven methods and techniques that you can use immediately to begin increasing the sales and profitability of your business.

Personally, I own and operate several businesses myself. If you are like me, you are aware that there is more competition for the customer dollar, and more uncertainty today than ever before.

You probably have the same concerns that I have:

- 1) You need to find better and more effective ways to **attract new potential customers** to your business;
- 2) You need to present your product and or service in such a way that you can **convert** more of these prospects into paying customers;
- 3) You need to find and keep the **key people** you need to build your business;
- 4) You need to get your **costs under control** and continually find ways to do things cheaper without losing quality;
- 5) You need to **find the money** necessary to maintain your business activities;
- 6) You need to **organize your time** and increase your productivity, performance and output;
- 7) You want to get your time and life **under control** so that you actually enjoy going to work each day and coming home each evening.

Dunn & Bradstreet did a study recently where they looked at many thousands of companies that had gone broke and closed down. They were looking for the reasons for business success and business failure. And they found them.

Their final conclusion was that, “Businesses succeed because of **high sales**. Businesses fail because of **low sales**. All else is commentary.”

## The Key to Business Success

If your sales, revenues and cash flow are high enough, you can get through almost any business problem or period of economic uncertainty. If your sales are too low, it is almost impossible to survive.

Here is a question for you: What is the **most important work** that you do?

Well, the answer is, “**Thinking**.” Your ability to think well largely determines the entire quality of your business, and your life.

The better you think, the **better decisions** you make. The better decisions you make, the **better actions** you take. The better actions you take, the **better results** that you get. Thinking is the most important thing of all.

The key to thinking well is for you to have more and **better thinking tools** to work with. Sometimes, just asking and answering one key question about some part of your business can set you off in a new direction and dramatically change your business for the better.

## Seven Responsibilities of Business Leadership

There are seven primary responsibilities of business leadership. These responsibilities or ways of thinking have been identified in thousands of books and articles examining the reasons for business success and business failure.

Here they are:

# 1

## Your first responsibility is to *set and achieve specific business goals*:

- a) **Clarity is essential.** Your ability to be absolutely clear about who you are and what you want to achieve in your business is probably responsible for 95% of your success;
- b) Start by asking, “What are you **trying** to do?”
- c) Then ask, “How are you **trying** to do it?”
- d) What are your **assumptions**?
- e) What **changes** would you have to make if your assumptions are wrong?
- f) Could there be a **better way** to achieve your goals than the way you are using today?

### **Business goals can always be measured in *numbers or financial terms*:**

- a) What are your **sales and revenue goals**, broken down by year, month, week and day?
- b) What are your net **profit margin goals**, and your overall profit goals for each month?
- c) What are your **cost and expense goals**, and what is your plan to control your costs and reduce your expenses?
- d) What are your **personal income goals**; how much do you personally want to take home each month and each year?

Here’s an important point: the more you think about and study these numbers, and the **greater clarity** you have, the more likely you are to improve your results in each of these areas.

## 2

**Your second major responsibility in your business is to *innovate and market*. Nothing is more important than this.**

- 1) What is the **purpose of a business**? Most people think that it is to “make a profit.” But the real purpose of a business is to **create and keep a customer**. Profits are the results of creating and keeping enough customers in a cost efficient way. You must focus on customer creation, on new business development, all day long.
- 2) What is the true **measure of business success**? And the answer is “**customer satisfaction**.” Your ability to satisfy your customers consistently and predictably is the most important single factor determining your sales, income and profitability
- 3) What is the true measure of customer satisfaction? The answer is “**repeat business**.” You can get the first sale through clever marketing and sales, and even discounts, but the second sale is when the customer comes back and tells you that you kept your promises when you sold him or her in the first place.

### **There are Three Ways to Increase Your Sales:**

- 1) You can make **more individual sales** to individual customers. You should have a plan in place to attract more customers that you work on every day;
- 2) You can **sell more** to each customer. You should be continually looking for ways to up-sell, cross-sell, and add-on to every customer purchase. Once a person has bought the initial product, they are much more open to buying more from you at that moment, if you offer it in an attractive way.
- 3) You can get your customers to **buy more often**, increasing the frequency of customer purchases.

The single focus of your business is simple: Your job is to get people to buy from you first, rather than from your competitors. Your job is then to satisfy them so well that they buy from you again, and bring their friends.

## The Ultimate Question

The ultimate question for business success is simple: “**Would you recommend us to others?**”

All marketing, sales and customer satisfaction activities boil down to this simple question: “based on your experience with us, and with our products and services, would you recommend us to others, to your family and friends, on a **scale of one to ten?**”

The customers who rate you at a nine or a ten will account for **85%** of your repeat purchases and eighty-five percent of your recommendations and referrals.

Here is the key question: “What can you do, starting today, to take such good care of your customers that they eagerly buy again, tell their friends about you, and encourage their friends to buy from you, as well?”

## Innovation and Marketing Methods

Innovation and marketing are the keys to creating customers and encouraging repeat business and referrals.

There are **five** keys to innovation and marketing:

- 1) Make your product **better**; increase your quality while keeping your prices the same.
- 2) Deliver your product **faster**; people place a higher value on a product or service that is delivered quickly rather than one that is delivered more slowly.
- 3) Produce your product **cheaper**, saving costs while not reducing quality.
- 4) Make your product or service **easier to buy** by streamlining the entire process or purchase and delivery.

- 5) Above all, practice what we call “CANEI”: these letters stand for **“Continuing and Never Ending Improvement.”**

Never become complacent. Always look for better, faster, cheaper and easier ways to attract, satisfy and keep your customers.

### **3** The third responsibility of business ownership is to *solve problems and to make decisions.*

- 1) Whatever your title, your true job is **“problem solver.”** From the time you start in the morning to the time you finish at night, you deal with a continuous flow of problems and decisions. They never end.
- 2) The key to improving your problem-solving ability is for you to become intensely **solution-oriented**. No matter what happens, always think in terms of solutions, of the actions that you can take immediately to solve the problem.
- 3) The key is to **focus on the future** over the past. Instead of worrying about what happened, concentrate on what can be done now to make your future better.
- 4) As the leader of your enterprise, continually ask: “What is my **next action?**”

The only real solution to the unending river of problems you face each day is continuous and never ending action in the direction of your goals.

### **4** Your fourth responsibility as a business owner is to *set priorities and work on key tasks.*

- 1) The key to setting priorities is simple. It is contained in the word **“consequences.”**

Something is important if it has high potential consequences, either positive or negative. Something is unimportant if it has no or low potential consequences.

- 2) Always **make a list** of the work you have to do that day, before you begin. The very act of working from a list will increase your productivity by 25% the first day.
- 3) **Set priorities** on your list. Remember that 20% of what you do accounts for 80% of your results.
- 4) Here is a great exercise for you. Thinking in terms of consequences, look at your list and ask, "If I was to be called out of town for a month, **what one task** would I want to be sure to get done before I left?"

## Double Your Productivity

Here is a guaranteed way to increase your performance, improve your results, and double your productivity:

- 1) Focus on **contribution** rather than activities. Ask yourself, "What is the most valuable contribution that I can make to my business each day?"
- 2) Practice the "**Law of Three.**" What we have found is that ninety percent of the contribution you make to your business is contained in only three activities. If you make a list of everything you do in a week or a month, there are only three items on that list that represent most of your value to your business.
- 3) Here is the magic question: "If you could only do **one thing**, all day long, what one activity contributes the very most value to your business and your results?"

Once you have answered that, and the answer is usually quite obvious, you then ask, "If I could only do **two things**, all day long, what would be the second most valuable contribution I could make to my business?"

- 4) You then ask, "If I could only do **three things**, all day long, what would be the third task or activity?"

By asking and answering and answering these questions, you will immediately identify the three activities you should focus on to **maximize** your productivity, performance and contribution.

**RULE**      **From now on, do fewer things, but do more valuable things, do more of them, and get better at each of them.**

Let me repeat, “Do fewer things, but do more valuable things, and do more of them and get better at them.” This simple technique will enable you to take complete control of your time and your life, maximize your performance and productivity, and make the greatest possible contribution to your business.

## Focus and Concentrate

### **5**      **Your fifth responsibility as a business owner is to focus and concentrate your time and resources where *superior* results are possible:**

- 1)      Begin each day by asking, “What **results** are expected of me?”
- 2)      Ask: “What can I, and only I do, that if done well, can make a **real difference** to my business?”

Whatever your answer is to that question, and there is always an answer, you should be working on it all the time.

- 3)      Continually ask: “what is the **most valuable use** of my time, right now?”

Whatever your answer is to that question, “the most valuable use of your time,” is what you should be doing **right now**.

- 4)      Once you have determined the most important thing you can do, start with your most important task **first thing**. Resist the temptation to clear up small things first. Choose one task and then plunge in.



- 5) And here is the key: practice “**single-handling**,” with your most important task. Once you start on that task, discipline yourself to stay on that task until it is 100% complete.

By setting clear priorities, selecting your most important task, and disciplining yourself to work on it one hundred percent until it is finished, you will **double or triple** your productivity, performance and output from the very first day.

## 6 The sixth responsibility you have as a business owner is to lead by example, to be a role model to your staff and others.

Albert Schweitzer once said, “Men must learn at the school of **example**, for they will learn at no other.”

It is not what you say that is important; it is only **what you do** over and over.

Imagine **everyone** is watching you, even when no one is watching you. Set high standards for yourself.

Ask continually, “What kind of a company would my company be, if everyone in it was **just like me**?”

## 7 Your seventh major responsibility, which summarizes the first six principles, is to *perform and get results*. In the final analysis, results are everything.

- 1) Keep asking, “What **results** are expected of me?”

Of all the results that are expected of you, what are the **most important results**?

- 2) If you could only get one result, which one result would have the greatest potential **consequences** on your business?

And finally, ask, “What one action are you going to take immediately as the result of this lesson?”

**There are three rules for success in the twenty-first century:**

1) **Work all the time you work!**

- From the time you start in the morning, **work all day long**;
- Fully 50% of work time is **wasted** – in idle chit-chat with co-worker, unimportant activities and personal business.

2) **Your life only gets better when you get better.** Fortunately there are no limits to how much better you can become, so there are no limits on how much better you can make your life.

3) You can learn anything you need to learn to accomplish any goal that you can set for yourself. **All business skills are learnable.**

If your goal is to **increase your sales and profitability**, achieve a high and consistent level of cash flow and revenue, and achieve all your financial goals, you can learn how by taking the lessons in **Profit Growth Strategies** and looking for ways to apply what you learn each day.

There are **no limits** to what you can accomplish except for the limits you place on yourself with your own thinking.

## Action Exercises

1

List your **three** most important business goals right now:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

2

List **three** things that you can do immediately to improve your marketing and increase your sales:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

3

Clearly define the **three** biggest problems, difficulties or obstacles you are dealing with in your business right now:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

4

List the **three** most important tasks or activities that you need to accomplish to increase the sales, success and profitability of your business:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

5

In what **three** areas do you need to focus and concentrate your energies to accomplish your most important tasks?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

6

What **three** activities could you practice each day to lead by example, and to be a better role model to your staff?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

7

List the **three** most important results that you must achieve to assure the sales, success and profitability of your business:

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

What **one action** are you going to take immediately as a result of your answers to the questions above?

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