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# PowerGrowth™ Tip

## Faster, More Profitable Growth? It's About Leverage

Michael Bitter

"What is the best way to grow my business?" That is the question I am most often asked by small business owners. The answer depends on a number of factors, but in most cases the answer is the same. Do a better job of leveraging your existing customer base.

What is leveraging your customer base? Leveraging your base is simply selling more stuff to, and generating referrals from, your existing customers.

Why is it usually the fastest way to grow your business? There are a number of reasons. First, if you have previously sold to a customer, and you delivered on your promise, you have gained their trust. They know you and they trust you and are far more likely to buy other things from you than from someone else. And, they are far more likely to refer you to others—especially if you have provided great service and value.

Second, it takes far less energy and costs far less to generate repeat sales from an existing customer than to generate sales from a new customer. The statistics I've read indicate that it cost 6 to 7 times as much to sell something to a new customer as it does to sell something to an existing customer. Why? Again, it gets back to the trust factor. Much of the time and cost associated with selling something to a new customer is spent understanding their needs and building trust and confidence in your ability to adequately meet those needs and deliver on your promises. Once you've done that, the time and effort associated with selling other things to that same customer is greatly reduced.

Third, repeat sales represent your greatest source of profits. Why? It costs a significant amount of time and money to acquire a new customer—marketing costs, selling costs, etc. Unless the profits derived from your initial sale are large enough to offset the costs to acquire that customer, that first sale generates a negative ROI. Therefore, you must sell more to that existing customer before those sales generate actual profit. Once you have sold enough to cover your acquisition costs, every additional sale generates profit.

Fourth, nearly every one knows that referrals are the least expensive way to acquire new customers. Referrals cost you nothing, and it costs you much less to convert a referral to a new customer than it costs to acquire a customer from scratch or even from referrals from sources other than satisfied customers. Why? Again, the trust factor is the key. There is another side benefit to generating referrals from your existing base. Referrals from existing "good" customers tend to be to prospects who will also be "good" customers.

So, if you are looking for new ways to grow your business, shift your focus and your priority. Look for new ways to serve old customers. Focus your resources on doing the things necessary to ensure that your existing base is satisfied with your service and your value, and they are willing to buy more from you and refer you to others. Develop systems and processes to ensure that your base is thoroughly leveraged. Do this, and watch your business and profits grow.

## More Information

Want to learn more about this topic? Want or need to grow your business or take it to the next level?

- Visit our website: [www.bizresults.net](http://www.bizresults.net)
- Attend a PowerGrowth™ Boot Camp. See “About the PowerGrowth™ Boot Camp” below, or visit: [www.bizresults.net/bootcamp.htm](http://www.bizresults.net/bootcamp.htm)
- Book a public speaking engagement. See “About our Public Speaking Services” below, or visit: [www.bizresults.net/speaking.htm](http://www.bizresults.net/speaking.htm)

## About Business Results Unlimited

Business Results Unlimited is a St. Louis based **professional services firm** that provides **business development focused education and mentoring services** to help small business and professional service firm owners **grow** their **customer base, revenues, and profits**.

Learn more: [www.bizresults.net](http://www.bizresults.net)

## About the PowerGrowth™ Boot Camp

The PowerGrowth™ Boot Camp is a comprehensive **2 day business growth and development focused seminar** that provides small business and professional service firm owners with practical, proven, “real world” **business growth and development fundamentals, concepts, techniques,** and a simple, **step-by-step system** that enable them to:

- **Attract more prospects**—that are more likely to buy from them rather than their competition
- **Convert more prospects** to customers more often—**without sacrificing price or margins**
- **Increase loyalty** and retain customers longer—without losing them to their competition
- **Increase repeat business and referrals** from their existing customer base
- **Increase** overall profitability and **personal income**
- Create a more autonomous, self-reliant businesses that runs itself—providing their owners with **more personal freedom and time off**

The Boot Camp is the **foundation and pre-requisite** for all other seminars, workshops, coaching, and consulting work provided by the company.

Learn more: [www.bizresults.net/bootcamp.htm](http://www.bizresults.net/bootcamp.htm)

## About our Public Speaking Services

Business Results Unlimited provides **FREE** and fee based public talks on **a variety of business growth and development related topics** designed to help small business and professional service firm owners **create, build, and run faster growing, more profitable companies**.

The company offers 30-45 minute **short subject talks**, as well as 1 – 2 hour **keynote talks** and **breakout session** topic presentations.

**FREE short subject talks** are available to chambers, business organizations, networking organizations, and trade associations with **audiences of 20 or more** business owners, executives, and/or aspiring entrepreneurs.

Learn more: [www.bizresults.net/speaking.htm](http://www.bizresults.net/speaking.htm)

### About the Author

Michael Bitter is an educator, author, public speaker, and owner of Business Results Unlimited, a St. Louis based professional services firm that specializes in teaching and coaching small business and professional service firm owners how to create, build, and run faster growing, more profitable, more valuable companies that run themselves.

Well known for his relaxed, humorous and entertaining presentations, his topics, laced with personal stories and examples, provide practical, common sense based solutions to some of the most common growth and profitability challenges faced by small business and professional service firm owners.

With **over 30 years of business development experience**, Bitter has combined and distilled information gained from his **20+ years** experience in the **corporate** world, his own **10+ years of small business ownership**, countless books and seminars, and his personal study of successful and unsuccessful small businesses.

He combines that distilled wisdom with humorous stories and real life examples to leave his audiences entertained, educated, inspired, and motivated.