

PROFIT

# THE 7 GROWTH MULTIPLIERS



VIDEO  
TRANSCRIPT  
TWO



**COACHING ACADEMY SPECIALIST**  
Where Small Businesses Grow

## Video Transcript Two

### The 7 Growth Multipliers

**We're now going to talk about "The Seven Growth Multipliers".**

You can have the best product in the world or the best service in the world, you can be in the best location, you can have the best systems in the world and the best procedures, but unless you've got a method for growing your prospects into qualified customers, you're going to have real difficulties.

**So let's look at the Seven Greatest Growth Multipliers.**

1. So the first one we're going to focus on is the number of hot prospects you are developing.

Whatever number of prospects you've got and are getting on a regular basis, to increase your business you're going to have to increase that number.

There are loads of different ways you can do this, but you must first of all count and measure how many you've got at this moment and how many you are securing on a regular basis. You then need to multiply and increase that to grow your business. That's the first one.

2. The next thing is you're going to have to establish your conversion rate.

The conversion rate is the number of prospects that you need to convert one into a customer.

Not every prospect will become a customer, and with some companies it could be one in four, it can be one in 10, or it can be one in 100 or much worse. Whatever it is, you need to establish what it is for your business.

Having established that, you should then take strides at improving on your conversation rate, because securing prospects can be an expensive part of your business.

**This will help you enormously if you can multiply and improve on your conversion rate.**

## Video Transcript Two

### The 7 Growth Multipliers/Continued....

3. The next growth multiplier we're going to talk about is transaction value.

We've increased the number of prospects, we've increased and improved on your conversation rate; the next element we must improve on is the transaction value.

**We must then find a way to increase the transaction value.**

If you are selling a product for a £1.00. You must find a way to increase its worth, probably in volume or size, thereby increasing the transaction value. If you normally sell the product for a £1, by increasing the volume by 15% you can justify increasing the sale price to £1.15, without any apparent 'price increase'.

This of course increases the transaction value. Whatever method you use, you must find ways to increase the transaction value.

4. However many transactions your customers buy, shall we say, per annum, you've got to find ways to increase the number of transactions that they have with you. And if that means taking on different products or different services, then you have to contemplate or find ways of doing just that.

However many transactions they buy from you per annum, you must endeavor to increase those numbers of transactions. Again, that's going to help you with your profitability: Establish how many it is and see what you can do to improve it.

5. **The fifth point we have to look at is the profit margin.**

You cannot sit still. Whatever profit margin you've built into your product or your service, you must focus and try on a regular basis to review your costs and review your sale price so that you can improve on the profit margin.

It's well worth the effort to see how you can do that, and that might well mean that you increase the sale price; it also means that you are maybe reducing your costs; or maybe a combination.

**Whatever it is, you must focus on increasing your profit margin, because that's going to help your company grow.**

## Video Transcript Two

### The 7 Growth Multipliers/Continued....

**6. The best value or most cost effective way in finding new customers is referrals; referrals or recommendations.**

People are often slow to go and ask for recommendations. But in these modern days of social media, referrals can very often mean that they don't necessarily give you the name of somebody who might be interested in your product or service, but they give a testimonial, they put a review on your website or on their website, or they talk about how good the service is.

And from there you get more customers. You must measure those, however many you're getting, and then you must take strides to increase the number of referrals you're getting. These are really very profitable customers because your cost of acquiring them isn't nearly as expensive as advertising.

**So it's well worth your while to increase the number of referrals you're getting on a regular basis.**

## Video Transcript Two

### The 7 Growth Multipliers/Continued....

#### **7. The final point I want to talk about is ‘The buying life-time’ of your customers.**

Start-up businesses are frequently just interested in that first sale. But the reality is that the first sale is invariably the most expensive. The cost of acquiring that first sale – it’s either through marketing, advertising or whatever, but the cost of getting that first customer on board is usually expensive and very often not very profitable.

It’s the subsequent sales that become quite profitable. And for that, what we’re talking about is the buying life-time of your customers. You must find ways to find and hold onto your customers. Because the ultimate value of your business has got to be the customers you’ve got.

**Find ways to hold onto those customers so they’ll come back and buy from you year after year.**

You must find ways where you can serve those customers by improving on what you’re doing and maybe increasing the range or whatever it is you offer. You must find ways to extend the life-time, the buying life-time of your customers. And the longer you can extend that, the more profitable will be your business.

**So these are the seven key factors, “The 7 Growth Multipliers” in growing your business.**

**DON'T FORGET TO WATCH THE “7 GROWTH MULTIPLIERS” VIDEO.**