

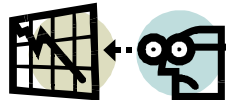
# Do You Really Want More Customers?

Michael Di Lauro

*For many small-business owners, dealing with competitors has proven to be quite challenging. This article offers three essential suggestions and introduces the concept of Logical Levels of Thinking.*

Think about it for a second. You're running a business in an environment that's chock full of other similar businesses. You probably sell a similar product or you may offer a professional service that bears little difference from the competitor down the road.

So how do you compete? Well, if you're like many other organizations, you might compete on price. So to attract more business, you drop the price a little. Managers that adopt this strategy are quite surprised to learn of the bottom-line implications. Witness the following.

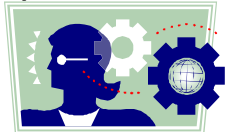


Pretend that your business buys a widget for \$7.00 and ordinarily sells it for \$10.00. Now pretend, in order to attract more customers, you drop the selling price to \$9.00. So you're now making \$2.00 profit on each widget rather than \$3.00. Do you realize that you now have to sell *50% more* widgets just to be no better off than you originally were? Think of what you'd have to do, in terms of marketing and logistics, just to attract and accommodate that 50% increase in business. You'd probably find that your bottom line shrank even with that 50% increase.

Notwithstanding the above number-crunching mumbo-jumbo, what generally happens when a significant competitor lowers its price is that everyone just follows suit and lowers their pricing too. Then what? Another round of price-dropping?

No there has to be a better way. So here's my suggestion: consider these three things.

## 1) Start at the Top



Don't ask yourself, "What do I have to do to get more customers?" Using the language of *Logical Levels of Thinking*, this bottom-feeder-type thinking evokes responses and actions that are pretty basic and uninspiring. (See the chart below for the complete *Logical Levels of Thinking*).

No, instead ask yourself, "Who am I? Who is my business? What are we about?" By asking these higher-level questions, we're now cooking at the highest level of thinking and we're getting to the crux of the issue. (Some readers might liken this analysis to an organization's Mission Statement. If that works for you, that's fine. My problem with a Mission Statement, though, is that it's pretty much like dessert on a dinner menu. It sounds good and it tastes great, but it's pretty quickly forgotten).

Yes the higher levels of thinking may be more complex to deal with, but the returns are worth it. (No pain - no gain, remember?)

So work with it. Ask the tough questions, find out who you are, what your business is about, what your beliefs and values are, and before you know it your strategies, and your actions will be developed. You'll also have framed your business in a way that is meaningful to you. You'll be enthusiastic when thinking about your business. There will be a spring in your step. You'll be describing your product offerings with conviction, with determination. Your enthusiasm will be contagious when you speak to colleagues, partners and prospects.

## 2) Look for the Gaps

No matter what your industry you're in, you'll find inefficiencies and frustrations inherent in its policies and practices. Look at your competition. Talk to your clients, suppliers and advisors. Find out what's bugging them. What you're looking for is that little something (OK, sometimes it might not be that little) that's not quite right. You may discover a design or process that, for no reason other than, "we've always done it that way", makes no sense. Ask yourself why it's done that way. Consider what other choices are



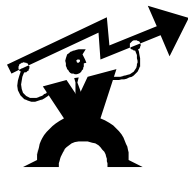
available (Hmmm, are we using *Logical Levels* again?). Address those issues with the ultimate goal being to satisfy – no, not satisfy – to delight your clients.

### 3) Think Innovation. Think Creativity

Let's face it. The last thing the world needs is another pizza parlour, video store, hair salon, consultant or accountant. I seriously doubt that people are wandering around their neighbourhoods, thinking, "Gee, I wish there was a law firm on this street corner". So, the last thing you should be offering is *just another business* selling widgets or tax returns. My favourite take on this is to consider a musical band. Pretend you're a band-leader. Do you really think your audience wants to hear you play "You Light Up My Life" over and over again? Probably not. If you're running a successful band you'll, at the very least, need talent, expertise and other players (a topic for a future discussion). But what really wows the audience are **creativity** and **innovation**. So dare to be different, don't follow the crowd, go out on the limb a little, and always be true to yourself.



### No More Customers



And what you will find is that you don't have customers. No, no! You now have fans. You have people that want to associate with your organization. They're bitten, they're smitten, they love your products and your services. And they'll love telling others about their experience. So you now have volunteer sales-reps who are advocating on your behalf. Your fans won't be as concerned with price as they are with value. So they'll stay with you longer and they won't be eying the competition.

What about those that aren't fans? Face it. Not everyone will be a fan. The beauty of developing a fan-base, and not customers, is that you quickly learn to focus your attention on your fans. You don't waste your time trying to sell to someone who, no matter what you do, will never buy from you. So you end up focusing your marketing efforts. You give up trying to be all things to all people and you make it plain as to what your business and your products/services are about.

### Case Studies



OK, so by now you're thinking, "Enough Well how far back do you want to go?

LensCrafters; FedEx came about as a result of a 1965 university term paper written by Frederick Smith. His premise was that modern (at that time) carriers were basically inefficient. He envisioned a dedicated cargo model based on a central hub. The rest, as that old tired cliché says, is history. LensCrafters essentially determined that waiting days, if not weeks for eyewear was unnecessarily tiresome, if not downright frustrating. So they developed the "one-stop-while-you-wait" service.

Or here's one of my favourite examples. Apple versus Microsoft. Whether it's true or not, the public perceives Microsoft as a company that wants to be the biggest and the richest. How many Microsoft fans do you know? In contrast, think of Apple Computer. Know anyone that uses a Mac or an iPod or GarageBand or iTunes? Are they fans?

theory already, give me some examples". Look at companies like Federal Express and

Want a more "closer to home" example? Check out my friends at the WEL-Systems Institute, ([www.wel-systems.com](http://www.wel-systems.com)). They offer services that are unique, innovative and creative. Interested parties would be hard-pressed to find similar services anywhere else. They deliver results and their sphere of influence is constantly growing. Many of their multi-day programs are priced in the thousands of dollars, and *they have a waiting list!* Why? Let's just call it a huge fan-base.



# LOGICAL LEVELS OF THINKING

**Purpose/Connections  
(Who Else?)**

**Identity  
(Who?)**

**Choice  
(Which?)**

**Beliefs Values & Attitudes  
(Why?)**

**Strategy  
(How?)**

**Behaviour  
(What?)**

**Environment  
(Where/When?)**

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