



Book Now...Build a Great Business!

7 Ways to Maximize Your Profits in Any Market

Mark Thompson and Brian Tracy
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Recommendation

Motivational machine Brian Tracy has created another valuable, straightforward business guide. Writing with entrepreneur Mark Thompson, Tracy covers seven areas of business, including leadership, planning, team building, product quality, marketing, sales and customer service. Tracy and Thompson teach aspiring entrepreneurs what they must do and how they should do it, plus the primary metrics that keep businesses on track. No one beats Tracy at packaging tried-and-true business concepts. This offering is accompanied by worthwhile sentiments and interesting case histories. *BooksInShort* recommends this useful business guide to entrepreneurs.

Take-Aways

- You can run a successful business if you follow advice in seven strategic areas.
- First, become a purposeful, passionate and performance-oriented leader.
- Second, create a thorough, strategic business plan.
- Third, hire best people using the “SWAN formula”; that is, hire employees who are “smart,” who “work hard,” who are “ambitious” and “nice.”
- Fourth, create a high-quality offering and develop a good reputation.
- Fifth, engage with your customers through effective, inventive marketing. Developing a strong brand takes years but repays the effort.
- Sixth, when selling, analyze your client’s problem, perform a “diagnosis” and explain how your offering is an appropriate remedy.
- And seventh, treat customers right and they will buy from you again and again.
- Get on top of your finances.
- Do not accept limits on what you can accomplish. Believe that you will attain your goals, and you will.

Summary

“The Time for Action Is Now”

You can run your business successfully, beat your competitors, please your customers, retain great employees and “create a culture of continuous improvement” if you follow advice in seven strategic areas:

1. “Become a Great Leader”

In business, as in life, leadership matters. Commercial ventures fail quickly if no one takes the reins and accepts responsibility. Leaders must be bold and brave.

Nothing, not even making mistakes, frightens a great leader. Leadership is built on three P's – "Purpose": Meaningful intent drives people to succeed; "Passion": Great leaders do work that engages them; and "Performance": Leaders concentrate on the steps they need to achieve to succeed, not on the goals by which they measure success. Ask yourself, "What am I trying to do?" Write down the results you want and outline a reliable method to measure your progress. Consider the steps required to reach your goals.

"You decide what it is you want to accomplish and then you lay out your plans to get there, and then you just do it." (Nancy Ditz, marathoner)

As a leader, consider what your organization expects of and needs from you. How will you build sales and increase profitability? How will you find the best people? How will you inspire them? What will you create? How can you make your product or service attractive? Who will buy it? What makes it special? How can you communicate its attributes to consumers? How can you convince people to buy from you instead of from your competition – and to remain loyal?

2. "Develop a Great Business Plan"

You cannot progress without a strategy and plan. In 331 BC at the Battle of Arbela, Alexander the Great's army was outnumbered five to one by the forces of Darius of Persia. Alexander employed "seven military principles of strategy" to win the day:

1. **"Objective"** – Alexander knew the Persian army included a smorgasbord of nationalities from across the empire. Allegiance to Darius bound the disparate soldiers together. Without Darius, the giant Persian army would fall apart. Alexander instructed his leaders to "Kill Darius!" Alexander drove his cavalry into the center of the enemy lines. This spearhead assault caught Darius by surprise. Fearing for his life, Darius fled. As Alexander anticipated, the leaderless Persian army quickly dissipated.
2. **"Offensive"** – Because Alexander seized the initiative and was the first to attack, he assumed battlefield control.
3. **"Concentration"** – By focusing his forces on one target, Alexander achieved his goal.
4. **"Economy"** – By scrimping on men and resources, Alexander won with a minimum loss of life and minimum costs.
5. **"Flexibility"** – Alexander gave his officers the authority to alter their activities according to the battlefield conditions. In contrast, Darius insisted that his officers follow his instructions regardless of circumstances. Alexander's agile army easily defeated the inflexible forces led by Darius.
6. **"Surprise"** – Alexander's spirited attack at the heart of the Persian army completely surprised Darius and his troops.
7. **"Momentum"** – When Darius fled the battlefield, Alexander used his troops' energy to exploit the Persian army's lack of leadership.

"There are three factors that must dominate your thinking and which will determine your success or failure: competition, competition and competition."
(Marshall Goldsmith, business coach)

Ask yourself these important strategic planning questions:

- **"Where are you now?"** – Examine your sales and profits on a product-by-product basis. Determine your financial resources today and tomorrow. Consider your competition.
- **"How did you get where you are?"** – Don't downplay or exaggerate your challenges.
- **"Where do you want to go?"** – Plan five years into the future. Clarify your objectives.
- **"What obstacles will you have to overcome?"** – Start with the main roadblocks.
- **"What additional knowledge, skills or resources will you require?"** – Should you increase your core competencies?

3. "Surround Yourself with Great People"

The people you hire will make or break your business. Interview at least three individuals for open positions. Interview candidates you like three times in three different places. Candidates are at their best in the first interview. The real person emerges in the second or third interview. Ask members of your organization to interview the job candidate. It's often worthwhile for all your staff to meet the job candidate and vote whether to make the hire.

"Leadership is what you do, rather than what you wish, hope, say or intend to do."

Rely on the "SWAN formula": "Smart, Works Hard, Ambitious and Nice." Success demands intelligence, and smart people ask questions. The majority of leaders work up to 70 hours weekly. Don't hire someone who won't put in the time. A light worker at a previous job will not work harder for you. Never hire someone content to remain at an entry-level job. Look for candidates who want to perform and advance. Nice employees get along with others. Don't hire someone with extraordinary skills who makes co-workers uncomfortable. That's asking for trouble. Building a great team requires smart hiring and tough firing. No one likes firing, but it's necessary if an employee causes unrest or dissension. Managers may try to get such employees to change, but seldom succeed. When pondering whether to fire someone, ask: "Knowing what I know now, would I hire this person today?" "If this person said he or she was thinking of leaving, would I urge staying?" If your answers are negative, show this employee the door. Your staff will be pleased with your decision. So will you.

4. "Offer a Great Product or Service"

For your business to be great, you need a great product or service. A reputation for superior quality is valuable and worth protecting. Toyota enjoyed such a reputation, but sadly, came to value growth over safety. Eventually, Toyota had to recall approximately 6,000,000 vehicles in the United States due to safety problems. This besmirched Toyota's brand.

"The biggest reason for failure is the inability to make new plans to replace the plans that didn't work." (Napoleon Hill, American author)

Innovation matters. Knocking off someone else's design to offer a cheaper version is never smart business. Originality will make your mark. Ask your customers what they like and why. Once you have this valuable information, ensure your products or services meet customer demands and expectations.

5. “Design a Great Marketing Plan”

Engage with your customers through effective marketing. Make your product or service easy to purchase; that’s Amazon’s secret to success. Consumers will pay extra for quality products or services that provide the benefits they want. Developing a strong brand takes years but repays the effort. Be inventive with your marketing, like Shoes for Crews, which offered a \$500 no-slip warranty on its \$50 work boots. Restaurant chains that furnish boots to employees love this warranty, which was later increased to \$5,000. Shoes for Crews pays many claims a year, but the cost doesn’t even amount to 2% of company’s sales.

“Nothing happens until a sale takes place.” (Arthur H. “Red” Motley, publisher)

Effective marketing requires smart advance planning. Weigh your concepts for potential products or services against these four criteria:

1. **“Is there really a market?”** – You are going to have a tough time making money if no one will buy what you propose to sell. Conduct market testing in advance of any product introduction.
2. **“Is the market big enough?”** – You may have a product or service that satisfies your prospects’ every need. But if your prospects all live on one street in one neighborhood of one town, your new product or service isn’t economically viable.
3. **“Is your market concentrated enough?”** – If it is not, you cannot justify a marketing investment.
4. **“Who is your competition?”** – If your product or service is not truly special, and you can’t compete on price, there may be no point in entering the marketplace.

6. “Perfect a Great Sales Process”

Focus your efforts on legitimate prospects. Most people buy from the heart rather than the head, so earn consumer trust and affection. Ask prospects thoughtful questions to learn their needs. When you make a presentation, “Show, tell and ask a question”; for example, “This is a small business accounting software program. With it, you can manage all the numbers in your business. Is this something that would be of interest to you?” Before your presentation, write down the most likely objections and list your best responses. Afterward, ask for the order. And remember: The first sale to a new customer is always harder than a repeat sale to an old customer.

“The man who comes up with a means for doing or producing almost anything better, faster, or more economically has his future and his fortune at his fingertips.” (J. Paul Getty, American industrialist)

When it comes to selling, play doctor. Your sales should all involve three phases:

1. **“The examination”** – No two people are alike. Don’t assume that because one prospect bought your product or service for a certain reason the next prospect will do the same. Your initial sales job with any prospect is to sit back and listen to what he or she has to say. Ask questions. Get as much information as possible. Find out what’s important to your prospect.
2. **“The diagnosis”** – Double-check what your prospects tell you. Ask more questions. Rephrase what you’ve heard and explain how you can help achieve their wishes. Present options for them to choose.
3. **“The prescription”** – Make a formal recommendation about which product or service the prospect should buy. Suggest that your prospects act on your recommendation.

7. “Create a Great Customer Experience”

Treat customers right and they will come back and buy again and again. Here’s how to make them love you:

- **“Reliability and consistency: Be predictable”** – Don’t vary your brand. Coke made this mistake with its introduction of New Coke, and sales plummeted.
- **“Responsibility: Raise your hand when you make a mistake”** – Offer an apology, and fix things quickly.
- **“Responsiveness: Get in front of the story fast”** – Maintain a strong reputation with your customers. Never let a problem linger.
- **“Specialized service: Make it feel like a custom fit”** – Identify your customers’ particular needs and meet them.
- **“Selection: Be sure to have the product available”** – People want what they want when they want it.
- **“Quality: It’s defined by your customer”** – The customer is always right.
- **“Delivery: Exceed expectations as often as possible”** – You never will go wrong when you deliver more than your customers thought they would get.
- **“Employee experience: Make your people feel happy about working for you”** – No one wants to buy from a cranky salesperson.
- **“Commitment by employees: Make them love it or leave it”** – Employees set the mood in your place of business.
- **“Installation: Make everything work for your customer”** – Follow the example of Best Buy and its Geek Squad employees, who make house calls to ensure that everything works well for the company’s customers.
- **“Context: Find out how it feels to be a customer”** – Experience what customers face when they visit your brick-and-mortar establishment or website.
- **“Competition: Be the customer”** – Sam Walton of Walmart routinely visited his competitors’ stores to see how they handled things.

“You perform at your best when you align your personal passions with your purpose or work.”

Employ these principles in your nonbusiness affairs. Set firm goals for yourself. Get on top of your finances. Do not accept limits on what you can accomplish. Believe that you will attain your goals, and you will.

About the Authors

Brian Tracy wrote *Maximum Achievement* and *Eat that Frog!* Entrepreneur Mark Thompson is a Stanford University visiting scholar.

