



Mike Pagan Professional Speaker – Tips Sheet – Its Not Rocket Science

Through speaking, workshops and direct consulting activities I always talk about improving key elements for your business - understanding where that growth has come from and how to repeat it over and over again. This is known by many as the sales pipeline or the Contact to Contract Ratio in short how many frogs do you need to kiss to gain more business.

Its Not Rocket Science – This is a very simple formulae that focuses on the THREE key elements necessary for growth.

1. Increase the Size of the client base
2. Increase the Number of times they buy
3. Increase the clients' average Spend

To use this formula you will need to know how many prospects currently become clients, the number of times per year on average they buy from you, their average spend and the gross margin you make.

By using this formula with only a 10% increase in performance in each of these THREE areas it is possible to increase the profits to your business by an additional **61%**.

That is pretty amazing – Break this down further and look at the number of active clients currently – For example: -

- If you have 100 active clients an increase of 10% is obviously 10 more, that is less than 1 new active client per month!! Is it really that hard to get less than 1 new client per month?
- Your average purchase value from your clients is £2000 in a year could you gain an additional £200.
- Your Gross Margin is 25% could you increase that to 27.5%

Create a spreadsheet to help with these numbers and run the formula with different figures for your business, remember **Its Not Rocket Science** and it works.

All the best

Good Luck growing your business.

Mike Pagan

Mike Pagan has been in business long enough to know what fails to happen often enough. He speaks on the following subjects:

A recent Soundbit from one of Mike Pagan's talks can be found at <http://www.mikepagan.com>

The Right Sales Pipeline - Mike believes companies should concentrate FULLY upon 4 or 5 key marketing methods in order to gain new clients.

Your A1 Clients - We all want them, but do we know who they are, when they buy and why they buy?

Celebrating Success - Not many businesses do. life's meant to be enjoyable, so is your business.

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