

# How to Use Marketing to Grow Your Business



The first question to ask yourself when improving your marketing and growing your business is: 'what do I want?' That's a simple question, but it's not always easy to answer when you are in the thick of things and doing the day to day job of running your business.

So where do you start in planning your marketing and business growth campaign?

Borrowing from Stephen Covey, the renowned writer, speaker and academic you should "begin with the end in mind". I've applied this in my businesses to work out the number of clients I needed to achieve my aims.

I've always found that having a specific goal to achieve makes your marketing efforts real and attainable and will guide you in selecting the key strategies that you need to build your business.

It certainly beats the hope and chance approach many business owners seem to have, that so often ends in disappointing outcomes.

In this blog post you'll discover, depending on your business, some useful tools to calculate the number of clients you need to move your business forward.

## 1. How many new clients do you need?

This is a step by step process aimed at professional firms. All you need to do is add your answers to the boxes below – I've added a worked example at the end for reference.

### Step (A)

Over the next 12 months how much do you want to earn or increase your sales or revenue by?

[Example: £100,000]

### Step (B)

Work out how much that is per month by dividing the figure in box A by 12 months.

[Example: £100,000 divided by 12 = £8,333]

### Step (C)

Work out on average how much revenue per month a client is worth to you.

[Example: £500 per month]

### Step (D)

To work out how many clients per month you need, divide the figure in Box B by the figure in Box C.

[Example: £8,333 divided by £500 = 16.67 clients – rounded to 17 clients]

## Step (E)

When you meet a potential client, how often do you convert them to a paying client?

[Example: 50%] Convert this to a decimal so 50% would be 0.50, 33% would be 0.33, 25% would be 0.25 etc.

## Step (F)

So to find out how many prospects your marketing needs to generate divide Box D by Box E as a decimal.

[Example: if you need 17 new clients per month and you convert prospects at 50% it would be  $17 \div 0.5 = 34$ ]

While this may be a little simplistic, it's a worthwhile place to start. Based on this example the marketing strategy needs to deliver 34 prospects per month to end up with 17 new clients and achieve £100,000 increase in revenue.

Plug the figures in for your business or practice. It could be more or less than the example so be as realistic and accurate as possible.

## 2. Try this too

Depending on your business, a different way of working out the numbers you need your marketing strategy to deliver is to use the following:

For a transactional business, figure out the average order size by dividing the total sales value by the number of orders.

*For example:* if your turnover is £100,000 and you have 1000 orders per year the average order is calculated by dividing 100,000 by 1000 to give £100 as the average order value.

If you want to increase your sales by £50,000 you will need 500 additional orders averaging £100 each.

Or thinking about the number of customers you need, it's worked out in a similar way. If your practice is at the £120,000 level and you bill each client £5000 in fees you have 24 clients. To grow your business to the next level how many more £5000 clients do you want?

### **How can you use this?**

Don't be put off by the figures. Whether you are a new business with low numbers or have been established for a while these methods can be an effective way to be really clear on the job your marketing needs to do.

Of course the sting in the tail is to challenge your marketing strategy and evaluate it objectively to see if it will do the job of attracting clients and growing your business in the way you want it to.

Without doubt the way to achieve your goals is to create a structured marketing strategy that gives you the best chance of delivering what you want.

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