



# Small Business Marketing Plan for Service Professionals

*Create Your Marketing Plan in Six Simple Steps*

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# Introduction

What's the single biggest challenge you have with marketing? For many small-business owners, it's just getting started. You're busy. You're overwhelmed. Or perhaps, you just don't know where to start.

You know you should be marketing. And there are days when you gear up to do some marketing - usually when business starts to slow down. So you might run a few ads, send out some postcards, attend a networking event, or make a few calls to past clients. Maybe you get lucky and you find a client or two. Maybe not much comes from these efforts.

If you do get a new client or two, great - you are ready to forget about marketing and get to work. If not, you start to feel a bit discouraged that you are not getting the results you hoped for. Sooner or later, though, a client does come along - perhaps from a referral or a response to your ad.

So what happens? Well, now you are busy with client work and you don't have time to market. You promise yourself that you'll spend some time marketing tomorrow or next week... but it's never something that has to be done today.

Or maybe this sounds like you. You've been in business a few years so you have a solid past client base that sends you referrals fairly consistently. You always have a new project you are working on or new work from past clients.

But, maybe you have noticed that referrals aren't coming in as frequently as they used to. Maybe you feel like you are not making as much money as you could - and if you just got that marketing system in place that you keep promising yourself you will, you would have more options to choose who you want to work with.

Maybe you would even have the ability to turn down prospects who aren't ideal for your business. You know, those clients who nickel-and-dime you for every little thing, or who want you to do work you don't find very rewarding or challenging. The ones that seem to suck up all your time with little reward. The ones you take on because you need to pay your bills at the end of the month, so you need every client you can get.

Perhaps one of the reasons you haven't gotten around to setting up that marketing system is that you are not entirely sure what to do. It seems like a lot of work and there is so much to learn - who has time for that?

Whether you have just started your own business, or you have a few years under your belt, this guide is designed to help you analyze your current marketing efforts and uncover just what's holding you back.

## Who This Guide Was Written For

This book is aimed at solo and small service-based businesses including freelancers, independent contractors, consultants, coaches, professionals, and others who provide services as their primary source of revenue. Its purpose is to help you create a practical action plan for your business.

Selling a service is fundamentally different than selling a product. Unfortunately, most of the marketing books on the shelves today focus product marketing. Services can be more difficult to sell because:

- **Services are intangible.** When you buy a product, you have a fairly good idea of what you are buying because you can physically see it - and maybe even give it a trial run - before you buy. The selling process involves ordering the product, paying for it, and having it delivered within a few days.

On the other hand, services are highly customized and tailored to your client's specific needs. As small-business owner, each client you work with brings with him a new set of circumstances. With this comes an element of uncertainty. Prospects want everything to go as smooth as possible but must evaluate whether you can do what you say you will, whether your proposed solution is right for them, and whether they can develop a good working relationship with you.

- **Service marketing involves building relationships and working together with clients.** With products, chances are that once you buy the product, you will never see the sales person again. With services, however, you will be working with your prospects throughout the job so the last thing you want to be perceived of is a sales person.

Therefore, that initial consultation is the first step toward building a working relationship and setting expectations that will be carried through the rest of the project. If the initial "personal chemistry" just isn't there, you will save yourself a lot of headaches by walking away from the job.

- **Service providers must be more selective when choosing prospects.** You can sell a product to anyone with the money to buy it. With services, money is a factor, but there are a number of other qualifiers. These include whether your services match the problem your prospect wants you to solve, how easy the prospect is to work with, and whether your prospect will be satisfied with the services you provide. You want to weed out any clients you believe might become "difficult." Ideal clients are "good fits" with your company.

Similarly, with product selling, sales people are trained how to overcome their prospect's objections. Their goal is to make the sale regardless of if the prospect wants it. With services, objections may be a red flag warning that this prospect is a "bad match" for you.

## 6-Step Marketing Planning

This book provides a six-step process for attracting new clients.

1. **Goal Setting** - Chapter 1 focuses on setting goals for your business. Here, you decide what the purpose of your marketing campaign is. What does success mean to you and how will you measure it? In this step, you create specific, measurable goals.
2. **Target Audience** - Chapter 2 focuses on how to identify the best types of clients for you. To successfully attract clients, you need to get inside their heads and figure out what they want, what motivates them to buy, and which marketing strategies to use to reach them.
3. **Marketing Message** - Chapter 3 concentrates on how you are different from your competitors. Why should clients choose you over all other options available to them?
4. **Education-Based Marketing** - Chapter 4 discusses how clients buy services and how identify the right marketing strategies to generate leads and convert those leads to clients.
5. **Referral Marketing** - Chapter 5 tackles the nuts and bolts of creating your referral plan. Most service-based businesses get the bulk of their new clients from referrals, yet many don't have a referral marketing system in place.
6. **Your Monthly Marketing Plan** - Finally, Chapter 6 includes a two-page worksheet to create your monthly marketing campaign.

## How To Benefit From This Guide

To get the most out of this guide, start a journal and do the exercises in each chapter. Then, complete the two-page worksheet at the end of this guide. Getting your thoughts down on paper will help you crystallize those ideas and concepts you have been mulling over for the last few months.

Because this is a general marketing planning book, there may be sections that don't seem to apply to you or you feel won't work for your business. Rather than automatically saying "Yes, but that won't work for me because...", try to explore the ways it can be

applicable to you. Perhaps a portion of it will apply or you can use the idea to explore other avenues of thinking. Take what you need, but don't automatically throw away a good idea because a small part of it won't work for you.

Finally, don't be concerned with how well your plan is written or how it should be formatted if you are the only one who will see it. Focus on what will help you take action now.

## CHAPTER

**1**

# The Marketing Mindset

"Marketing" is an umbrella term that involves everything you do to attract clients and help them solve their problems. It includes:

- the types of services you offer
- how you position and package your services
- what you charge
- your marketing materials such as ads, websites, brochures, and newsletters
- how you present yourself in meetings
- how your staff treats clients through phone and email
- networking such as lunch, golf, or organizational events
- how you get referrals

As you can see, marketing is not just a set of tools to communicate with prospects and clients. Marketing is a mindset. It is more than the casual philosophy of "just do it" - just send out those postcards or catalogs or newsletters and wait for the phone to start ringing. It involves everything you do or say to customers and prospects through any type of medium - phone, email, brochure, website, etc.

Marketing isn't limited to just the marketing department. It is something that every member of your staff must believe in and promote with passion and enthusiasm. It is the mindset that your products and services are so exceptional that they are worth talking about and communicating the value to anyone that might have a need for them. Not hype! You should never over-promise. But you must believe in what you offer because what you believe will affect what you say and do.

Also, marketing is an ongoing process. Rarely will one letter/postcard/newsletter close the deal, especially if you are selling something complex like professional services when getting prospects to sign the contract can take upwards of a year.

Think of marketing in the same way you approach your company's finances - you do the books and pay your bills on a routine basis. Marketing should be no different. What do you need to do every month, every week, every day to get your message out there? It can take upwards of 8 contacts with a person before they even remember who you are!

As management guru Peter Drucker has written, "Business has only two basic functions: marketing and innovation. Marketing and innovation produce results. All the rest are costs." Innovation is about tailoring your services creatively to fit your clients' needs while marketing is about promoting your services to the people who need them most for a reasonable fee.

## Myths of Marketing

Before I get too far ahead, let me address some common concerns like:

- Marketing doesn't work.
- I've tried -insert marketing activity- and it doesn't work.
- I don't have time for marketing.
- Marketing is a waste of time and money.
- People who provide great service don't need to market.
- Marketing doesn't work in my industry.

Each of these is a limiting belief that is holding you back. If any of these statements resonate with you, ask yourself "Is this really true, or is this an excuse I keep telling myself?" Let's look at these a bit more closely.

- **Marketing doesn't work.** If that were true, do you think that Coca Cola, Ford, and McDonald's would continue to spend billions of dollars marketing their products? Would business schools continue to teach it? Would authors continue to write books on the topic? Marketing does work - in fact without marketing, you won't have a business.

Marketing is everything you do to create and retain paying clients. If you have any clients, you did some marketing to get them to do business with you - even if it was simply calling up a friend and asking for a favor.

- **I've tried -insert marketing activity- and it doesn't work.** Marketing is a process, and as much as we'd like to get it right the first time, often that isn't the case. That is where testing your results and measuring your success comes into play. Do you know

why your marketing activity didn't work? Perhaps you weren't reaching your target audience.

Perhaps you failed to differentiate yourself from your competitors. Perhaps your offer was weak. Dig below the surface to find out why your activity didn't work rather than writing it off because it didn't work for you the first time.

- **I don't have time for marketing.** Time is our most valuable resource, yet often we spend our time on activities that don't help us grow our businesses. We put out day-to-day fires, organize our desks, take prolonged lunches, procrastinate, surf the web, chat on the phone with friends and family, and so forth. If something is important to you, you will find the time to do it.
- **Marketing is a waste of time and money.** Marketing can seem like a waste of time and money if you aren't getting results, but when you do it right - when you create a marketing system and continue to reach prospects repeatedly over time - it reaps far more than it costs. The point of marketing isn't to drain your money. It is an investment in your business that will pay back more than what you put in.
- **People who provide great service don't need to market.** In today's marketplace, everyone needs to market their services. Prospects suffer from information overload and are too busy to figure out just what it is you do and how that is different from everyone else. It is up to you to tell them as clearly as you can.
- **Marketing doesn't work in my industry.** The fundamentals of marketing work in every industry, though some industries take more work and strategic planning than others. If you and your competitors are all running similar ads and mailings, chances are, you all look the same to your prospects. If prospects can't tell you from your competitors, what do they do? They look at price.

Now that I have covered some of the major myths of marketing, let's talk about what does work.

## Elements of Successful Marketing

When most people think about marketing, they think about all the stuff they see on a daily basis - emails, TV commercials, billboards, mail, posters, vending machines, signs, etc. What they often don't consider is how much effort (meetings, money, time, people) went into planning, organizing, and testing each message and marketing tool.

Do you think McDonald's just decides one day that it wants to run a commercial? Of course not! There are many meetings with ad agencies about their target audience (kids, teens, moms, health conscious), their message (McDonald's is a cool teen hangout, McDonald's now offers salads and healthy options, McDonald's has cool prizes in its

kids meals), and how to communicate their message (through movie tie-ins, celebrity endorsements, games like Monopoly).

Rather, marketing involves:

- **Setting Campaign Goals and Metrics** - Setting goals allows you to create benchmarks and metrics to measure the success of your campaign. For instance, you might set goals to increase sales, generate leads, cut down on sales time, or enter into a new segment. How will you measure success? Number of leads generated per week? Percent of leads converted to sales? Total revenue?
- **Narrowing Your Focus** - Which customers will be a good fit for your services? Which types of people want your services, can pay you, and are looking to buy in the next few months.
- **Identifying What Prospects Want** - What are their main goals and what prevents them from achieving those goals? Too many small-businesses want to help "anyone that can use my service." This is the quickest way to burn through your marketing budget with few (if any) results. Marketing involves understanding:
  1. what are their key goals
  2. how can you help them achieve those goals
  3. what is it worth to them to achieve those goals
- **Clarifying Your Marketing Message** - How do you define who you are, what you do, and why people should care? If you can't summarize this concisely, how can you expect others to understand what you do?
- **Attracting Clients** - What marketing strategies should you use to attract clients? How can you create a series of marketing materials that work together to lead prospects from stranger to client? Rarely will a brochure or advertisement sell your service - only you can do that during your face-to-face or phone interactions. Each marketing tool plays a role in building awareness about your service and sparking that initial interest that will motivate them to pick up the phone or send for your information kit.
- **Testing and Tracking.** Which marketing strategies are producing the highest quality leads? Which are ineffective?

Marketing involves commitment. Without an ongoing marketing strategy, you won't attract clients consistently. This means devoting time and resources monthly to investing in your business, even when you get busy. Create and stick to your plan, adjusting it as you get client feedback and measure results from your marketing activities.

In this guide, when I talk about marketing, I will be discussing every interaction you have with a prospect or client, including:

- 1) **Creating services** - Researching the real problems your prospects are having, what solutions are currently available, and what you can offer to make their lives easier.
- 2) **Educating prospects** - Explaining to prospects what their current problems are costing them and how your services can help them.
- 3) **Building rapport** - Building genuine relationships with prospects. This isn't about saying what they need you to say so they'll buy from you. It is about understanding who your prospects are, demonstrating that you care about their well-being, and showing them that you have the expertise to help them solve their problems.
- 4) **Demonstrating your passion** - Selling is about sharing things we are passionate about with others who might benefit. If you go see a fantastic movie, you tell everyone you know that they absolutely must see it. That is selling. In the same way, when you sell your services, you must speak with a passion that shows you love what you do and believe in yourself and the results you get for clients.
- 5) **Putting your prospect or client's best interests first** - Your prospects and clients come to you for advice, so it is up to you to provide them with the best advice you can give.
- 6) **Providing excellent service** - That means being an expert in your niche area. You need to be courteous, friendly, and concerned with your client's wants and needs. You need to know the soft stuff like how to uncover what's holding them back from solving their problems, how to make them feel comfortable with making a purchasing decision, and what it takes to make your interactions with them as smooth as possible.
- 7) **Keep in touch** - Finally, once you have completed the transaction, you must keep in touch and ask for referrals.

Marketing is not something you do once. It is something you must do on a continual basis. Think of marketing as the "eating right and exercising" part of your business. Just as you can't eat an apple or go to the gym once and expect to drop 10 pounds of fat, tone all your muscles, and gain energy, you can't do any marketing activity once and expect incredible results. This guide will help you devise a monthly marketing plan that will help your business get into shape - and stay there.

## CHAPTER

## 2

## Step 1: Setting Goals

The first step to creating a successful marketing plan is to define your goals. Goals help you clarify who you are and where you see your business in the future. In Brian Tracy's book, *Goals*, he writes "*The number one reason for failure is action without planning. People who say that they are too busy to plan in advance must be prepared for unnecessary mistakes and great losses of time, money, and energy.*"

To most people, goal setting is one of the fluffier aspects of marketing. They'd prefer to get to the hands-on stuff like advertising, creating a website, or sending out newsletters. So why take the time to set goals?

The main reason to establish goals is to clarify exactly what you want and how to make that happen. If you were planning a vacation, you would first look at destinations. Once you were clear where you wanted to go, you could then plan how to get there (air, car, train, bus, etc.), where to stay (friends, hotel, motel, cruise ship, etc.), and activities you might do (swimming, camping, amusement parks, etc.). Business goal setting is similar. If you don't know where you want to go, you will never be able to plan how to get there.

### What Types of Goals Should You Set?

The goals you set for yourself will be highly personal, based on what you want to do, have, and be. There isn't a right or wrong answer here. After all, one reason you went into business for yourself was for the freedom. Now it is up to you to mold your future the way you want. Here are some questions to get you started.

#### Personal Business Goals

- What are your strengths?
- What do you love most about your business or industry?
- Which areas do you enjoy the most? Why?
- Which areas do you prefer not to do? Why?
- Which areas do you have the most experience in?
- What types of people would you like to work with?
- Describe your perfect work life five years from now. Where do you see yourself? What are you doing? Who are you working with? How much are you making?

## Firm Goals

- What is the mission of your firm? The vision?
- What are your short- and long-term goals?
- Are you looking to grow and expand the firm, or do you prefer to work alone?
- Describe where you would like your business to be five years from now. How many clients does it have? How many employees? What kinds of work does it do? How much revenue does it bring in? What kinds of people work there? What's a typical day like?

## Lifestyle Goals

- How will you balance your life with work?
- How many days of vacation will you take?
- What activities give you the greatest sense of meaning and purpose?
- What do you currently think and/or talk about most of the time - either what you want or what you don't want?
- What's the one thing you have always wished you could have done? What's stopping you from doing it?
- If you won the lottery next week, what would you do now that money is no object?
- Describe what your ideal life will look like five years from now. How much will you be worth? What will your family life be like? Where will you live? What kind of car will you drive? What organizations will you work with or contribute to? What causes will you support? How will you look and feel physically?

## Setting SMART Goals

The best goals you can set for yourself are SMART goals. SMART stands for specific, measurable, achievable, realistic and timely.

### *Specific*

Specific is the what, why and how of your goal. What is it that you would like to achieve? Why is this important to you at this time? And how are you going to do it? Some examples are that:

- I'm going to lose the 5 pounds I put on over the holidays over the next 60 days.
- I'm going to read 15 pages of a book each night.
- I will take on three new clients next month who plan to buy my services within 60 days.

## ***Measurable***

Measurable means you will know when you have achieved that goal. You know whether you lose 5 pounds or read 15 pages each day or bring in three new clients next month. You also know when you have made progress. Even if you only lose 2 pounds or gain two new clients, you can see that what you are doing is working.

Often, however, we set vague goals that are hard to quantify. We say things like:

- I want to bring in more money
- I want to spend more time with my family
- I want to remodel my kitchen
- I want to buy a new car

It is difficult to measure such goals because we don't have a clear vision of the outcome. What does "more money" mean? That could be \$1 or \$10,000 more. How do you want to "remodel your kitchen"? Perhaps you want to add a GE Monogram range, a built-in wall oven and marble countertops by the end of the year. What type of "new car" do you want to buy, and when would you like it?

## ***Achievable***

While you should set goals that push you to achieve, you don't want to set goals that are too far out of reach. If you make \$50,000 now, it is probably a stretch that you will make \$1 million next year. Nor could you lose 25 lbs over the next week just by dieting.

Instead, focus on things that you do feel you can achieve and that you are motivated to work toward. If you set goals that are too big, you often overwhelm yourself, and you defeat yourself before you can even get started.

## ***Realistic***

While we'd all like to bring about world peace or end global poverty, such tasks are much too big for one individual. Realistic goals mean that you can "do" them. For instance, you can help out at a local shelter for high-risk teens, donate to charity, or participate in your community soup kitchen. Those are all actions you could take that reduce the problems of violence or poverty within your community one person at a time.

Realistic doesn't mean "easy." Rather, it means that you believe that you can accomplish it with hard work and by taking specific steps toward the goal. You want to challenge yourself, but you don't want it to be so overwhelming that you throw your hands up in frustration and give up.

## ***Timely***

Many people never get around to doing something unless they have a deadline. Deadlines motivate us to get whatever it is done by a certain time. They also provide a means to make us accountable for our goals. For instance, you can make a deal with yourself, your significant other, or a friend that you will achieve your goal by this date - or else!

The "or else" will be up to you to establish. If you are motivated by rewards, indulge yourself by going to a nice restaurant or a luxury spa. If you are motivated by punishment, make a deal that you will donate money to a cause you don't support or that you must give up something if you don't meet the deadline.

That said, your deadline should be realistic and something you will be able to meet without stressing yourself out.

### **Exercise 2.1 - Set your goals.**

- ✓ *On the monthly marketing sheet in the back of this workbook or on a new sheet of paper in your journal, list of your top goals for each area of your life: personal, business, and lifestyle.*
- ✓ *For each goal, make it specific, measurable, achievable, realistic, and timely. These will be your measures of success.*
- ✓ *Highly Recommended: Read [Brian Tracy's Goals!: How to Get Everything You Want -- Faster Than You Ever Thought Possible](#)*

## CHAPTER

## 3

## Step 2: Identify Your Target Audience

Before you can start marketing to prospects, you have to know who you are marketing to. That means uncovering the types of people who are inclined to buy your service, what their motivations are for buying, and why they might buy from you or your competitors.

At any given point, only a small percentage of the population will have a need for your services. If you are a life coach to career changers, you want to target only those people thinking about changing careers or in the midst of that transition. If you are a divorce attorney, you only want to target those people thinking about or going through a divorce. If you are a real estate agent, you only want to target those people considering buying or selling a home in the near future.

Why? Because those people are the "low hanging fruit." They are the people who are most likely to buy your services at any given point. Everyone else will most likely find your message irrelevant to them or they will need an incredibly persuasive argument to think about hiring you - and chances are, if you have to convince someone to change their mind, you are wasting your money. A simple postcard or 30 second ad isn't going to cut it.

Numerous marketing studies have found that it usually takes 5-7 contacts with a prospect before they even start to remember who you are. Rarely is one type of marketing technique effective on its own, and while you will probably get a few inquiries by sending out your postcard to that many households, it won't be nearly as cost effective as if you chose a subset of those people and frequently marketed to them.

### What is a Target Market?

Let's start with the foundations. A market is a group of people

- who have a specific want or need for your product or service
- have the ability to buy your product or service
- are willing to buy your product or service

At this stage, however, we have no idea how to identify and market to those types of people in your market. That is where segmentation comes in. A market segment is a subgroup of people within your market that share common characteristics that make them identifiable.

If you don't know anything about the people who buy your services, where would you find them? You'd spend lots of time, effort and money marketing to everyone when only a tiny percentage would even see your message, and of those, only a smaller portion might buy from you. You'd spend much more money trying to acquire a client than you would make providing your services for them.

### ***Moving From Mass Marketing to Niche Marketing***

Often when I mention that small-business owners must narrow their focus and choose a target audience, I hear comments like "I need to cast as broad a net as possible" or "I don't want to turn anyone away." From their perspective, it just doesn't make sense to focus on a select group of people at the expense of everyone else.

This wasn't always the case. In the 1960s, for instance, it was much easier to reach virtually everyone. The average home received 5.7 TV channels. There were only 8,400 magazine titles, and 4,400 radio stations. As a marketer, you knew that if you were to advertise on TV during prime time, there was a good chance you would reach people likely to buy your product.

In today's marketplace, consumers have far more choices than ever before - and are overloaded with information. In 2004, the average home received 82.4 TV channels. There are 17,300 magazine titles, 13,500 radio stations, 25,000+ internet broadcast stations, and Google has indexed more than 8 billion web pages.

It is much more difficult to reach everyone that you would like to reach through TV, radio and print. And consumers today are exposed to so many messages that they've become pretty good at filtering out the irrelevant content from what they want to know. If an offer isn't directly relevant to them, they won't even notice it.

Marketers have learned they need better tactics for reaching consumers, so they've turned to segmenting markets to better understand how their clients and customers behave. Unless you are a Fortune 100 company, you will never have the marketing budget to reach everyone you would like to reach - and even they choose segments to market to because if what they say isn't relevant, consumers just turn the channel, turn the page, or click away from their website.

The real question is how can you reach prospects on an affordable budget? The answer lies in:

- picking a narrow target audience
- focusing solely on them to understand their needs, concerns, motivations, and behaviors
- presenting yourself as a specialist in that area

In this age of choice, people don't want generalists. They want people who have worked with people just like them, who understand their specific problems and concerns, and can tailor a solution to fit their needs.

When you narrow your focus, you can think like your prospect might. You can assess what their concerns might be and offer a tip sheet, free guide, or seminar to further address their concern. You also will do better at predicting what media channels - advertising, website, postcards, sales letters, mailers, email, etc. - you should use to reach them.

If you don't have a clear picture of who you would like to target, your marketing efforts are more "hope and pray" than strategic. Instead of speaking directly to a highly specific group of people, you speak to no one. And speaking to no one usually means you will get no responses. People have better things to do than read your ad. If it is not relevant to their life at that moment, they won't take notice. And if they don't notice, they won't remember you, and you have just wasted your money.

### ***How To Choose a Target Market***

What makes a good target market? The best target markets are:

- **Easy to reach** - Your target market should be easy to reach by some means. If your target is based on a demographic, look for trade shows, mailing lists, publications, associations, and other media targeted at this group. Sometimes people have great ideas for prospects they'd like to target, but the group is virtually impossible to reach. If you can't find any type of organization that caters specifically to these people, odds are that it isn't a good target.
  - What organizations do they belong to?
  - What events do they attend (networking, conferences, workshops, religious activities, charities)?
  - What do they read (magazines, newsletters, websites)?
  - What do they do for fun (cooking, gardening, sports, video games, traveling, etc.)?
  - What TV shows do they watch?
- **Small enough to be manageable** - If you plan to send mailings to a select group of people, try to keep your list relatively small (between 500-3000 names) at first. Start small and as you pick up new clients, slowly expand your target market. Keep in

mind that it is much better to reach fewer people on a consistent basis (10-12 times per year) than it is to reach more people less often. Taking that into consideration, how much can you afford initially?

- **Fit with your personality and strengths** - Your ideal target market will value the strengths you bring to the transaction. Look for a target market that you are passionate about working with and that fits with your strengths. What knowledge, skills and talents do you have, and which market segments would find them most valuable?
- **Profitable** - How can you tell if a market segment will be profitable? Start researching your competition. Who else serves a similar target audience? What types of products and services do they offer? How fast have they grown? Have they won any awards for "fast growth" in your area? Check out their websites or browse through "best of" lists at your local Chamber of Commerce. Look at the trends. Does it look like you can make money with this target?
- **Underserved** - To be successful, you need to pick a target that isn't being served to capacity by your competitors. Look for specific types of clients who can't seem to find the right solution to their problems. Then analyze why the current solutions on the market don't address their concerns. Finally, create a solution that solves the problems these specific types of people have better or faster than your competition.

### **Exercise 3.1 - Define your target market.**

- ✓ *Take out a piece of paper and describe your target market (demographics, interests, hobbies, etc.).*
- ✓ *Where can you find them? What organizations do they belong to? What publications do they read? Which websites and blogs do they visit? Which social networks do they participate in? Which conferences do they attend?*
- ✓ *Describe the main problem they are having that you can solve.*
- ✓ *List what strengths, passions and expertise of yours this group would find most valuable.*

## Identify Your Ideal Clients

The final step in choosing a target market is to narrow your target audience even further. Not everyone in your target market will be a friendly, considerate client. In this step, you should identify characteristics of the types of people you enjoy working with. This will be your niche.

By identifying and clarifying the characteristics of your ideal clients, you will define the types of people who make your work purposeful and a pleasure to serve. Why would you want to do business with people who clash with your personality, always complain about something, or suck the energy out of you?

If you have been in business long, I'm sure you have worked with one or two people who made your life miserable. They are usually clients that always seem to change their minds and forget to tell you - but expect you to know anyway. They nitpick and micromanage rather than let you do your job. They never take your suggestions, yet blame you when things go wrong. Sometimes, it is a personality clash. Other times, it is internal politics at play. Or maybe they are just unhappy people who like to complain - who knows? Regardless of their situation, you shouldn't have to deal with clients who make you miserable.

### *How can you identify your ideal clients?*

- 1) Start with those people you are currently working with or have worked with in the past. What did you enjoy most about working with them? What qualities and personality traits do you value most? For example here are some characteristics you might consider:
  - **Action Oriented** - They are constantly looking for ideas to implement now. Once they make a decision, they follow through, look at the results and learn from the experience.
  - **Collaborative** - They like focusing on and collaborating with others to find a solution. They don't want to be cut out of the process, but genuinely want to hear suggestions you offer.
  - **Focused** - They have some idea of the goals they'd like to achieve or the problems they wish to solve. They have made a list of characteristics that are "musts" and others that are "deal breakers."
  - **Inquisitive** - They know that the most meaningful question they can ask is "why?" They look to learn as much as possible from their successes and

failures. If something doesn't work, they look at why not rather than scrapping it for something else.

- **Resilient** - They know that solving their problem can take time and that there will be ebbs and flows. They view setbacks as challenges and bounce back quickly.

- 2) Next, look at your strengths and passions. Look through the subgroups you have identified as potential target markets. Which fit the best with your mission and purpose in life?

It is your business. You can choose whether you want to work for people you dislike and providing services you find dull and boring. Or you can choose to partner with clients who are a pleasure to serve and make life interesting every day. Which will you choose?

### **Exercise 3.2 - Define your ideal clients.**

- ✓ *Describe the characteristics of your ideal clients. How would you describe your ideal client to someone who is in a position to refer business to you? Who would make the best client for your services?*

## CHAPTER

## 4

## Step 3: Create a Marketing Message

When your prospect is considering doing business with you, the single most important question he wants answered is "Why should I choose you to help me solve my problem over every other option out there?"

Most small-business owners don't have a good answer. They may mumble something about "quality service" and "affordable prices" but in their heads, they are thinking "There isn't much of a difference. We all offer a similar level and quality of service. We have similar pricing structures and we are all equally competent and accessible."

That is the absolute worst answer you can possibly give. And it tends to come up because small-business owners see themselves as transaction sellers or offering commodity services rather than consultants who provide valuable knowledge and expertise.

The problem with this line of thinking is that if there is no difference between you and everyone else, the only thing your prospects will consider you on then is price. And there is no way they'll pay you a premium when the guy down the street will charge them only half your fee.

The good news is that there almost always is a meaningful way to differentiate yourself from your competitors. After all, no one else has your specific set of strengths, skills, and life experiences. You just have to discover which of those is most meaningful to your target audience.

Before I continue, let me make it very clear that neither your logo nor your tagline differentiate you from your competitors.

It doesn't matter how clever your tagline is. It doesn't matter that you are the life coach with the red hat or the small-business with the inflatable clown out in front. Those are gimmicks. I'm talking about meaningfully differentiating yourself from other businesses.

## How Can You Meaningfully Differentiate Yourself From Other Businesses?

If you really want to set yourself apart from your competitors, you need something that will make your prospects sit up and take notice - and that will influence and motivate them to hire you. A red hat may get you noticed, but what in the world does that have to do with offering a valuable service your clients want? It doesn't tell your target audience that you have the skills, knowledge, and expertise to get the job done. In other words, it doesn't instill confidence that you know your market and industry inside and out.

To be meaningful, your differentiating factor must be:

- 1) **Specific to a target audience** - You have to pick a target audience and craft your message based on their preferences. If you have multiple target audiences, you will have to craft a different marketing message for each.
- 2) **In line with your strengths** - You have to be better than most - preferably all - of your competitors in something that is meaningful to your target audience.

### *How To Create Your Unique Selling Proposition (USP)*

"Why should I choose you?" It is the question in the mind of each prospect who talks with you. How do you differ from other small-businesses, and why will that difference help your prospect solve their problem better/faster/cheaper? This is what marketers call a Unique Selling Proposition (USP).

Your USP should include:

- who your target audience is
- what you will do for them
- why that is different from what others are offering
- why that solution matters to your target audience

Your USP should be based on your strengths, passions, talents and skills. How does what you bring to the interaction help your target audience? Look at what your target audience values most - and what their top concerns and fears are - and address those concerns in your USP.

If you are a financial planner with 25 years of experience helping a certain type of client, mention that. If you are a lawyer that specializes in nursing home abuse cases and have helped over 20 elderly patients recover damages in the last 5 years, mention that. If you offer a solid guarantee - such as a double your money back - mention that.

For a USP to be successful, it must also address the key concerns of your target audience. You aren't meaningfully differentiating yourself from your competitors because you wear a trendy new tie each day, love animals, or have a cool stock photo in all your advertisements. Rather, your USP should explain why you are the best professional for the job based on your background, experience, passions, skills, and knowledge.

Your USP is dependent on your target audience. You will never be everything to everyone - but you can be the best solution for a niche group of people - and that is what you should strive for.

Also note that you must be able to do what you say. If you can't, you don't have a USP, you have a gimmick. Gimmicks may work during the short term, but as soon as clients find out that you can't deliver on what you say, they'll leave - and probably tell a number of people about your shoddy service.

#### **Exercise 4.1 - Create your USP.**

- ✓ *Label column 1 "Problems," column 2 "Solution," and column 3 "Benefits of Solution."*
- ✓ *Brainstorm as many problems you can think of that your target market is having. Write that in column 1.*
- ✓ *For each problem, write your solution. How do you solve this problem for clients?*
- ✓ *Translate each solution into benefits. How does your solution enhance your client's life? What are the emotional benefits?*
- ✓ *Create your USP from the most compelling emotional benefit you provide. Why should your prospects choose your solution over all the other options available to them?*

## **How To Create Your 15-Second Elevator Pitch**

Now it is time to put your USP into a clear, concise statement that you can use as a reply to the question whenever someone asks, "What do you do for a living?"

Do you have a clear, concise answer that sparks conversation? Unfortunately, most small-business owners miss their opportunity by answering with a standard "I'm a fill-in-the-blank (real estate agent, life coach, defense attorney, IT consultant, web designer. ...)"

What's the problem with that answer? It doesn't clearly identify what it is that you do and why that is beneficial to them. To you, being a "real estate agent" or a "defense attorney" or an "internet marketer" means certain things.

Your prospects, however, probably don't think of your profession in the same light. After all, they are influenced by the media, their own perceptions, and those of family and friends. It is entirely possible you are talking with someone who doesn't see any value in what you do - or is thinking about the bad advice another "consultant" gave a friend or that the neighbor kid offers "web design" services for incredibly cheap.

A better answer is to state the following:

I help \_\_\_\_\_ *describe your prospect* \_\_\_\_\_  
Who are struggling/having problems with \_\_\_\_\_ *your target audience's key problem* \_\_\_\_\_  
To achieve/get \_\_\_\_\_ *the specific result they will receive by working with you* \_\_\_\_\_  
In/With/Without \_\_\_\_\_ *a convenience they get* \_\_\_\_\_.  
Do you know anyone who \_\_\_\_\_ *recap the above statement* \_\_\_\_\_?

For instance:

- I help single women who are struggling to obtain financing for their first home to achieve their dream of home ownership in six months or less. Do you know any single women who might be looking to buy their first home quickly?
- I help overweight women who want to lose more than 20 pounds get rid of extra body fat in as little as 90 days without starvation diets or rigorous exercises. Do you know anyone who would like to lose 20 pounds quickly?
- I help chiropractors who struggle to attract new clients achieve a six-figure revenue without pushy sales techniques, cold calls, or compromising their values. Do you know any chiropractors who would like more clients?

Do you see the difference? Now, you are telling people exactly what you do, who you do it for, and why that is beneficial. Chances are, if they know someone who's in a situation like you are describing, they'll start talking about that person and the struggles that person has faced. You want to mention the problems because that is what people are thinking about.

**Exercise 4.2 - Create your 15-second elevator pitch.**

- ✓ *Answer the question, "What do you do for a living?"*
- ✓ *Practice your response until it sounds natural.*
- ✓ *Attend a networking event and deliver your elevator pitch to at least 10 prospects. How do they respond?*

## CHAPTER

## 5

## Step 4: Attract Prospects with Education-Based Marketing

Many small-business owners make the mistake of believing that all it takes is one marketing piece delivered with the right message at the right time to produce a client. So they focus on advertising or mailing postcards or sending newsletters. With each piece they send, they take a "hope and pray" strategy - they "hope" that this time they'll get lucky and "pray" that prospects will flood them with calls.

In today's marketplace, this is rarely effective. Yes, you may generate a client here or there, but your results will always be sporadic. Why? Because for marketing to work, every interaction you have with a prospect - each ad, marketing piece, or direct contact - must be part of a cohesive strategy that helps them take the next step in their buying process.

### The Client Buying Process

If you sell a high priced service, chances are, there are very few people who decide on the spur of the moment that today is the perfect day to hire a life coach/web designer/real estate agent/ defense attorney/etc.

Hiring someone to do something for you isn't as easy a decision as, say, buying a magazine or candy bar while in line at the supermarket. It is not an impulse buy. In fact, all buyers go through a process where they:

- **Become aware** that they have a problem.
- **Gather information** about what might be causing the problem, who else has had a similar problem, what they did to solve their problems, what options are available, how to evaluate what the best solution is for them, and so on.
- **Evaluate** the different options they've found such as talking with colleagues and family members, asking for referrals, reading whitepapers and case studies, going to seminars, talking to vendors, etc.
- **Take the action** they've been thinking about, which includes hiring someone to help or doing it themselves, budgeting their project, doing what it takes to move the

project forward.

- **Re-evaluate** their purchasing decision such as whether they've made the right decision to move, how helpful the professionals they hired were, and how the solution meets their expectations.

Most small-business owners only want to talk with people who are ready to take action now - that is, in the fourth step. At this stage, though, your prospect already has had time to research his or her problem and has formed all sorts of options and preconceptions about what the solution should be like.

They have already been educated by the media, your competitors, their colleagues and just about everyone else they know who has an opinion on how to solve their problem. You must now correct all their misconceptions and overcome their objections based on what they think they already know.

A better approach to marketing starts when your prospect is initially gathering information. If you can get in front of them and start educating them at that point, you will have a much easier time converting your prospect into a client.

### ***Developing Education-Based Marketing***

At the "information gathering" stage, prospects have become aware they have a problem and start looking for solutions. Something has triggered their desire to find a solution.

Now, prospects are looking for any and all advice they can get from trusted sources. They pick up books at their local bookstore. They search internet sites for information on what to do about this particular problem, which vendors they need to contact, what they can expect a solution to cost, and so on. They ask friends and coworkers how they solved a similar problem.

Why is the information gathering stage so powerful? Because at this stage, prospects realize there is a gap in their knowledge that is holding them back. They aren't ready to make a decision because they don't know which solution is best. But they are willing to learn and therefore, devour everything they see that is related to their problem. It is at this stage that they start to become receptive to your marketing message.

It is now the time to start building rapport with prospects and demonstrate your expertise. You can do this through a number of prospecting ways - sending informative articles, offering a comprehensive free guide about a specific problem, blogging about common problems in their industry, or conducting seminars and teleseminars.

Notice that everything listed here focuses on educating prospects, not selling them on hiring you nor telling them about how you are the No. 1 professional for the job nor

sending them irrelevant marketing messages like clever postcards with catchy cartoons on them. This stage is about educating prospects about their problem and ways to solve it - that is, helping your prospects fill the education gap so they feel comfortable making an informed decision about hiring a vendor to help them.

It is also at this stage where most of your prospects will get stuck and choose to quit the buying process. Why? Because it seems overwhelming to continue. And overwhelmed or confused prospects don't take action.

There's so much information out there. How do they know which sources to trust? How do they know that this is the way things are done? How do they know what to do next? If your marketing materials aren't set up to guide them through this process and encourage them to take the next step, they never will.

Now, you may ask - why bother with this stage? If they aren't yet ready to buy, why would I want them contacting me? The answer is that if you are on their radar at this stage, it is quite likely that if they choose to move forward and buy, you will be a strong consideration.

Why? Because most people only contact a handful of vendors when they are ready to evaluate solutions. They just don't have time to contact everyone, so they create a shortlist of vendors they are considering working with. That shortlist will be made up of companies they found during their information search - and who impressed them in some way (a referral, a helpful piece of information, friendly customer service, etc.).

If you spend all your time focusing on those people who are ready to hire someone now - rather than those who are still trying to figure out their best options to take - you will miss out because you are not in front of your prospects when they are evaluating their solutions.

You will also differentiate yourself from your competitors because you realize the value of educating your prospects. While your competitors simply look to what others are doing to market themselves, you will be focused on addressing the concerns of their target audience and providing compelling and helpful information. Which do you think the prospect is more likely to notice - your timely, informative information or a generic message? And whom do you think your prospect is more likely to call?

Your marketing strategy must match how your prospect buys. This is where most small-business owners get it wrong. They advertise, mail postcards, or put up websites hoping that someone will take notice and call them for business.

**Exercise 5.1 - Creating education-based marketing materials.**

- ✓ *List your target audience's top 3 concerns.*
- ✓ *What types of educational information will you offer them that address those concerns?*
- ✓ *(Examples include: books, ebooks, audio cds, DVDs, workbooks, public seminars, teleseminars, newsletters, etc.)*
- ✓ *How will you market your educational materials?*

***Prospecting : Ask For the Next Step - But Don't Make It Too Big***

During the first two stages of the buying process (awareness and information gathering), prospects are slowly becoming aware that they may want to fix their problem and start looking for information. During this time, you should be actively prospecting to them.

What is prospecting? It is everything you do to search for potential clients and get them to take notice. That means sending mail, cold calling, networking, email, offering free guides, holding seminars, distributing fliers and so on.

During the prospecting process, focus on marketing to your ideal clients by educating them about your services so they think of you first when they are ready to choose a vendor to help them.

Realize that the earlier in their buying process you reach them, the less likely they will be ready to call for a consultation. When most people hear "free, no obligations consultations," they think high-pressure sales close - and believe me, no one wants to listen to a high-pressure sales pitch. In fact, most people avoid it like the plague, if they can help it. So, what you need to do is build rapport through a variety of communications and demonstrate to them that you don't work in that way.

At this stage, what might prospects be willing to do?

- they might visit your website
- they might request a free guide
- they might join your email list
- they might listen to your podcast
- they might read your blog

- they might read an article you wrote
- they might attend a seminar you are holding

Each of these steps is less risky than calling you and allows prospects to learn a bit more about who you are, what you have done, and how you can help them.

Seth Godin, the father of permission marketing, wrote a fantastic book on Permission Marketing. He explains the concept in this [Fast Company article](#).

*"Marketing is a contest for people's attention. Thirty years ago, people gave you their attention if you simply asked for it. You'd interrupt their TV program, and they'd listen to what you had to say. You'd put a billboard on the highway, and they'd look at it. That is not true anymore. This year, the average consumer will see or hear 1 million marketing messages - that is almost 3,000 per day. No human being can pay attention to 3,000 messages every day."*

*"The interruption model is extremely effective when there is not an overflow of interruptions. If you tap someone on the shoulder at church, you are going to get that person's attention. But there is too much going on in our lives for us to enjoy being interrupted anymore. So our natural response is to ignore the interruptions. ..."*

*"Interruption marketing is giving way to a new model that I call permission marketing. The challenge for companies is to persuade consumers to raise their hands - to volunteer their attention. You tell consumers a little something about your company and its products, they tell you a little something about themselves, you tell them a little more, they tell you a little more - and over time, you create a mutually beneficial learning relationship. Permission marketing is marketing without interruptions."*

*"You still have to get people's attention in the first place, of course, and that still costs lots of money. But that is the beginning of the story, not the end. You have to turn attention into permission, permission into learning, and learning into trust. Then you can get consumers to change their behavior."*

In other words, when you ask permission to contact them, you immediately show your prospects that you respect their opinions. Too often, small-business owners try to interrupt their prospects by sending mail, which takes time out of their day to read, or by running print ads, which interrupt how they read their magazine or newspaper, or by advertising on TV, which interrupts their TV show. Then they assume that should be enough to make prospects want to contact them.

With permission marketing, you assume that one contact isn't enough and build your marketing system around building a relationship with prospects. However, now you have

gotten their attention. They have raised their hands and told you they are interested - but may not be quite ready to buy - but are OK with you sending them more information.

Do you see the difference? When we ask for correspondence, we are much happier about receiving it. When we don't, we view it as a nuisance to get rid of. For telemarketing, we ask to join the Do Not Call list. For email, we opt out or block the sender's email address. Yet, most of us love to buy - especially if we see something we must have. We want to learn more about it - which is best for us, how we can get the best deal, common mistakes people make when buying, etc.

Your prospects don't have the time or attention to read every piece of information - articles, advertising, mail, email, websites, books - that are out there. They filter out stuff that isn't relevant. They throw out or delete the stuff that has the gall to annoy or irritate them. So when you send them unwanted email or direct mail, you fall into this category. But when they tell you they are interested and grant you permission to continue marketing to them, then they are far more receptive.

Now you might be asking, will prospects actually grant me permission to contact them? Yes, they will - if you offer information that is valuable to them and specific to their wants, needs and concerns. Generic stuff won't cut it. If they can get the same information from you that all your competitors also offer for free, your stuff won't be perceived as valuable.

### **Exercise 5.2 - Promoting your education-based marketing materials.**

- ✓ *Which publications will you advertise in?*
- ✓ *What mail will you send? To what list? How often?*
- ✓ *What information will you include on your website?*
- ✓ *How will you market online? (which newsletters and websites will you advertise in, will you run your own e-newsletter, will you use pay-per-click advertising, will you blog, etc.)*
- ✓ *What's the next step in the marketing process you would like them to take? How will you get permission to follow up? (For example, subscribe to a newsletter, invite to a seminar or teleseminar, offer another report, etc.)*

## ***Lead Nurturing and Follow Up***

Once your prospects have given you their contact information and permission to keep in touch, the ball is in your court. Now, it is up to you to build rapport with them by offering valuable information that educates them and guides them through the fundamentals of how to solve their problem.

This stage is about demonstrating your expertise while starting to build a relationship with them. The goal for this stage is to position yourself as a good fit for their needs when they decide the time is right to contact a vendor.

Keep in mind that prospects in this stage are in the information-gathering process so this can take awhile - but don't give up on them! Just because they aren't yet ready to buy doesn't mean that they won't be ready sometime in the future.

It never ceases to amaze me how many people would rather give up on these prospects - who are close to buying - in favor of mass marketing because they think someone out there somewhere might be looking for your services.

Prospects who have given you permission to market to them are a much more targeted group of candidates for your services. These people have already raised their hand to let you know they were interested. They have already told you they'd like more information. Why would you quit now?

Yet so many business owners do because they don't get that instant gratification of an immediate client.

The failure to follow up with leads is costing you big bucks! Sales studies show that 70 percent of leads aren't followed up with regularly. In order to reach these prospects consistently, you must have a follow-up system in place.

Put yourself in your prospect's mind. Hiring a professional is a big decision for most people, so not only must your prospect understand what his/her problem is and what the best solution might be, he/she will also want to know:

- Is this vendor credible?
- Can he/she do what he/she says?
- Can I afford his/her fees?
- Is there another vendor who can do the job better?
- Can I trust this vendor?

It is your job to convince your prospects that you can do what you say you can - and that is what you need to prove in this stage.

**Exercise 5.3 - Following up with prospects.**

- ✓ *How will you keep track of prospects who give you permission? (For example, contact management software, email service provider, Microsoft Outlook contacts)*
- ✓ *What topics can you write articles/newsletters about over the next 12 months to keep in touch with those who give you permission? Schedule them in your calendar.*

## ***Sales***

When a prospect contacts you, how do you determine whether this person is ready to do business with you - or is just looking for information? Not all people who contact you are ready to buy. You need a system in place to help you decide whether your prospect is ready to buy, if they are still in the information-gathering stage, or if they are just a bad fit for you.

For each phone call or email you receive, you must determine:

- Who is contacting you?
- How did they find you (so you can keep track of your marketing ROI)?
- What stage of the decision-making process are they in?
- Are they qualified to do business with you?

The next step is to classify each contact based on how good of a prospect he/she is at this time. Generally, most people who contact you will fall into one of the following categories:

- **Inquiry:** When people contact you in any way - via phone, email, website, etc - they are making an inquiry. They want to know more about you and whether you can help them. Here, you know nothing about them, while they know at least enough information to contact you. At this stage, you have no idea if they have a problem you can solve and can/will pay your fees to hire you.
- **Lead:** Inquiries become leads when you pre-qualify them. This is the basic information you need to know to determine whether this prospect is worth setting up a phone or face-to-face consultation. If they are still in the information gathering process, you should get permission to add them to your mailing list and/or offer to send them free information - thus adding them to your follow-up system.

- **Qualified Lead:** Leads become "qualified" if they meet your criteria for your ideal prospect. Are they ready and motivated to buy? Are they the sole decision maker(s)? (If not, who is?) Do they have a set time frame and budget? Some questions you might ask:
- Does the inquirer have a specific need for your solution?
  - Does the inquirer understand the value of your solution?
  - Does the inquirer seem similar to others who have bought from you?
  - Are they a decision maker? (If not, who is?)
  - What is their time frame for purchasing?
  - Do they have a budget for the project?
  - Is the size of the opportunity worth your time and effort?
  - Are they ready to speak to someone at your firm?

Keep in mind - just because someone isn't yet a qualified lead doesn't mean you should discard their information. Rather, you should put them back into your follow-up system so that when the time comes and they do become a qualified lead, they think of contacting you first.

Once a lead has been qualified, the "sales" stage begins - meaning that it is now time to meet your prospect to evaluate whether you and he/she are a good fit. Sales is the stage where you:

- ask questions to try to uncover your buyer's priorities and concerns
- listen to what your prospect says
- clearly explain your process and methodology for working with them
- clearly explain how you are different from your competitors
- clearly explain why you are worth your fee
- handle any objections your prospect may have
- get your prospect to sign a contract to do business with you

#### **Exercise 5.4 - Defining leads.**

- ✓ *How will you define a qualified lead?*
- ✓ *What questions will you ask to qualify your lead?*
- ✓ *Highly Recommended: Read Bob Bly's [Selling Your Services: Proven Strategies For Getting Clients To Hire You \(or Your Firm\)](#)*

## ***Working Relationship***

Finally, convincing a prospect to hire you is only the beginning of the process. Once the deal has been closed, the working relationship begins. Now, your task is to manage expectations and keep your client happy until the work is complete. You can evaluate how well you have done by giving client satisfaction surveys, conducting interviews, and asking for referrals.

Your marketing process will work best to attract new clients when it is in parallel with your prospects' buying process. This means that each communication you have with prospects should encourage them to take the next step in their buying process. To do so, you must think about how different types of prospects would go about purchasing your services, and adjust your marketing and sales processes accordingly.

### **Exercise 5.5 - Anticipating obstacles.**

- ✓ *Take out a piece of paper and draw 3 columns. In column 1, write the question "What might stop you?" In column 2, write the question "How can you solve this?" In column 3, write the word "Deadline." Now, answer these questions: What might stop you from doing the tasks in the previous exercises? How can you make sure you do complete the tasks? What is your deadline for solving this problem? An example is provided below.*

### **Example:**

<b>What might stop you?</b>	<b>How can you solve this?</b>	<b>Deadline</b>
I don't have a website.	Research web designers online. Select 3 firms and call about their services.	5/1/2008
I'm not good at writing.	Hire a ghostwriter/editor on elance.com to write a guide.	6/1/2008
I don't know what to write about.	For 1 week, write down all questions prospects. Then organize those questions into topics for a guide or report.	6/14/2008
My advertising hasn't gotten any results. I don't know what's wrong.	Research top advertising books online. Buy 2 highly recommended ones and read them.	7/1/2008

## CHAPTER

## 6

## Step 5: Develop a Referral System

Every business owner wants more referrals. Referrals are more-reliable prospects and clients. They are the cheapest to acquire and, generally, make the best clients because they are more loyal and tend not to second-guess you.

Many small-business owners say they get most of their business through referrals, yet the vast majority of them don't have a formal system in place for asking current and past clients for referrals.

Here are some tips for generating more referrals:

- **Describe what kind of referrals you want.** If you have done the exercise in Chapter 3, you should have a good idea of the types of clients you want to attract. When you ask for referrals, be sure to explain what you are looking for to others. Often, people don't refer others because they don't know what types of people you are looking for.
- **Be specific.** Bring up the value you have provided to them in your conversation, show them you care about their happiness and wellbeing, and help them think of possible people to refer to you. Ask them if they know any family, friends, neighbors, co-workers, vendors, suppliers, or colleagues who meet your criteria for ideal clients.
- **Set an expectation for referrals.** When you start working with clients, explain that you get the majority of your clients from referrals and that you expect when the job is completed and they see what a great job you have done for them, they'll refer others to you. Explain that this allows you to spend more time caring for and serving your clients rather than spending the bulk of your resources prospecting for clients through advertising and direct mail, as most small-businesses do.
- **Ask for referrals at celebratory moments.** Clients are most appreciative of your services when things have just gone extremely well for them. Use one of those opportunistic moments to ask for referrals - and follow up with a letter or email explaining that you do your business primarily by referrals and would they know of anyone they could refer.

- **Ask for referrals just after finishing a major milestone or the project.** You don't need to wait until your project is finished before asking for referrals. After major milestones are completed is a great time to ask away - especially if your client is already singing your praises. Be sure to explain how you will provide the same level of service they received from you to anyone they refer to you. Sending a gift basket or holding a congratulatory office party to celebrate will also get people talking about you.
- **Hold contests or give referral bonuses.** Give others an incentive to refer business to you by giving referral bonuses or holding contests. For instance, anyone who refers business to you will receive an entry in your contest to win an all expenses paid trip to Hawaii as well as smaller prizes like an iPod or even cash if your ethics board allows it. Or, you can give referral bonuses by partnering with local service providers - if someone refers three people who become your clients, you will pay for your personal accountant to do their taxes this year or a six-month gym membership to your local gym or three months of golf or cooking lessons or whatever your clients might like.
- **Hold client appreciation events.** Have an exclusive summer BBQ or a holiday Christmas party and invite your clients. Then, be the facilitator at your party by introducing people who might share common business goals or hobbies.
- **Send articles or "just thinking of you" gifts.** If you have worked with your clients for an extended period of time, you probably know some of their interests and hobbies. Next time you see an article in a magazine or a small gift they'll love, send it to them to keep in touch. They'll appreciate that you thought of them.
- **Partner with other professionals.** Create a group of like-minded professionals who also work with similar types of clients and create a referral network whereby you each send one another referrals.

In addition to getting lots of great referrals, the longer you keep in touch with your clients, the more likely they will be to contact you when they need your services again.

**Exercise 6.1 - Generate referrals.**

- ✓ *Which past clients have sent you referrals? How can you thank them? Keep in touch?*
- ✓ *Which business partners have sent you referrals? How can you thank them? Keep in touch?*
- ✓ *Who is likely to send you referrals, but hasn't yet (people you've asked, past clients who said they would but haven't)? How can ask them again?*
- ✓ *Highly Recommended: Read John Jantsch's [The Referral Engine: Teaching Your Business to Market Itself](#)*

## CHAPTER

## 7

## Step 6 - Your Monthly Marketing Plan

The next two pages contain a worksheet that will help you plan your marketing activities for the next month. For marketing to work, you must set SMART marketing goals (see step 1), commit to them and take small steps each day to accomplish those goals. You don't have to fill out every line, but plan to spend at least 15-20 minutes on your marketing each day and schedule activities accordingly.

The plan focuses on marketing to your referral partners and past clients because they will send you the best types of clients. This type of marketing is much more cost-effective than prospecting for new clients because these people already know and like you. The worksheet is comprised of the following sections.

**Goals:** Set goals for the month so you have a target to measure your success. Start off by describing what you hope to accomplish this month. Then, explain in specific terms, how you will measure success (getting X new prospects, adding X referral partners, making \$X by the end of the month).

**Referral Partner Marketing:** How can you keep in touch with your referral network so they send you referrals?

**Past Client Marketing:** How can you keep in touch with past clients so they send you referrals?

**Prospecting:** How can you find new clients to serve?

**Other Activities:** What else can you do to market your services?

**Marketing Plan for \_\_\_\_\_ (Date)**

What do you hope to accomplish this month? \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Describe target audience: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Measures of success:**

Get \_\_\_\_\_ (#) of new prospects [\_\_\_\_\_] (describe type)  
 Add \_\_\_\_\_ (#) of contacts to my referral network  
 Make \$\_\_\_\_\_ by \_\_\_\_\_ (describe activity)  
 Other measure: \_\_\_\_\_ (describe measure)

**Referral Network Action Plan:**

1. I will attend the following events:  
 \_\_\_\_\_ (event) on \_\_\_\_\_ (date)  
 \_\_\_\_\_ (event) on \_\_\_\_\_ (date)  
 \_\_\_\_\_ (event) on \_\_\_\_\_ (date)
  
2. I will contact the following people in my network:  
 \_\_\_\_\_ (person) on \_\_\_\_\_ (date) because  
 \_\_\_\_\_ (reason why)  
 \_\_\_\_\_ (person) on \_\_\_\_\_ (date) because  
 \_\_\_\_\_ (reason why)  
 \_\_\_\_\_ (person) on \_\_\_\_\_ (date) because  
 \_\_\_\_\_ (reason why)
  
3. I will meet the following people in person:  
 \_\_\_\_\_ (person) on \_\_\_\_\_ (date) because  
 \_\_\_\_\_ (reason why)  
 \_\_\_\_\_ (person) on \_\_\_\_\_ (date) because  
 \_\_\_\_\_ (reason why)  
 \_\_\_\_\_ (person) on \_\_\_\_\_ (date) because  
 \_\_\_\_\_ (reason why)
  
4. I will follow up with the following people by sending them information (articles, newspaper clippings):  
 \_\_\_\_\_ (person) on \_\_\_\_\_ (date):  
 \_\_\_\_\_ (what I'll send)  
 \_\_\_\_\_ (person) on \_\_\_\_\_ (date):  
 \_\_\_\_\_ (what I'll send)

**Past Client Action Plan:**

1. I will contact the following past clients:
  - \_\_\_\_\_ (person) on \_\_\_\_\_ (date) because \_\_\_\_\_ (reason why)
  - \_\_\_\_\_ (person) on \_\_\_\_\_ (date) because \_\_\_\_\_ (reason why)
  - \_\_\_\_\_ (person) on \_\_\_\_\_ (date) because \_\_\_\_\_ (reason why)
  
2. I will meet the following people in person:
  - \_\_\_\_\_ (person) on \_\_\_\_\_ (date) because \_\_\_\_\_ (reason why)
  - \_\_\_\_\_ (person) on \_\_\_\_\_ (date) because \_\_\_\_\_ (reason why)
  - \_\_\_\_\_ (person) on \_\_\_\_\_ (date) because \_\_\_\_\_ (reason why)

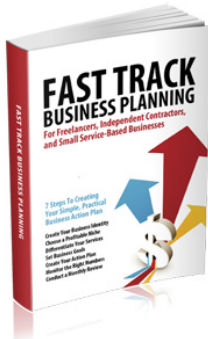
**Prospecting Action Plan:**

1. I will write an article on \_\_\_\_\_ (subject) by \_\_\_\_\_ (date) for \_\_\_\_\_ (publication/website).
2. I will speak on \_\_\_\_\_ (subject) for \_\_\_\_\_ (organization) by \_\_\_\_\_ (date).
3. I will write an article for my newsletter on \_\_\_\_\_ (subject) by \_\_\_\_\_ (date). I will send the newsletter by \_\_\_\_\_ (date).

**Other Activities:**

1. I will do \_\_\_\_\_ (activity) by \_\_\_\_\_ (date).
2. I will do \_\_\_\_\_ (activity) by \_\_\_\_\_ (date).
3. I will do \_\_\_\_\_ (activity) by \_\_\_\_\_ (date).

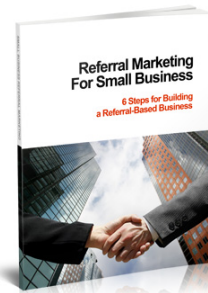
# Resources



## Fast Track Business Planning

Available at Amazon.com!

If you aren't looking to raise start-up capital or secure a bank loan, you don't need to write a 50-page business plan - nor is it a good use of your time. This book offers small business owners an alternative to the formal, overly complex business planning books and software on the market. **Buy now:** <http://amzn.to/business-planning>



## Referral Marketing for Small Business

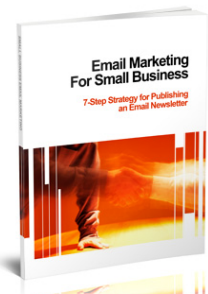
Learn how to create a systematic approach to generating referrals from clients and referral partners. Referrals reduce your sales cycle, offer great return on investment, and make prospects less price sensitive to your services. Discover the 6 steps for building a referral-based business. **Learn more:** <http://bit.ly/referral-marketing>



## Web Lead Generation for Small Business

Learn to use generate more leads from your small business website with this step-by-step guide. Discover how to convert web visitors into hot prospects who are eager to buy your products and services.

**Learn more:** <http://bit.ly/web-leads>



## Email Marketing for Small Business

Learn to use email marketing to convert more leads into clients with this step-by-step guide. Despite what you may have heard, email marketing isn't dead... in fact, it's still a great way to follow up with prospects, build credibility and trust, and convert lukewarm leads to hot prospects - if you do it correctly. This guide will show you how.

**Learn more:** <http://bit.ly/email-followup>



## Article Marketing for Small Business

Learn to use article marketing to drive free, targeted traffic to your website with this step-by-step guide. Article marketing is one of the easiest and most cost effective ways to drive targeted traffic to your website, build links in search engines and boost your website's search engine rank. It takes only a few minutes a day to reap the long-term benefits. **Learn more:** <http://bit.ly/article-writing>



## Beginner's Guide to Twitter

Learn to set up and use Twitter, build your network, monitor your competition and drive free, targeted traffic to your website with this step-by-step guide. If you've been thinking of getting started with Twitter but weren't sure where to start, The Beginner's Guide to Twitter is designed to get you up and running in just a few minutes. **Learn more:** <http://bit.ly/twitter-bizguide>

## About The Author



As founder of [Morningstar Marketing Coach LLC](#), Krista Baker has been creating and implementing marketing plans for professional services firms such as lawyers, consultants and real estate agents since 2000. She works with professionals who want to improve their marketing return-on-investment. Learn more about her [marketing coaching and consulting services](#).

In addition to her own writings, she also contributed to the initial research of Michael Port and Elizabeth Marshall's book, [The Contrarian Effect: Why It Pays \(Big\) to Take Typical Sales Advice and Do the Opposite](#).

Krista completed her MBA/MS at Temple University's Fox School of Business in 2004. She received a BA in the Biological Basis of Behavior and a minor in Psychology from the University of Pennsylvania in 1999. Her thesis involving research with Alzheimer's patients was published in the prestigious journal *Neuropsychologia*. She has also worked at the Children's Hospital of Philadelphia where she administered neuro-cognitive testing to patients receiving radiation treatment for brain tumors.