

## Growing your business

*You need a vision of what your goal is for your company*

**H**ard work, long hours — the keys to successful business growth — right? Wrong, says Terry Shepherd, CPA, MST, managing partner of Shepherd & Goldstein LLP.

“You need a vision of what your goal is for your business, then establish and implement systems and processes to reach it,” Shepherd says.

With more than 30 years of experience in business consultancy and certified public accounting, Shepherd has a strong background in helping clients grow and develop their companies to help achieve their business and quality-of-life goals. He offers the following four guideposts in growing a business:

- Win new customers.

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Terry Shepherd, CPA, MST,  
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& Goldstein LLP

- Increase the number of times they deal with you.
- Increase your average “transaction value.”
- Improve the effectiveness and processes within your business to achieve the preceding three.

The power of these four guideposts lies in their synergy. If you start out with 1,000 customers and increase each of the four categories by 10%, and assuming everything else is equal, it will have a multiplier effect of 33.3% on your businesses growth.

A business will win new customers if they perceive there’s something unique to differentiate it from competitors, according to Shepherd. A business’s unique characteristic should be used in all aspects of marketing.

However, it’s not just bringing in new customers. For a business to grow, it needs to keep the customers it already has.

“Most businesses will lose 20% of their customers annually; if they only replace this number, they’re not going to grow,” Shepherd explains.

In order to keep customers, a business needs to invest

its attention into universal systems and processes, as well as train team members to improve their interactions with customers.

“Every customer should have a good experience with every team member,” Shepherd says. He urges businesses to concentrate on providing service that goes above and beyond the norm. “If customers think you don’t care about them, they will go elsewhere. Make sure your customers feel valued and motivated to purchase from you.”

Some examples of how to make a customer feel valued include: collecting and following up on demographic information, sending regular mailings, establishing a loyalty program, and making follow-up calls to insure they are satisfied with their purchase.

Businesses should also invest in market research to find out more about customers’ needs and how they can be met.

“Go to your customers for feedback,” Shepherd advises. “Sit down and talk with a broad range of them and do the same with your team; develop performance standards.”

Another reason a business needs systems and processes in place is to increase the number and value of purchases by customers.

“Classify your customers into tiers,” Shepherd says. “Your best, those that have potential to become your best, and those you’d rather not deal with. Fire this last group; it frees your time to nurture the first two tiers.”

Growing revenue is sometimes simply a matter of raising prices. It sounds obvious, Shepherd points out, but many businesses are afraid they will lose customers if they raise prices. Studies have shown that people stop doing business with a company 68% of the time due to perceived indifference, that is the business doesn’t seem to care one way or another about the customer, and only 15% for both price and quality issues.

“If customers understand the benefits, they are likely to buy without overly considering price,” he says.

Lastly, once a plan for growth is in effect, Shepherd advises patience and consistency. “Give it time to work,” he says. “Resist the temptation to follow the new best thing.”