



Your Client's "Life-Time" Value
Chapter 14 from *25 More Winning Habits*
By Jerry Frentress

This is a test!

Since it is likely that twenty percent of your clients are responsible for eighty percent of your business, I am sure you have a working list of these valuable folks. Grab it, and let's go to work and build a value chart.

What does each client mean to you each month? Write down the sales or billing and then determine your commission. Your sales managers can do the same thing with your top company clients. The 80-20 rule works as a whole as well as for the parts.

Now, you know how much each client in the top twenty percent means to you each month. This is only a snapshot! What do they mean to your goals and income for the year? Now, we're talking some significant dollars.

Most sellers and sales managers stop here and it can be a huge mistake. I've found myself totally focused on today – this month – this year. I was successful in the present but I wasn't securing my client's loyalty for the future. Our view should be divided between today, this year and the potential for the years to come. We should be looking at the 'life-time' value of each client.

Is this a profession or a job for you? It's a job; you can stop here, because you are not looking that far out. If it's a profession, here's where you can separate yourself from the others calling on your clients. Stand out! Realize and quantify the value that each of these clients will have for you in the future. What's their value to you over the next two years? How about the next five years? Ten years? Multiply it out and count the dollars.

Does this change your perspective?

Winners focus on consistently meeting the needs of their clients today because of each client's potential "life-time" value.

Good Selling!

Jerry

Additional Comments:

After my book was published, I had the pleasure of speaking to the sales department at a local car dealership. During the meeting I asked them... "What am I worth to you?"

They didn't get it. After I prompted them several times, we came to the conclusion that I could buy 15 cars or trucks during my driving life-time. That's 15 commissions! They had never thought about someone coming back again and again. I then pointed out that I was married. "Do women buy cars?" I learned that 60% of their cars were being purchased by women. Hello! I'm up to influencing the purchase of 60 vehicles. Then I shared that my grown son lives in the market and he too is married. At last, we got to the point. Jerry's potential "life-time" value is 60+ vehicles.

Keep the Enemy Close

Chapter 6 from *25 More Winning Habits*

By Jerry Frentress

Quick, give me five strengths and five weaknesses for each of your competitors. Do you know your competition, their features, benefits and shortcomings?

In the first "Godfather" movie, the Don advised his sons to keep their friends close and their enemies even closer.

I don't want to insinuate that selling is like the world of organized crime. The world of sales is tough, hard work. You are competing every day with organizations that can be described as your enemy. They want what you want. They want it badly enough to work as hard as or harder than you to get it. They want the sale.

OK then, since this is a battle, do you think you should be prepared and knowledgeable about what your competitors will bring to the battlefield – I mean to your client?

One of the books I recommend to sales managers is *The Art of War* by Sun Tzu, as translated by Thomas Cleary.

Cleary writes: "The Art of War, compiled well over two thousand years ago by a mysterious Chinese warrior-philosopher, is still perhaps the most prestigious and influential book of strategy in the world today."

One of the many examples of (sales) strategy in the book stresses the advantage of carefully calculated action:

"Those who are skilled in combat do not become angered;
Those who are skilled at winning do not become afraid.
Thus, the wise win before they fight, while the ignorant fight to win."

Here's the wisdom. Win by knowing the competition inside and out before you engage in battle. Show your clients and customers that you are knowledgeable not only of your product or service but are also expert on the competition. As I said in my first book, *25 Winning Habits*, position yourself as a resource and consultant.

Establish a positive position. Clients and prospects dislike negative selling. If you are educated regarding the competition you can acknowledge their strengths and recognize the realities of their shortcomings compared to your product. You show fear of the competitor by degrading or bad-mouthing them. Don't do it!

Your clients and customers want YOU to be an informed professional and positive about your product and your competition. Develop the winning habit of keeping our enemy close and win before the fight.

Good Selling!

Jerry