

Strategy for Success

By Jim Palmer – The Newsletter Guru and Dream Business Coach

I want to share with you a strategy that I have used to become really profitable. After all, profitability defines success. You may offer a product or service about which you are more passionate than anyone else on the planet, but if you can't turn a profit and see bottom-line results, you won't be in business for very long, and you may end up working for someone else again, trading your precious hours for dollars.

Plus, if you find yourself coming out of an unemployment scenario (as I was), it is critical to get up and running *profitably* as quickly as possible!

Risk Reversal

Risk reversal is one of my all-time favorite profit-boosting strategies. When I coach entrepreneurs and small business owners, I always discuss the importance of risk reversal; however, it's critically important when you are starting your business.

When you are starting out, you really don't have a track record about which to boast to your prospects. Chances are also good that you have no testimonials yet. Your prospects have no reason to trust you, and skepticism is high on the list of reasons customers don't say yes to your product or service. Zig Ziglar always emphasized that one of the five main obstacles to a sale is the lack of trust.

Many entrepreneurs and business owners believe that prospects don't buy because of price. High price is *rarely* the reason a prospect doesn't buy even from a long-standing or well-established business. Customers don't buy from businesses that they don't know, like, and trust, and the best way to build trust is to reverse the risk.

You've probably had your own experience with warranties and know that the product will invariably stop working the day, week, or month after the warranty expires. Prospects will hesitate to buy because of that "what if" factor. What if it doesn't work? What if it doesn't deliver as promised? What if I'm not satisfied? It's up to you to eliminate that concern. And you can do that by reversing the risk. That is, you, as the business owner, assume all risk associated with the purchase of your product or service.

It's not good enough to offer a 30-, 60-, or 90-day warranty. Your prospect will still be worried about what happens if something goes wrong on the 91st day or even 120th day. If they're wondering about that, they're going to hesitate to buy, especially from someone running a relatively new or just-launched business. Make your guarantee ironclad and super strong, and you will show that you are completely confident in what you are offering.

When you are completely confident in your product or service, you have nothing to lose by offering a rock solid guarantee. Quite the opposite. You have everything to gain: more sales and higher profits.

I know that many business owners worry about being taken by offering a really strong guarantee, and honestly, I can't say that will *never* happen. However, I truly believe that 98 percent of your prospects will be and are honest. You will increase sales and boost your profits by catering to the 98 percent and not worrying about the two percent who might be looking for something for nothing.

Along those same lines, never overlook the lifetime value of your customers, clients, or patients. It is worth far, far more than the refund they may be seeking. Here's a great example of that:

I recently had this very experience with my cell phone carrier. While riding in the car, I couldn't get a signal, so I called the carrier and was told that all three of my lines showed that they were in signal range. Three? I had cancelled the third line almost two years prior, and now only had one for my wife and one for me. I queried the representative further and discovered that this third line had racked up \$200 in charges since the time I had cancelled it, and he had the documentation of my cancellation request! When he offered a paltry \$20 credit and explained that he wasn't authorized to do more, I asked to be connected with his manager or someone who did have extended authorization. She got on the line and up'd the credit to \$100. Before I go any further with this story, let me tell you that I had been a faithful customer to this carrier for more than a dozen years. I asked her to verify my contract expiration which was coming due in two months. With that information, I suggested that unless I was credited the full amount (generated by the vendor's admitted error!), I would terminate my relationship with them. She finally agreed, hopefully because she weighed the value of a \$200 credit against the value of my continued revenue.

Never overlook lifetime value!

The bottom line of this strategy: Offer quality and back it up. Leave no doubt in your prospect's mind that all of the risk is on you. And for goodness sake, make sure you clearly understand the lifetime value your customers, clients, or patients bring to your business or practice. Don't nickel and dime them over something trivial.



Jim Palmer is a marketing and business building expert and host of [Newsletter Guru TV](#) and [Stick Like Glue Radio](#). He is best known internationally as 'The Newsletter Guru' - the go-to resource for maximizing the profitability of customer relationships. Jim is the founder and President of Custom Newsletters, Inc., parent company of:

- No Hassle Newsletters
- No Hassle Social Media
- Concierge Print and Mail on Demand
- Success Advantage Publishing
- Custom Article Generator
- Double My Retention
- (MARS) The Magnetic Attraction and Retention Training Program